

# Opportunity for all

Seventh Annual Report 2005



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1. Top left: Time Together Project – p35
2. Top right: Bedlington Sure Start Centre – p14
3. Bottom left: Pension Credit – p43
4. Bottom right: Pecan ESF Project – p130



# Opportunity for all

## Seventh Annual Report 2005

Presented to Parliament by  
the Secretary of State for Work and Pensions  
by Command of Her Majesty  
October 2005

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## Foreword



We have made a clear and determined commitment to tackle poverty; to break the cycle of deprivation throughout peoples' lives; and to help build a society where no one is held back by disadvantage or lack of opportunity.

*Opportunity for all* is the measure of our intention and of our progress.

So it is very appropriate that this, the seventh *Opportunity for all* report, should be published on the International Day for the Eradication of Poverty, in a year that has seen an historic international effort to make extreme poverty part of global history.

But just as we have been striving to build hope for the future in other countries, so we have continued our determination to lift families out of dependency and tackle the gap in income, assets and aspiration here in the UK.

In the mid to late 1990s, the UK suffered higher child poverty than nearly all the other European nations. Over a period of 20 years, the proportion of children in relative poverty had more than doubled and, by 1997, one in five families had no one in work and one in every three babies born in Britain was born poor.

By supporting people in work and providing financial security for those who can't work, we have now lifted over 2 million children as well as nearly 2 million pensioners out of abject poverty.

Unemployment is at a near 30-year low and there are more people in jobs than ever before, providing for themselves and their families.

By investing over £17 billion on early years and childcare provision, including enabling around 400,000 young children and families in the most disadvantaged areas to benefit from over 500 Sure Start programmes, we are supporting parents in balancing their work with their family responsibilities and we are broadly on course to meet our target to reduce child poverty by a quarter as a first step towards our historic pledge to end child poverty by 2020.

Through our skills strategy, we are embedding the solid foundation of transferable skills which lead to the opportunity for new work and new types of work that help people progress throughout life. And by tackling discrimination and providing tailored support, we have increased the employment rate for disabled people and those from ethnic minority groups.

A foundation of economic stability combined with investment in the New Deals and Jobcentre Plus has made this possible – beginning to break down barriers to work for many who had previously been written off.

But as we face new challenges of globalisation and demographic change,

we must go further in breaking the vicious cycle of disadvantage which leads poor children to unemployment and inactivity during working life, and to poverty in retirement.

We need to help more people into work who in the past were all too often considered inactive. For most people, work is the best route out of poverty – it enables economic independence, prosperity and personal fulfilment.

And as well as tackling poverty today, we need to prevent future poverty tomorrow. This means that the support we provide people to build assets at both an individual and community level will be absolutely crucial. So we must go further in building financial inclusion and supporting new innovative programmes like Futurebuilders, which will work with voluntary and community sector organisations and support families in building inter-generational stepping stones out of poverty.

Greater financial inclusion will also help people to save for their retirement and enable them to live with dignity and comfort. Through the Pension Credit, we have made crucial progress in tackling poverty among today's pensioners – with figures from the Institute for Fiscal Studies showing that the UK is now in an unprecedented position where those in retirement are no more likely to be poor than the rest of society.

But despite this, there are still sections of society where much more needs to be done. Women in particular have found themselves the victims of a system largely based on a 1940s view of society, when their roles were very different and based on dependence on their husbands.

This has led to inequality not just in pensions but across society – and a special section in this report sets out our current programme to redress disadvantage.

The challenges we face today are not confined to these shores – and this year's report also focuses on the European dimension. The European Union as a whole must respond to rapid economic and social change, which is why we have put reform of the social model at the heart of the UK Presidency.

And a flourishing, fair society based on opportunity and choice for everyone depends on creating sustainable communities – places where people want to live and work, now and in the future.

Through these reforms we can provide the right framework for people to achieve their aspirations, build safe, secure and sustainable communities based on everyone contributing to the common good and supporting those in need.

The targets we have set ourselves – and on which the *Opportunity for all* indicators report – are some of the most demanding targets that any British Government has ever set. In 1997 tackling poverty was an aspiration – today it is a reality. We must now go further, so that tomorrow poverty can be consigned to history.



Rt Hon DAVID BLUNKETT  
Secretary of State for Work and Pensions

October 2005

## Introduction

*Opportunity for all* was first published in September 1999. The first report set out our evidence-based strategy for tackling poverty and social exclusion. We also established the indicators of progress against which the success of our strategy is measured. We consciously set indicators that would show what we had achieved but would not disguise poor performance. In subsequent annual reports we have reported progress against these indicators and detailed our strategy.

### The seventh annual report

Our strategy on tackling poverty and social exclusion is well established and there is now less need to repeat the details of each policy instrument on our overall strategy – these can be found in previous reports in the series and in the detail of departmental five-year strategy reports.

In this, our seventh *Opportunity for all* report, we take stock of the progress we have made on key elements of our strategy (chapter one). We also focus on two specific aspects of the poverty and social exclusion agenda:

- **Women (chapter two)** – Despite the considerable improvement in opportunity for women they continue to face challenges, including restricted earnings potential. Factors such as family responsibilities, restrictions on women's time and mobility mean that they can be faced with less choice over jobs which facilitate work–life balance. This chapter of the report sets out our current cross-government programme

of action to address the issues which directly affect and disadvantage women.

- **The European dimension (chapter three)** – The UK is committed to maintaining its role at the heart of the European Union (EU) at a time when increased globalisation and demographic change pose new challenges and opportunities. We share the ambitious goals set at the Lisbon summit in 2000 – to achieve a substantial reduction in poverty and to make the EU the most dynamic knowledge-based economy in the world by 2010. Key to this will be achieving a strong economy and creating the right conditions for more and better jobs and greater social cohesion. As part of our Presidency of the EU we are working to drive forward change, learning from good practice across the EU and building on and reforming the European Social Model. A new social model, built on improved economic competitiveness and the active inclusion of those at risk of being marginalised is essential if we are to deliver our shared social justice goals in this new global market – so that the have-nots do not once again lose out in the face of rapid economic and social change.

Working together between the UK Government and other bodies (both elected and non-governmental) is crucial to achieving our aims in this area (see chapter one). This report should be read in conjunction with the social inclusion updates produced separately for Scotland, Wales and Northern Ireland.<sup>1</sup>

A summary of *Opportunity for all – Seventh Annual Report 2005* is available to accompany this full report. It is available in Welsh; Braille and audiocassette versions are available on request from 020 7962 8085.

The website of the Department for Work and Pensions, as well as displaying online versions of both the full *Opportunity for all* report and the executive summary, also contains a section on the indicators of progress. The website can be accessed at: [www.dwp.gov.uk/ofa](http://www.dwp.gov.uk/ofa).

## Our strategy

We are committed to achieving a fairer, more inclusive society where nobody is held back by disadvantage or lack of opportunity. **Chapter one** summarises our strategy to alleviate poverty and social exclusion throughout the life-cycle:

- child poverty (paragraphs 2–88);
- people of working age (paragraphs 89–170);
- people aged 50+ and retired people (paragraphs 171–224);
- communities (paragraphs 225–319); and
- working in partnership (paragraphs 320–353).

Our strategy is underpinned by:

- **building on the progress** already made;

- **providing equal opportunities** for people so that inherited disadvantage does not continue to blight life chances;
- **innovation and improvement in service delivery and design** in order to benefit a greater number of people with multiple disadvantage; and
- **anticipating and planning** for the challenges and risks that might be posed by future global economic, technological and social trends.

## Child poverty

Our aim is to ensure that every child gets the best possible start in life and has the opportunity to fulfil their potential. We are committed to halving child poverty by 2010 on the way to eradicating it by 2020. We are committed to improving the outcomes for all children and young people in five key areas of life: being healthy; staying safe; enjoying and achieving; making a positive contribution; and achieving economic well-being. Through the cross-government *Every Child Matters: Change for Children* programme, we are working with our partners to improve these priorities for all children and young people.<sup>2</sup>

### *Progress so far*

We continue to make steady progress towards our overall aim to eradicate child poverty:

- Between 1998/99 and 2003/04, the number of children in low-income households fell by over half a million, and the proportion of children living in

households where no adult works has fallen by around 400,000 since 1997.

- We have significantly increased financial support for families with children, with families in the poorest fifth of the population on average £3,200 a year better off in real terms as a result of tax and benefit reforms.
- We have established Child Trust Fund accounts, which became fully operational on 6 April 2005.
- We have invested well over £17 billion on early years and childcare provision since 1997 and, by April 2005, around 337,000 families were benefiting from financial support for childcare available through the Working Tax Credit.
- Sure Start Children's Centres and Extended Schools are helping to develop a coherent set of services to support parents and to involve them properly at all stages of a child's learning and development.
- The Excellence in Cities programme has made a large difference to schools assisted by the programme since 2001. Schools nationwide have improved their GCSE performance by 3.1 percentage points and Excellence in Cities schools have improved by 6.6 percentage points.

### *Looking forward*

We will continue to build on and improve this successful strategy by:

- increasing financial support to low-income families – helping more parents

get back into work and supporting them in work through Working and Child Tax Credits and in their parenting responsibilities by extending Statutory Maternity Pay;

- extending the entitlement and access to affordable childcare – there will be a place for all children aged 3 to 14 years, between 8am and 6pm each weekday by 2010, when there will be over 2 million sustainable places countrywide for children up to 14 years;
- enhancing support for parents – we will ensure all parents are able to access parental support throughout the life of their child from 0 to 19 years, as and when they need it. This will include: improved access to universal information services, including enhanced helpline provision, and more focused services within early years settings; and
- improving educational opportunities for all children – we will continue our emphasis on tailored intervention to ensure pupils get the support and opportunities their individual circumstances require. There will also be a stronger focus on interventions with failing schools.

### **People of working age**

For most people, work is the best route out of poverty for them and their families. It is the best way to achieve economic independence, prosperity and personal fulfilment. We need to help more people into work who in the past were all too often considered inactive, like lone parents and individuals locked

into long-term dependency on incapacity benefits. We need to help more people into work if we are to meet the challenge of an ageing society, enable older people to live more independent lives, and deliver the state financial support to which they are entitled. Alongside this we will continue to support those unable to work and pursue policies to promote financial inclusion.

### *Progress so far*

Since 1997 we have delivered macroeconomic stability, invested in active labour market policies, developed tax and benefit reforms to ensure work pays, invested in skills, and delivered a flexible labour market.

A great deal has already been achieved:

- 2 million more people are in work than in 1997;
- nearly 75 per cent of the population aged 16 to State Pension Age is in work;
- unemployment at its lowest for 30 years; and
- the UK has one of the strongest labour markets in the world, with the best combination of employment and unemployment of the major world economies.

### *Looking forward*

We have already set out our ambition of an 80 per cent employment rate. To support this modern vision of full employment and to ensure the welfare state becomes a

ladder out of poverty rather than a safety net of dependency, we will undertake fundamental reform of the benefits system.

Our principles of welfare reform are clear. Equality, opportunity, fairness and social justice are our cornerstones, designed to provide both routes out of poverty and wider economic prosperity, for individuals, communities and society as a whole. Helping people help themselves, enabling self-reliance and self-determination, with the right to financial or other support going hand in hand with an obligation to take steps to avoid long-term dependency.

There is no quick fix solution – we need to address the entire process where people slip from employment into worklessness and will be publishing a Green Paper on welfare reform, accompanied by extensive consultation, in autumn 2005, and we welcome input to this process.

To support our modern vision of full employment at an 80 per cent employment rate, we will:

- further develop employment policies for groups traditionally defined as being outside the labour market, especially lone parents, people on incapacity benefits and those approaching traditional retirement age;
- complete the roll-out of Jobcentre Plus by 2006, bringing together benefit and labour market advice for all people providing an active focus on helping them into work;



- build on the success of New Deal by: moving away from set programmes and tailoring help for individuals rather than groups, giving greater discretion to staff to cater for local needs, and providing greater help for more disadvantaged customers;
- ensure people from ethnic minorities and from the poorest areas benefit from economic growth and support people with low skills to enter the labour market;
- undertake radical welfare reform to provide much greater flexibility in supporting people moving in and out of work; for example, the forthcoming Bill on Housing Benefit will pave the way for national roll-out of the Local Housing Allowance for tenants in the private rented sector, and continue to streamline the policy and administration of Housing and Council Tax Benefit; and
- develop an occupational health programme for Britain, to focus on retention and rehabilitation in reducing the number of those permanently leaving work who have manageable conditions or medical and social needs.

We will continue to support those who are not currently able to work, encouraging their aspirations and wider participation (like volunteering), and ensuring they will not be written off.

## People aged 50+ and retired people

People of all ages have a right to expect security and decent support when they

are in need but they are also expected to save and prepare for their retirement. We aim to support people nearing retirement in making informed decisions for themselves about work, saving and retirement.

### *Progress so far*

We have already made significant progress in this area:

- As a result of the measures we have introduced since 1997, we will be spending nearly £11 billion extra on people of State Pension Age in 2005.
- Pension Credit targets money at those who need it. It is making a real difference to the incomes of people aged 60 or over. There are around 2.7 million households receiving Pension Credit and the average weekly payment is over £40. Two-thirds of recipients of Pension Credit are women.
- Low income among those over State Pension Age has fallen by one-fifth in relative terms, and around two-thirds in absolute terms between 1996/97 and 2003/04, lifting 1.9 million older people out of absolute low income, 1.3 million of whom are women.
- We have continued with the Winter Fuel Payments and, by winter 2006, we expect approximately 11.5 million people in over 8 million households in Great Britain to receive these payments at an estimated cost of £2 billion.
- The Pensions Act 2004 is a landmark in securing and strengthening the UK's

system of pension provision and in particular, in empowering people to plan, work and save for retirement.

- Our range of back-to-work help for older people has seen the employment rate for those aged 50 to State Pension Age increase from 64.5 per cent to 70.7 per cent from spring 1997 to spring 2005, rising faster than the overall employment rate.

### *Looking forward*

It is essential that we continue to tackle poverty among those of State Pension Age and enable people to prepare for a secure retirement:

- We are looking at ways to ensure that all those in retirement entitled to Pension Credit receive this support.
- In 2005/06 we will make a payment of £200 to households with someone aged 65 or over, when they are not in receipt of the guarantee element of Pension Credit. This will help with Council Tax bills and will cost an estimated £951 million.
- We will give people the choice and opportunity to work longer, enabling those who want to, to extend their working lives.
- We are transforming The Pension Service, with further improvements in customer service and improved business process.

We will be aided by the findings and recommendations of the independent Pensions Commission, chaired by Adair

Turner, which we set up in 2002 with a remit to keep under review the regime for UK private pensions and long-term savings. The Commission will publish its findings towards the end of 2005.

## **Communities**

The vision we set out in our National Strategy for Neighbourhood Renewal is that within 10–20 years no one should be disadvantaged by where they live. A flourishing, fair society based on opportunity and choice for everyone depends on creating sustainable communities – places where people want to live and work, now and in the future. Our vision is for communities that offer their residents:

- a decent home that they can afford and maintain;
- a safe and inclusive community;
- access to jobs and excellent public services; and
- the chance to engage in their community and to make a difference.

### *Progress so far*

We have made progress in a number of areas, including:

- *Tackling Health Inequalities: A Programme for Action*,<sup>3</sup> the result of an agreement between 12 government departments, which sets out a cross-government strategy on tackling health inequalities and lays the foundations for meeting the inequalities aspects of Public Service Agreement targets by

2010 as well as tackling the underlying causes in the years beyond;

- our new homelessness strategy *Sustainable Communities: settled homes, changing lives*,<sup>4</sup> which sets out challenging aims to reduce homelessness and halve the number of households in insecure temporary accommodation by 2010;
- the new Safer and Stronger Communities Fund, which provides all local authorities in England with funding to tackle crime, illegal drugs and anti-social behaviour, and to improve the poor condition of streets and other public spaces and the quality of life for people in deprived areas. The fund totals over £210 million in 2005/06 and will total at least £230 million by 2007/08; and
- *Improving Opportunity, Strengthening Society*,<sup>5</sup> which brings together practical measures across Government to improve race equality and community cohesion by improving opportunities for all in Britain. As part of this, we announced a £5 million Capacity Building fund for faith communities to help faith-based organisations build community relations and improve cohesion.

### Looking forward

This is a long-term strategy to which we are very much committed. Our continuing efforts in this area include:

- working to ensure that all social tenants have a decent home, and increasing the proportion of vulnerable

households in the private sector who have a decent home. We have significantly increased investment in social housing. Since 1997, local authorities have invested more than £16 billion on improving their homes, and a further £6.5 billion has been levered in from the private sector;

- continuing to promote and invest in local authority homelessness prevention activities;
- driving forward progress on health through new partnerships between industry, the voluntary sector and professional groups, and new services delivered by local authorities and the NHS;
- progressing our commitment to provide an accessible public transport system in which everyone has the same opportunities to travel;
- announcing in July 2005 that an additional £1.05 billion would be made available through the Neighbourhood Renewal Fund, spread over the period 2006–08. This will provide extra resources for the most deprived local authority districts to improve service delivery; and
- our new Rural, Social and Community Programme, intended to help rural communities shape and enhance their own futures. The programme is scheduled to begin in April 2006 and will have a budget of £13.5 million per annum.

## Working in partnership

Effective strategies for tackling poverty and social exclusion need to involve the widest range of partners. Partnerships formed between the UK Government and other bodies (both elected and non-governmental) have been crucial to delivering our shared social inclusion agenda.

This section briefly outlines the complementary social inclusion strategies of the administrations of Northern Ireland, Scotland and Wales, and partnership working with the voluntary and community sectors.

## Indicators of progress

Our indicators of progress capture the many different aspects of poverty and social exclusion that affect people of all ages and the communities in which they live. The annex reports on the progress we are making across 60 indicators, including a summary table of overall progress (page 143). The indicators are also updated online throughout the year as data become available on: [www.dwp.gov.uk/ofa/indicators](http://www.dwp.gov.uk/ofa/indicators).

## Chapter one: Our strategy

### Overview

1. We are committed to achieving a fairer, more inclusive society where nobody is held back by disadvantage or lack of opportunity. This chapter presents our strategy through a 'life-cycle' approach, looking in turn at children and young people, working-age and older people. There are important links between poverty in childhood, which is associated with negative adult causes such as poor health, unemployment and inactivity, and lack of opportunity to work in adulthood, which in turn restricts people's ability to save for retirement and achieve security in later life. The Communities section looks at the role of strong communities and excellent public services in breaking cycles of deprivation across the life-cycle. The final section sets out how we are working in partnership with the devolved administrations and the voluntary and community sector to tackle poverty and social exclusion.

### Section one: Our child poverty strategy

#### Our aims

2. Our aim is to ensure that every child gets the best possible start in life and has the opportunity to fulfil their potential. We are committed to halving child poverty by 2010 on the way to eradicating it by 2020.

3. Our strategy for eradicating child poverty is based on:

- work for those who can, helping parents participate in the labour market;

- financial support for families, with more support for those who need it most, when they need it most;
- delivering excellent public services that improve poor children's life chances and help break cycles of deprivation; and
- support for parents in their parenting role so that they can confidently guide their children through key life transitions.

4. We are committed to improving lives for all children and young people in five key areas:

- being healthy;
- staying safe;
- enjoying and achieving;
- making a positive contribution; and
- economic well-being.

5. Through the cross-government *Every Child Matters: Change for Children*<sup>1</sup> programme, we are working with our partners to improve these outcomes for all children and young people. A particular priority is to narrow the gap in outcomes between those who do well and those who do not.

#### Progress so far

6. As a first step towards eradicating child poverty, we have a target to reduce the number of children in low-income households by at least a quarter by 2004/05.

7. Between 1998/99 and 2003/04 (see Figure 1.1), the number of children in low-income households fell by 600,000 after housing costs and by 500,000 before housing costs from a base of 4.1 million and 3.1 million respectively. We are broadly on course to meet the 2004/05 target with the full effect of tax credits and the increase in Child Tax Credit in April 2003 still to appear in the data. Data to report on the target will be available in spring 2006.

8. Worklessness is a key cause of poverty, with around half of children in low-income living in workless households. The number of children in workless households has fallen by nearly 400,000 from 2.13 million in 1997 to 1.76 million in 2005. There were 1.18 million children

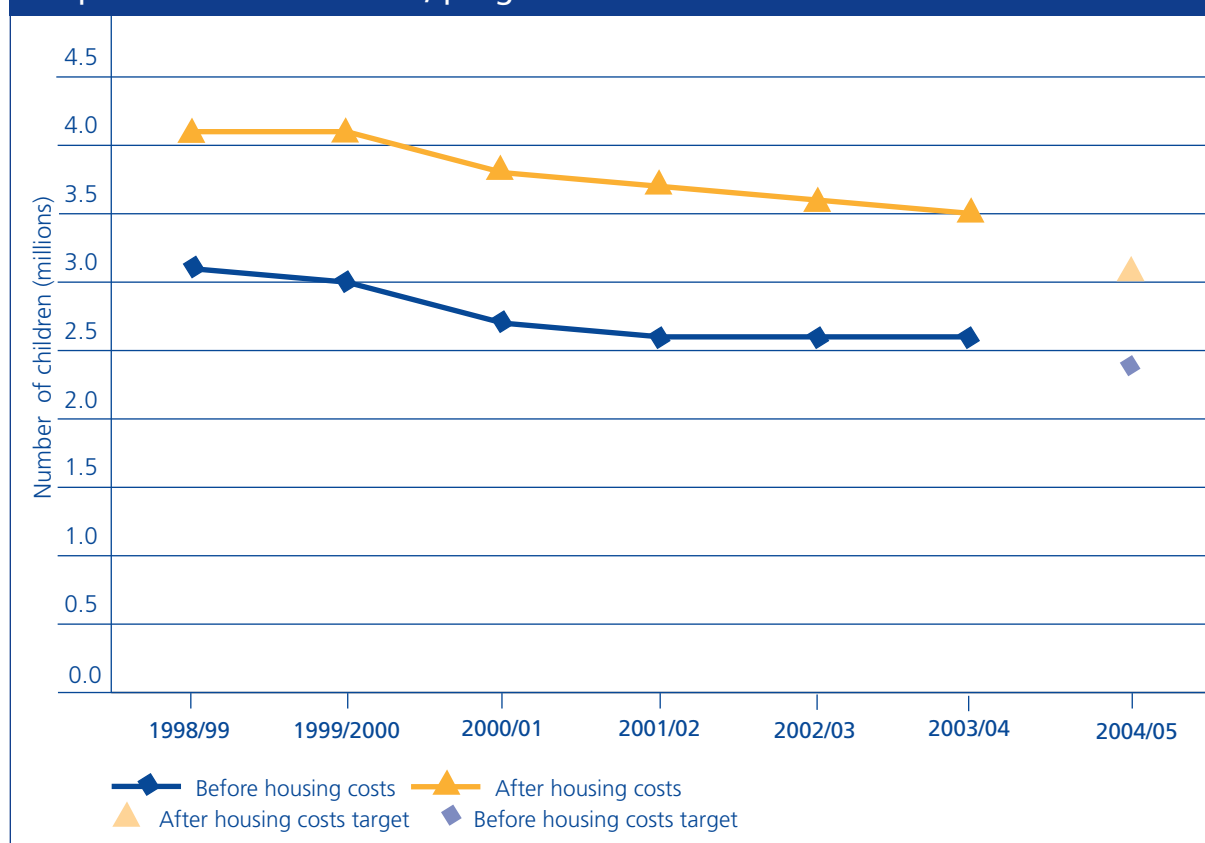
in workless, lone-parent households in 2005 compared with 1.32 million in 1997. Finding work is the most important route out of poverty. Our strategy to increase parental employment and make work pay is discussed in the working age section of this chapter.

### Financial support

#### Child Tax Credit

9. The introduction of tax credits is at the heart of our strategy to tackle child poverty. The Child Tax Credit, introduced in April 2003, provides a single, seamless system of support for the poorest families with children which, together with Child Benefit, is worth £3,125 a year for the first child for the 30 per cent of families with an income of less than £13,910 a

Figure 1.1: Number of children in households with equivalised incomes below 60 per cent of the median, progress since 1998/99



year. Over 6.1 million families and 10 million children are now benefiting from the Child and Working Tax Credits.

**10.** In April 2005, the child element of the Child Tax Credit was increased to £1,690 per year, representing a total increase of £245 since its introduction in April 2003. The child element of the Child Tax Credit provides a separate payment for each child in low-income families and will be increased at least in line with average earnings up to and including 2007/08. A family with two young children and a full-time earner on £15,500 a year, half male average earnings, will receive over £103 a week in Child Tax Credit and Child Benefit next year, an increase in real terms of 85 per cent since 1997/98.

#### *Child Trust Fund*

**11.** Building assets is essential to ensuring long-term independence, security and opportunity, and breaking intergenerational poverty. We are committed to ensuring that all children start their adult lives with access to financial assets. The Child Trust Fund will promote saving and ensure all children have a financial asset at age 18, regardless of family background, and will provide children with practical financial education.

**12.** Child Trust Fund accounts became fully operational on 6 April 2005. All children born since 1 September 2002 will receive £250 to invest in a long-term savings or investment account and children from families with lower incomes will receive £500. Children, parents, family and friends can contribute up to £1,200 a

year to each account and there is no tax to pay on money earned in the account.

#### *Services for children and young people*

**13.** Every Child Matters: Change for Children is a national framework for 150 local change programmes in top-tier local authority areas, each tailored to meet local needs and priorities. Children's trusts will bring together services such as health, social care, education, Sure Start and youth services for children, young people and families, enabling them to have better access to information and providing a more holistic approach to meeting children's needs.

**14.** We are committed to ensuring that every child gets the best possible start in life and maximising parents' choices in how they balance their work and family commitments through the Sure Start initiative, a key part of Change for Children. Over 500 Sure Start local programmes have been established, offering a range of integrated early learning, health and parental services to 400,000 young children and families living in the most disadvantaged areas – including over 30 per cent of under-4s living in poverty. We are now developing a new nationwide network of Children's Centres, building on local programmes and other high-quality early years and childcare provision.

**15.** The Children Act 2004 places duties on local authorities and relevant partners such as the police, Youth Offending Teams and the Connexions service to co-operate to improve the well-being of

children by working together as children's trusts. On the basis of a new statutory duty in the Children Act 2004, we intend that all local areas should produce a single, strategic, overarching plan for all services to children and young people. The Children and Young People's Plan will support local authorities and their partners as they work together to agree clear targets and priorities, and to identify the actions and activities needed to achieve them and ensure delivery.

**16.** Local Safeguarding Children Boards are to be set up in all 150 local authority areas, in partnership with other local bodies, by April 2006. These boards will co-ordinate and ensure the effectiveness of what is done by local bodies to safeguard and promote the welfare of children. Meanwhile, a new statutory duty will require a range of organisations such as schools, primary care trusts and the police to make arrangements to safeguard and promote the welfare of children from October 2005.

**17.** An integrated inspection framework is being developed to cover the five outcomes detailed in paragraph 4 of this chapter. Further information can be found on the Every Child Matters website at [www.everychildmatters.gov.uk](http://www.everychildmatters.gov.uk).

### *Childcare*

**18.** Many parents experience unmet demand for childcare: in 2001 almost eight in ten non-working lone parents said that they would prefer to go out to work or study if they had access to suitable childcare.<sup>2</sup> Also, a quarter of all families experienced some form of unmet demand in the previous year.<sup>3</sup>

**19.** We will continue to increase our financial support for services to young children and families. Spending on Sure Start itself will rise from £1.26 billion in 2005/06 to £1.63 billion in 2006/07, and reach close to £1.8 billion in 2007/08, around double the figure for 2004/05. This represents an average annual increase of 24 per cent in real terms over the 2004–08 period. In addition, £2.9 billion has been allocated to local authorities in 2005/06 to support free early years education provision.

**20.** We published a ten-year strategy, *Choice for Parents, the Best Start for Children*,<sup>4</sup> in December 2004 to deliver universal affordable childcare for 3 to 14-year-olds, and a Sure Start Children's Centre for every community in England, so early years and childcare services become a permanent, mainstream part of the welfare state. The key themes of the strategy are choice and flexibility; availability; quality and affordability.

#### Sure Start Children's Centre, Bedlington, Northumberland

A 28-year-old single mother, Michelle, with two young children talks about her experiences of Sure Start.

"Sure Start has improved my job prospects as well as my social life," says Michelle. "Sure Start has also given me the confidence to set up my own business." Before visiting Sure Start, she was shy. "It took me a while to come out of my shell. I found it hard to talk to people. But Sure Start provided me with some brilliant ideas to help."

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She heard about Sure Start from her health visitor when she relocated from a neighbouring city. "I felt trapped in my own house. I didn't know the area very well and there wasn't anything for us to do. Sure Start has a crèche, which means I can make use of the activities. Now I have the opportunity to train for a career."

Michelle decided to do the Sure Start Confidence and Coping, and Making a Difference courses to help improve her chances of employment and increase her self-assurance. "They were both very good," she explains. "During the Making a Difference course, I decided to do something useful for the community." She set up a library system at a local primary school so every child got the opportunity to take a book home once a week.

Michelle is an active member of the Sure Start leisure group and she has also taken her daughter to the Sure Start drop-ins and crèche. "There are always plenty of fun things for the children to do. It's great, because it has really helped her prepare for nursery school."

**21.** Since 1999, tax credits have offered substantial help with childcare costs to low- and middle-income working families. In April 2005, over 337,000 families were benefiting from financial support for childcare available through the Working Tax Credit. This is over seven times the number of families who benefited from similar help – the Childcare Disregard – in Family Credit at

its peak in mid-1999. The average amount of support has also increased substantially – from £22 a week from the Family Credit Childcare Disregard to over £51 a week under the childcare element of Working Tax Credit. The cost limits were increased to £175 per week for one child, and £300 for two or more children, from April 2005, and the maximum proportion of costs that can be claimed will rise to 80 per cent from April 2006.

**22.** Our target to create 1 million childcare places to benefit 1.6 million children by March 2004 was achieved in March 2003. Over 1.2 million new childcare places have been created since 1997. There has been a net increase (after turnover) of over 563,000 Ofsted-registered places during that time, benefiting more than 884,000 children. The current stock of registered childcare places exceeds 1.2 million (over 80 per cent more than the 1997 total), and there is now a registered place for one in four under-8s. All 3 and 4-year-olds are now guaranteed free, part-time early education. Expanding childcare for school-age children up to the age of 14 is an increasingly important element of Government policy which will allow families who need it, access to affordable, flexible and high-quality provision from 8am to 6pm, throughout the year. We want to build that offer around schools as part of a range of extended services they will host to reflect and strengthen their central position in the local community.

### *Parenting*

**23.** Parents and carers are at the heart of our approach to improving children's lives. We want children to benefit from

confident, positive and resilient parenting and stable family relationships, from birth right through to the teenage years.

**24.** Many parents and carers say there are times in their or their children's lives when they feel access to additional information or support would be helpful. We want to enable parents to access appropriate, locally available advice, support and services to assist them in this important, challenging and rewarding role. Our aim is to provide relevant support throughout childhood (0–19 years) rather than when there is crisis or change. Although specific transitions may require additional support, for example the move from primary to secondary school.

**25.** Our Every Child Matters: Change for Children programme acknowledges the central role that parents, carers and families play in supporting children's development and learning, and helping them to achieve the five key outcomes. More effectively integrated children's services will mean parents and carers, whatever their background, will have access to targeted support when it's needed.

**26.** Responsible, positive parenting is critical to helping children achieve the five outcomes. We aim to ensure that good quality, universal support, in the form of information, advice and signposting to other services, is available to all parents. We also aim to ensure that more specialised targeted support is available at the local level to meet the needs of families facing additional difficulties. Children's Centres and Extended Schools will develop a coherent

set of services both to support parents and to involve them properly at all stages of a child's learning and development.

**27.** Parenting will be at the heart of our new 'Respect' agenda. Plans have already been announced for the extension of parenting contracts and orders. Alongside this, schools have been given powers to require pupils, who are excluded for a fixed term, to attend alternative educational provision, such as vocational training, to make sure they continue their education. Parents of excluded pupils will also now face prosecution or Penalty Notices, as well as parenting contracts and orders backed up by fines, if they do not ensure that their child attends the alternative provision made for them. These themes will be developed further in our Respect action plan towards the end of the year.

**28.** Parenting is a critical influence in a child's life and we know that poor parenting can increase the risk of young people engaging in crime and anti-social behaviour. We recognise that intervening early is important to prevent such behaviour, but we also aim to ensure that support is available to those parents experiencing difficulties, or whose own behaviour is affecting others adversely. As part of the development of the Respect agenda, we are looking into the most effective forms of intervention and how we can scale up and strengthen what is available to parents so they can access integrated and relevant services when they need them. We aim to do this through mainstream community settings but we will seek to achieve an effective balance between supporting and

challenging parents to ensure that their children reach their full potential.

**29.** Parental separation affects many children and families. Some 3 million of the 12 million children in England and Wales have experienced the separation of their parents. Each year between 150,000 and 200,000 parental couples separate. Where the process of separation is handled well, the adverse impact on children is minimised. Where separation goes badly and, in particular, where children are drawn into parental conflict, then the effects can be profoundly damaging for children.<sup>5</sup>

**30.** The Relationship Breakdown Programme is now delivering our proposals to help separating parents to make arrangements in the interests of their child.<sup>6</sup> It will deliver improved information, education and advice, facilitate parents to reach their own arrangements, where this is appropriate, and provide the courts with powers to facilitate and enforce contact. We are also currently considering a strategy for support to parents.

### *Looked-after children*

**31.** Looked-after children are among the most vulnerable in society. A child is looked after by a local authority if he or she is in their care or is provided with accommodation for more than 24 hours by the authority. Compared with their peers, they achieve significantly poorer outcomes such as lower educational attainment. That is why, in partnership with local authorities and other agencies, we are committed to enabling looked-after children to achieve the same outcomes as all other children.

**32.** Improving the educational achievement of looked-after children and the stability in their lives are two key factors in achieving our ambition. To this end, the Children Act 2004 places a duty on local authorities, as the corporate parents of the children they look after, to promote their educational achievement. This means they must give particular attention to the educational implications of any decision about the welfare of those children, wherever they live, support them to be ambitious about their future lives and celebrate their achievements. Within the Every Child Matters: Change for Children framework, we are also developing strategies to support improved placement availability and stability, in particular, through increasing the number of foster care placements and support for foster carers.

**33.** As with looked-after children, those children involved in care proceedings are also among the most vulnerable. The average care case, however, lasts about a year. This is a year in which the child is left uncertain as to his or her future, is often moved between several temporary care arrangements, and the family and public agencies are left engaged in protracted and complex legal wrangling. Our aim is to achieve better lives for children and their families by eliminating unnecessary delay and shortening the time that proceedings take to complete while ensuring that the process remains a fair one.

**34.** We have a target to increase the proportion of care cases that are dealt with within the guideline of 40 weeks.<sup>7</sup> The positive impact of this and other initiatives to reduce unnecessary delay is already emerging. Forty-one per cent of cases in

family care centres were completed within the target 40 weeks in 2004/05, as against 35 per cent in 2003/04.<sup>8</sup>

**35.** Among other plans to reform legal aid, there is a planned review of childcare proceedings in England and Wales. The aim of the review will be to ensure that the childcare proceedings system is as effective as possible in delivering the best results for children and parents, and that resources are used in the most effective, efficient, proportionate and timely way to achieve this end. The review will draw on existing research in this area and will take views from a wide range of people involved in the current system, including children and families.

### *Improving educational opportunities*

**36.** Schools in areas of disadvantage, or with low levels of attainment, need additional help to improve in order to narrow the gap between them and our highest attaining schools, and ensure all children get the best possible opportunities and realise their full potential. Initiatives such as the Leadership Incentive Grant have looked to target funding at schools with declining results often in disadvantaged areas. We also work in close co-operation with local authorities in follow-up action to support leadership teams in such schools. Schools in the Excellence in Cities programme, which was introduced in phases from 1999, are now beginning to see the benefits, more details of which are provided later in this section.

### *Primary education*

**37.** The 2005 provisional Key Stage 2 results show that schools have continued to improve. Early indications are that there has also been further progress in reducing the number of schools below the minimum standard and there has been faster progress in areas of disadvantage such as Hartlepool, Barnsley and Newham. Between 2003 and 2005, results in Hartlepool rose by nine percentage points in English compared with a four percentage point rise in English nationally and six percentage points in mathematics compared with a two percentage point rise nationally. Progress has also been made in raising boys' achievement in reading and writing with results increasing nationally by four percentage points in reading and three percentage points in writing since 2003.

**38.** A key part of our strategy is to improve performance in schools that are not doing so well. There are more children in these schools who are disadvantaged either by social background or particular educational needs. There has been success to date of both Intensifying Support and Primary Leadership Programmes, which provide support for both improved leadership and improved teaching and learning in English and maths. Schools in these programmes improved at twice the rate of schools outside the programmes in 2005.

**39.** Work over the last year to improve standards of teaching and learning includes:

- production of learning and teaching resources to support school-based

professional development on teaching, planning and assessment; and

- specific additional support on assessment for learning, setting curricular targets, and subject leadership in literacy and numeracy.

**40.** The provisional 2005 results at Key Stage 2 are the best ever with 79 per cent of 11-year-olds achieving level 4 or above in English and 75 per cent in maths. Since 1997, there has been a 16 percentage point improvement in the number of pupils achieving the expected standard for their age in the Key Stage 2 English tests. In maths there has been a 13 percentage point improvement since 1997.

#### *Secondary education*

**41.** In 2004, 53.7 per cent of 15-year-old pupils achieved five or more grades A\*–C at GCSE and equivalent. This is a 0.8 percentage point increase on 2003 and represents steady progress towards the Public Service Agreement target of 60 per cent by 2008.

**42.** The attainment gap has considerably narrowed between disadvantaged schools and others. For five A\*–C GCSE results, the gap has reduced from 31 to 25.5 percentage points between 2000 and 2004. And for Key Stage 3 results, from 27 to 22 percentage points over the same time period.

**43.** We are committed to providing additional support to the most disadvantaged schools, through the Excellence in Cities programme. Excellence in Cities is a targeted programme to raise standards in

deprived areas. This has made a large difference to schools assisted by the programme since 2001 – schools nationwide have improved their GCSE performance by 3.1 percentage points and Excellence in Cities schools have improved by 6.6 percentage points. The 2004 GCSE results show that this is continuing – Excellence in Cities schools improved by 1.9 percentage points compared with 0.5 percentage points in schools outside the programme.

#### Increased Flexibility programme

The Increased Flexibility programme for 14–16-year-olds emphasises participation in vocational courses from age 14, and collaboration between learning providers. The programme has created enhanced vocational and work-related learning opportunities for local 14–16-year-olds who can benefit most, by enabling further education colleges to form partnerships with schools and other agents. The partnership activities are open to all pupils, regardless of ability, gender, physical need or ethnic origin. All pupils are working towards a qualification recognised as appropriate for use below the age of 16, with at least one-third being GCSEs in vocational subjects at Level 2 and one-third Vocational Related Qualifications/National Vocational Qualifications at Level 1.

Key findings from an evaluation of the Increased Flexibility programme include:

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- Students who participated had benefited from accessing a broader curriculum and, on the whole, were on target to achieve their qualifications. The majority (82 per cent) planned to progress into further education or training after school.
- There was evidence that the students surveyed had developed their social skills, employability skills, communication skills and problem-solving skills. The survey also revealed that they had a more positive attitude towards school than they had in Year 10.
- Fifty-six per cent of the students said that their course had helped them to decide what they would like to do in the future. Forty per cent aimed to pursue a course in the same subject area and 20 per cent intended to get a job in the same occupational area.

**44.** The Secondary National Strategy for School Improvement is designed to raise standards for all pupils aged 11 to 16 by introducing excellent teaching and learning practices into every classroom. Ensuring low-attaining pupils progress during Key Stages 3 and 4, particularly in the core subjects, is a priority. The strategy offers teachers professional development, teaching materials, plus local experts to offer training and support. The strategy comprises six strands: English, mathematics, science, ICT, the foundation subjects, and

additionally behaviour and attendance, which applies across the whole curriculum. Other cross-curricular programmes, such as Assessment for Learning, have been introduced to further strengthen the impact of the strategy on raising standards in all curriculum subjects.

*Academies*

**45.** Academies are a radical new type of independent state school aiming to transform education in disadvantaged areas and have freedom to raise standards through innovative approaches to management, governance, teaching and curriculum.

**46.** Provisional GCSE results for 2005 show Academy pupils have on average improved their results by over eight percentage points compared with last year. Since opening, Academies have on average made around a five percentage point improvement per year in the numbers gaining five grades A\*–C. This compares with a national average improvement last year of 0.8 per cent. Five Academies have improved by around 20 percentage points since they opened.

**47.** Similarly, the early indications show that all Academies whose students took Key Stage 3 tests this summer have improved their results overall since they opened, many significantly. Overall test results reported by the Academies indicate the average annual improvement across English, maths and science since opening is 5.6 percentage points.

### *Ethnic minorities*

**48.** We are working on narrowing the achievement gap for those ethnic minority pupils who are consistently performing below the average for all pupils in maintained schools. We launched the first national strategy for ethnic minority pupils in October 2003. The strategy focuses on:

- ensuring ethnic minority pupils are central to mainstream improvement strategies;
- building providers' capacity to respond to the cultural, religious and linguistic needs of ethnic minority communities; and
- better accountability.

**49.** We have provided additional support to groups most at risk of not reaching their potential, including:

- African Caribbean achievement;
- Gypsy and Traveller pupils;
- a national framework of support for bilingual pupils; and
- support for Pakistani, Bangladeshi, Somali and Turkish pupils.

**50.** The rate of permanent exclusion in England among black Caribbean pupils has halved since 1997/98, to 41 in every 10,000 pupils of compulsory school age in 2003/04. This was three times higher than the rate for white pupils.<sup>9</sup>

### *Behaviour and attendance*

**51.** There are strong associations between poor school attendance and behaviour, low educational attainment and criminality, as well as other poor outcomes that can lead to or reflect social exclusion. Tackling disengagement, truancy and poor behaviour at school are essential. It is critical that school staff have the training and support they need to improve behaviour and attendance in our schools. The national Improving Behaviour and Attendance Programme is helping schools create and sustain a positive environment for teaching and learning as well as providing extra support for those facing the greatest challenges.

**52.** The Government is implementing a wide-ranging national programme to improve behaviour and attendance with universal and targeted elements. The universal element is part of both the Primary and Secondary National Strategies. The Secondary Strategy gives all secondary schools access to high-quality behaviour-management training materials and support from a Government-funded behaviour-management consultant. The Primary Strategy gives all primary schools access to high-quality training and curriculum materials to improve children's social, emotional and behavioural skills. In addition, schools facing the most serious behaviour and attendance problems receive targeted support through the Behaviour Improvement Programme. This includes extra resources to support pupils at risk of exclusion, truancy and offending. The programme is outcome-focused and allows schools and local authorities to tailor measures to local circumstances.

53. Among the many varied measures implemented are full-time education provision from day one of any exclusion; implementation of a Full Service Extended School; allocation of a named key worker for every child identified as being at risk; multi-agency Behaviour and Education Support Teams; Lead Behaviour Professionals in every school; and additional Learning Mentors and Learning Support Units.

### *Children and families of offenders*

54. Maintaining family ties has huge benefits for offenders, their families and society. It can assist prisoners to settle successfully into the community. Where quality family contact can be maintained, prisoners are significantly less likely to re-offend. Studies have shown that providing services to families of prisoners has positive effects, including lower rates of physical and mental problems, drug misuse and recidivism or habitual re-offending.

55. Each year, 150,000 children have a parent who enters custody. In women's prisons, over 50 per cent of prisoners have children under 16. For children, imprisonment of a family member can be traumatic: 30 per cent suffer significant mental health problems compared with 10 per cent of the general child population. The Green Paper *Every Child Matters* noted the lack of co-ordinated support for this group. The Child Poverty Review also recognised that the life chances for the children of offenders are poor with a high risk of offending themselves.

56. The National Offender Management Service is developing a regional pathfinder in the West Midlands, to strengthen family ties, support children and families, and reduce re-offending by a collaborative approach. It supports the children and families pathway in the Reducing Re-offending National Action Plan and will inform delivery of targeted interventions within a region. It will be led by the Regional Offender Manager, working with some 20 partners, including all the mainstream agencies and key national and local voluntary organisations. The partnership is aiming to reduce re-offending by 7 per cent over three years, through the development of prison- and community-based interventions and information. It will also target those who are hardest to reach, and black and ethnic minority families.

57. Time For Families is a partnership between the Prison Service, Ormiston Trust and the Lankelly Foundation in the Eastern Region. It promotes greater awareness and effective responses to the needs of the children of prisoners. This seven-year programme aims to get more people in the community to recognise and understand the impact on children of imprisonment of a family member, and involves working with schools, health providers, social care agencies and voluntary organisations to meet the needs of families. The project includes extensive consultation with families so they can influence how services are developed. Parents in prison are encouraged to find ways in which they can maintain a positive role in their children's lives and recognise the impact of their offending behaviour upon them.



### *Disabled children*

**58.** Disabled children are more likely to live in poverty than non-disabled children. Measures put in place to eradicate child poverty will be particularly targeted at the needs of disabled children and their families. For example, Sure Start is aiming to ensure that by 2015 all families with a disabled child under five can access high-quality, flexible childcare as part of the ten-year strategy for childcare. Additionally, the Early Support Programme is aiming to provide family support to very young disabled children through service integration, improved information sharing and assessments, and support from keyworkers. This is because the level of family support that parents of disabled children need in order to function as a family and to care for their child is often higher than that required by parents of non-disabled children.

**59.** The benefits of effective early years intervention can be lost if disabled children and young people are not supported in their transition through to adulthood. We are working to ensure that there is continuity and co-ordination in the delivery of service provision that disabled young people will receive both as children and as adults. This will be achieved through the development of integrated models of working and transition protocols by the Connexions Partnerships, Special Educational Needs Regional Partnerships, Learning Disability Partnership Boards underpinned by the Transition Working Group, and the Framework for Inspection of Children's Services.

### *Special educational needs*

**60.** Children with special educational needs are more likely to live in poorer circumstances and there is also evidence that children with special educational needs from poorer homes do less well in school than those from wealthier homes. Children with special educational needs are more likely than their peers to end up Not in Education, Employment or Training following their schooling.

**61.** The special educational needs strategy, Removing Barriers to Achievement, sets out a programme for improving provision for all children with special educational needs and helping them to achieve their potential.<sup>10</sup> The programme focuses on supporting:

- early intervention;
- widening opportunities in mainstream education;
- enhancing the role of special schools in educating those with the most severe and complex needs and working with mainstream schools to support the inclusion of others;
- improving teacher training in special educational needs; and
- developing stronger partnerships between parents, education providers and other agencies to meet the full range of children's needs.

**62.** This is a long-term programme which aims to develop the support children with special educational needs and their families, including low-income families,

need to cope with the greater difficulties they face than other children and families.

### *Teenage pregnancy*

**63.** Teenage pregnancy is both a cause and consequence of social exclusion, and our multi-faceted strategy aims to halve teenage pregnancies by 2010 and reduce the social exclusion of teenage parents. Between the baseline year of 1998 and 2003 there was a reduction of 9.8 per cent in the under-18 conception rate (see indicator 3), and eight out of nine English regions have seen declines of between 8 and 16 per cent in their under-18 conception rates.

**64.** The focus of our strategy is increasingly on hotspot areas and vulnerable groups. The 2003 conception data showed that half of under-18 conceptions occur in the fifth of local authority wards with the highest under-18 conception rates.

**65.** The *Youth Matters* Green Paper<sup>11</sup> published in July 2005 made a number of proposals for better targeted support for young people at risk: responsibility for local action on teenage pregnancy should rest with local authorities; and young people at risk of poor outcomes should have access to a lead professional who will act as a single point of contact. This reflects the approach of the Sure Start Plus pilot running in 35 local authority areas that provides enhanced packages of support for teenage parents. The evaluation demonstrated the significant benefits that personal advisers delivered in providing targeted support.<sup>12</sup>

**66.** The Young Adults with Troubled Lives project is examining how services can best fit the needs of 16–24-year-olds with severe or multiple problems as they make the transition to adulthood. The interim report highlighted three key themes: ways in which we can make age boundaries between children's and adult services more flexible so that they follow need rather than age, the benefits of holistic services and of a 'trusted adult' to support and advise the young person, and the importance of understanding how young adults think and behave.<sup>13</sup>

### *Childhood obesity*

**67.** Levels of obesity among children are rising, particularly among low-income families and those living in areas of deprivation. National priority targets in England aim to help halt the year-on-year increase in obesity among children under 11 by 2010, and to enhance the take up of sporting opportunities by 5–16-year-olds. Our existing national strategy for Physical Education, School Sport and Club Links will contribute to meeting this target. The strategy aims to increase the percentage of 5–16-year-olds who spend a minimum of two hours each week on high-quality physical education and school sport, within and beyond the curriculum, to 75 per cent by 2006 and 85 per cent by 2008.

### *Infant mortality*

**68.** Infant mortality rates are a key indicator of health inequalities, social disadvantage and health in later life. Rates have and are continuing to decline in all socio-economic groups, though the

rate of decline is faster in higher socio-economic groups.

**69.** We have set a health inequalities target to reduce inequalities in health outcomes by 10 per cent as measured by infant mortality and life expectancy at birth by 2010. A specific objective is to reduce the gap in infant mortality between 'routine and manual' groups and the population as a whole by at least 10 per cent by 2010.

### Looking forward

**70.** We have set ourselves an ambitious and challenging target of halving child poverty by 2010 and eradicating it by 2020. While we have made good progress in making this target achievable, we acknowledge that there still remains much to be done. We will continue to build on and improve this successful strategy by:

- helping families into work as the best route out of poverty;
- increasing the opportunities for parents (especially lone parents) to access employment and training opportunities;
- increasing financial support to low-income families;
- improving access to affordable childcare by extending entitlement;
- enhancing support for parents; and
- improving educational opportunities for all children.

**71.** Financial support for families is based on the principle of progressive universalism, helping all families with the costs of bringing up children and providing more support for those who need it most, when they need it most. We have already announced that the child element of Child Tax Credit will rise at least in line with earnings up to and including 2007/08.

**72.** On the Child Trust Fund we are consulting on a universal payment at age 7 of £250, with children from low-income families receiving £250 more. The 2005 Budget announced a consultation on further payments at secondary school age.

**73.** Our Ten-Year Childcare Strategy includes a range of commitments to further strengthen provision for young children and families. There will be a childcare place for all children aged between 3 and 14 between the hours of 8am and 6pm each weekday by 2010, when there will be over 2 million sustainable childcare places for children up to the age of 14, as well as 3,500 integrated Children's Centres serving every community in England.

**74.** We have now guaranteed that, from 2006, all 3- and 4-year-olds will receive their free early education over 38 rather than 33 weeks of the year. From 2007, 3- and 4-year-olds will begin to receive an enhanced entitlement of 15 hours per week, with all of them receiving it by 2010. Our longer-term goal is an extension of the entitlement, which will be increasingly integrated with childcare, to 20 hours a week.

**75.** The limit for the proportion of childcare costs paid through the childcare element of the Working Tax Credit will increase to 80 per cent from April 2006.

**76.** We will ensure all parents are able to access parental support throughout the life of their child from 0 to 19 years, as and when they need it. This will include: improved access to universal information services, including enhanced helpline provision; more focused services within early years settings (as outlined in the ten-year strategy), for example through increased information, advice and guidance and access to parenting skills programmes; providing parents of school-aged children with access to support through Extended Schools services; and transitional support for all parents at key stages of their children's education.

**77.** We are now consulting on a proposed Childcare Bill to enshrine in law parents' legitimate expectation of accessible, high-quality childcare and early years provision. The Bill will confirm the vital role of local authorities as strategic leaders, building on their existing roles without imposing new burdens.

**78.** It will place a duty on local authorities to meet the needs of working parents, particularly those on low incomes and those with disabled children, and it requires local authorities to improve the lives of all children under 5, close the gaps between groups with the poorest outcomes and the rest through integrated and accessible services, and ensure parents have access to the full range of information they may need.

**79.** The need to improve the financial situation of children after their parents' relationship breakdown and to make both parents responsible for the costs of raising children led to the creation of the Child Support Agency in the early 1990s. In 2002 the Child Support, Pensions and Social Security Act set out the structure of a new child support scheme, more details of which can be found in chapter two.

**80.** Spending on education in England will rise by an average of 5 per cent a year in real terms over the next three years (an increase of £12 billion from 2004/05 to 2007/08). Between 1999/2000 and 2003/04 funding increased in real terms by £590 per pupil. By the end of the period to 2007/08, funding per pupil will be £1,330 higher in real terms than in 1999/2000. By 2007/08, UK education spending will rise to 5.6 per cent of Gross Domestic Product, compared with 5.4 per cent in 2004/05.

**81.** We will strengthen our emphasis on tailored intervention to ensure pupils get the support and opportunities their individual circumstances require. There will also be a stronger focus on interventions in failing schools (proposals to be included in the Education Reform Bill 2005) and the roll-out of New Relationship with Schools to primary schools by 2007, including the deployment of a School Improvement Partner to challenge and support every school to improve its offering for each of its pupils. The Extended Schools initiative aims to offer a broad and rich range of activities, including physical education and music. We are committed to

providing 200 Academies, open or in the pipeline by 2010, including 60 in London.

**82.** The 14–19 reforms represent a radical programme of reform of the system of 14–19 education in terms of the curriculum, assessment and the range of opportunities on offer. The 14–19 White Paper<sup>14</sup> sets out our proposals for an education that is focused on high standards and much more tailored to the talents and aspirations of individual young people. These proposals will:

- help to tackle our low post-16 participation in education;
- ensure that every young person has sound grounding in the basics of maths and English and the skills they need for employment;
- provide better vocational routes which equip young people with the knowledge and skills they need for further learning and employment;
- stretch all young people; and
- re-engage the disaffected.

**83.** Through the National Employer Training Programme we are increasing the opportunities for people to learn and develop while in work. For those whose skills are the barrier to sustainable employment, we are working across Government to ensure that opportunities exist to develop those employability skills.

**84.** In order to help us achieve our target of halving teenage pregnancies by 2010, Teenage Pregnancy Partnership Boards

have been asked to strengthen the delivery of local strategies in high-rate neighbourhoods, as well as to vulnerable groups of young people such as looked-after children and care leavers, young offenders and young people with mental health problems.

**85.** Local teenage pregnancy strategies have, to date, focused primarily on the needs of young mothers. There is, however, a recognition that more needs to be done to support young fathers, who are often excluded by health professionals from playing a key role in the care of their child. All local teenage pregnancy strategies have been asked to develop support networks for young men who are parents, which will give them the chance to maximise future education, training and employment opportunities to better support themselves and their families.

**86.** The Teenage Pregnancy Unit is funding a maternity network of midwives and community health visitors working with teenage mothers. A key task for the network is to change negative attitudes towards teenage fathers and get maternity services to engage with them.

**87.** Action is in hand across Government to reduce infant mortality and meet the 2010 target through a number of programmes and initiatives, including:

- the *National Service Framework for Children, Young People and Maternity Services*,<sup>15</sup> a ten-year plan aiming to improve the lives and health of children right from pregnancy. One of its key themes is access to

maternity services by vulnerable and disadvantaged women;

- the new Healthy Start scheme, which will be phased in from the end of 2005 and will eventually replace the Welfare Food Scheme. Under this new scheme pregnant women, breastfeeding mothers and mothers of young children in low-income families will receive fixed-value vouchers that they will be able to exchange for fruit and vegetables as well as milk and infant formula milk. It will also ensure that participants have the opportunity to access good-quality information and advice about healthy family diet and about infant feeding, as well as broader health issues;
- improving neonatal services around the country and developing clinical networks to target support to the smallest and sickest babies; and
- action through the NHS to reduce smoking among pregnant women and mothers of infants, to meet the national target of reducing the percentage of women who smoke during pregnancy to 15 per cent by 2010.

**88.** We need to continue to take action across all these areas to ensure that every child gets the best possible start in life and is able to fulfil their potential. We have made considerable progress in tackling child poverty, but realise we still have some way to go. By building on the strategies outlined in this chapter we expect, over the coming years, to continue to make significant progress towards eradicating child poverty by 2020.

## Section two: Working age

### Our aims

**89.** For most people, work is the best route out of poverty. It is the best way to achieve economic independence, prosperity and personal fulfilment. We need to help more people into work who in the past were all too often considered inactive, such as lone parents and individuals locked into long-term dependency on incapacity benefits. The welfare state should be an enabler that helps people to fulfil their potential. It must no longer be a safety net that traps people into dependency.

**90.** And we need to help more people into work if we are to meet the challenge of an ageing society, enable older people to live more independent lives and deliver the state financial support to which they are entitled. We must also continue to work towards full employment in every region, narrowing gaps in labour market performance at the local level by addressing the pockets of deprivation across the country where worklessness remains a barrier to social inclusion.

**91.** We have set ourselves one of our greatest challenges yet: to make work possible for more people, with an ambition for an employment rate equivalent to 80 per cent.<sup>16</sup> An 80 per cent employment rate means a stronger and more prosperous economy, a society with greater inclusion, which will lead to less poverty and less wasted opportunity.

**92.** Our strategy for doing this is to:

- promote employment opportunity for all: achieved through high and stable

economic growth and by providing people with effective help to find work;

- make work pay: improving incentives through reform of the tax and benefit system and the introduction of the minimum wage, helping more people move into and remain in work;
- prevent people being excluded from the labour market and promote active inclusion: some groups of people face greater barriers to employment than others, especially lone parents, people aged 50+, people with health conditions and disabilities, ethnic minorities, people in disadvantaged areas, and particular disadvantaged groups;
- support people to work to build personal assets and social capital: this will provide for self-determination and security through the transitions of the life-cycle.
- equip people to remain and progress in the labour market: poor literacy, language and numeracy skills contribute to the cycle of deprivation often experienced by socially excluded groups, with the impact being felt on people's employment chances and opportunities, personal health, family life, likelihood of suffering depression, and likelihood of turning to crime.

**93.** Alongside this we will continue to support those unable to work and pursue policies to promote financial inclusion.

**94.** We will also continue to innovate, pilot and evaluate so that we are well placed to deliver the next phase of welfare reform.

## Progress so far

**95.** Since 1997 we have delivered macroeconomic stability, invested in active labour market policies, developed tax and benefit policies to ensure work pays, and invested in skills. This has helped deliver a more flexible labour market in which as many people as possible have the opportunity to move into work, employers can find the right people to fill their jobs, and the country as a whole can adjust more quickly to 'one-off shocks' or to structural changes in the economy. We intend to build on this with radical reform of the welfare state. A great deal has already been achieved:

- 2 million more people are in work than in 1997;
- nearly 75 per cent of the population between the age of 16 and State Pension Age is in work (see indicator 18);
- the UK has one of the strongest labour markets in the world, with the best combination of employment and unemployment of the major world economies.

**96.** Most groups within society are benefiting from the fact that the UK is a high-employment country. Employment rates are higher than the averages of both the Organisation for Economic Co-operation and Development (OECD) countries and the EU for men and women, for the young, prime age and old, and for low-, medium- and high-skilled people.

**97.** Most parts of the country are also benefiting. Over 90 per cent of local authorities in Great Britain have employment rates above the OECD and EU averages (see indicator 18).

### *Active labour market policies*

**98.** Ground-breaking labour market policies are transforming the former passivity of the welfare state into an active engagement, based on rights to financial support balanced by responsibilities to look for work, with individual tailored help.

**99.** We have set about tackling the high levels of long-term unemployment through the New Deal, first for young people and then for those aged over 25. Long-term claimant unemployment among young people has been virtually eradicated, and among adults it is now a quarter of what it was in 1997 (see indicator 22).

**100.** We have extended help and support to others on benefit, especially lone parents and people with a health condition or disability. The number of lone parents on benefit is down, and the last year has seen the number of people claiming incapacity benefits falling after more than two decades of growth.

**101.** The numbers coming onto 'inactive' benefits such as Incapacity Benefit are now falling after having more than tripled between 1979 and 1997. Inflows to sickness and disability benefits have fallen by a fifth since 1997. But we need to increase the rate at which people leave benefits and move into work. That is why we set up Jobcentre Plus, which has

revolutionised the way work and benefit support is delivered. Benefit and labour market advice has now been brought together for all people, providing an active focus on helping people into work. We have invested £2.2 billion to introduce Jobcentre Plus, and so far over 600 Jobcentre Plus offices have been rolled out across the country.

**102.** People who are economically active are more healthy; and people who are healthy are more likely to be economically active. The workplace offers real opportunities to help people improve their health and well-being.

**103.** Much good work is already going on both inside and outside of Government in improving the health and well-being of working people to ensure they remain healthy in work and are supported and rehabilitated when they have fallen out of work.

**104.** We have also improved support for working families with measures that include new paid paternity and adoption leave, an increase in Statutory Maternity Pay and leave and a new right to request flexible working for parents of young and disabled children. Information about parental leave and work-life balance is covered in chapter two.

### *Making work pay*

**105.** The National Minimum Wage was introduced in April 1999 as part of our overall strategy to make work pay. In October 2005 the adult rate will be increased to £5.05 per hour and the youth rate to £4.25 per hour.



**106.** We have also reformed the tax system to improve family incomes. In April 2003 we introduced the Working Tax Credit to help make sure that work pays. As a result of tax and benefit reforms since 1997, a lone parent with two children, moving into work on the National Minimum Wage, with childcare costs of £80 per week, will be over £80 per week better off in work than on benefit. A single-earner couple aged 25 or over, with children and on median earnings, will gain over £100 a week from the move to work.

### *Preventing exclusion from the labour market*

#### *Lone parents*

**107.** We have made significant strides in improving the labour market position for lone parents. For the first time ever, around 56 per cent of lone parents are in work (see indicator 19). Information on the programmes to help lone parents is covered in chapter two.

#### *People aged 50+*

**108.** The employment rate for older workers has been on an upward trend over the last ten years but is still lower than for the overall population (see indicator 19). For more information see the section on people aged 50+ and retired people in this chapter.

#### *People with health conditions and disabilities*

**109.** Poor health does not have to be a barrier to work. Over 3 million people with a long-term disability are currently in employment. Prior to 1997 little was done to help those with health

conditions or disabilities return to work, and many people claiming incapacity benefits were abandoned to a life on benefits. Since 1997 we have made real progress in changing this situation. The employment rate for disabled people rose from 38.1 per cent in spring 1998 to 46.6 per cent<sup>17</sup> in spring 2005; over the same period, the employment gap fell from 35.1 percentage points to 28 percentage points. The volume of people making a new claim for Incapacity Benefit has fallen by over a quarter since 1997; and after more than two decades of substantial growth the working age Incapacity Benefit caseload has fallen slightly to 2.74 million, a fall of around 41,000 over the year to May 2005. There is still more to do for those with mental health conditions, who have one of the lowest participation rates in employment among disabled groups.

**110.** In October 2004 we brought over 1 million additional small employers and a further 7 million jobs, in which 600,000 disabled people already work, within the scope of the employment provisions of the Disability Discrimination Act 1995. Subsequently we have introduced the Disability Discrimination Act 2005, which will extend the coverage of the 1995 Act to private clubs with 25 or more members and cover conditions such as multiple sclerosis, HIV and cancer. The 2005 Act also will place a new duty on public bodies to promote equality of opportunity for disabled people. It also ends the exemption of transport vehicles from the duties of the Act and has allowed us to set an end date of 2020 by which all rail vehicles must be accessible. Through the various New Deal programmes, including the New Deal for

Disabled People, we have supported some 225,000 disabled people into work.

### *Pathways to Work*

**111.** We are developing much greater support in our Pathways to Work pilots. The pilots focus on early intervention, greater support, and active engagement of key stakeholders, such as employers and GPs, and are changing attitudes and encouraging and enabling people to return to work. Pilots are currently operating in seven Jobcentre Plus districts, with roll-out to a further 14 districts by October 2006. This will extend Pathways to Work to cover a third of the country at an annual cost of around £167 million per year, on the road to making this a nationwide offer.

#### It's working: Pathways to Work

Christine, who is in her 40s, had to give up the retail manager job she loved because of her worsening arthritis. Her confidence was badly shaken and the future looked bleak.

She agreed to try the National Health Service Condition Management Programme to help her cope better with her condition. The option, which includes pain management, is part of a Pathways to Work pathfinder in Wales. After a couple of months of physiotherapy and occupational therapy, her condition and confidence improved and she started to consider returning to work. With the continuing support of her personal adviser, she re-trained, gaining new skills in information technology. Christine now has a job in a local call centre and is really positive about her new career.

**112.** The latest Pathways to Work statistics<sup>18</sup> show that the number of recorded job entries for people with a health condition or a disability has significantly increased in Pathways areas, compared with the rest of the country.

### *Ethnic minorities*

**113.** If we are to address persistent disadvantage and lift ethnic minority children out of poverty it is vital that we increase the ethnic minority employment rate and narrow the gap between this rate and the overall rate. The ethnic minority employment rate has risen by 1.5 percentage points since spring 2003,<sup>19</sup> and now in 2005 it stands at 59.3 per cent (see indicator 19). Over the same period, the gap between the ethnic minority employment rate and the overall rate has fallen from 16.9 to 15.6 percentage points.

**114.** More than 155,000 people from ethnic minorities have been helped into work through the New Deals, Employment Zones and Action Teams for Jobs.<sup>20</sup> We are championing a cross-government strategy through the Ethnic Minority Employment Task Force to tackle the main factors in ethnic minority employment disadvantages.

**115.** Key initiatives delivered by Jobcentre Plus and its partners include the targeting of resources through the Jobcentre Plus target structure in areas with high ethnic minority populations and high levels of worklessness. Ethnic Minority Outreach, the Ethnic Minority Flexible Fund and specialist employment advisers all operate in targeted areas, as will the Fair Cities pilots,<sup>21</sup> which are due to start in

Birmingham, Bradford and London (Brent) in the autumn, and a series of Work Search Premium pilots, aimed at workless partners in families receiving tax credits, which are planned to start in October 2005.

**116.** We are also creating employment opportunity for black and ethnic minority groups in other ways, for example within the drug treatment sector through the Advanced Apprenticeship pilot. This has been developed by Skills for Justice in partnership with the National Treatment Agency and with the support of the Federation of the Black and Asian Drug and Alcohol Workers. The pilot aims to increase the numbers of black and ethnic minority professionals in the drugs field. The programme for each trainee lasts for two years and includes a level 3 National Vocational Qualification. The first apprenticeships began in autumn 2003 with around 30 trainees in Manchester and London. Recruitment for a further intake is planned for spring 2006.

### *People in disadvantaged areas*

**117.** While most parts of the country are benefiting from our labour market success, geographical variations in employment remain. In 2004 only a small minority (20 out of 408) of local authorities had an employment rate more than ten percentage points below the Great Britain average. Areas with low employment rates are concentrated in a relatively small number of deprived areas, especially in our major cities. In fact, of the 30 local authorities with the lowest employment rate in 2004 almost all were in cities (and almost a third in London), while most of the remainder were

ex-industrial/coalfield areas and coastal towns.<sup>22</sup>

**118.** There is increasing recognition of the importance of policies to tackle the problems in cities, particularly the numbers of people who are economically inactive and on benefits. To some extent there may be common factors that can be addressed through programmes such as the New Deals or Pathways to Work. But there may also be local problems that require particular local solutions.

**119.** Pockets of deprivation often cover an area as small as a local authority ward or even an estate. Many people in deprived areas face multiple disadvantages in the labour market. In general, the proportion of lone parents, ethnic minorities and disabled people is higher in disadvantaged areas than in more prosperous ones. One aspect of addressing worklessness is ensuring that delivery of core programmes, such as New Deal, meets the needs of people in these areas.

**120.** Our core programmes are being supplemented by area-specific initiatives where disadvantage is greatest. Employment Zones have operated in areas of high long-term unemployment since 2000 and have helped over 60,000 people into work. In 2004/05 we invested £68 million in Employment Zones.

**121.** Action Teams for Jobs are developing new approaches to reach and help local residents who are not in work. By the end of April 2005 they had helped over 133,000 jobless people into work. In

2004/05 we invested £23 million in contractor-led Action Teams. In 2004 we launched Working Neighbourhoods pilots to address the 'culture of worklessness' that has developed in some areas, funded by £77 million from the Employment Development and Modernisation Fund.

**122.** We published the *Jobs and Enterprise in Deprived Areas*<sup>23</sup> report in September 2004, which looked at what more could be done to tackle 'concentrations of worklessness' that still exist in England. The report looked at a number of issues that have an important impact on improving the lives of people living in deprived areas. These included the way housing, the informal economy and the delivery of policy affect areas of high unemployment. This report contained new evidence about very local pockets of unemployment and economic inactivity that exist across the country. This evidence has been used to influence our policy, including more focused Public Service Agreement targets for the Department for Work and Pensions and the Department of Trade and Industry. The report has also led to pilots being set up by community development financial institutions in conjunction with Jobcentre Plus to investigate ways of improving the provision and accessibility of small-scale finance for those entering self-employment.

#### *Particular disadvantaged groups*

**123.** We are developing evidence-based strategies to tackle barriers for groups identified as particularly disadvantaged in the labour market, as part of wider

government working and in consultation with the voluntary sector.

#### *Offenders*

**124.** Research<sup>24</sup> suggests ex-offenders who gain employment are between a third and a half less likely to re-offend. Two-thirds of prisoners are unemployed on release. The cost to the tax payer of recidivism is an estimated £11 billion a year.

**125.** The Reducing Re-offending National Action Plan sets the strategic direction for reducing re-offending under the National Offender Management Service. It draws together activities, including developing the new integrated learning and skills service with new partnership arrangements for offenders both in prison and in the community (the new Offenders' Learning and Skills Service), engaging employers and the voluntary and community sector, and improving standards of training.

**126.** Jobcentre Plus employment surgeries are now available in almost all prisons, providing job-search and benefits advice. Pre-arranged Freshstart appointments on release connect ex-prisoners quickly to employment help. Freshstart is a £3 million initiative to improve the transition from custody into work by improving links between prisons and Jobcentre Plus offices.

#### *Drug misusers*

**127.** We estimate that there are around 250,000 problem drug misusers in England and Wales, of whom around 80 per cent are unemployed.<sup>25</sup> To help

people overcome their drug problems and progress in the labour market we have developed 'progress2work'. This initiative is available nationally and offers recovering drug misusers specialist support to help them access and sustain work and mainstream employment programmes. It has helped over 4,000 people into work. Progress2work-LinkUP builds on the progress2work model, concentrating on those who may experience multiple barriers to employment, including ex-offenders, the homeless and alcohol misusers. LinkUP is showing signs of achieving similar levels of success as progress2work. In 2005/06 we have contracts worth around £13 million for progress2work and around £4 million for progress2work-LinkUP.

### Refugees

**128.** In March 2005 we launched *Integration Matters*,<sup>26</sup> the national strategy for refugee integration. It sets out the action being taken to ensure that refugees are given the opportunity to make an active contribution to society and the communities they live in. It identifies the barriers to integration faced by refugees in accessing services, and suggests ways to remove those barriers and ensure that provision for refugees is included in mainstream services.

**129.** An important element of *Integration Matters* is the work being carried out on mentoring. A joint venture between the Home Office and the national charity TimeBank will deliver mentoring on a national scale to assist with the integration of refugees.

### Time Together – Hayley and Tekulu

Hayley, a psychology student in Peterborough, wanted to get involved in the Time Together project to give something back to her community.

After undergoing mentor training in March 2005, Hayley was matched with her mentee, Tekulu. Tekulu is 30 years old and comes from Eritrea. He has been living in the UK for the last six months and has been trying to improve his English. Together they have explored the local community and corresponded via e-mail to improve Tekulu's written English.

For Hayley mentoring has given her insight into the life of a refugee. Tekulu's confidence has increased vastly and he is now focused on finding a college placement and a suitable job.

**130.** TimeBank runs a successful inter-community mentoring scheme called Time Together in London, Birmingham, Glasgow and Manchester. Volunteer mentors are paired with refugees, enabling them to access services, courses, information and opportunities. The scheme, launched in 2002, has matched nearly 500 refugees with volunteer mentors.

**131.** One of the key barriers that face a new refugee is access to employment. To help address this issue we launched *Working to Rebuild Lives, A refugee employment strategy* alongside *Integration Matters*.<sup>27</sup> We set out a number of measures to be put in place to remove the barriers to employment. Key

to the strategy is a focus on refugees being able to access existing Jobcentre Plus services and receive appropriate employment advice. Voluntary and community sector organisations will also play an important role in providing specialist advice to refugees, particularly those from a professional background.

**132.** The strategy builds on the work Jobcentre Plus is already undertaking with local authorities and other partners to provide refugees with the labour market support they need.

#### Jobcentre Plus help for refugees

In Portsmouth, a specialist team of Jobcentre Plus advisers serve the city's refugee community. They provide a holistic and proactive approach to delivery of Jobcentre Plus services, working closely with the City Council and other partners. Staff are experienced and comfortable with the cultural and linguistic differences they frequently encounter, and adopting the Jobcentre Plus diversity and equality ethos of respecting difference is a key factor in the initiative's success.

#### *People who move frequently*

**133.** Many people who move frequently (such as people in transition after leaving institutions as well as traditionally mobile groups such as Gypsies and Travellers) find it difficult to access the services they need and this can cause or compound social disadvantage. The Social Exclusion Unit is currently developing recommendations to improve service delivery for people who move frequently to ensure that services are tailored to

meet individual needs in different locations and that there is support for those who want to settle and avoid a cycle of repeat homelessness. The recommendations will also focus on promoting cohesion between settled communities and those moving into them.

#### *Improving services for disadvantaged groups*

**134.** The Social Exclusion Unit report *Improving Services, Improving Lives – Evidence and Key Themes*<sup>28</sup> looks at the evidence on ways to make mainstream public services more effective for disadvantaged adults. It provides some important messages which will inform the public service reform to ensure improvements are enjoyed by all. Specific policy actions will be agreed across Whitehall and announced in the final report in spring 2006.

#### *Housing Benefit reform*

**135.** We are committed to addressing the potential barriers for people seeking to enter the labour market, including complexity and financial disincentives. Processing delays and uncertainty caused by the complex structure and operation of Housing Benefit have often been criticised for being a deterrent to taking up employment.<sup>29</sup>

**136.** The new Local Housing Allowance is being piloted for private sector tenants in nine pathfinder areas, with a further nine local authorities introducing the scheme this year. It provides a more transparent system by paying claimants a flat rate of Housing Benefit, based on their household size and the area in which

they live. The Local Housing Allowance rates are published in each area, so that tenants are now aware of the maximum help available towards their rent. The allowance is, in most cases, paid directly to the tenant. This promotes personal responsibility and financial inclusion, which should help the transition to work for those who are not currently working.

**137.** Early feedback from the pathfinder areas has been positive, with smooth implementation of the reforms and 84 to 90 per cent of payments made directly to tenants. The pathfinders are subject to a comprehensive evaluation programme which will help inform the national implementation of the Local Housing Allowance.

**138.** Significant progress has been made since the Housing Benefit reform programme was first launched in October 2002. In addition to the launch of the Local Housing Allowance pathfinders we have seen a two-week improvement in the average time taken to process new claims and implemented a number of simplification measures to reduce complexity in Housing Benefit rules.

### *Equipping people to remain and progress in the labour market*

**139.** Poor basic skills are known to contribute to the cycle of deprivation often experienced by socially excluded groups. Tackling social exclusion is at the heart of the Skills for Life strategy launched in March 2001. It aims to help people across England with poor literacy, language and numeracy skills, to ensure they have the skills needed for life and work. The strategy specifically seeks to

help key priority groups at most risk of social exclusion.

**140.** We exceeded our target number of adults (750,000) to gain a first qualification in literacy, language or numeracy by July 2004. In total, 839,000 adults achieved qualifications from April 2001 to July 2004. We are on track to meet our target to help 2.25 million adults improve their literacy and numeracy skills by 2010, with an interim target of 1.5 million by 2007.

**141.** Equipping young people with the skills they need to progress in work and in life is an essential ingredient of the strategy. Competence in the use of language and numeracy is key, and so are team working, interpersonal skills and problem solving. The National Curriculum gives a foundation to these skills, but employers and individuals have to build on that base if we are to 'grow' the talent, ensure continued economic success and personal achievement, and assist social cohesion.

**142.** The New Deal for Skills aims to help people 'get into' and then 'get on' in work. It is being introduced progressively from April 2005 and will provide an integrated package of support for those who have a significant skills gap that prevents them from sustaining employment.

**143.** We have strengthened the role that employers play in determining the type of training available and how it is delivered. The development of a National Employer Training Programme, along the principles of the Employer Training Pilots, puts the voice of the employer at centre-stage.

### *Supporting those unable to work*

**144.** There are over 5 million carers in England and Wales, including over a million providing more than 20 hours of care a week. Among people under pension age, a greater proportion of women than men are carers. We have helped more than 300,000 carers through a package of measures, including a substantial increase in the carer premium in income-related benefits.

**145.** We are committed to helping severely disabled people with the extra costs they face as a result of their disabilities, so we are taking steps to better target the take-up of extra cost disability benefits. In the last five years, the number of people receiving disability benefits has increased by 25 per cent for Disability Living Allowance and 10 per cent for Attendance Allowance.

**146.** We have also strengthened the delivery of disability benefits, and during 2004/05 the Disability and Carers Service was reorganised and assigned formal Executive Agency status. We are also providing better information about the support available; for example, the Directgov<sup>30</sup> site was re-launched in 2005 and includes information on independent living, leisure, financial support and rights specifically for disabled people and carers.

### *Promoting financial inclusion*

**147.** We have set out our strategy to tackle financial exclusion in *Promoting financial inclusion*,<sup>31</sup> published alongside the 2004 Pre-Budget Report. The report sets out a range of measures in three priority areas, which we will build on:

access to banking, access to affordable credit and access to free face-to-face money advice.

**148.** We have established a framework for delivery – including a Financial Inclusion Fund of £120 million over three years and a Financial Inclusion Taskforce launched in February 2005 to monitor progress and make recommendations on what more needs to be done. Key measures include a shared goal with the banking industry to halve the number of adults in households without a bank account, and support to increase the capacity of the face-to-face money advice sector.

**149.** Around 1.9 million households have no access to a bank account. Identity cards will be particularly valuable for those people who have difficulty providing enough documentation to open a bank account, as everyone aged 16 and over living legally in the UK will be eligible for an identity card.

### *Saving Gateway – building assets to enhance security and opportunity*

**150.** The Saving Gateway is a pilot scheme designed to explore how matching individuals' savings and providing carefully tailored information can help promote saving among those who do not usually save, allowing people to build up assets, and providing a ladder out of poverty rather than a safety net. The first pilot, established in 2002, provided pound-for-pound matching of an individual's savings up to a limit. The 2004 Pre-Budget Report announced a new, larger £15 million Saving Gateway to be delivered across six areas, testing



different variables and building on the evidence base of the first pilot. This second pilot will inform the development of matching as a central pillar in our strategy for promoting saving and asset ownership.

#### *Over-indebtedness*

**151.** While the majority of the population benefits from credit arrangements, a small but significant minority continues to be severely affected by problem debt. Tackling this is an integral part of our commitment to social justice and prosperity for all.

**152.** The consumer credit White Paper<sup>32</sup> committed us to establish mechanisms to tackle over-indebtedness. We published an Action Plan in July 2004 setting out the strategic priorities and how we intended to deliver them. The first annual report<sup>33</sup> reviews what has been achieved so far in ten initiatives that were key to the twin aims of minimising the number of consumers who become over-indebted and improving the support framework for those who have fallen into debt.

#### *Social Fund*

**153.** The Social Fund targets those families most in need and plays an important role in tackling poverty and social exclusion. It provides support to millions of people on low incomes who need help to pay for a variety of intermittent expenses. We increased the budgets for the discretionary part of the Social Fund (Budgeting Loans, Community Care Grants and Crisis Loans) from April 2003 to provide an extra £90 million over three years to help those most in need. We are working

to see how the administration of the Social Fund can be improved.

#### *Financial literacy*

**154.** There is a strong link between poor financial understanding, poor basic skills and social exclusion. It is often the individuals who fall into this group who find themselves unable to make informed financial decisions or who even find themselves over-indebted. We have been funding a Financial Literacy Project through Skills for Life. Alongside developing teaching and learning resources and trialling innovative methods of delivery, the project has aimed to help develop local partnerships between tutors and the advice sector.

### Looking forward

#### *Welfare reform*

**155.** We have already set out our ambition of an 80 per cent employment rate. To support this modern vision of full employment and to ensure the welfare state becomes a ladder out of poverty rather than a safety net of dependency, we will undertake fundamental reform of the benefits system.

**156.** Our principles of welfare reform are clear. Equality, opportunity, fairness and social justice are our cornerstones, designed to provide routes out of poverty as well as wider economic prosperity, for individuals, communities and society as a whole. Helping people help themselves enables self-reliance and self-determination, and the right to financial or other support goes hand in hand with an obligation to take steps to avoid long-term dependency.

**157.** There is no quick-fix solution – we need to address the entire process whereby people slip from employment into worklessness and will be publishing a Green Paper on welfare reform, accompanied by extensive consultation, in autumn 2005, and we welcome input to this process.

### *Programmes and planned activities*

**158.** To support our modern vision of full employment of an 80 per cent employment rate we will:

- further develop employment policies for groups traditionally defined as being outside the labour market, especially lone parents, people on incapacity benefits and those approaching traditional retirement;
- complete the Jobcentre Plus programme by 2006;
- build on the success of New Deal by moving away from set programmes and tailoring help to individuals rather than groups, by giving greater discretion to staff to cater for local needs, and providing greater help for more disadvantaged customers while retaining and extending rigorous conditionality;
- focusing on areas of the country where there are currently lower levels of economic activity – building on Objective 1 and European Social Fund programmes. In addition to this, we will continue to develop approaches for positive engagement of those from ethnic minority backgrounds with historically low employment take-up

rates, including testing the Fair Cities pilots;

- support people with low skills to enter the labour market; and
- initiate radical welfare reform to provide much greater flexibility in supporting people moving in and out of work; for example, the forthcoming bill on Housing Benefit will pave the way for the national roll-out of the Local Housing Allowance for tenants in the private rented sector, and we will continue to streamline the policy and administration of Housing and Council Tax Benefit.

**159.** We need to draw on our experience of helping the claimant unemployed so we can help those people who are economically inactive. We know that our policies can help reduce long-term unemployment, but economic inactivity is now a bigger challenge than unemployment.

**160.** Our aims for helping lone parents and people aged 50+ into work and extending opportunities for these groups are outlined in chapter two and section three in this chapter.

**161.** We also have further changes planned beyond the extension of Pathways to Work to provide proper support for people with health conditions and disabilities to enable them to support themselves and their families and to achieve fulfilment. Our proposals will be outlined in our welfare reform Green Paper in the autumn and include improved working with employers, health and social services, improvements to

occupational health services and a radically reformed system of incapacity benefits for new claimants, with the goal of the main elements of the new system being in place by 2008.

**162.** Work is important to people – increased job satisfaction helps improve personal health, reduce health inequalities and improve life chances for them and their families. A great deal is already going on, but more can be achieved to ensure co-ordination of approach and to identify gaps where we need to undertake new work. Central to our success will be a commitment to partnership working across Government and with stakeholders. Success should lead to a number of things, including: increased employment – more people able to work; optimal performance and attendance – people at work more of the time; a reduction in health inequalities and social exclusion; people, who wish to, are fit to work to a later age; and people with health problems or disabilities able to optimise work opportunities.

**163.** The Department for Work and Pensions and Department of Health are to jointly appoint a National Director to focus on the health and well-being of people of working age and oversee the implementation of *Health, Work and Wellbeing – Caring for our Future – A Strategy for the Health and Wellbeing of Working Age People*. The strategy is a central element of our wider welfare reform agenda and a crucial part of delivering on the Government's commitment to improving health, set out in the White Paper, *Choosing Health: making healthier choices easier*.<sup>34</sup> It helps

to make a reality of the Health and Safety Commission's *A strategy for workplace health and safety in Great Britain to 2010 and beyond*.<sup>35</sup>

Underpinned by a ground-breaking partnership between the two departments, this strategy will enable us to work with all our partners across and outside government; to break the link between ill health and inactivity; and to transform opportunities for people to recover from illness while at work, maintaining their independence and sense of worth.

**164.** The Strategy Unit report *Improving the Life Chances of Disabled People*,<sup>36</sup> published in January 2005, sets out a vision that by 2025 disabled people should have the full opportunities and choices necessary to enable them to improve their quality of life.

**165.** The National Employment Panel, working with the Ethnic Minority Business Forum, reported in *Enterprising People: Enterprising Places*<sup>37</sup> on measures to encourage employment, self-employment and the growth of small businesses among ethnic and faith minority groups. These included, for example, that outreach support for employability skills development and job access should be focused on people who are not in work, are not on benefit, and may have been traditionally excluded from the labour market. The Ethnic Minority Employment Task Force will be taking forward work arising from this report.

**166.** In the poorest areas we are moving our focus from the 30 most disadvantaged local authority districts to

903 individual wards to ensure that effort is more effectively targeted. Partnership working will become increasingly important as we develop our strategies for neighbourhood renewal and for cities.

**167.** We shall continue to move people with low skills from economic inactivity and into sustainable employment. As part of the New Deal for Skills, for example, we shall be trialling an Adult Learning Option during 2006 to give low-skilled benefit recipients the opportunity to take up their Level 2 entitlement.

**168.** We plan to continue to implement simplification measures aimed at stripping out complexities in the Housing Benefit rules and at achieving alignment with other benefits.

**169.** We will continue to support those who are not currently able to work, encouraging their aspirations and ensuring they will not be written off. Apart from taking forward the recommendations in the Strategy Unit report referred to above, we will focus on strengthening service delivery through Jobcentre Plus, the Disability and Carers Service and the Pension Service, and maximise our efforts so that more people are aware of and take up their entitlements.

**170.** For those who continue to be financially excluded we are improving the Social Fund from April 2006. We are introducing a package of changes that will make the budgeting loan scheme more responsive to the needs of applicants. We will also make loan repayments more affordable. These

measures will give greater consistency and transparency in access to budgeting loans and will enable the Social Fund to play a more effective role in helping those families most vulnerable to over-indebtedness. The package of changes will be supported by additional funding of £210 million over the period 2006/07 to 2008/09. In the future we want to consider radical change to the loan scheme so that it can provide a more effective stepping stone to our financial inclusion aims of better access to affordable credit and increased savings.

## Section three: People aged 50+ and retired people

### Our aims

**171.** People of all ages have a right to expect security and decent support when they are in need, but we also expect people to save and prepare for their retirement. The UK population projections suggest that the number of people aged between 50 and 69 will increase from 13 million to around 16 million by 2025. It is likely that more of this group will want to and will be expected to work.

**172.** We aim to support people nearing retirement in making informed decisions for themselves about work, saving and retirement. By working in conjunction with partner organisations, we will continue to lower poverty and put in place further measures to support an ageing population. The objectives of the strategy to meet these new challenges are to:

- combat poverty and ensure financial security in retirement;

- enable future generations of retired people to make real and informed choices on working and saving for retirement;
- increase employment opportunities for older workers;
- improve security and bolster confidence in occupational pension schemes; and
- improve the standard of public services for people aged 50+ and retired people.

**173.** For people over State Pension Age, we have focused on tackling poverty. The priority for younger people is to enable them to make informed choices by offering access to tools to plan for retirement and providing the necessary information to support this planning. We also need to tackle barriers to retirement to allow people the opportunity to move gradually from full-time work to retirement.

## Progress so far

### *Tackling poverty among retired people*

**174.** As a result of the measures we have introduced since 1997, we will be spending nearly £11 billion extra on people over State Pension Age in 2005/06. This is nearly £8 billion more than linking the Basic State Pension to earnings would have given these people. Almost half this extra spending – over £5 billion – is going to the least well-off third.

**175.** Low income among those over State Pension Age has fallen by one-fifth in relative terms and around two-thirds in absolute terms between 1996/97 and 2003/04, lifting 1.9 million older people out of absolute low income, 1.3 million of whom are women (see indicator 28).

### *Pension Credit*

**176.** Pension Credit targets money at those who need it. It is making a real difference to the incomes of people aged 60 or over. There are around 2.7 million households receiving Pension Credit, and the average weekly payment is over £40. Two-thirds of recipients of Pension Credit are women.

**177.** Pension Credit guarantees an income of £109.45 a week for people aged 60 or over and £167.05 for couples from April 2005. These amounts may be more for those with severe disabilities, caring responsibilities and/or relevant housing costs. For example, a person receiving Attendance Allowance could get £45.50 per week more than the minimum guarantee.

### Pension Credit

George McLachlan of Southampton was prompted by his friend to claim Pension Credit.

George called the free helpline for Pension Credit to set the ball rolling. "I went through the details with a lady from The Pension Service. Once she'd taken my details over the

*continued*

*continued*

phone, she sent me a form to check and sign, which I sent back, in the pre-paid envelope.

“The next thing I knew, a cheque arrived. The money was my backdated Pension Credit entitlement.”

The Pension Credit that George received from then on gave him an extra £20 a week on top of his Basic State Pension.

George feels it has had a positive impact on his lifestyle: “It has made a big difference to me. I can afford to live a little more comfortably now. It’s been five years since I had a holiday, but I might be able to get away this year.”

**178.** Pension Credit also rewards people aged 65 or over who have made modest provision for their retirement. This is worth up to £16.44 a week for a single person and £21.51 for couples. This means that single people aged 65 or over with a total weekly income up to around £151 (£221 for couples) can still gain from Pension Credit.

#### *Winter Fuel Payment*

**179.** By ensuring the great majority of households with people aged 60 or over receive a lump sum payment for heating every winter, the Winter Fuel Payment makes an important contribution to our wider efforts to combat fuel poverty and the attendant risk of causing or worsening ill health. We expect approximately 11.5 million people in over 8 million households in Great Britain to

receive payments this winter at an estimated cost of around £2 billion. The Winter Fuel Payment is currently £200 a year for qualifying households or £300 where the household includes someone aged 80 or over.

#### *Extra support*

**180.** We will make a payment of £200 in the current financial year to eligible households with someone aged 65 or over who is not in receipt of the guarantee element of Pension Credit to help with Council Tax bills, at an estimated cost of £951 million.

**181.** For this year a £50 payment will be made to households with someone aged 70 or over in receipt of the guarantee element of Pension Credit to help with living expenses, at an estimated cost of £74 million.

#### *Council Tax and Housing Benefit*

**182.** Council Tax Benefit and Housing Benefit make an important contribution to the financial security of nearly 5 million people on low incomes. With the introduction of Pension Credit, around 2 million households are eligible to get more help. This includes around 350,000 households newly entitled to Council Tax Benefit.<sup>38</sup>

**183.** We launched another awareness campaign on Council Tax Benefit in the run-up to this year’s Council Tax billing round and we are continuing to support local authorities in raising awareness of Council Tax Benefit. We have introduced a shorter claim form for retired people and are looking at ways of making this shorter still. We will continue to consider

ways in which help with an individual's Council Tax might be made simpler to understand and easier to claim.

### *Enabling future generations to make real and informed choices*

**184.** We aim to help individuals make informed choices on saving and planning for their retirement, including how long to work.

#### *Pension forecasts*

**185.** Individual State Pension forecasts: people can already request a State Pension forecast. Nearly 1.3 million forecasts were issued in 2004/05.

**186.** Combined pension forecasts: many employers are working with us to provide their employees with a combined pension forecast of their state and current occupational or private pension. By April 2005, over 2 million combined forecasts had been issued.

**187.** Automatic State Pension forecasts: in May 2003 we began a programme to issue State Pension forecasts, automatically, at regular intervals to all people who do not have access to a combined pension forecast through their employer or pension provider. By May 2005 over 5.3 million forecasts had been issued.

### *People aged 50+ and work*

**188.** We are committed to giving people the choice and opportunity to work longer. Helping people who want to extend their working lives is a vital part of our response to the challenges of an ageing society. This does not mean that

we want people to work their entire lives. But we do want to ensure that individuals can make informed choices about work, saving and retirement to help them to enhance their current and retirement income. Working longer also gives employers the opportunity to keep experienced staff and reap the business benefits of an age-diverse workforce.

**189.** Our long-term aspiration is to have 1 million more older workers in the labour force, including many who will choose to work beyond State Pension Age. From April 2005 our target to significantly increase the employment rate of older workers and to reduce the gap between that and the overall employment rate was extended to cover people aged 50–69. This reflects that many people choose to continue working beyond State Pension Age.

**190.** The employment rate among those aged between 50 and State Pension Age has increased from 64.5 per cent to 70.7 per cent from spring 1997 to spring 2005, rising faster than the overall employment rate.

**191.** Our range of back-to-work help for older people includes the New Deal 50 plus programme. Since it was introduced in April 2000, we estimate that New Deal 50 plus has supported in the region of 150,000 job starts. From October 2004, Pension Credit became an eligible benefit for voluntary access to all our back-to-work programmes.

**192.** We are already tackling ageism in the workplace through the Age Positive campaign,<sup>39</sup> which encourages employers to recognise the business benefits of an

age-diverse workforce. This year we launched a new National Guidance Campaign by sending a newsletter containing important information about the clear business case for removing ageism from employment to 1.4 million employers. And in October 2006 we will introduce legislation to make age discrimination in employment and vocational training unlawful.

**193.** The legislation will create a default retirement age of 65, but will also create a right for employees to request working beyond a compulsory retirement age, which employers will have a duty to consider. It will be unlawful for employers to require someone to retire before 65 unless they can objectively justify it. The legislation will improve the employment rights of the 6.7 million people currently aged 50–64 and in work, and could help hundreds of thousands of people aged 50–64 who are not employed and currently seeking work.<sup>40</sup>

**194.** Default retirement age is not a compulsory retirement age. Employers will be able to set a retirement age of 65 or above, but we will be encouraging them to adopt more flexible practices around retirement. Additionally, the default retirement age does not mean that people will have to work up to 65, rather that they have the right to work up to 65 if they choose to, unless their employer can objectively justify operating a lower retirement age.

**195.** From the outset, we shall monitor closely the effects of the retirement age provisions so that the necessary evidence is available for a formal review five years after implementation.

**196.** To increase the choices for individuals to stay in work, we introduced from April 2005 more generous options for deferral of State Pension, including for the first time the choice of taking a lump sum. The Finance Act 2004 introduces measures that, depending on individual scheme rules, will allow people to carry on working for their employer while receiving all or part of their occupational pension.

### Encouraging older workers

Sixty-year-old Sandra Roach from Forest Hall, Newcastle upon Tyne, has worked in the music and hospitality industries and public sector. She left to provide full-time care to her ill mother. Her experience left her isolated, and when her mother died Sandra looked to go back to work.

Sandra was worried that she would be seen as 'too old' so didn't consider applying for a professional position. She gained employment with Northern Rock plc, based in the North of England, as a cleaner. Soon her skills were recognised and she was encouraged to apply for a new role in the customer support team. Her skills as a 'people person' were taken into account and training was provided to help her fulfil her new role. She now works as a supervisor with the company.

### *Improving security and bolstering confidence*

**197.** We are committed to building security and choice within private



pensions. The Pensions Act 2004 is a landmark in securing and strengthening the UK's system of pension provision. The Pensions Act takes forward our proposals to rebuild confidence in the pensions industry. It establishes the Pension Protection Fund, the Financial Assistance Scheme and the Pension Regulator.

#### *The Pension Regulator*

**198.** The Pension Regulator has extensive powers to collect relevant information and to have breaches of the law and specific events notified to it. The Regulator will use this information to assess the risk to scheme members' benefits, providing a more effective early warning of problems in a scheme.

**199.** It also has the power to freeze, issue improvement notices, disqualify or impose fines on trustees of schemes and also impose statutory obligations on suspected breaches of regulation. The Regulator has powers to issue directions against companies which attempt to shift their burdens to the Pension Protection Fund.

#### *The Pension Protection Fund*

**200.** The Pension Protection Fund has been designed to pay compensation to members of eligible defined benefit schemes, when there is a qualifying insolvency event in relation to the employer, and where there are insufficient assets in the pension scheme to cover the Pension Protection Fund levels of compensation.

**201.** Compensation will be funded by taking on the assets of pension schemes which transfer into the Pension Protection Fund and through a levy on

eligible defined benefit schemes and defined benefit elements of eligible hybrid schemes.<sup>41</sup>

#### *The Financial Assistance Scheme*

**202.** The Financial Assistance Scheme has been set up to help some people who have lost out on their defined benefit pension due to their pension scheme winding up underfunded, as their employer has been unable to make up the deficit because they are insolvent or no longer exist. A qualifying pension scheme must have commenced winding up between 1 January 1997 and 5 April 2005.

**203.** We have committed the equivalent of £400 million cash of taxpayers' money spread over 20 years. The Financial Assistance Scheme and its funding will be reviewed in the next Spending Review, but as with all our spending plans, funding for the Financial Assistance Scheme will need to be reviewed alongside other spending priorities.

#### *Improving public services for people aged 50+ and retired people*

**204.** Our strategy for older people provides a structured basis to develop future policies and plans which better reflect the needs of older people and recognise the UK's changing demography and social circumstances.

**205.** In 2004 in collaboration with the Local Government Association, we developed the Link-Age model to provide a better integration of health, housing, benefits and social care for older people. Link-Age involves local networks of services for older people, and is already taking steps to bring some of the services

together. The three key elements in the initial phase of work are Joint Teams, Alternative Offices, and the Pensions Partnership Fund.

- Joint Teams comprising The Pension Service Local Service, social service Fairer Charging, and in some teams voluntary sector staff, work in single teams to ensure that information is collected only once at a single face-to-face visit.
- Alternative Offices are partners accredited to take benefit claims and to verify information. This means customers can access a local organisation which will act on behalf of The Pension Service.
- The Partnership Fund offers short-term funding for community, voluntary and not-for-profit organisations working with elderly people – particularly with harder-to-reach customers. A £13 million fund was made available over two years to finance local initiatives intended to improve take-up of older people's benefits. Around 170 voluntary groups from across the UK have signed contracts with The Pension Service's Partnership Fund.

### *Meeting the needs of our customers – The Pension Service*

**206.** The Pension Service focuses on the needs of retired people both today and in the future. It plays a crucial role in tackling poverty and encouraging saving by:

- providing a dedicated service for today's older people, using modern technology whether they contact us by

telephone or through the internet, by post or face-to-face; and

- improving services for tomorrow's retired people, by providing accurate information to help them make decisions about saving for their retirement.

**207.** The Pension Service Local Service staff work closely with voluntary organisations, local authorities and other government departments to provide a complete service for older people.

### **Looking forward**

#### *Tackling poverty among retired people*

**208.** It is important that people receive the money which is due to them. The Pension Service will be re-contacting those people believed to be entitled to Pension Credit who have not responded to approaches so far – making sure they are aware of the rules which allow backdating of any money due to the date the customer became entitled, up to a maximum of 12 months. We are also working in partnership with voluntary sector organisations such as Age Concern and Help the Aged to ensure we have contact with harder-to-reach older people.

#### *Enabling future generations to make real and informed choices*

**209.** We are piloting different ways of delivering pensions information and advice through the workplace. Options range from a pension information pack, which has been developed with the assistance of the Association of British Insurers to help employers give

information about pensions to their employees, through to one-to-one advice sessions with independent Financial Advisers. The pilot study began in July 2004 and the findings will be published by the end of 2005.

**210.** We are also working together with the pension industry to ensure people are empowered to make informed choices for their retirement, including evaluating techniques to maximise membership of workplace pension schemes, for example through automatic enrolment into pension schemes. This is reported to increase participation in defined contribution schemes to around 90 per cent, compared with around 50 per cent where an opt-in technique is used.

**211.** A web-based Retirement Planner is due for release in spring 2006. It will allow people to view an estimate of their projected pension income from both state and private sources, estimate the income they think they might need in retirement, calculate any shortfall, and review options for addressing that shortfall.

**212.** The UK pensions system today is delivering better average retirement incomes than any previous generation has ever enjoyed. At the same time, the programme of reforms we are putting in place is helping today's workers – tomorrow's retired people – plan for their future, with better security for occupational pension schemes and through the State Second Pension, and new additional pension rights for carers and the lower paid (many of whom are women).

**213.** However, we need to ensure that future generations also have adequate retirement incomes.

**214.** In February this year, we published *Principles for reform: the national pensions debate*. This set out the six principles that we believe should guide future decisions.<sup>42</sup>

**215.** The National Pensions Debate will ensure that our pension system meets the challenges of a changing society in the future.

### *People aged 50+ and work*

**216.** Outreach pilots are testing, with voluntary and private sector organisations, innovative ways of increasing the awareness among those over 50 who have become disengaged from the labour market and the job opportunities and back-to-work help that are available through Jobcentre Plus. Additionally, mandatory back-to-work activity pilots are testing whether intensive back-to-work help, provided on a mandatory basis through New Deal 25+ to people aged 50–59, helps to increase their employment.

### *Improving security and bolstering confidence*

**217.** The Pensions Act 2004 introduces some changes to pension schemes. The Act provides for at least a third of trustees in every scheme to be nominated and selected by a process involving members – and provides a power for the minimum proportion to be half at some stage in the future.

**218.** The Act also obliges trustees of occupational schemes to be conversant with relevant schemes and have appropriate knowledge and understanding of issues underpinning investment and funding.

**219.** In December 2002, we set up the Pensions Commission to keep under review the regime for UK private pensions and long-term saving, and to make recommendations on whether there is a case for moving beyond the current voluntarist approach. The Commission's final report is due to be published towards the end of 2005.

### *Improving public services for people aged 50+ and retired people*

**220.** Looking to build on the success of the Link-Age project, we will be piloting a new provision to examine how best to enhance the service provision in this area. The pilot exercises will examine how best the needs of local areas may be served, within an overall national framework of principles.

**221.** To assist in future policy development, we embraced the responses to the Link-Age consultation document<sup>43</sup> of August 2004 and fed these into the strategy document *Opportunity Age – Meeting the challenges of ageing in the 21st century*,<sup>44</sup> published in April 2005. The strategy document identifies key ingredients to achieve our vision, sets out a policy direction to build on progress and addresses challenges over the next 10 to 15 years.

**222.** The Social Exclusion Unit's Excluded Older People Project<sup>45</sup> aims to develop policy to tackle exclusion and significantly improve the quality of life of excluded older people.

### *Meeting the needs of our customers – The Pension Service*

**223.** The Department for Work and Pensions' Five Year Strategy, *Opportunity and security throughout life*,<sup>46</sup> includes plans for transforming The Pension Service over the next three years, with further improvements in customer service and improved business process.

**224.** By 2006, The Pension Service aims to:

- improve its already successful local service operation – a key element of our modernised service;
- offer customers an improved service for new claims;
- provide access to a greater range of services for customers; and
- offer customers improved contact options that meet their needs.

## Section four: Communities

### **Our aims**

**225.** A flourishing, fair society based on opportunity and choice for everyone depends on creating strong, secure and sustainable communities – places where people want to live and work, now and in the future.

**226.** Our vision is for communities that offer their residents:

- a decent home that they can afford and maintain;
- a safe and inclusive community;
- access to jobs and excellent public services; and
- the chance to engage in their community and to make a difference and to build the social capital on which social inclusion and mutual support can flourish.

**227.** The National Strategy for Neighbourhood Renewal<sup>47</sup> sets out our vision for narrowing the gap between deprived neighbourhoods and the rest of the country, so that within 10 to 20 years no one should be disadvantaged by where they live.

**228.** This vision will in part be supported by a new cross-governmental Respect Task Force that will be responsible for co-ordinating the production of a national action plan on our Respect agenda and its delivery, including:

- working together on the neighbourhood renewal and anti-social behaviour agendas, highlighting respect for others and respect for the community;
- encouraging respect for public servants and services, including teachers and schools, health and emergency services and the police; and

- ensuring the culture of respect extends to everyone, young and old alike.

### *Housing and homelessness*

**229.** There is a strong link between poverty and homelessness or poor quality of housing. Poor families are more likely to be living in poor-quality or temporary accommodation.

**230.** We aim to tackle and prevent homelessness more effectively, and to secure a better quality of life for vulnerable people by supporting them to live more independently in their own homes.

**231.** Our new homelessness strategy, *Sustainable Communities: settled homes; changing lives*,<sup>48</sup> published in March 2005, sets out challenging aims to reduce homelessness and halve the number of households in temporary accommodation by 2010.

**232.** Decent homes – homes that are warm and weatherproof with reasonably modern facilities – are a vital part of safe, thriving neighbourhoods. Homes in poor condition threaten the well-being of their occupants, and undermine the sustainability of the community.

**233.** In July 2004, we set a new Public Service Agreement target to bring all social housing into a decent condition by 2010, with most of this improvement taking place in deprived areas; and, for vulnerable households in the private sector, including families with children, to increase the proportion who live in homes that are in decent condition.

**234.** We are committed to tackling fuel poverty and have a target that, by 2010, as far as reasonably practicable, no vulnerable household in England should be living in fuel poverty. Households are considered fuel poor if they would need to spend more than 10 per cent of their income on household fuel use to maintain satisfactory heating. The Devolved Administrations have separate targets; the cumulative effect of these targets is to ensure that, by 2018, no one in the UK lives in fuel poverty.

### *Safer and stronger communities*

**235.** Creating safer and stronger communities is one of the shared priorities agreed by central and local government. There is a clear link between poverty and social exclusion, on the one hand, and crime, illegal drugs and anti-social behaviour, on the other. If left untackled, these problems have the potential to undermine neighbourhood renewal activity and attempts to create sustainable communities.

**236.** In order to create stronger communities, it is crucial that individuals actively engage with public bodies to improve their quality of life. It is vital for communities and their state institutions to work in partnership so that public services reflect the views and concerns of the people they serve; so that the public have a greater sense of ownership in relation to the outcomes of public action; and so that public improvements are sustained by the active involvement of the affected communities.

**237.** We are committed to achieving the active involvement of communities through 'civil renewal'. Civil renewal is the development of strong, active and empowered communities in which people are able to do things for themselves, define the problems they face and tackle them in partnership with public bodies.

**238.** Creating stronger communities also means improving the life chances of all members of society, particularly those suffering disadvantage. Many members of black and ethnic minority communities are already thriving in Britain today, but the picture is not uniform: certain communities still suffer poorer outcomes in education, health and employment.

**239.** Our intention is to give greater emphasis to the importance of strengthening society, by helping people from different backgrounds come together, supporting people who contribute to society and taking a stand against racism and extremism.

### *Health*

**240.** There is a clear link between poverty and health. Poverty and social exclusion are associated with worse health outcomes. Poverty is both a cause and a consequence of ill health and a key driver of the gap in the health of the rich and poor. We have made tackling health inequalities a top priority, with the aim of ensuring that all sectors of the community have access to excellent health services and are given the support and help they need to improve their health. Health inequalities are stubborn, persistent and difficult to change. We recognise that

concerted action is required and the first challenge is to halt a long-term trend and stop the widening gap.

**241.** *Tackling Health Inequalities: A Programme for Action*,<sup>49</sup> the result of an agreement between 12 government departments, sets out a cross-government strategy on tackling health inequalities and lays the foundations for meeting the inequalities aspects of Public Service Agreement targets by 2010 as well as tackling the underlying causes in the years beyond.

**242.** The latest Public Service Agreements launched in July 2004 included a higher profile for health inequalities by:

- retaining an overall target to reduce health inequalities by 10 per cent by 2010 as measured by infant mortality and life expectancy;
- introducing new targets to reduce the inequalities gap between the fifth of areas with the worst health and deprivation indicators and the population as a whole by at least 40 per cent for cardiovascular disease and by at least 6 per cent for cancer;
- aiming for a reduction in adult smoking prevalence in routine and manual groups to 26 per cent or less;
- introducing a new target to halt the year-on-year rise in obesity among children under 11 by 2010; and
- retaining a target to reduce the under-18 conception rate by 50 per cent by 2010.

## Transport

**243.** We are committed to an accessible public transport system in which everyone has the same opportunities to travel.

**244.** Accessibility planning looks at improving social inclusion by getting people to the services they need, either by being able to travel to the service or by the service being available where they are. It concentrates on improving access to the services with the greatest impact on life opportunities – jobs, healthcare, learning and food shops.

**245.** We recognise that those most in need include not only those without access to a car, but also those who will have particular accessibility issues, such as those on low incomes, older people, younger people, disabled people, people with illnesses, women, and people from ethnic communities. We recognise that different people have different transport needs, and policies must therefore address the transport requirements of different groups.

## Progress so far

### *Housing and homelessness*

**246.** We have successfully tackled the worst manifestations of homelessness, resulting in a 75 per cent reduction in rough sleeping (see indicator 26) since 1998 and ending the scandal of homeless families with children living for long periods in poor-quality bed and breakfast hotels.

**247.** There are over 100,000 households in temporary accommodation arranged by local authorities under their duty to house the homeless. This is in part the result of action we have taken to strengthen the statutory protection available for homeless households, extending help to more vulnerable people who previously might have been left to fend for themselves or have ended up on the streets.

**248.** Current figures show that 84 per cent of those households accommodated by councils under the legislation are living in self-contained homes.<sup>50</sup> The percentage for homeless families with children (see indicator 17) is even higher at 91 per cent. There is evidence that the more strategic and preventative approaches we have put in place are taking effect, as the number of households applying to local authorities and being accepted as homeless has been showing a general downward trend since the beginning of 2004.

**249.** Even so, we recognise that too many families are living with temporary tenancies, lacking the certainty they need to settle in a place they can call home, and we want to ensure that the need for temporary tenancies is reduced significantly.

**250.** Since 1997, we have reduced the number of non-decent social homes by more than 1 million, and we have increased the proportion of vulnerable households in the private sector who live in a decent home to 63 per cent (see indicator 37).

**251.** We have significantly increased investment in social housing. Since 1997,

local authorities have invested more than £16 billion on improving their homes, and a further £6.5 billion has been contributed by the private sector. We are committed to continue working to ensure that all social tenants have a decent home and to increasing the proportion of vulnerable households in the private sector who have a decent home.

### Ebury Bridge, Victoria, London

In 2002, Westminster City Council set up an arm's-length management organisation to help bring its homes up to a decent standard. The organisation – CityWest Homes – is working to provide a sustainable environment in the Ebury Bridge estate.

In addition to carrying out repairs and maintenance to homes, CityWest Homes is helping to build a community spirit. It has converted buildings formerly used to store rubbish into community meeting rooms, where estate-based surgeries and community steering groups can meet. They have introduced football training for children on the estate, and have put in a joint bid with Chelsea Football Club for funding to refurbish the estate's football pitch.

By working in partnership with the council's Crime and Disorder Reduction Unit and providing fencing around the estate buildings, CityWest Homes is helping to improve security and tackle anti-social behaviour.

The environment around the estate is being developed in partnership with the Neighbourhood Renewal Unit.

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Landscaped gardens with areas for wildlife are being created, and tenants and their families have helped to design and equip a play area for children.

**252.** The number of vulnerable households in fuel poverty in the UK has more than halved from around 5 million in 1996 to around 1.5 million in 2003 (see indicator 38). This can be attributed to rising incomes, lower energy prices and the role played by programmes such as Warm Front and the Energy Efficiency Commitment in increasing the energy efficiency of the housing stock.

**253.** The recently launched new phase of the Warm Front scheme aims to ensure that the scheme is targeted towards the most vulnerable fuel-poor households, and seeks to raise the energy efficiency of their property to a level where there is minimal future risk of fuel poverty.

### *Safer and stronger communities*

#### *Neighbourhood renewal*

**254.** To support neighbourhood renewal, a special grant, the Neighbourhood Renewal Fund, is available to the most deprived areas of England. The grant is worth £1.7 billion over the period 2001–06, and provides extra resources for 88 of the most deprived local authority districts. The fund boosts our main spending programmes and helps kick-start new partnership arrangements. It helps local authorities to improve the delivery of services to the most deprived wards and neighbourhoods.

**255.** In July 2005, we announced that an additional £1.05 billion would be made available through the Neighbourhood Renewal Fund, spread over the period 2006–08, to the 80 most deprived local authority districts in England as well as six districts where significant improvements had already been seen.

**256.** New Deal for Communities is the pathfinder programme for neighbourhood renewal, testing out different approaches in 39 of the most deprived neighbourhoods in England, which may then become models for the future. The programme is investing around £2 billion over ten years. It is already showing results – boosting employment, improving health and housing, raising educational achievement and involving residents in decision making.

#### *Crime and drugs*

**257.** The new Safer and Stronger Communities Fund provides all local authorities in England with funding to tackle crime, illegal drugs and anti-social behaviour, and to improve the poor condition of streets and other public spaces and the quality of life for people in deprived areas. The fund totals over £210 million in 2005/06 and will total at least £230 million by 2007/08.

**258.** Crime and Disorder Reduction Partnerships in England and Community Safety Partnerships in Wales bring local agencies together to tackle crime, disorder and substance misuse in communities. They include representatives from the police, local authorities, police authorities, fire and rescue authorities and primary care trusts, along with other key local partners.

**259.** Drug Action Teams (partnerships responsible for local delivery of the national drug strategy) are required to liaise closely with regeneration partnerships such as local strategic partnerships and New Deal for Communities to provide localised services that are accessible to these communities and that address poverty created by drugs and the contribution of drugs to creating poverty.

**260.** Reducing drug misuse by young people, particularly the most vulnerable, is central to our *Updated Drug Strategy*.<sup>51</sup> Choosing not to take illegal drugs is an aim within the Every Child Matters<sup>52</sup> 'be healthy' outcome. We need to prevent drug misuse and the harm it causes to young people, through more effective drugs education, prevention and early intervention.

**261.** In many areas Drug Action Teams have made good progress in tackling the problems that drugs can cause to young people, particularly through the youth justice system. Levels of drug use among young people have stabilised following significant increases in the 1990s, but each year an estimated 20,000 become adult problem drug users.

**262.** To achieve a reduction in drug use among young people, we have agreed a joint programme to develop universal, targeted and specialist services to prevent drug harm and to ensure that all young people are able to reach their potential. The programme is set out in the publication *Every Child Matters: Change for Children: Young People and Drugs*.<sup>53</sup>

**263.** The programme is being implemented across England. All local authorities and their partners are expected to make significant progress towards meeting its objectives from April 2005, with more rapid and sustained progress in a number of selected 'high focus areas'.<sup>54</sup>

**264.** Focusing on breaking the links between drug misuse and crime, the Drug Interventions Programme, which totals £170 million, is a critical part of our drug strategy. It targets drug-misusing offenders in 97 areas with the highest rates of burglary, car crime and robbery, and uses every opportunity presented by the Criminal Justice System to engage drug-misusing offenders in effective drug treatment to help break the link between drugs and crime.

### Positive Futures

Positive Futures aims to have a positive influence on participants' substance misuse, physical activity and offending behaviour by widening horizons and providing access to lifestyle, educational and employment opportunities within a supportive and culturally familiar environment.

More than 70,000 young people have been involved in regular Positive Futures activities since its launch in 2000. There are now 108 projects in operation in the 20 per cent most deprived areas in England and Wales (according to the Index of Multiple Deprivation).

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The latest evaluation report shows:

- 42 per cent of partner agencies such as Youth Offending Teams and the police identify lower levels of substance misuse among Positive Futures participants.
- Most partner agencies suggest that anti-social behaviour and local crime rates have fallen as a result of their local Positive Futures.
- Young people show improved relations with peers, evidence of improved family relations, reduced aggression, greater self-esteem, increased leadership skills and the ability to work in teams.

**265.** We are committed to increasing the availability of effective treatment nationally:

- The average budget of Drug Action Teams will rise by 55 per cent from 2004/05 to 2007/08.
- The number of people accessing treatment has also increased year-on-year, and we are on track to meet our target of 200,000 people accessing treatment services by 2008.
- Although more people are receiving treatment nationally, waiting times have fallen to two to three weeks, depending on the type of treatment.

### *Policing*

**266.** We are committed to increasing the confidence of communities, including ethnic minority and faith groups, in the service that the police provide. The development and roll-out of neighbourhood policing across all police forces will help ensure individuals and communities have the opportunity to actively engage in the delivery of their local policing services. We recognise that it is the local people closest to the problems in their communities who are often best placed to help shape and participate in the solutions to the problems. Neighbourhood policing will provide real opportunities for them to do so, and will enable police to work in genuine partnership with communities to identify and respond more effectively to what local people see as priorities.

**267.** We set out our strategy for neighbourhood policing in March 2005<sup>55</sup> and, ahead of schedule, all 43 police forces have now selected a Basic Command Unit to implement and champion neighbourhood policing and tailor it to their community. We envisage that by 2007 half of England and Wales will be benefiting from neighbourhood policing, with every area benefiting by 2008.

### *Anti-social behaviour*

**268.** The *Together Action Plan*,<sup>56</sup> published in October 2003, highlights the need for Crime and Disorder Reduction Partnerships to strengthen their response to anti-social behaviour. Each partnership has now published its 2005–08 strategies, which include specific

strategies on anti-social behaviour if it is a problem in its area. Every Crime and Disorder Reduction Partnership has access to an anti-social behaviour co-ordinator to help translate these strategies into tangible improvements in the lives of their local residents.

**269.** The Together ActionLine<sup>57</sup> and Academy have been established to provide help and support to frontline practitioners when tackling anti-social behaviour. The Together campaign has established a range of projects to reduce problems associated with nuisance families, begging and environmental crime. Together Academies have been held across England and Wales throughout 2003 and 2004. They are designed for frontline workers and have provided the knowledge, skills and inspiration to over 6,000 frontline staff on the powers available and tactics to deal with problems.

**270.** In addition, anti-social behaviour Trailblazers – focused initiatives in ten local areas – have been set up to develop best practice and innovation in tackling anti-social behaviour. Other targeted work is taking place in more than 50 Action Areas on a range of issues.

## Manchester – nuisance neighbours

People in Manchester have consistently highlighted anti-social behaviour as a top priority for action in surveys and public meetings. Elected members and staff from Manchester City Council and other agencies have committed themselves to responding to these complaints and taking action.

“Every part of the housing department is now given training on anti-social behaviour to ensure that our approach gets through to all our staff,” says Shirley Woods-Gallagher, Trailblazer Project Manager. “We take a holistic approach to the family and we do not see a family member in isolation from what is going on around them.” The process begins when people apply for housing. Two references are requested, one of which must be the previous landlord, and any previous convictions are checked out.

All tenancies require the applicant to sign an undertaking not to commit anti-social behaviour. Introductory tenancies are checked after six months. “If there are issues at this stage we may extend the introductory time by a further six months,” says Shirley. “We may put further conditions on the tenancy or, if help is needed, refer them to our Tenancy Support Service. If problems persist we may undertake a pre-Anti-Social Behaviour Order warning interview. Two-thirds of people who have caused concern get the message, and we have no further problems. Those who continue to

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cause problems have action taken against them. Eviction is very much a last resort; Anti-Social Behaviour Orders and injunctions are used wherever possible instead.”

There are still problems, but there has been real progress and the clear message that action will be taken is getting through. “People can let their kids play in the street and sit out in their back gardens in good weather now. Local people know that we will provide support but that we will also enforce.”

### *Legal Aid*

**271.** Many people in their day-to-day lives face problems and disputes that have potential legal solutions. Research has estimated that people take no action on over 1 million problems every year because they believe that nothing can be done.<sup>58</sup> Problems then tend to escalate and become more difficult and expensive to resolve, often leading to further problems. The cost of these unresolved problems is estimated to be between £2 billion and £4 billion annually.

**272.** In *A Fairer Deal for Legal Aid*<sup>59</sup> and in the Legal Services Commission’s consultation paper *Making Legal Rights a Reality*,<sup>60</sup> both published in July 2005, we set out proposals aimed at helping more people – particularly the socially excluded – resolve their problems at an early stage before they escalate into formal legal disputes, so that court action is used only as a last resort. These include:

- rapid development of telephone services;
- targeting face-to-face advice on issues and in geographical areas where it is particularly needed; and
- where legal help supporting court action is needed, ensuring that it is available to those who cannot afford to fund it themselves.

**273.** Much advice is supported by legal aid funding. But support is also provided from other sources, for example funding by local authorities, our support for Citizen’s Advice, and the Financial Inclusion Fund. We are examining the co-ordination of these arrangements to ensure the most effective overall results.

### *Civil renewal*

**274.** A cross-government action plan, *Together We Can*,<sup>61</sup> was launched in June 2005 to develop the strategy on civil renewal further. Together We Can aims to ensure that key initiatives are identified and implemented to deliver results in communities. It sets out 65 action points to strengthen citizens’ engagement in delivering success across eight key public policy areas.

**275.** The action plan will be reviewed through regular public Together We Can events. Successful approaches will be shared and reinforced across government and the overall outcomes communicated back to the public.

**276.** The eight public policy areas of the action plan are grouped within four broad strands:

- citizens and democracy;
- regeneration and cohesion;
- safety and justice; and
- health and sustainability.

**277.** Initiatives illustrating the value of civil renewal include the New Rural Social and Community Programme that is intended to help rural communities shape and enhance their own futures. The programme is scheduled to begin in April 2006 and will have a budget of £13.5 million per annum.

**278.** The programme proposes to tackle social exclusion by:

- enhancing the community capacity-building capability of rural communities;
- helping socially excluded individuals in rural communities; and
- developing the capacity of the voluntary and community and parish council sectors.

**279.** Futurebuilders is an innovative programme to assist frontline voluntary and community organisations to build their capacity to increase the scale and scope of their public service delivery. There is a fund of £125 million for the period 2003/04–2005/06 and a further £90 million for 2006/07–2007/08.

**280.** Futurebuilders will focus on those services where either the private sector has shown little interest or where the public sector has had difficulty in delivering effective services, but where the voluntary and community sector has the potential to bring added value. This added value may be through its ability to work with hard-to-reach communities, involve users and develop new approaches to service delivery, including the involvement of volunteers.

**281.** A good example of how stronger communities can contribute towards the creation of safer communities is the Communities and Civil Renewal Strategy *Together we can reduce re-offending and increase public confidence*.<sup>62</sup> This highlights the role which local communities can play – both in working with offenders, through initiatives such as volunteering and mentoring, and in providing opportunities for offenders to become active and responsible citizens by enabling them to give something back to their communities through unpaid and reparative work.

**282.** The Clean Up campaign launched in March 2005 highlights the unpaid work which offenders performing Community Punishment undertake, such as cleaning up eyesores within communities. The new National Offender Management Service will be working with partners to ensure that the work undertaken by offenders genuinely reflects the priorities of local communities, and makes them safer and more pleasant places to live and work.

## Beacon Community Regeneration Partnership, Falmouth

The Beacon Community Regeneration Partnership was set up in one of the UK's most deprived areas, suffering from poverty, high levels of teenage pregnancy, anti-social behaviour, crime and poor health.

With £1.2 million from the Capital Challenge Fund and £1 million from Carrick Council, early work focused on improving hundreds of homes, by installing central heating, double glazing and other energy conservation measures. This success provided the catalyst for further action, including traffic calming, dog litter bins, tree and bulb planting, free security lighting for vulnerable people, a skateboard park and a wide range of courses and self-help groups in the community office and youth club.

The results have made an amazing difference to the area, which has seen:

- a 40 per cent cut in house burglaries;
- a 50 per cent drop in child accident rates;
- a drop in asthma and chest complaints;
- improved exam results; and
- £180,000 fuel savings from energy efficiency improvements.

### *Race equality and community cohesion*

**283.** *Improving Opportunity, Strengthening Society*<sup>63</sup> brings together practical measures across government to improve race equality and community cohesion by improving opportunities for all in Britain.

**284.** Tailored initiatives will meet the specific needs of disadvantaged communities, rather than treating all black and ethnic minority communities in the same way. We are also developing a cross-government plan of action that draws together and consolidates existing programmes and introduces new measures where necessary.

**285.** As part of *Improving Opportunity, Strengthening Society* we announced a £5 million Capacity Building fund for faith communities. The fund will aim to develop the capacity needs of faith-based organisations who can help build community relations and improve cohesion.

### Renewing cohesion in East Lancashire

Elevate, the housing market renewal pathfinder for East Lancashire, has building community cohesion as one of its five thematic objectives. Elevate recognises that housing is a catalyst and potential bridging capital to bring about cross-cultural contact. Elevate has engaged with local communities by getting young people involved in the design of community facilities and by direct outreach work to schools, women's groups and the Asian communities. It has put community consultation at the heart of the housing market renewal process.

### *Rural areas*

**286.** The Commission for Rural Communities was launched within the Countryside Agency in March 2005 to act as an independent advocate, adviser and watchdog for rural communities, focusing particularly on those facing disadvantage and on the challenges of rural areas experiencing economic under-performance. It will ensure that our policies make a real and tangible difference to people in rural areas. The Natural Environment and Rural Communities Bill will formally establish the Commission for Rural Communities.

**287.** Our *Rural Strategy 2004*<sup>64</sup> made a commitment to look at innovative mechanisms for devolving delivery as close as possible to rural communities. As a result, a series of rural delivery pathfinders were set up – one in each of the English regions (excluding London) – to empower local government to improve local service delivery and test innovative and practical ways of improving rural delivery at the local level. By looking at ways to improve access to services, raise economic productivity and better support community capacity building, the pathfinders will play an important role in developing new ideas on how to tackle disadvantage and social exclusion in rural areas. The pathfinders started in April 2005 and will run through to 2007, with a view to ensuring that best practice is applied across the country.

### *Digital inclusion*

**288.** Information communication technology and in particular the internet are becoming increasingly pervasive in

society and there is an increasing recognition that digital inclusion is really about social inclusion. Digital inclusion is about the use of technology as a channel to improve skills, access services and information, improve social contact and engage with friends, family and neighbours, as well as with wider communities of interest.

**289.** We have done much to extend the benefits of information communication technology to excluded groups, through increased access in schools, developing e-government service delivery, and extending public access to the internet. In March 2005 we launched the UK digital strategy,<sup>65</sup> which sets out key actions to ensure that everyone benefits from information communication technology. The Social Exclusion Unit project, Inclusion through Innovation,<sup>66</sup> is investigating how excluded groups in particular can benefit most from using information communication technology, and the better use of it in the delivery of public services to inform the delivery of the UK digital strategy.

**290.** We are committed to achieving digital switchover to ensure universal access to high-quality free-to-view and subscription television. However, we need to ensure that the interests of elderly people and other vulnerable groups are protected. Everyone will be offered help to switch to digital television through extensive communications, but we know that there will be some groups who will need additional help to understand, install and use digital television equipment.



## Health

**291.** The strategy on national health inequalities is now embedded in the NHS performance management system and we are continuing to work with other stakeholders.

### Wallasey Heart Centre

Wallasey Heart Centre tackled unmet need in the local population with a primary care-based partnership. There were significant exercise and lifestyle changes and, in particular, an increase in the prescribing of statins so that 70 per cent of all eligible patients are now receiving these drugs. This co-ordinated effort has caused the death rate from coronary heart disease in a relatively deprived area such as Wallasey to fall below the national average for the first time ever.

**292.** We have also built on this strategy by publishing the White Paper *Choosing Health: making healthier choices easier*<sup>67</sup> in November 2004 following an extensive public consultation which generated some 150,000 responses. The White Paper has a twin purpose – to improve health and to tackle health inequalities. It sets out real practical action to help ensure that people can make informed and healthy choices and that we can all benefit from living in a healthier society.

**293.** In *Choosing Health* we recognise that efforts need to be concentrated on creating real opportunities for health gain on the ground – at community and grassroots level. This will involve local authorities and community leaders

playing a significant role in bringing about healthier communities. Choosing Health programmes such as Communities for Health, Health Trainers and Health Champions will play a significant part in developing the ability of local authorities and community organisations to make a real difference to the health of their populations.

**294.** The White Paper's overarching priorities are:

- reducing the number of people who smoke;
- reducing obesity;
- increasing exercise;
- encouraging and supporting sensible drinking;
- improving sexual health; and
- improving mental health and well-being.

**295.** A delivery plan, *Delivering Choosing Health: making healthier choices easier*, was published in March 2005.<sup>68</sup>

## Transport

**296.** We have made significant headway in this area:

- We have introduced regulations to ensure all new trains, buses and coaches are accessible to the widest possible range of disabled people, including wheelchair users. Over 4,000 accessible trains will be in service by the end of 2005, and over a third of the bus fleet is already accessible.

- We are extending the statutory concessionary travel schemes in England from April 2006 to give disabled people and people aged 60 or over free off-peak travel on local buses, with no charge for the annual pass.

### Metro Connect job link bus services – West Yorkshire

Metro Connect, with the Aire Valley-Leeds Access to Employment Network, introduced a flexible bus service in 2003 to connect some of Leeds' most deprived communities to the Aire Valley-Leeds employment area. The target wards had unemployment levels of 6–10 per cent, low car ownership and no bus services linking them to the employment area.

The service, which operates seven days a week from around 6am to 11pm, also links to the South Leeds Family Learning Centre and a one-stop shop, providing access to training, health facilities, libraries, local housing offices, Jobcentre Plus, nursery and a lone parent adviser.

The service has increased awareness of local job opportunities and contributed to the ongoing regeneration of the Aire Valley. It has enabled the local population to benefit from the continued inward investment and economic growth in the region. Through widening access to employment this project has also helped to break the cycle of unemployment that has led to individuals experiencing prolonged periods on benefits.

**297.** Our £17.6 million Neighbourhood Road Safety Initiative, launched in October 2002 as Dealing with Disadvantage, is funding 15 councils that have high child pedestrian casualty rates to deliver improvements across their deprived communities. Projects under way that are specifically aimed at tackling child pedestrian accidents include provision of and improvements to safe play areas, safe access to play areas, after-school projects on the journey to school, child pedestrian training, and education, training and publicity campaigns.

## Looking forward

### *Housing and homelessness*

**298.** We have increased significantly the resources available to increase the supply of new social rented homes by 50 per cent by 2008, providing 75,000 new social rented homes over the next three years.

**299.** In June this year, we announced a further 61 schemes involving 34 local authorities that will ensure social homes meet minimum standards of decency and will boost the provision of new social rented homes.

**300.** We expect work completed and plans currently in place to take us 90 per cent of the way towards meeting our target to ensure that, by 2010, everyone living in social housing has a decent home.

**301.** We will continue to promote and invest in local authority homelessness prevention activities that can enable a household to remain in their home, or

enable a planned and timely move, and help sustain independent living. Such activities have already led to a general sustained decrease in homelessness cases since the beginning of 2004.

**302.** We are increasing funding to frontline services from £60 million now to £74 million by 2007/08, and delivering a £90 million investment to improve physical standards in hostels and re-shape services to achieve improved positive outcomes for hostel users.

**303.** We are also taking forward a programme of work across government, together with local authorities and the voluntary and community sector, to tackle the wider causes and symptoms of homelessness, which includes action to improve homeless people's access to benefits and to work experience, training and employment opportunities.

**304.** Last year we announced a £5 billion allocation over the three years 2005/06 to 2007/08 to the 150 administering authorities delivering the Supporting People programme locally. A total of £1.715 billion was allocated for 2005/06 and around £1.7 billion will be allocated in each of 2006/07 and 2007/08.

**305.** The grants will facilitate the planning and delivery of high-quality, strategically relevant and value-for-money housing-related services to more than 1.2 million vulnerable people who benefit from the programme.

**306.** The introduction of the Key Supporting People Performance Indicators from 2005/06 will support the delivery of the best possible outcomes for all groups

of vulnerable people. This will include supporting the reductions in homelessness through funding effective preventative services and supporting vulnerable people to live independently in their own homes.

**307.** We will continue to provide help and advice to authorities and providers to deliver services based on need through our capacity-building and monitoring programmes and our web-based Hub services.

**308.** Last year we announced that an extra £140 million would be made available over the next three years for the Warm Front programme, our main tool for tackling fuel poverty in the private sector. This means that in 2007/08 government funding to tackle fuel poverty will stand at £251 million.

### *Safer and stronger communities*

**309.** All of us – central and local government, public services, the voluntary sector, business, local communities and citizens – have a role to play in helping Britain move towards an inclusive society based on mutual respect, an outcome which benefits the whole of society.

**310.** There are three ways in which success will be judged. We have a target to reduce race inequality and improve community cohesion, and progress will be monitored against that; we will publish an annual review of progress against the commitments in the Improving Opportunity, Strengthening Society strategy; and, thirdly, you will judge our success by the difference in all our lives – stronger communities in a more inclusive society.

**311.** We will work with the police and other partners at national and local level so that by 2008:

- every area in England and Wales will benefit from dedicated, visible, accessible and responsive neighbourhood policing teams – led by police officers but involving special constables, community support officers, volunteers, neighbourhood wardens and others too;
- there will be record policing resources on the frontline – with the equivalent of 12,000 officers being freed up from back-office bureaucracy;
- there will be 24,000 community support officers providing up to 36 million hours a year out in communities to help reduce crime and anti-social behaviour and reassure the public;
- the public will know who their local police officers are and how to contact them; and
- the public will have a real say in local policing issues and setting local priorities, and will know how well the police are doing locally in tackling crime and anti-social behaviour.

### *Health*

**312.** The delivery plan for the *Choosing Health* White Paper sets out how we intend to deliver improvements in health outcomes, particularly among the poorest communities. We will drive forward delivery through:

- targets to improve health;

- new partnerships between industry, the voluntary sector and professional groups; and

- new services delivered by local authorities and the NHS.

**313.** The delivery plan lists 45 ‘big wins’ – key interventions that the evidence and expert advice suggest will have the greatest impact on health in the shortest period of time.

**314.** To help tackle health inequalities there will be a focus on disadvantaged groups, including the development of more responsive, accessible services and advice through new health trainers, who will provide peer support to people in disadvantaged communities seeking to improve their health. The provision of high-quality family and early years support is also at the centre of action to reduce inequalities and break the vicious cycle of deprivation being transmitted from one generation to another.

**315.** Local Area Agreements are providing a valuable opportunity to bring health inequalities and public health into the forefront of local community planning. Local Area Agreements prepared by the first 20 pilot local authority areas were signed off in March 2005 for delivery from 2005/06. These include ten ‘Spearhead’ areas.<sup>69</sup> We have recently announced the phase two roll-out of Local Area Agreements, which will see 66 areas develop Local Area Agreements to come into effect from April 2006. All remaining areas will develop Local Area Agreements in a final phase to come into effect from April 2007.

## Transport

**316.** Local transport authorities will be expected to work with partner organisations (such as primary care trusts, local education authorities and Jobcentre Plus) to consider where there are accessibility problems and produce joint action plans to address these. They have produced framework accessibility strategies as part of their provisional local transport plans, submitted in July 2005, and will be providing full strategies as part of their final plan in March 2006.

**317.** Local authorities have also been asked to set targets and indicators relating to their local priorities, which will demonstrate improvements in accessibility over time, and will be reported in their annual progress reports.

**318.** The Disability Discrimination Act 2005 will further enhance access by giving disabled people a 'right of access' to transport as they already have to other services such as shops and banks. We expect these new provisions to be in place by December 2006.

## Conclusion

**319.** Security and opportunity go hand in hand. When people feel safer and more confident, they are more likely to be able to take control of their lives, to plan for the future and to make the right choices for themselves and their families. We need to help reinforce the support that strong, sustainable communities can provide, by working with people to respond to their needs and empowering them to help themselves.

## Section five: Working in partnership

**320.** Effective strategies for tackling poverty and social exclusion need to involve the widest range of partners. This section sets out how we are working in partnership with the Scottish Parliament, the Assembly in Wales, the Northern Ireland Executive and the voluntary and community sector.

### Joining up action across the UK

**321.** As discussed in chapter three, an important part of the European social inclusion strategy is the support it gives to joined-up solutions within member states. In the UK, the process of producing National Action Plans on Social Inclusion and developing a broader response to issues at EU level has meant closer working between the UK Government and devolved, regional and local government. It has also allowed us to include in a more structured way the experience and expertise of the voluntary and community sector.

**322.** Devolved governments play a key role in delivering the UK's social inclusion agenda.<sup>70</sup> While the detailed responsibilities of each devolved government vary, they control many of the main levers that are central to a successful social inclusion strategy within their own jurisdictions. These include health, education and social services. The devolution of power to national assemblies has also allowed new approaches to social exclusion to be developed. The following sections set out how this freedom to innovate has led to effective strategies in Northern Ireland, Scotland and Wales.

### *Northern Ireland*

**323.** The income poverty situation in Northern Ireland is broadly in line with that of the rest of the UK, with certain groups, including children, lone parents and people with disabilities, at greatest risk. Overall, socio-economic differences between Catholic and Protestant communities are reducing.<sup>71</sup> In addition, the number of children living in poor households – that is, in the bottom 30 per cent of income distribution – decreased between 1990 and 2002. However, the relative disadvantage faced by some groups increased over that period. Evidence<sup>72</sup> suggests that the risk of consensual poverty<sup>73</sup> is higher in Northern Ireland than in Great Britain and that the risk of consistent poverty is broadly similar to that in the Republic of Ireland.

### *Anti-Poverty Strategy*

**324.** This context forms the background to the development of the new Anti-Poverty Strategy, which will target effort and resources from existing departmental programmes on people and areas in greatest social need. By targeting objective need and focusing on promoting social inclusion of vulnerable groups, this strategy will retain key priorities of the existing programme.<sup>74</sup> However, a new priority addressing financial hardship has been proposed. The strategy will also include a reporting process closely aligned with the current National Action Plan process at UK and EU member state level.

**325.** The development of the new strategy is based on in-depth analysis and

wide consultation. During the initial consultation period, the Office of the First Minister and Deputy First Minister organised a number of seminars in partnership with the Northern Ireland Anti-Poverty Network to engage and involve interested parties in the development of the strategy. The primary purpose of these seminars was to clarify thinking, and promote discussion and debate on the proposals. In general, the proposed changes were broadly welcomed. However, there were calls for enhanced clarity and greater ministerial engagement.

**326.** The new Anti-Poverty Strategy proposes the following specific changes:

- a clear strategic objective to improve the income and living conditions of the most disadvantaged and measuring progress towards this objective against specific targets, with a new priority focus on financial inclusion (see page 38) in tackling problems of financial hardship and indebtedness;
- a clear strategic framework with three high-level priorities – building capacity, increasing employment opportunities and dealing with financial hardship;
- a ministerial-led forum to tackle poverty through an inter-departmental, cross-sector approach;
- the creation of a Regional Action Plan, the format for which will be consistent with the UK's National Action Plan; and
- the establishment of a working group to look at issues affecting lone parents.

### *Children and young people*

**327.** The Office of the First Minister and Deputy First Minister is developing a ten-year strategy for children and young people. It will contain five high-level outcomes covering: health; education, learning and enjoyment; economic and environmental well-being; making a positive contribution to society; and safety and stability. The strategy will be underpinned by quality research and information, including a database of research. It will provide support for parents, families and communities and the involvement of children and young people in decisions affecting their lives.

**328.** Close working relationships have been forged with all departments of the Northern Ireland Executive to ensure a co-ordinated approach to implementation. In particular, the Children and Young People’s Unit has been working closely with colleagues involved in the Anti-Poverty Strategy to ensure that there is sufficient emphasis on poverty experienced by children.

### *People aged 50+ and retired people*

**329.** The strategy document *Ageing in an Inclusive Society* sets out a new approach to the inclusion of people aged 50+ in Northern Ireland.<sup>75</sup> The strategy is accompanied by an action plan, which identifies actions across the Executive.

**330.** The strategy sets out the vision and strategic aims as well as the principles underpinning the strategy. Five priorities are identified for action: economic and financial inclusion; healthy ageing; safety and access to facilities and services; equality of

opportunity; and co-ordinated service provision, through appropriate structures that will give older people a meaningful say in decision making.

### *Scotland*

**331.** The Scottish Executive has recently refocused its strategy for tackling poverty and disadvantage. Its new Closing the Opportunity Gap approach includes six new objectives and ten new targets to drive action on economic inactivity; youth education, training and employment; low pay; health inequality; vulnerable children; educational attainment for children in care; rural services; community regeneration; and financial inclusion.<sup>76</sup>

### *Children and young people*

**332.** Key elements of Scotland’s strategy for children and young people include:

- giving children the best start in life, via Sure Start, and free fruit for all schoolchildren in primaries 1 and 2;
- integrating children’s health, education and social services, via integrated children’s services plans, integrated community schools, and the Changing Children’s Services Fund;
- supporting young people in their transition to adulthood, via measures such as Education Maintenance Allowances, Modern Apprenticeships and Get Ready for Work training for 16–18-year-olds with additional support needs.

### *Working age*

**333.** The Scottish Executive is preparing its Employability Framework (autumn 2005),<sup>77</sup> intended to increase the chances of sustained employment for vulnerable and disadvantaged groups. Delivery of the framework will build upon current models of good local co-operation such as the Glasgow Welfare to Work Forum model, which brings together the work of Scottish Enterprise Glasgow, Jobcentre Plus, NHS Greater Glasgow, Glasgow City Council, the UK Government and the Scottish Executive.

### *People aged 50+ and retired people*

**334.** The Scottish Executive's strategy for people aged 50+ focuses on maximising disposable income and providing targeted support. This includes providing:

- funding for the Age Concern Benefits Helpline to help older people maximise their income;
- free local off-peak bus travel to pensioners and the disabled, which will soon be extended to allow unlimited Scotland-wide bus travel;
- free central heating, insulation, advice and other benefits (through the Central Heating Programme) to pensioners and vulnerable householders who are currently without any form of central heating system or have a system that is broken and beyond repair. Over 50,000 systems have been installed to date; and
- free personal and nursing care, ensuring that pensioners need not fall into poverty as a result of poor health in old age.

### *Communities*

**335.** The Scottish Executive's new Regeneration Statement will set out the action being taken to regenerate the most deprived communities in Scotland. At the forefront of this strategy, Community Planning Partnerships, comprising a range of public, private, community and voluntary bodies, will work with communities to determine local priorities and put together a strategic planning framework for the delivery of better and additional outcomes.<sup>78</sup> These partnerships will also be involved in defining services and setting targets for improving service delivery in rural areas.

**336.** The Scottish Executive is taking forward the recommendations of the Homelessness Task Force<sup>79</sup> – amending homelessness legislation, preventing homelessness among vulnerable groups and improving health and employment services for homeless people. The Scottish Executive also continues to fund the Rough Sleepers Initiative, in addition to increasing the supply of affordable housing, improving the quality of social housing, and establishing Housing Renewal Areas to enforce housing standards.

### *Health inequalities*

**337.** Scotland's health is poor in comparison to other similar nations. Although overall life expectancy is improving, with fewer deaths each year from heart disease, stroke and cancer, health inequalities are increasing. The Scottish Executive aims to increase the rate of health improvement across a



range of indicators for the most deprived communities by 15 per cent by 2008. The indicators are: coronary heart disease and cancer mortality rates (under-75s); adults smoking; smoking during pregnancy; teenage pregnancy; and suicide in younger people. These are supported by new developments such as the forthcoming ban on smoking in public places; unmet need pilots; the new Glasgow Centre for Population Health, which will create ideas and provide leadership for action to improve health and tackle inequality; and the introduction of health authority action plans for meeting the health needs of homeless people.

### Unmet need pilots

In response to research indicating that those in the most deprived areas are not accessing healthcare services at the same rate as their more affluent neighbours, pilot studies have been set up in the three NHS Board areas with the highest concentrations of deprivation in Scotland. The sum of £15 million has been allocated to Argyll and Clyde (£1.5 million), Tayside (£1.78 million) and Greater Glasgow (£11.72 million). Among the projects being funded are schemes to improve access for the learning disabled to dental, breast screening and ophthalmic services and outreach health services to homeless people and Gypsies and Travellers.

### Wales

**338.** *Wales: A Better Country*,<sup>80</sup> published in September 2003, sets out the Welsh Assembly Government's agenda for this term. It shows how the Assembly intends to set about making Wales a more prosperous, healthier and better-educated country, rooted in a commitment to social justice at the heart of policy making. The Assembly Government's 2004 Spending Review has ensured that significant resources are being made available to support the commitments outlined in *Wales: A Better Country*, much of which is about combating exclusion and achieving social justice for those living in deprived communities.

**339.** Wales is a country that suffers in places from pronounced deprivation. Such areas suffer from poor standards of health, low educational attainment, substance misuse, benefit dependency and high levels of economic inactivity. However, the latest available figures for Wales show that progress has been made across a range of policy areas. Since 1999, the number of 15-year-olds leaving full-time education without a recognised qualification has fallen and the number taking up modern apprenticeships has increased; employment rates have increased overall and for disadvantaged groups such as those over 50, ethnic minorities and those with a disability; deaths from heart disease have been falling among older people; and levels of attainment by 11-year-olds have steadily increased.

### *Children and young people*

**340.** Child poverty is a major concern for the Welsh Assembly Government. A Child Poverty Task Group was established in January 2003 and the Welsh Assembly Government's response to the proposals of the task group 'A Fair Future for our Children' was published in February 2005.<sup>81</sup> Work is now concentrating on the development of an implementation plan to provide a strategic framework that will maximise the work that is being undertaken to alleviate child poverty in Wales.

**341.** In March 2005, the Welsh Assembly Government issued for consultation a Parenting Action Plan. The plan aims to raise the profile of parenting among policy makers and service providers and encourage development of policies and services that support mothers, fathers and carers in their caring roles. It brings together in a single document current policies, services and initiatives that support parenting and examples of good practice, and it suggests priorities for further development. Proposed key action identified includes establishment of local networks representing parents and carers, development of a bilingual telephone advice service to parents and a programme of information publications.

**342.** The Welsh Assembly Government's vision is to create a place which values its children and where young people want to live, work and enjoy a high quality of life.<sup>82</sup> It is currently piloting an innovative foundation curriculum for 3–7-year-olds. Nine thousand additional free early years places have been provided for 3-year-olds, and at least half-time nursery places for all 3-year-olds will be provided.

**343.** The Welsh Assembly Government's Basic Skills Strategy was published in April 2005, with the ultimate aims of all young children being prepared for learning when they begin school; to reduce the number of children leaving primary school struggling to read, write and use numbers; to have fewer children leave school struggling with basic skills; and to decrease significantly the number of adults with poor basic skills.

### *Working age*

**344.** European Structural Funds are being used in Wales to provide financial support for projects that stimulate economic, social and environmental regeneration, especially in the most disadvantaged areas. In 2004/05, over £1.2 billion of Structural Fund grants was committed to over 2,300 approved projects. Projects supported by European Structural Fund programmes have created or safeguarded over 100,000 jobs, most of which are in West Wales and the Valleys. In addition, the Assembly Government is working with Jobcentre Plus Wales to deliver the joint Want2Work initiative to help economically inactive people find work. The initiative, which receives £11 million from the European Social Fund, will be delivered in three pilot areas in Cardiff, Merthyr and Neath Port Talbot.

### *Financial inclusion*

**345.** Financial inclusion and the issue of addressing over-indebtedness are major components of achieving social justice for those living in deprived communities across Wales. The Welsh Assembly is developing an action plan to take

forward the cross-cutting recommendations coming out of its review of over-indebtedness in Wales. Officials will also be working on a new project with the Department for Trade and Industry to support an increase in the amount of face-to-face debt advice available in areas of financial exclusion in Wales.

#### *People aged 50+ and retired people*

**346.** The Strategy for Older People in Wales<sup>83</sup> provides a structured basis for the Welsh Assembly Government and other public bodies in Wales to develop future policies and plans which better reflect the needs of people aged 50+. Explicit funding of £10 million is being made available in the period from April 2003 to March 2007 to ensure effective implementation of the strategy.

#### *Communities*

**347.** The Assembly's Spatial Plan objectives for building sustainable communities are driven by the need to tackle concentrated and long-term deprivation that is apparent in the South Wales Valleys, in parts of major cities and towns and in port and industrial towns and communities. It highlights children as a particular area for action in order to reverse the poverty cycle and improve chances in life for young people living in deprived communities. Ongoing support will be delivered to the most deprived communities in Wales through the cross-cutting Communities First Programme. Housing is also identified as an important factor in quality of life, and the provision of and access to affordable housing by those most in need is also identified as a priority in the plan.

#### *The voluntary and community sector*

**348.** The Active Community Unit works to increase the involvement of the voluntary and community sector in the delivery of public services. Its strategy for doing so is to build the capacity of the sector to deliver quality public services, and to build the relationship between public sector bodies and the voluntary and community sector. This sector is often better placed than government to both design and deliver the public services that are needed. Voluntary and community organisations are often better able to reach and provide appropriate services to those who have complex needs and are excluded or at risk of being excluded from society.

**349.** In providing public services, these organisations can bring further benefits to society, including involving local people to build community 'ownership' and increasing trust within and across communities. Around the country voluntary and community sector organisations have shown that they can deliver effective, efficient and innovative services. By increasing the voluntary and community sector's contribution to public service delivery, we aim to improve the quality and accessibility of public services and the involvement of the community in designing and delivering the services.

#### *Developing the Compact*

**350.** The Active Community Unit has issued a consultation paper on proposals to improve the Compact, which sets out the rules of engagement between the voluntary and community sector and public sector bodies. The Compact has

been successful – 94 per cent of local authority areas have either published a local compact or are working towards developing one – but there are barriers to its success. Because the Compact and its codes are long and broadly worded, it can be difficult for both parties to understand whether their practices adhere to the Compact. There is no mechanism to recognise implementation or penalise failure to adhere to the Compact.

**351.** The proposals for Compact Plus address these issues and seek to provide a simpler, more succinct tool that organisations would opt into, and they would be supported by a Compact Champion who would be able to assist in developing understanding of Compact Plus and in sharing learning, and would adjudicate in cases of disagreement. The outcome of this will be better and more transparent engagement between the voluntary and community sector and authorities where they are involved in the delivery of public services. The next steps are the management of the consultation process and, once responses have been received, the development of a forward strategy.

#### *Looking to the future*

**352.** There is concern within the voluntary and community sector over the future of services delivered by the sector that have flourished under EU support. Shrinking EU structural and community funds may affect the sector's ability to deliver services to those most in need of help. We will consider ways in which we can minimise the potential loss of expertise that has grown within the sector through

support from the European Social Fund over the last decade.

**353.** A recently published Home Office and HM Treasury joint document<sup>84</sup> highlighted the need for further evidence to demonstrate the added value that the voluntary and community sector brings to public services. It is important both that the Government understands the benefits of engaging with the voluntary and community sector and that sector organisations are able to articulate the added value of their services, ideally in monetary terms, when bidding for service delivery contracts. We are currently considering a project to analyse the value added by the sector during its involvement in public service delivery and will be taking this forward over the coming year.

## Chapter two: Women

### Introduction

1. The latter part of the 20th century was a period of rapid social and economic change, and women were particularly affected in terms of their participation in paid work. Despite the considerable improvement in opportunities for women, they continue to face challenges, including restricted earnings potential. Factors such as family responsibilities and restrictions on women's time and mobility mean that they can be faced with less choice in the quality of jobs that are accessible.

2. These factors, linked to work, can have a significant impact on women in later life. Women's pensions is an area of concern; women's historical working patterns and the pension system itself have meant that a disproportionate number of the poorest people over State Pension Age are women – they still tend to have significantly less pension income than men.

3. It is for the reasons set out above and elsewhere in this chapter that we have included a specific chapter on women this year rather than on gender. But we have developed policies – particularly those in support of families – that consider the differential impact on men as well as women.

4. This chapter compares the position of women in the UK in 2003/04 to that of men; including the progress that has been made since the 1990s towards greater gender equality. We build a picture of the position of women by focusing on key areas of social and economic life, and consider the changes

experienced by women at different stages in their lives in the context of broad trends over the last half century.

### Our aims and activity

5. We are already committed to pursuing a programme of action to address the issues that directly affect and disadvantage women. The Ministers for Women, supported by the Women and Equality Unit, are responsible for taking this forward, including progressing proposals on civil partnerships and the future of our equality bodies. They develop policies relating to gender equality and ensure that work on equality across government as a whole is co-ordinated.

6. We first set out our commitment to the Gender Equality Public Service Agreement objective in 2002. This represented a breakthrough in our approach, ensuring that equality issues are incorporated (or 'mainstreamed') into policies across government. The targets cover employment, pay, flexible working, childcare and reported domestic violence crimes. We are making progress in some areas of the target, as can be seen in the update report that was published in March 2005.<sup>1</sup>

7. In order to realise the benefits of a diverse society with equality between the sexes, we are taking action to: support economic opportunities for women; work across government, the EU and the United Nations; reduce barriers to social participation; and improve our legislative and institutional frameworks for equality.

## Developing our strategies

8. We have developed our strategies in close consultation with relevant stakeholders, taking the views of a diverse set of groups in different parts of the UK, and using innovative approaches to information gathering to encompass the full breadth of issues and concerns facing women.

9. The aims and objectives of the Women and Work Commission which looks primarily at employment issues in the UK are discussed later.

10. Northern Ireland is developing action plans for men and women to be published with its new ten-year Gender Equality Strategy in December 2005. The strategy focuses on how policy and practices can tackle gender inequalities through more effective mainstreaming and positive action measures.

11. To assist in the development of this strategy, the Gender Equality Unit (based in the Office of the First Minister and Deputy First Minister) undertook a series of informal consultations with representatives from men's and women's groups to ensure they influenced the strategy from an early stage. This highly participative approach continued in the formal consultation stage, required by Section 75 of the Northern Ireland Act 1998.<sup>2</sup> The consultation, which ended in February 2005, involved local women's groups in leading approximately 30 workshops across urban and rural parts of Northern Ireland.<sup>3</sup>

12. In Scotland, the Scottish Executive is taking forward the recommendations of

the report *Improving in Scotland: An Agenda for Action* produced by the Strategic Group on Women – a small, independent, short-duration group of individual women who examined how the Executive should further improve opportunities for women in Scotland. This report is also being considered by the Scottish Women's Convention (an umbrella group representing women's interests that is funded by the Scottish Executive) in the development and implementation of its Strategic Plan.

13. In 2005/06, the Welsh Assembly Government aims to develop a Mainstreaming Equality Strategy. A Task and Finish Group has been set up to take forward and develop the recommendations set out in the Equality of Opportunity Committee report *Mainstreaming Equality in the Work of the National Assembly*. The group will advise the Welsh Assembly Government on the implementation of all the recommendations, and will set aims and objectives and a clear time framework for the development of the Mainstreaming Equality Strategy.

## The context – women and health

14. Life expectancy is higher for women than for men due to a number of complex social and biological factors. In 2003, women's life expectancy at birth was 80.7 years compared with 76.2 years for men. However, the gap between men and women is smaller in terms of the number of years they can expect to live in good or fairly good health. In 2001, for example, healthy life expectancy at age

65 was 13.3 years for females and 11.7 years for males, a difference of 1.6 years.

### Mortality rates

15. During the 20th century, mortality rates for women in England and Wales were consistently lower than those for men.<sup>4</sup> In the 21st century this trend continues. For example, in 1900 the difference in life expectancy at birth for men and women was 4.4 years. In 2002, the gap remains at a similar level at 4.5 years. Patterns of mortality also differ by socio-economic and ethnic group.

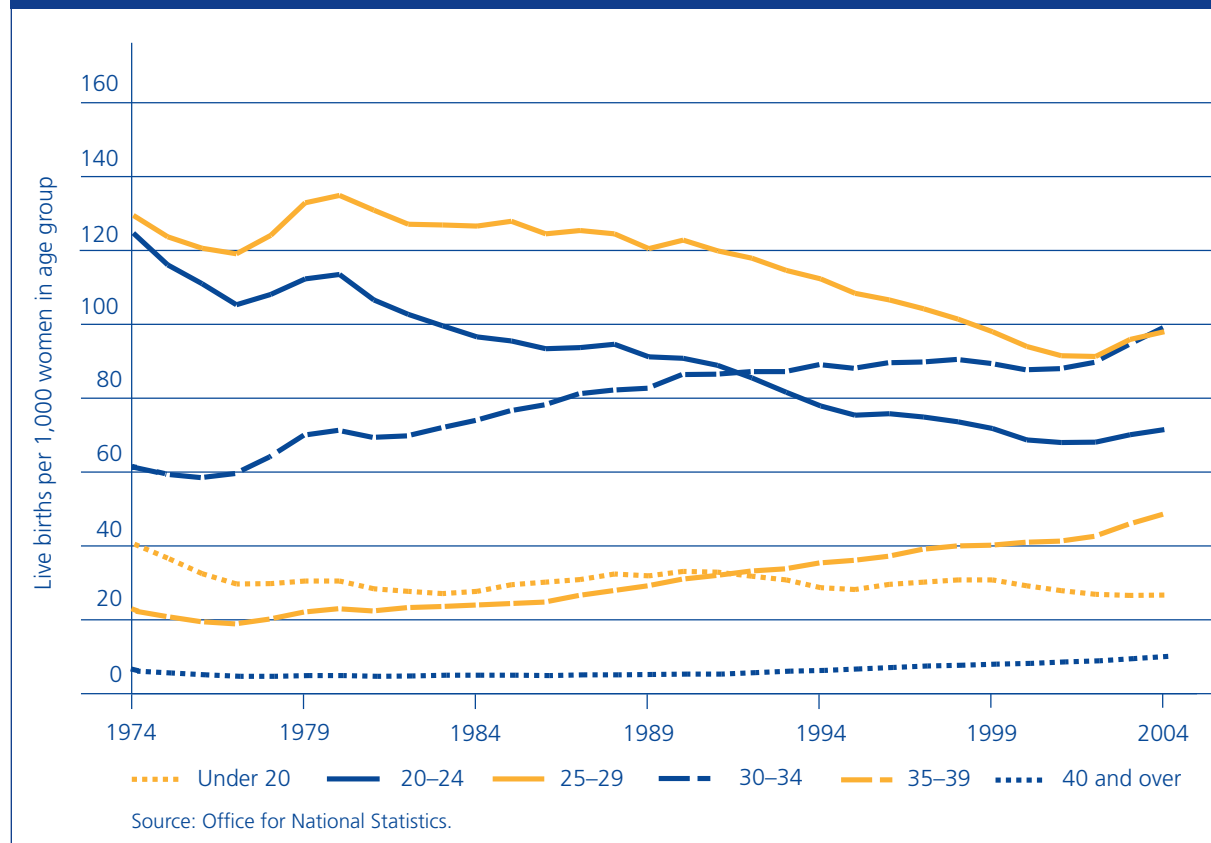
### Fertility

16. After the 1960s baby boom, UK fertility rates fell rapidly before stabilising

in the 1980s (see Figure 2.1). The 1990s saw fertility rates drift downwards, although fertility has been increasing since 2002. If the 2004 patterns of fertility were to remain unchanged, as represented by the total fertility rate, then each woman would have an average of 1.77 children. This is the highest rate since 1992 (1.79) and continues the gradual increase from a low point in 2001 when the total fertility rate was 1.63. This compares with a peak of 2.46 children for women born in 1934.

17. Women are increasingly choosing to have their children later in life. The average (mean standardised) age of women giving birth in England and Wales has increased each year since a low of 26.4 years in 1974 to 28.9 years

Figure 2.1: Age-specific fertility rates, 1974–2004, UK



in 2004. Over the same period, the average age of women at the birth of their first child rose 3.1 years to 27.1. These mean ages are standardised to take account of the changing age demographics of the female population.

**18.** The last few years have seen fertility rates increase for women in all age groups, except those under 20. It is too early to say whether this is the start of a new trend. The rise in fertility among women aged under 30 is an interesting reversal of the long-term decline, but the reasons behind this change are not yet understood.<sup>5</sup>

### Key facts about women's health

**19.** Cancers are now the second most common cause of death among males and females. Female cancer mortality rates decreased during the 1940s and 1950s then rose to a peak in the late 1980s, declining again during the 1990s. Among males, the pattern was different. Rates increased substantially until the late 1970s and then declined more rapidly from the 1990s. One explanation for this is the greater decline in deaths from other illnesses over the last half century, which has pushed up the proportion of deaths from cancers as a result. Coronary heart disease is another major cause of premature death among men and women.

**20.** We have made a great deal of progress in tackling cancer. Since April 2001, over 300,000 more women have been invited to be screened as a result of the expansion of the breast screening service to include women aged 65–70,

and more than 11,000 breast cancers were detected in 2003/04 (a 14 per cent increase on the previous year). Since the 1970s, deaths from breast cancer among women under 70 have decreased more sharply in Britain than anywhere else in the world – by 30 per cent in the last ten years.

**21.** However, lung cancer rates for women are increasing. This may be due to historical smoking trends in women, who started smoking in large numbers later than men. Ninety per cent of lung cancers are caused by smoking, so current lung cancer rates reflect historical smoking rates. Female smoking rates did not begin to fall until the mid-1970s – some decades after male smoking rates began to fall. We are seeing these smoking trends reflected in today's lung cancer rates.

**22.** Smoking rates among young women are increasing. In 2002, 10 per cent of children aged 11–15 smoked cigarettes regularly; 9 per cent of boys and 11 per cent of girls. We are tackling this by expanding NHS Stop Smoking Services, which have helped nearly 684,000 people successfully quit smoking. In 2003, 25 per cent of adults aged 16 and over smoked cigarettes in England; 27 per cent of men and 24 per cent of women. See chapter one, section four for more detail on the targets on smoking reduction.

**23.** The latest prevalence figure for smoking among pregnant women is 19 per cent.<sup>6</sup> In 1998, we outlined our target to reduce the overall figure from 23 per cent to 15 per cent by the year



2010, with a fall to 18 per cent by the year 2005.<sup>7</sup>

**24.** Since 1998, government tobacco control policies have reduced the number of smokers by 1.2 million. This has been achieved through comprehensive action including:

- advertising bans;
- National Health Service help for smokers to quit;
- new warnings on cigarette packets;
- higher prices;
- increased awareness and education campaigns; and
- more smoke-free workplaces and public areas.

**25.** In 2002, 9 per cent of women aged 16 or over had drunk more than the recommended limit of six units on at least one day in the previous week. This rose to 26 per cent of women aged 16–24. Binge drinking accounts for 22 per cent of all drinking occasions for women. We published our *Alcohol Harm Reduction Strategy for England* in March 2004.<sup>8</sup> This is the first time a co-ordinated strategy relating to alcohol misuse has been put in place. The Department of Health and the Home Office are jointly responsible for implementing the strategy, working in partnership with other stakeholders from within and outside government. The four main elements of the strategy are:

- improving health and treatment;
- education and communication;
- tackling crime and disorder; and
- working with the drinks industry.

**26.** A range of steps has been taken through the co-ordinated programme, including the Home Office working with the Association of Chief Police Officers, to focus on the localities facing the biggest challenge in reducing the combined problem of binge drinking and anti-social behaviour.

**27.** Across the life-cycle, women in England are taking less exercise than men: in 2003 74 per cent reported participating in ‘physical activity of modest intensity’ for at least 30 minutes per week, compared with 79 per cent of men. But a majority of women are moderately active well into middle and older age: 83 to 87 per cent participate between the ages of 16 and 44, and 61 per cent are active between the ages of 65 and 74. According to the 2002 *General Household Survey*, women are less active than in the 1990s.

**28.** By the age of 18 years, 40 per cent of girls have dropped out of sport and physical recreation, and women are 32 per cent less likely to participate in sport and/or physical activity than men.<sup>9</sup> With specific regard to women, the participation rate for four weeks prior to the survey (including walking) fell from 58 per cent in 1996 to 53 per cent in 2002.<sup>10</sup>

29. Although men and women report that they are exercising, other factors, including diet, have contributed to rising levels of obesity for both sexes since the 1990s. On average, women have a higher body mass index than men, but the gap is much narrower than it was in 1994 due to the rapid increase in men's obesity. In 1994, 17.3 per cent of women were classified as obese and this rose to 23.4 per cent in 2003. Over the same period, men's obesity rose from 13.8 per cent to 22.9 per cent.

### *Our strategy*

30. Through the Department for Culture, Media and Sport, we have a Public Service Agreement target to increase by 3 per cent by 2008 the take-up of sporting opportunities by adults and young people aged 16 and above from priority groups. This includes those from lower socio-economic groups, people with disabilities, black and ethnic minority groups and women. In addition, hosting the 2012 Olympic and Paralympic Games in London will provide a tremendous incentive for all young people to participate in a wide range of positive sporting, volunteering and cultural activities.

31. In September 2004, we published a *National Service Framework for Children, Young People and Maternity Services*. The framework is part of our Every Child Matters: Change for Children programme. It aims to improve the lives and health of children, young people and pregnant women by setting standards for health and local authority services. This will ensure that care is centred on the

### Bradford SAZ Magnet Fund – Horton Grange Women's Physical Activity Project

This project sought to engage hard-to-reach women from black and ethnic minority groups – particularly women with Pakistani backgrounds. It targeted overweight women; those prone to serious health problems, such as coronary heart disease; and women who had never thought about their health and dietary needs. Many of these women felt unable to access mainstream provision due to cultural and religious beliefs.

The programme involved health sessions and weekly exercise classes. The session leader was a bi-lingual qualified health trainer who worked with participants individually to provide advice, support and encouragement. Specialised health advice was provided by regular guest speakers. A residential course was organised for the women attending physical activity sessions, which proved to be popular.

The project had a positive impact. Many of the younger women lost weight through power walking, an activity they chose for themselves. The older women generally joined the group to keep active and socialise, and in the process gained confidence. Participants' families also benefited as the women passed on information about healthy eating.

The project's success has led to the Workers' Education Association deciding to fund the same bi-lingual tutor to run weekly healthy living and

*continued*

*continued*

general health awareness classes for women, with physical activity as part of the course content. The courses will run at three local venues: the Khidmat Centre (run by the Council for Mosques), the West Bowling Training and Advice Centre and the Frizinghall Community Association. The classes all require a commitment of at least ten weeks. Based on current popularity they are expected to run for a year.

client, with appropriate needs-assessed services available at the right time.

**32.** Further details of our general health strategy can be found in chapter one, section four.

## Women and education

**33.** Overall, females of all ages in compulsory and higher education (to degree level) achieve better educational results than males:

- Since the turn of the 21st century, the results of both girls and boys at school (until Key Stage 4/GCSE) have improved.
- At school, girls outperform boys in the key subject areas of English, maths and science – with the gender gap being particularly marked in relation to English.
- Girls from ethnic minority groups outperform boys from the same ethnic minority groups.

- At A-level, the overall female pass rate has been higher than the male pass rate since 1992; and females outperform males in every subject, apart from accounting, where the gap in pass rates is only 0.1 percentage points.
- In 2003, more than three-quarters (77 per cent) of 16-year-old girls were in full-time education, relative to just over two-thirds of boys (68 per cent).
- In higher education, the pattern of achievement is similar. Not only has the percentage of female students increased steadily since the 1980s, but women are getting better results than men at degree level.
- Fifty-six per cent of higher education students were women in 2003/04, compared with 38 per cent in 1982/83.
- Fifty-eight per cent of female graduates in the UK received firsts or upper seconds in 2003/04, compared with 51 per cent of male graduates. The gender gap has not closed much since the mid-1990s when 50 per cent of women gained firsts or upper seconds compared with 44 per cent of men.<sup>11</sup>

**34.** While gender is one of the key factors affecting educational performance, it affects different sub-groups of boys and girls in different ways. Social class, ethnicity and local context are all factors that are strongly linked to performance.

## Our strategy

**35.** Although a range of indicators show that girls are performing well at school, we are committed to tackling the inequalities that still exist between sub-groups of girls and boys – inequalities which can go on to affect their chances in adulthood of securing a job that maximises their potential. One challenge will be to reach the small pockets of underachievement by girls that are masked by their overall higher performance relative to boys. Gypsy/Roma, Traveller and black Caribbean girls tend to perform below the national averages for both boys and girls. However, the numbers within these cohorts are relatively small. More prevalent is socio-economic class where, while all girls receiving free school meals generally outperform boys within their social groups, girls entitled to free school meals do not perform as well as girls not entitled to free school meals or even meet the national average for all pupils. Our aim now will be to support schools through the National Strategies to identify and better target support for these girls and to tailor their provision to better meet their learning needs.

**36.** The National Strategies for primary and secondary schools are helping to raise standards and improve both girls' and boys' performance by spreading effective teaching and learning to every classroom. Greater personalisation and choice of teaching and learning is one of the five key principles of reform outlined in the Department for Education and Skills' Five Year Strategy for Children and Learners as part of the wider public service reforms.<sup>12</sup>

**37.** We are aware that women are under-represented in science, engineering and technology, and in particular that very few young women choose to pursue the physical sciences. Occupational segregation (discussed later in this chapter) is foreshadowed by the educational experiences of boys and girls. Evidence from the Equal Opportunities Commission suggests that subject selection at GCSE level is determined by gender-stereotypical influences, and these determine the kind of career paths girls and boys embark on following school. If pools of talent for some occupations are influenced from a young age, this can restrict the opportunities for young women (and men) to fulfil their potential in the world of work.<sup>13</sup>

**38.** Our *Strategy for Women in Science, Engineering and Technology* sets out our plans to address barriers that prevent girls and women entering, staying and succeeding in science, engineering and technology. We have been working closely with organisations, such as Women into Science and Engineering and the Institute of Physics, to address the under-representation of women in these areas and encourage women to see the relevance of science in society. For example, they have looked at how good classroom practice can encourage more young women to study physics after the age of 16.

**39.** Also, from 2006, the Department for Education and Skills will launch a new programme of study at Key Stage 4 (14 to 16-year-olds) to encourage girls to pursue science studies.

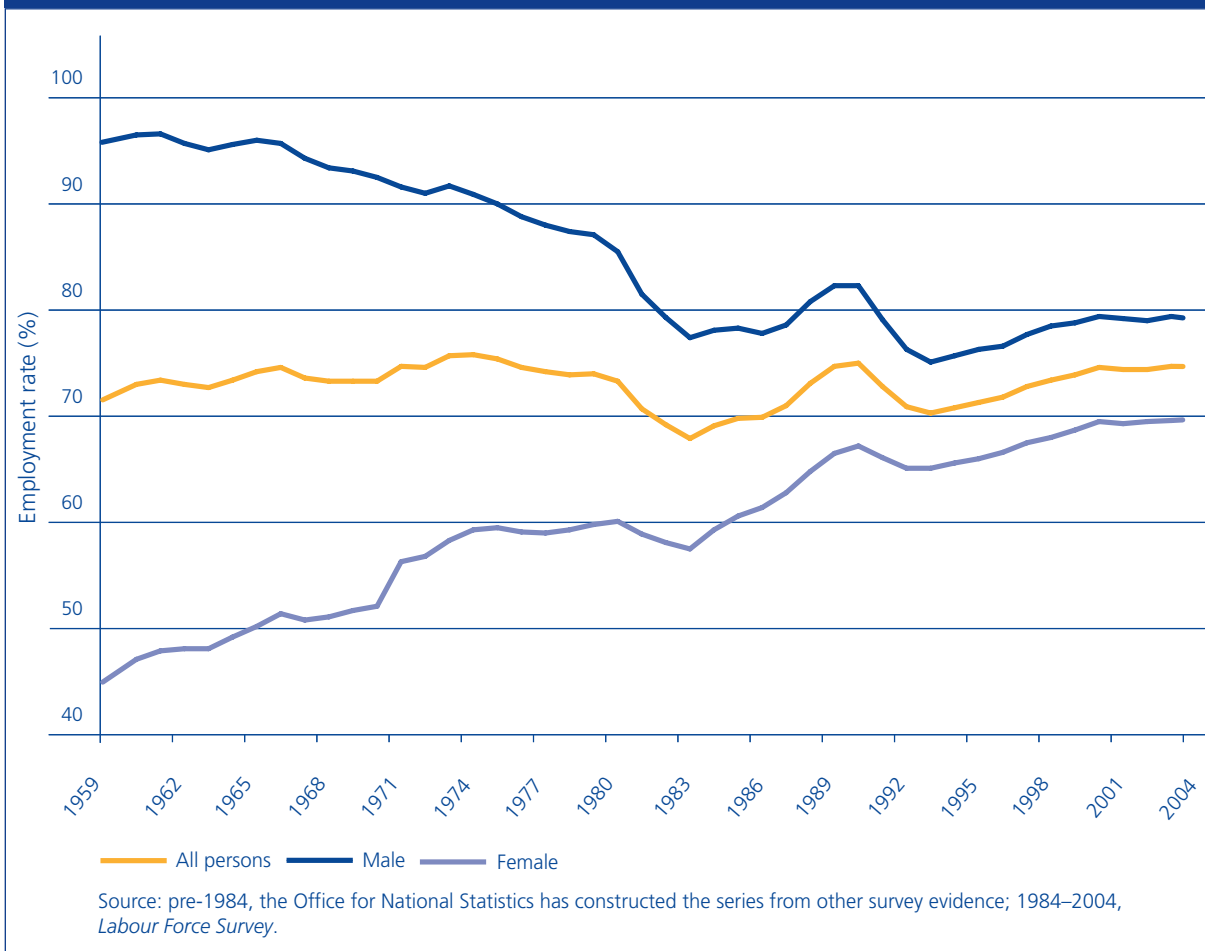
40. Our commitment to raising educational standards is not restricted to young people, but extends to promoting lifelong learning for men and women. A key priority for the public funding of adult learning, whether in colleges, local authorities or in the voluntary and community sector, is helping those without a solid foundation of employability skills. At the Gender and Productivity Summit in October 2004, we issued a response to the Equal Opportunity Commission's Phase 1 General Formal Investigation that outlined the action it intended to take. This included the release by the Learning and Skills Council of annual data on

Apprenticeship frameworks by sector, gender, race and disability. The report, *Free to Choose: tackling gender barriers to better jobs*, was published in April 2005.<sup>14</sup>

## Women and work

41. The closing decades of the 20th century saw significant advances in the proportions of women entering the labour market, and also in terms of the hours they work, the jobs they do and the money they earn. There were many reasons for these changing employment rates: economic, social, cultural and legislative factors, as well as rising levels

Figure 2.2: Employment rates by gender



of female educational attainment. However, significant differences still exist between male and female – and within female – patterns of labour market participation, which indicates we have much to do to address the remaining inequalities.

42. This section presents the key trends and our strategies for tackling the most pressing problems.

### Key trends

43. Figure 2.2 shows how far the employment gap between men and women has closed since the late 1950s, with female participation now at the highest rate ever.

44. In 2005, the female employment rate in the UK is among the highest in the world. We have already achieved the Lisbon target of a 60 per cent female employment rate by 2010. The UK exceeds both the EU and the OECD average, at 66 per cent, when using internationally comparable data, as shown by Figure 2.3 below.<sup>15</sup> Using a more common British definition, the female employment rate in the UK is 70 per cent – nine percentage points lower than that of men.<sup>16</sup>

45. If we consider female employment over the life-cycle, we can see from Figures 2.4 and 2.5 that the employment rate has grown significantly over the last 20 years among women in their 20s and

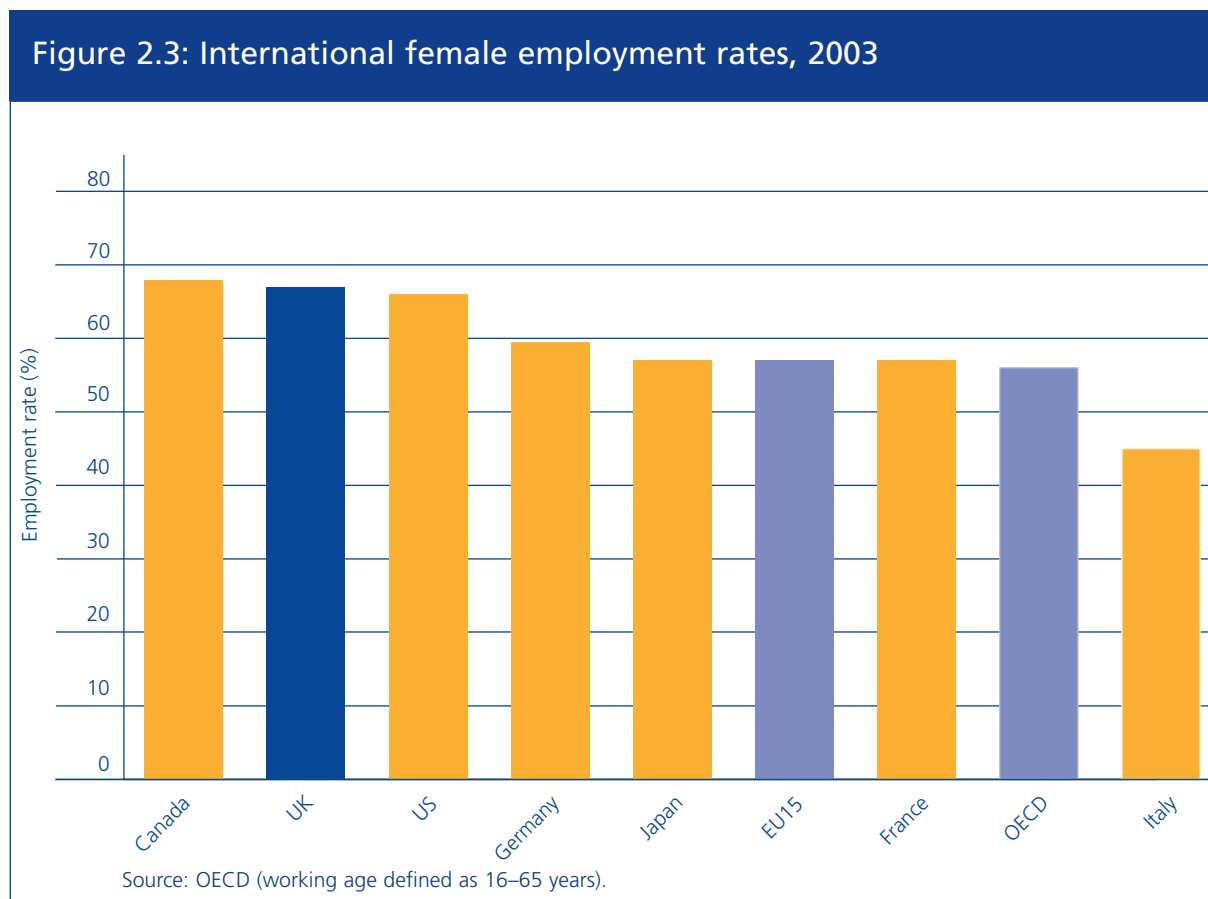


Figure 2.4: Employment rates in Great Britain by age and gender, 1984

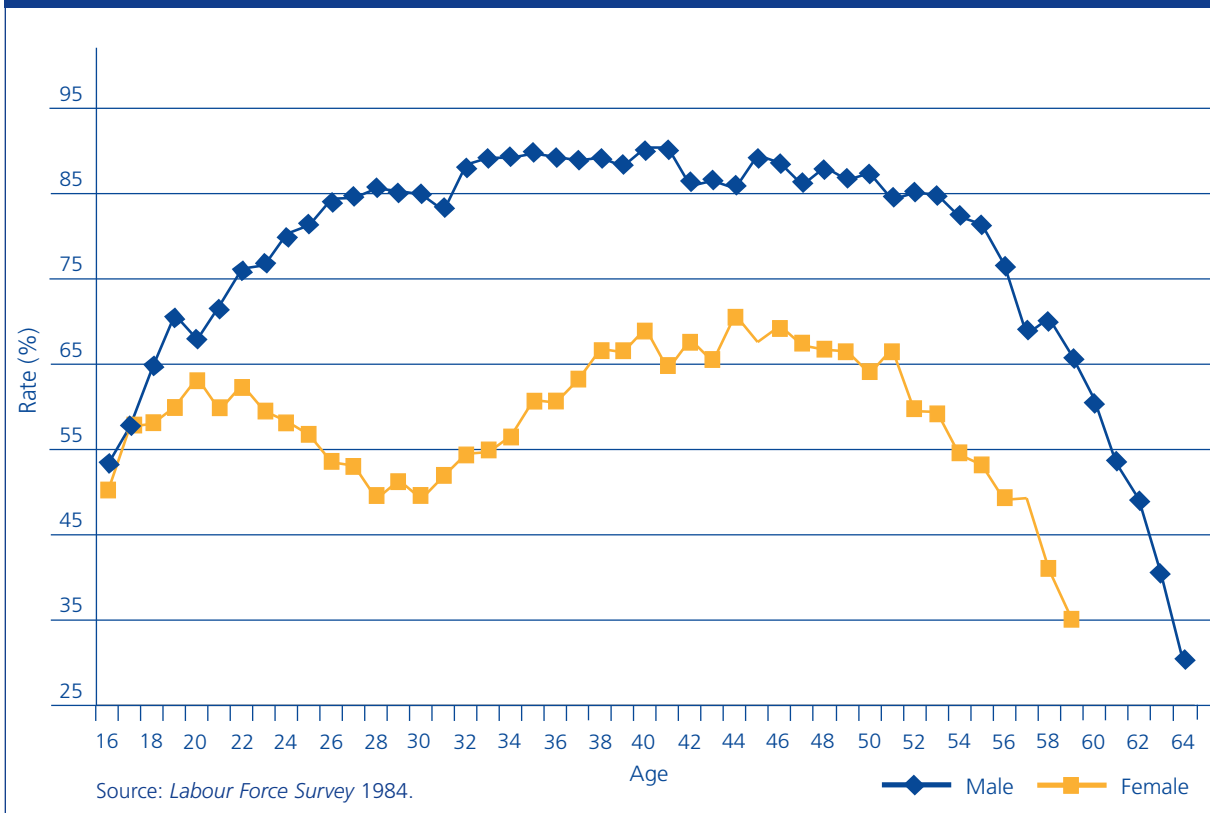
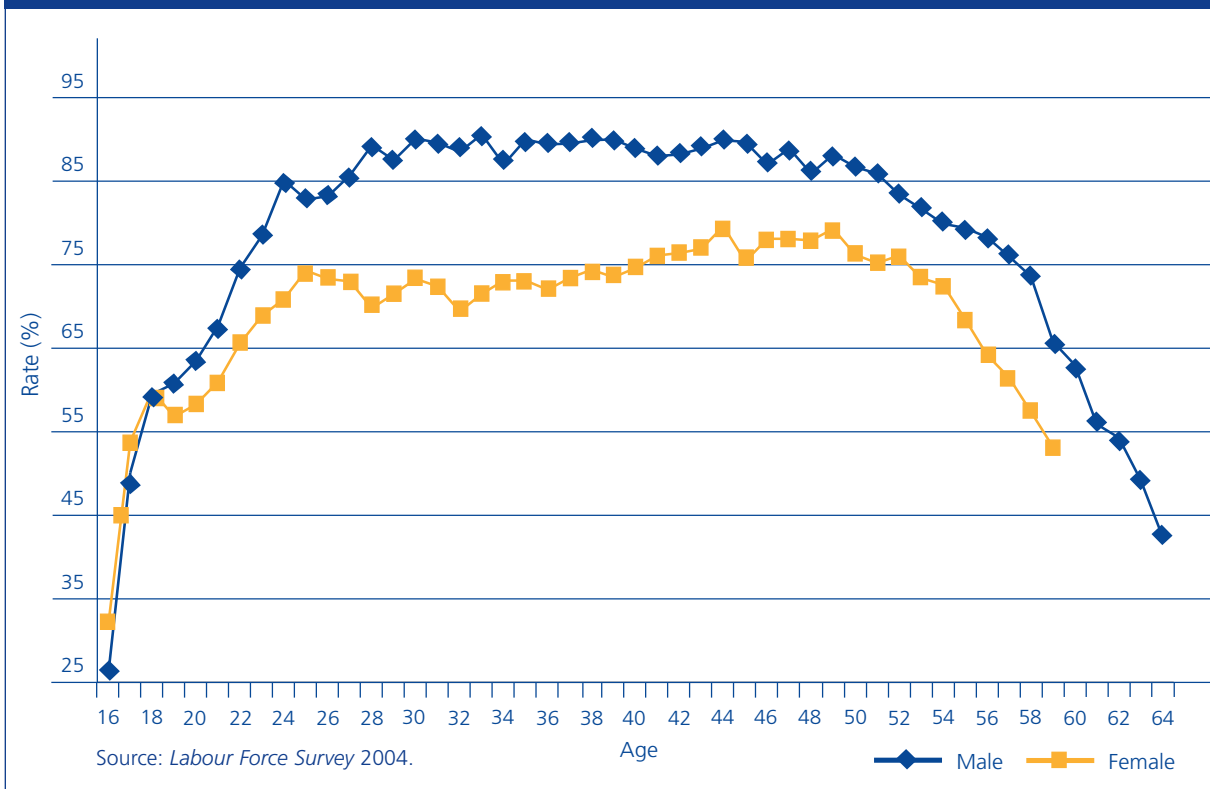


Figure 2.5: Employment rates in Great Britain by age and gender, 2004



early 30s. This corresponds with the child-bearing years for a majority of women and points to the success of changes to policies on maternity leave, childcare, tax credits, flexible working and greater employment opportunities, as well as changes in social attitudes.

**46.** Figure 2.4 shows that in 1984 female labour market participation dropped when women were in their early 20s and did not increase again until they reached their early 30s. In contrast, Figure 2.5 shows that in 2004 women's employment rates increased until they reached their mid-20s and remained relatively constant over the next decade.

**47.** Patterns of disadvantage are amplified for women from certain ethnic minority groups. Their economic activity rates and employment rates tend to be lower than those for men and they tend to be employed in a narrow range of industries and occupations. Ethnic minority women receive the lowest median weekly

incomes compared with ethnic minority men and with white women and men.<sup>17</sup>

**48.** Figure 2.6 shows that the employment rate for women from ethnic minority groups is 51 per cent, compared with 72 per cent for women from white groups. This aggregate figure conceals considerable variation between groups, with Bangladeshi and Pakistani women having particularly low employment rates.

**49.** Some ethnic groups have made considerable gains in terms of labour market participation during the last decade: notably Chinese and Indian women. On the other hand, Bangladeshi and Pakistani women remain the most disadvantaged, and the experience of black Caribbean women has barely improved over a long period.

**50.** *The State of the Countryside* report 2005 shows that rural economic growth is greater than urban, and that women are a notable part of this:

Figure 2.6: Employment rates by gender and ethnic origin, 2004

	Women (%)	Men (%)
White	72	81
All ethnic minorities	51	68
Black Caribbean	67	71
Black African	50	64
Indian	62	77
Pakistani/Bangladeshi	26	65

Base: all persons of working age (women 16–59, men 16–64).  
Source: *Labour Force Survey*, four-quarter average to spring 2005.



- there has been a 1.4 per cent increase in activity rate among women of working age in rural areas between 1999 and 2003, against an urban equivalent of only 0.2 per cent and a national average of 0.5 per cent in the same period; and
- conversely, economic activity rates among men over the same time period declined in all areas other than remote rural.

51. In the UK overall, female employment rates are lowest among women with children aged under 5: 54 per cent worked in 2004 compared with 76 per cent of women without dependent children.<sup>18</sup> But, since 1997, we have seen more women with children of all ages entering work.

52. Women's participation in self-employment and business ownership is on a par with that of most northern European countries, but lower than in the United States of America where it is 39 per cent.<sup>19</sup>

53. Women comprise around 26 per cent of the 3.5 million self-employed in the UK. It is likely that this figure underestimates women's contribution to enterprise in family businesses and co-ownership. But research shows that the rate of female self-employment has more than doubled over the last 20 years to 7 per cent in 2004:

- Research based on membership of Women into Rural Enterprise shows that women's businesses make a vital contribution to household incomes with 29 per cent providing three-quarters of the total income.<sup>20</sup>

### Lancashire Farm Women's Project

The Department for Environment, Food and Rural Affairs' Vocational Training Scheme is one of a suite of schemes within the England Rural Development Programme. Under the scheme, funding has been agreed for the Lancashire Farm Women's Project, which is delivering training to women within the farming community. The project will enable women to enhance their skills, and will help to ensure that they are well placed to take advantage of career opportunities, such as developing 'on-farm' enterprises.

Training will be delivered through a range of courses, seminars and conferences, and will include assertiveness and confidence-building training, CV writing, business start-up, employment law, interview preparation, health and safety at work, accounting and business planning. Courses will be specifically designed to fulfil the requirements of the attendees.

The project will satisfy a demand for training among women in the farming community, and will contribute towards their ability to make the most of enterprise opportunities. The project will encourage women to access a range of training built around their requirements, which will help them to go on and set up their own business. Training will be flexible, and will alleviate the main barriers of cost and time to women accessing business training opportunities. In total, 240 women recipients and 80 farm

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businesses in Lancashire will benefit from this project.

In this way, the project is contributing towards enabling women to play their full part in developing diverse rural enterprises, contributing to the local economy and employment in rural Lancashire.

- Countryside Agency research indicates that women now represent more than half of employees across rural England.<sup>21</sup>
- There is higher female entrepreneurial activity in rural areas (5.1 per cent) than in urban (3.4 per cent) or suburban areas (3.8 per cent).<sup>22</sup>

**54.** Women are more likely to work part-time (under 30 hours) than men and do so for family and/or domestic reasons. In 2004, 43 per cent of women worked part-time compared with 10 per cent of men. Women are also more likely to change employer and/or occupation in order to move from full-time into part-time work.<sup>23</sup> Women working part-time earn a third less (33.7 per cent) than women working full-time and 43 per cent less than men working full-time.<sup>24</sup>

**55.** Research commissioned by the Women and Equality Unit found that women working part-time are concentrated in lower paid occupational sectors and lower paid jobs compared with women working full-time.<sup>25</sup> Men tend to work part-time either early or late in their working lives: 46 per cent of men who work part-time are 16 to 24

years old. Women, on the other hand, work part-time at all ages with nearly half (49 per cent) aged 35 to 54.<sup>26</sup> This has implications for women's income in older age. See the sections on older women and pensions in this chapter for more detail on our strategies to tackle poverty in older age.

**56.** These findings underline the importance of our policies to support women who choose to balance family and working responsibilities, and rights to flexible working. These are discussed in the supporting families and children section of this chapter.

## Occupational segregation

**57.** Women tend to work in different occupations to men – a pattern known as 'occupational segregation'. Women make up the majority of the workforce (full-time and part-time) in the lower paid occupations, such as personal service (83 per cent women) and administrative and secretarial (80 per cent women). Women are particularly under-represented in managerial positions: 11 per cent of women are managers compared with 18 per cent of men, although British women are more likely to be managers than their EU female counterparts.<sup>27</sup>

**58.** The example below shows how women are under-represented in some of the UK's most senior and high-profile jobs. In 2004, women made up:<sup>28</sup>

- 23 per cent of top management posts in the Civil Service;

- 23 per cent of strategic sports boards and committees;<sup>29</sup>
- 14 per cent of chief executives of national sports governing bodies;
- 12 per cent of university vice chancellors;
- 9 per cent of editors of national newspapers;
- 7 per cent of senior police officers;<sup>30</sup> and
- there were 118 female Members of Parliament in 2004. This increased to 128 after the General Election in May 2005, but only two are from ethnic minority backgrounds.<sup>31</sup>

59. For occupations with a strong gender divide, employers select from an artificially reduced pool of talent by drawing from one half of the available population. Equal Opportunities Commission research has identified a positive correlation between skill shortages and occupations that are strongly segregated; however, this might be for a variety of reasons. At a time of skill shortages, it is important that we look at ways to expand the pool of talent so that everybody's skills are utilised to the full.<sup>32</sup>

### *Our strategy*

60. We are tackling occupational segregation in a number of ways. We support women (and men) to consider study or career options from which they might otherwise be discouraged by gender stereotypes – for example, through initiatives like the Women's

### Example: women and occupational segregation – sport

The Coaching Project, run by the Department for Culture, Media and Sport, is a unique opportunity to bring about real change in the recruitment, education, employment and deployment of coaches working in the UK. The project is one of several that contribute to meeting our target to significantly increase the take-up of sporting and cultural activities by priority groups – including women. Our work provides opportunities for women to learn how to coach, and seeks to ensure that those who benefit from the coaching come from diverse backgrounds.<sup>33</sup>

Resource Centre for Women in Science, Engineering and Technology. We are also working in partnership with industry to share best practice on recruiting and retaining women at all levels, and leading by example with initiatives in central government and public bodies to audit, analyse and address occupational segregation.

### Closing the gender pay gap

61. The gender pay gap refers to the difference in hourly earnings of men and women. Women continue to earn less than men, although over the last 30 years the gender pay gap in the UK has closed considerably. In fact, it is now at its narrowest point since the Equal Pay Act came into force in 1975. In 2004, the full-time gender pay gap in the UK, based on median hourly rates of pay, was

14.4 per cent compared with 17.4 per cent in 1998.<sup>34</sup> Put another way, women's average (median) hourly pay was 85.6 per cent of men's. The median pay for women was £9.46 compared with £11.04 for men.<sup>35</sup>

**62.** The UK's gender pay gap is one of the widest in Europe. Countries that have lower employment participation rates for women than the UK also tend to have narrower gender pay gaps. This is because the women who are working are likely to be those with better skills and higher earning potential.

**63.** The gender pay gap can be partly explained by differences in men's and women's 'human capital' – their qualifications, skills and experience – and the concentration of women's jobs in lower paid occupations. While younger women now have equivalent or better levels of qualifications than men, women's experience in the workplace, for example, training, the impact of part-time working and taking time out to care for children or family, all contribute to the gender pay gap. But there is also an unexplained portion of the gap that is likely to include discrimination. Often this is inadvertent and caused by the way pay systems operate or how maternity is handled. However, these factors still affect women's incomes and promotion opportunities.

### *Our strategy*

**64.** Although an improving picture, the evidence demonstrates that women's abilities and skills are not being fully utilised and rewarded.

**65.** In September 2004, we announced the launch of an independent Women and Work Commission to examine the problem of the gender pay gap and other issues affecting women's employment.<sup>36</sup> The Commission will report to the Prime Minister in early 2006. The Women and Work Commission is looking at:

- how men's and women's education and skills affect which jobs they can get;
- promotion and career progression – the 'glass ceiling';
- women's experiences in the job market before and after having children; and
- the different experiences of women working full-time and part-time.

**66.** The Scottish Executive is one of seven partners in a Close the Gap project part funded by the European Commission's EQUAL programme (Objective 3).<sup>37</sup> The project aims to tackle stereotyping and job segregation, and to raise awareness among employers and employees about their rights and responsibilities. It also works to raise awareness about the pay gap in Scotland and to encourage policies to close that gap, for example, by carrying out equal pay audits or reviews.

**67.** The National Minimum Wage has already boosted the pay of low-paid workers, the majority of whom have been women. For example, in the October 2004 upratings, two-thirds of the 1.1 million workers benefiting from the upratings were women, and nearly

half of these were working part-time.<sup>38</sup> Between 1998 and 2004, the mean gender pay gap fell by three percentage points, and the introduction of the minimum wage and subsequent upratings are likely to have contributed to reducing the gap.

**68.** We are determined to ensure that women, ethnic minorities, older workers and people with disabilities are given equal opportunities to ‘get in’ and ‘get on’ in work. We know that these groups are particularly disadvantaged in both labour market and skills development

### Successful woman in business

Mrs Lopa Patel, founder of Asian Lifestyle Portal, Redhotcurry.com was named ‘Asian Woman of the Year 2005’ in the Media Professional category at a lavish ceremony at London’s Hilton Hotel.<sup>39</sup>

His Royal Highness The Prince of Wales and the Duchess of Cornwall attended a champagne reception to personally congratulate winners of the sixth annual Asian Women of Achievement Awards. A delighted Lopa received her award from Lisa Aziz, anchor for Sky News and Vijay Sharma, Head of BBC Asian Network.

From its humble beginning as a small cookery site in 2001, Redhotcurry.com has become the leading lifestyle portal for British Asians, offering a recipe of news, entertainment, lifestyle articles and opinion pieces. It is the only female-owned Asian website, entirely self-financed, battling for equality

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within the community and fair representation outside of it. The site now attracts more than 40,000 first-time users and several million hits each month.

Lopa said of the win, “I am thrilled that the online medium is being recognised in this way. Among such great company, winning is a humbling experience.”

The award recognises the important role that the UK’s 2.3 million South Asians play in the wealth, stability and culture of modern Britain and, more importantly, how technology can be used to unite this ethnic community.

Lopa fended off stiff competition from other nominees including Anila Baig, the first Muslim columnist for *The Sun*; Director of BBC foreign current affairs, Ruhi Hamid; Rita Payne, Asia Editor for BBC World; and Navdip Raman, Commissioning Editor, factual entertainment for Channel 4.

terms. Through quality and accessible information advice and guidance services, we will ensure that everybody has the opportunity to reach their potential and contribute to society in a positive way. We will ensure that gender, age and other stereotypes are not used as barriers by employers, individuals or training providers to restrict aspiration and achievement.

**69.** We have begun to address the ‘democratic deficit’. We have legislated through the Sex Discrimination (Election Candidates) Act 2002 to allow political

parties to take positive measures to reduce inequality in the numbers of men and women elected, at local, national and European level. We have also led a national campaign to encourage more women onto the boards of national public bodies. The aim is that women should hold 45–50 per cent of public appointments made by the majority of government departments by the end of 2005.

**70.** Our policies on extending maternity rights and promoting flexible working will also help to address financial and other inequalities between men and women in the workplace. These are discussed in the supporting families and children section of this chapter.

## Preventing women's exclusion from the labour market

**71.** We want to ensure that women have not only the opportunity to work, but the opportunity to do so when they want, and in a flexible way that ensures they can balance work with other family responsibilities and prepare for financial security in older age.

**72.** Our strategy for helping women to enter or return to and then remain in the labour market concentrates on the groups of women who need the most help: lone parents and partners, and older women.<sup>40</sup> Responding to the needs of ethnic minority women underpins work with these groups. The role that childcare can play in supporting (re-)entry to work is discussed further in the next section and in chapter one, section one.

## Lone parents

**73.** The vast majority of lone parents are women and full details of our strategy for tackling lone parent employment is set out in chapter one, section two. The lone parent employment rate of 56.6 per cent is the highest on record and there are now 318,000 more lone parents in work than in 1997. Benefit receipt has fallen by more than 250,000 since the mid-1990s, despite an increase in the total number of lone parents.

**74.** The lone parent employment rate has increased at a higher rate than that of the rest of the population, with a 45 per cent increase in the number of lone parents in employment. Since the mid-1990s, the employment rate has increased by 3.4 percentage points to 74.6 per cent. Over the same period, the lone parent employment rate has increased by 14.1 percentage points – the rate has increased by 11.3 percentage points since 1997. Since the mid-1990s, the employment gap between lone parents and the overall population has fallen from 28.7 percentage points to 18.0 percentage points.

**75.** However, lone parent employment remains low both in comparison with the 72 per cent employment rate of partnered mothers and compared with lone parent employment rates in other countries.

**76.** Around half of non-working lone parent families are classified as living on a low income on the before-housing-costs measure and lone parent families are more likely to experience persistent

poverty and deprivation than other family types.<sup>41</sup>

## Partners

**77.** The employment rate of partnered mothers was slightly above 50 per cent in the late 1970s and, after a slight fall in the early 1980s, rose consistently to reach 70 per cent in 1999 and has been roughly constant since then (currently 72 per cent).

**78.** There are 10.4 million couples with both partners of working age in Great Britain. In 0.6 million of these households, neither partner works. In spring 2005, 91.6 per cent of working-age couple households in Great Britain had one or more of the partners working. The majority of non-working partners are female.

**79.** These non-working partners are extremely diverse in terms of their personal characteristics and barriers to work. The majority are women, but only approaching half have dependent children. Partnered women without dependent children tend to be older and tend not to have worked for many years. Many report they cannot work because of sickness and disability and additionally report that they have caring responsibilities, either for a sick or disabled partner or for older relatives. Views on traditional gender and family roles may also influence orientation towards work and these multiple disadvantages mean that many of these women are hard to help.<sup>42</sup>

**80.** Traditional gender and family roles are reflected in the way out-of-work partners have been treated in the past, with many being seen as adult dependents of a main benefit claimant. However, this approach does not provide equal treatment or equal access to Jobcentre Plus services for the partner. To move away from this imbalance, partner-specific policies have been developed with the intention of achieving greater equality of opportunity.

### *Progress so far*

**81.** Chapter one outlined our strategy for promoting work as the best route out of poverty for parents and their children.

**82.** Since 1997, we have introduced a range of measures to provide lone parents and non-working partners with the information, support and help needed to move into work: for example, mandatory Work Focused Interviews, the voluntary New Deal for Lone Parents and New Deal for Partners, joint claims, the Ten-Year Childcare Strategy, the National Minimum Wage and tax credits, all of which are making work possible and making sure that work pays.<sup>43</sup>

**83.** We are also encouraging employers to give greater flexibility to lone parents and non-working partners with dependent children so they can balance work and family life. This is important because it allows them to develop and maintain their attachment to the labour market. By doing so, this not only helps them meet their parental responsibilities, which has positive impacts on their children's health, schooling and prospects in later life, but also is an effective way

## Impact of Work Focused Interviews for lone parents

There is a wide body of evidence that shows Work Focused Interviews are having a positive impact – both in terms of moving lone parents onto New Deal for Lone Parents and in giving them more confidence, as well as the reassurance they are being supported during a transition towards employment.<sup>44</sup>

Overall, the introduction of Work Focused Interviews increased the proportion of people leaving benefit after 9–12 months by one percentage point. Work Focused Interviews and review meetings successfully motivate many lone parents, helping them to overcome barriers created by a lack of self-confidence.

The evidence also shows that a number of lone parents had entered work earlier than they had expected to.<sup>45</sup>

of moving them and their children out of poverty and ensuring their social inclusion.<sup>46</sup> Since the introduction of the right to request flexible working and duty on employers to consider requests seriously, almost a quarter (22 per cent) of parents eligible to make a request have done so, and in the last two years the proportion of requests being refused has declined by half.

**84.** As a result of these measures, we have helped more women into work. By March 2005, New Deal for Lone Parents had helped 330,000 lone parents into work, of whom 315,000 (95 per cent)

## Yvonne, lone parent

Yvonne, aged 38, is a lone parent with a 16-year-old son. As she has a prison record, she did not think that Jobcentre Plus could ever help her. After being released from prison, she made a claim for Jobseeker's Allowance and then Income Support.

Yvonne was invited to come and see a New Deal for Lone Parents Personal Adviser at Jobcentre Plus in Leicester. She went to her first meeting expecting it to be all about stopping her benefits, but she was pleasantly surprised by the attitude shown by the Personal Adviser when she met him. Yvonne felt she had met someone who was prepared to understand her circumstances and provide her with the help and confidence to realise her worth as an individual.

Yvonne said: "If I had a problem I felt I was able to speak freely to Tim, even when I was having a bad day. He never undermined me or made me feel inferior. He was great. I always felt that he really wanted to help me."

Tim adds: "When I first saw Yvonne she obviously felt intimidated about the process of coming to the interview, but she is clearly someone with a strong determination to succeed. She had a number of barriers to overcome, but I was able to assist her with the training that we both agreed was for her. Afterwards, I was able to support her into a job that she really wanted and made sure she had financial help by way of the Work Search Premium of an extra £20 a week."

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Tim was able to get Yvonne onto a Computer Literacy and Information Technology course which she passed, increasing both her confidence and her chances of finding a suitable job.

In May this year, Yvonne started working in administration at an estate agent and by October she will be working for them full-time. But this is just the beginning for her.

Yvonne is about to complete a GCSE course in law and has set her sights on doing other higher level courses in property law.

"I used to think people always looked down on me, but it's so different now. There is so much support for lone parents from Jobcentre Plus and so much financial help available in helping people like me get back into work. I couldn't have survived if there wasn't. Taking the first step to go to that meeting with an adviser may seem daunting, but believe me if you're a lone parent interested in getting back to work it's well worth it," Yvonne said.

were female. The majority of non-working partners of benefit recipients (around 80 per cent) are female and the New Deal for Partners has helped women in this group into work.<sup>47</sup>

**85.** Evaluation evidence also shows that participation in the New Deal for Lone Parents significantly increases the employment chances of lone parents who choose to participate. The New Deal for Lone Parents improves the job

readiness of lone parents and increases awareness of in-work benefits and the financial gains from work.<sup>48</sup>

**86.** We are in the process of evaluating New Deal for Partners, which was enhanced in April 2004 to offer similar levels of support as New Deal for Lone Parents. The evaluation will show whether the enhanced provision is meeting the needs of this diverse client group.

### *Looking forward*

**87.** Our existing policies have been effective in encouraging lone parents to move from benefit dependency into active participation in the labour market. We will continue to build on this success through the introduction of some new measures that will be available nationally and the piloting of others in limited areas.

**88.** Since April 2005, those participating in New Deal for Lone Parents and New Deal for Partners have been eligible for help with registered childcare in the week before they start work. Evidence suggests this is an effective means of removing parental concerns about using formal childcare because it enables them to spend time settling their child into the new environment and to decide whether they feel comfortable with the childcare provider.<sup>49</sup>

**89.** From October 2005, lone parents with a youngest child aged 14 years or over will be required to attend an interview once every three months to help them prepare for the transition into work when their child reaches 16.<sup>50</sup> From this date, all lone parents will be required to

agree an action plan with their Personal Adviser as an integral part of the Work Focused Interview. This will help the lone parent concentrate on their longer term goals, setting out the steps they can or are going to take to prepare for work.

### New Deal Plus for Lone Parents

Since April 2005, we have been piloting New Deal Plus for Lone Parents.<sup>51</sup> This is a package of support bringing together a coherent set of measures based on the core provision available nationally through the New Deal for Lone Parents, and other existing pilots.<sup>52</sup> The provision in these pilots gives Personal Advisers the tools to make a clearer, stronger and more comprehensive offer of help and support to lone parents than ever before.<sup>53</sup>

Piloting this range of measures in an integrated, marketable package will also allow us to move towards a more progressive model of active engagement and persuasion for all lone parents based on clearer guarantees of advice and support.

**90.** We believe that as lone parents with older children are less likely to have significant childcare constraints, it is reasonable to ask them to engage in some work-related activity, to be agreed individually with their Personal Adviser, in preparation for returning to work. As a financial incentive, a £20 premium would be payable in addition to their normal weekly benefit to those lone parents who comply with their agreed

activity plan. Details of this pilot are still being developed.

**91.** We recognise that the costs of looking for work may act as a disincentive to non-working partners in single-earner families. To address this, we are planning an additional pilot from October 2005, which will test the provision of a Work Search Premium of £20 per week, similar to that piloted for lone parents. Participants will need to agree to join the enhanced New Deal for Partners and voluntarily choose to search actively for a job.

**92.** The Work Search Premium pilot is for partners of those in receipt of Working Tax Credit and who are not working. It will test ways of helping the inactive partners of those in lower paid employment. Although the pilot will be for partners in general, women in certain ethnic minority groups who experience particularly low employment rates, for example, Pakistani and Bangladeshi women, will be among the groups offered help through this pilot.

**93.** We will continue to evaluate the existing programmes and support that are available to partners, to help them make the transition from welfare to work. We will seek to develop future policy for this group based on the results of that evaluation.

### Older women

**94.** As set out in chapter one, we want to increase employment activity among men and women who are aged over 50. An improved employment rate for this

group will lead to a strengthening of the economy through improvements in access to opportunities for employment, flexible working and training giving individuals greater choice and independence in the way that they prepare for retirement.

**95.** For women who have taken breaks from employment to care for their family, work in the years leading up to State Pension Age could be particularly valuable in allowing them to make up for gaps in their private and State Pension provision. Opportunities to work (and save) through full-time, part-time or flexible working beyond State Pension Age will provide further ways of boosting incomes.

**96.** The factors that can hold people back from employment are often complex and cumulative. Older women in particular often have caring responsibilities that may hinder their work prospects: 19 per cent of women and 13 per cent of men aged 50–69 spend time caring for a sick, disabled or elderly person. Women may also be prevented from remaining in the labour market by barriers that arise from ageism in employment or a lack of confidence or relevant skills.

**97.** We will be aided by the findings and recommendations of the independent Pensions Commission, chaired by Adair Turner, which we set up in 2002 with a remit to keep under review the regime for UK private pensions and long-term savings. The Commission will publish its findings towards the end of 2005. Ministers have initiated a National

Pensions Debate to increase understanding of the pensions challenges and involvement of the wider community to develop a consensus for long-term change. The Government is consulting widely on women and pensions issues and will be holding a special event to debate these findings.

### *Our strategy*

**98.** Research suggests that women who choose to retire are less likely than their male counterparts to have considered the financial implications of their decision.<sup>54</sup> We want to help individuals to understand how their pensions and

#### Tailoring help for ethnic minority women: Sheffield

The needs of women from different ethnic minority groups who have been out of the labour market, require separate, culturally sensitive responses. This was recognised in Jobcentre Plus's Sheffield district where Ethnic Minority Flexible Fund money was available to provide a bespoke service. Following consultation, carried out in 2004 with several ethnic minority organisations, a common theme emerged: a lack of specific employability-focused provision for women that took account of the needs of different ethnic minority groups. Jobcentre Plus tendered for small innovative projects to provide tailored help for local women and they received ten bids from a cross-section of organisations. The final stage of the tendering process is now under way and two projects are expected to be in place in late 2005.

savings incomes work, therefore we will provide a range of information on working and saving towards a more financially secure later life.

**99.** The help we provide through Jobcentre Plus will benefit many of the older women who are out of work. Particular groups that might be helped include almost 419,000 women aged 50 to State Pension Age on Incapacity Benefit, and 165,000 women aged 60 to 64 who are claiming Pension Credit (plus many who receive the benefit via their partner's claim).

**100.** Elsewhere, changes to the taxation of occupational pensions will encourage work later in life, and the more generous State Pension deferral options that have already been introduced will improve the benefits of working longer. This could help women in particular as their current State Pension Age is 60, while on average they retire at around 62.<sup>55</sup>

**101.** The change in the female State Pension Age will also help in the process of changing perceptions, among employers and individuals, about when women should give up work.

### Support for ethnic minority women

**102.** We acknowledge the role cultural influences can have on the decision about work. We are responding to the diversity of our client base in Jobcentre Plus by developing programmes, for example, Ethnic Minority Outreach:

- The Ethnic Minority Outreach programme delivers, primarily through

the voluntary and community sector, outreach services to jobless people from ethnic minority groups who need help in making the transition into work.

- Ethnic Minority Outreach focuses on people from ethnic minorities who are neither working nor claiming benefit. A large proportion of this group are the female partners of people who are working, many on a low income. The partners of Pakistanis and Bangladeshis, for example, are the largest non-working/non-claiming group, after students.
- Recent evaluation of Ethnic Minority Outreach showed that groups known to make little use of Jobcentre Plus services, including Indian and Pakistani women, were notable for their take-up of Ethnic Minority Outreach. Women make up 44 per cent of customers on the programme and 40 per cent of job entrants have been women.<sup>56</sup>

**103.** The experience of ethnic minority women can be strongly influenced by their own educational and employment history and skill development, their family background and structure and the migration history of their family.<sup>57</sup>

### Supporting families and children

**104.** Recent decades have seen significant changes in family life. More women are working than ever before, including women with children, and men are playing a greater and more active role in bringing up their children. However, mothers are still the primary carers in the

home. We recognise the positive contribution that childcare and family-friendly policies make to women as mothers and workers, and these are discussed briefly here as well as in more detail in chapter one, section one. More families are taking on responsibility for caring for an elderly, sick or disabled relative, sometimes at the same time as continuing to care for children. See chapter one for more detail.

### Parental leave and work–life balance

**105.** We have developed a strategy to support families with children and to give choice in balancing work and family life through the provision of good quality, affordable formal childcare. This strategy recognises that childcare and raising the family are not exclusively the responsibility of women. Our policies include measures aimed at involving fathers in the child's early years, by enabling them to 'share' maternity entitlement with the mother, and encouraging more men to enter the childcare workforce.

**106.** We have built a strong foundation of support for working families, with measures that include an increase in Statutory Maternity Pay and leave, new paid paternity and adoption leave, and a new right for parents of young and disabled children to request flexible working.

**107.** In February 2005 we published the consultation document, *Work and Families: Choice and Flexibility*, asking for views on how commitments made in the strategy should be delivered in ways that

meet the needs of parents, carers and business.<sup>58</sup> The findings of the consultation are due to be reported in late 2005.

**108.** Maternity leave can help to enhance women's productivity and, therefore, benefit the economy – evidence from the UK and abroad finds that access to a period of paid maternity leave, and the availability of part-time work within the labour market, boosts female labour market participation.<sup>59</sup>

**109.** We are committed to extending Statutory Maternity Pay, Statutory Adoption Pay and Maternity Allowance from 26 to 39 weeks from April 2007 as a step towards the goal of extending paid maternity leave to 12 months by the end of this Parliament. This extension will be worth almost £1,400 to working mothers and should enable mothers to take more of their leave, the second six months of which are currently unpaid. By 2007, the maximum maternity pay and child benefits for mothers at home with their first baby will have risen by £5,000 in real terms since 1997. In a 2002 survey, around 75 per cent of mothers who were entitled to but did not take the full 12 months' maternity leave said they returned to work early for financial reasons. Only 11 per cent said they were ready or wanted to go back to work.<sup>60</sup>

**110.** We have consulted on proposals to give a new right for a proportion of a mother's maternity pay to be shared with the father. This will give women the option to go back to work at a time that may better suit them while also responding to calls from fathers to be

able to spend more time caring for their children.<sup>61</sup>

**111.** Many European countries such as Sweden, Finland, Austria and Denmark have child-related leave and pay entitlements which can be shared between parents. This enables both parents to play a role in raising the child.

**112.** Our Work–life Balance Campaign helps to encourage employers to recognise the benefits to their organisation of flexible working arrangements which enable employees to strike a better balance between work and their responsibilities outside work.

**113.** The right to request flexible working has proved successful since its introduction: 700,000 parents have changed their working patterns in the last two years. During our recent consultation, *Work and Families: Choice and Flexibility* we asked for views on the case for extending the right to other groups with caring responsibilities.

**114.** Evidence suggests that although working part-time or under reduced hours is important to working mothers, flexibility in working hours is most important to them.<sup>62</sup>

**115.** Evidence shows that employers are positive about the effects of offering flexible working practices. Over two-thirds (69 per cent) said that introducing work–life balance and/or flexible working policies had had a positive impact on employee commitment and motivation, and two-thirds offering such policies

reported that they had been cost effective.<sup>63</sup>

**116.** Taking the life-cycle perspective into account, there can be a tension between

### Working for Families Fund, Scotland<sup>64</sup>

The Fund helps disadvantaged parents into work by ensuring that the availability of childcare is not a barrier to entering education, training or employment. It is now established in ten local authority areas across Scotland and is focused in areas with high levels of deprivation.

The core model of the Fund is the provision of link workers who work with parents on their pathway to work to access childcare and financial support for childcare, as well as assisting them to address other barriers that may be keeping them out of the labour market. These can range from low skills, lack of qualifications and low confidence through to mental health, drug or alcohol issues.

Service provision has been developed to be very parent-centred and flexible to meet their needs, and does not have a time-based cut-off point for assisting parents on their route towards, or into, work. This is because there is recognition that this may be a long journey for some parents.

Services are also able to provide a time-limited childcare subsidy which can support parents at points of transition such as the move from benefits into employment.

women's preferences for flexible working and the need to build up independent pension provision. We are playing an important role here in enabling and encouraging women to provide for an independent pension. Chapter one provides more detail on our strategy.

## Childcare

**117.** As highlighted in chapter one, our Ten Year Childcare Strategy, *Choice for parents, the best start for children: a ten year strategy for children*, was published in December 2004. It builds on our considerable achievements while expanding early years and childcare provision introduced since 1997 (including the introduction of the Sure Start initiative), and sets out our commitment to: ensure all children get the best start in life; respond to changing patterns of employment; and give parents and carers more choice.

**118.** Provision of childcare is important in terms of facilitating a return to work, enabling parents to stay in work, and in maximising educational and training opportunities. We are committed to giving real choice to parents and part of this choice must involve making sure that accessible, affordable, flexible, high-quality childcare is available to those parents who want to use it. Further information on our childcare strategy can be found in chapter one, section one.

## Child Support

**119.** The impact on women of relationship breakdown can have far-reaching consequences – particularly if

children are involved. Women often face the stress of coping with significant losses in household income as well as the primary responsibility for raising children.

**120.** We have a number of strategies across departments to support parents financially and legally during or after relationship breakdown. This help impacts particularly positively on women with children as they tend to be the main childcarers following relationship breakdown. More information can be found in the parenting section of chapter one, section one.

**121.** The need to improve the financial situation of children after their parents' relationship breakdown and to make both parents responsible for the costs of raising children led to the creation of the Child Support Agency in 1993. By the late 1990s, we had accepted that the Child Support Agency had failed to achieve its goals, so in 2002 the Child Support, Pensions and Social Security Act set out the structure of a new child support scheme.

**122.** The new scheme is based on a very simple calculation of maintenance, and independent research tells us that staff and clients appreciate this.<sup>65</sup> We also know that significant numbers of people are using the Child Support Agency website to calculate maintenance payable – 28,000 in April 2005. Many of these will go on to make their own arrangements independent of the Child Support Agency.

**123.** The new scheme also provides for parents with care on Income Support or income-based Jobseeker's Allowance to

benefit from up to £10 per week of any maintenance paid. In addition Child Support maintenance is not taken into account when calculating levels of tax credits. These two provisions contribute to our commitment to reduce child poverty.

**124.** There have been some real signs of improvement in Child Support Agency performance over the last few months. However, the introduction of the new scheme has not been smooth and we recognise we have some work to do. A new Agency Chief Executive, Stephen Geraghty, was appointed in April 2005. He is reviewing the Agency's operations and service delivery to ensure substantial improvement to Child Support, and will report in late 2005.

## Women and housing

**125.** Women's experience of housing can be central to their experience of poverty and social exclusion. We are currently looking at the impact that housing policy has on diversity, and will be publishing for consultation the Housing and Diversity Action Plan towards the end of 2005. The plan will look at how the work we do impacts on different groups, and gender will be one of the strands we examine. The plan will look at how we can build on the good work that is being done and, where issues have arisen, ways to tackle these in order to help bring about equality.

**126.** Through the Office of the Deputy Prime Minister we have a target to bring all social housing into decent condition, with most of the improvement taking place in deprived areas, and to increase the proportion of private housing in

decent condition occupied by vulnerable people by 2010. Local authorities are expected to bring their housing stock up to the Decent Homes standard in a way which is sustainable, enabling them to maintain their housing at this standard beyond the deadline. To be defined as decent, a home must:

- meet the current statutory minimum standard for housing;
- be in a reasonable state of repair;
- have reasonably modern facilities and services; and
- provide a reasonable degree of thermal comfort.

**127.** This target, although gender neutral, will have an impact on women specifically as they are over-represented in social housing and in many vulnerable groups. For example, women represent 55 per cent of heads of households in social housing; and there are 2.5 times more women than men aged 60 years or over living in a one-person household. Many in this age group live alone and are seen as vulnerable (assessed by way of receipt of a specified range of benefits).<sup>66</sup>

## Women and homelessness

**128.** Local authority data for 2003/04 show that of all the households accepted as owed the main homelessness duty by local authorities, around 38 per cent were headed by female lone parents with dependent children (3 per cent were male lone parents with dependent children and 15 per cent were couples



with dependent children). Eleven per cent of acceptances were in priority need because the household included a pregnant woman.

**129.** For more detail on our homelessness strategy, see chapter one, section four.

## Pensions

**130.** Nearly two-thirds of people over State Pension Age today are women.<sup>67</sup> The reasons for this are twofold: women have both a longer life expectancy and a lower State Pension Age. To tackle poverty among retired people we have introduced the Pension Credit and half of those eligible are single women. Initial estimates suggest that around 90 per cent of single women entitled to the guarantee element of Pension Credit are claiming. Of people in receipt of Pension Credit, 60 per cent are single women and 45 per cent of those are single women over the age of 80. From 2010 the State Pension Age for women will be gradually increased, so that by 2020 the State Pension Age for both men and women is 65. However, women will still make up more than half of the population aged over 65 because of their longer life expectancy and will continue to dominate the growing group of people aged over 80 because of this.

**131.** Women's historical working patterns and the pension system itself have meant that a disproportionate number of the poorest people over State Pension Age are women. In 2003/04, 21 per cent of single females over State Pension Age were in relative low income, compared

with 14 per cent of men. This compares with 37 per cent and 27 per cent respectively in 1996/97.<sup>68</sup>

**132.** Our measures to tackle poverty among retired people (as outlined in chapter one) have helped women particularly:

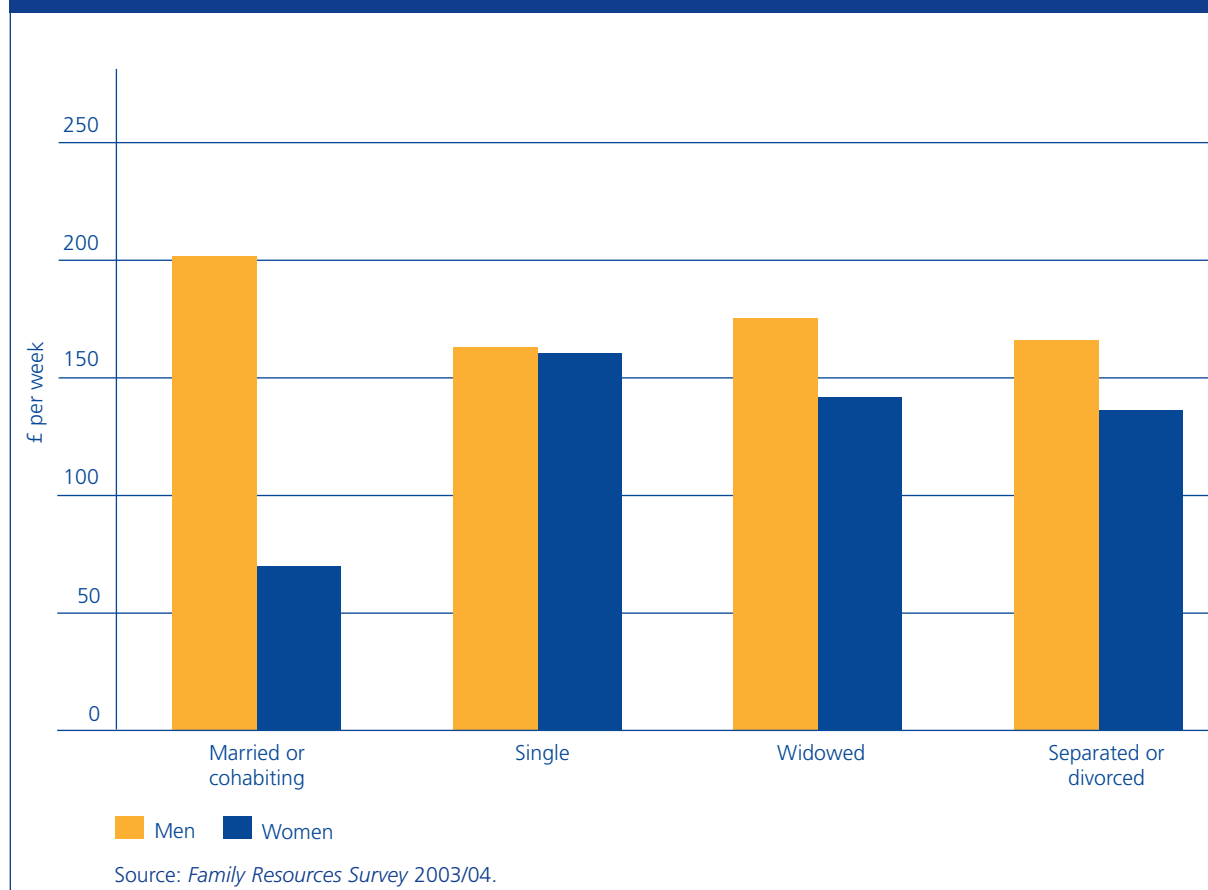
- around half of all people in receipt of Pension Credit are single women. When partners are included, around two-thirds of the people who benefit from Pension Credit are women; and
- around 1.3 million of the 1.9 million people over State Pension Age who have been lifted out of absolute low income since 1996/97 are women.<sup>69</sup>

**133.** However, women still tend to have significantly less pension income than men. One of the main factors affecting women's income is their marital group.

**134.** Figure 2.7 shows that married women have on average very low personal incomes compared to married men.<sup>70</sup> They may, however, be relatively well off as part of a couple. Widowed, divorced and separated women have more income in their own right than married women, but less than the equivalent men. Widowhood, divorce or separation may increase women's income with inherited State Pension rights and survivors' benefits in occupational pension schemes.

**135.** Single women over 65 who never married do as well as men who have always been single. This is because the key life event that reduces a married woman's pension, the decision to give up work to

Figure 2.7: Median incomes of current pensioners by marital status



care for children and the home, did not apply to many of these women.

**136.** There are currently very few female older people who have had children but have never married. This group is likely to grow, and these women face particular problems since they are likely to have gaps in their work record but may have fewer inherited rights than married women.

**137.** The differences in private pension incomes are the predominant drivers in the difference between women's and men's income in retirement – men of all ages typically receive £50 to £100 a week more private pension income than women of the same age.

**138.** Low private pension incomes for today's retired women compared to men are largely the result of fragmented labour market experiences, lower pay and restricted access to private pension provision at work. Statistical evidence from the *General Household Survey* and the *Family Resources Survey* shows that part-time workers, the vast majority of whom are women, are more likely to work for small employers and in occupational sectors where there is poorer coverage of occupational pension schemes. Part-time workers are also more likely to say that they do not have access to an employer pension scheme despite the changes in legislation in 1993. This may be due to other barriers to joining a scheme such as

salary or length of service, or it may be based purely on their own perceptions, which may in turn be based on a lack of awareness about pensions.

**139.** A recent Department for Work and Pensions qualitative research study found low levels of knowledge about state and private pensions among many of the women interviewed.<sup>71</sup> In particular, the research found widespread uncertainty about the eligibility criteria for the basic State Pension. Women typically had little awareness or knowledge about Home Responsibilities Protection or other measures aimed at protecting women involved in caring for their families. Many women did not know how their pension (state or private) would be affected by divorce, separation or bereavement. Levels of knowledge and understanding of pensions issues tended to be higher among women approaching State Pension Age. However, pensions were not deemed to be a priority by many of the women interviewed, with short-term financial pressures taking priority. Many women in the sample assumed they would be supported, to some extent, by their partner's pension income.

**140.** Younger women are more likely to work than today's older women were. Working-age policies are having a positive impact on women's ability to build up pension entitlement. These include New Deal for Lone Parents, the introduction of the National Minimum Wage, increasing workplace opportunities for women through improved access to childcare and the introduction of tax credits. Together with improvements in State Pension entitlement, this bodes well for future

cohorts of women retirees. Younger women are more likely to be accruing state and private pensions in their own right. But women are still more likely than men to take time out of the workplace to care for others, and this affects their ability to build up pension entitlement. So a gap between men's and women's pension incomes is likely to remain for the foreseeable future.

### How our strategy helps women

**141.** Specific measures which have been taken to improve women's incomes in retirement – both now and in the future – include the following:

- **Pension Credit** has had a significant impact on the living standards of today's females aged 60 or over, particularly the poorest. At 31 March 2005 there were 1.7 million women benefiting within Pension Credit households compared with 981,000 men.
- **State Second Pension:** almost all of the 1.9 million carers who will benefit from the State Second Pension are women. Around 63 per cent of the 5.8 million low earners who will benefit are women. For low earners, the accrual rate is at least twice as generous as in the old State Earnings Related Pension Scheme, while carers used to be completely excluded from second State Pension rights. The introduction of State Second Pension means that the proportion of women who are accruing significant second State Pension rights is similar to men.
- **Stakeholder pensions** are beneficial to those women in the modern labour market who move regularly between

employers and occupations and they can be a good option for women who take a break from work (for example, to raise a family) as contributions may be started and stopped without penalty.

- **Stakeholder pension** rules allow family or friends to contribute towards someone else's pension, which may help the large number of women who are carers. At the end of June 2005, almost 2.5 million stakeholder pensions had been sold, with the latest statistics showing around one-third of sales going to women.
- **Pensions on divorce:** in December 2000, we enabled couples to share the value of their pensions on divorce or annulment of their marriage. The pension-sharing arrangements allow the former spouse to acquire a pension in their own right, and provide security of income throughout retirement, and a clean break (this applies to both state and private pensions).
- **Pensions Act:** although women are less likely to be paying into a private pension than men, over 5 million working-age women are members of occupational pension schemes.<sup>72</sup> Measures to improve the security and to simplify the structure of existing occupational pension provision are especially relevant to women, since they are more likely to move regularly between occupations and employers.<sup>73</sup>

**142.** Women have done less well than men in building up pension entitlement. Women's pensions are a major strand of the National Pensions Debate. Achieving

fair outcomes for women and carers is one of the Government's principles for pension reform and will be one of the key factors on which proposals for reform will be judged. We are consulting widely on women's and pensions issues and, as indicated earlier, we will be holding a special debate on these challenges and we will be publishing a report later this year which will provide comprehensive analysis of the position of women in relation to pensions.

## Women and the justice system

### Fear of crime

**143.** Fear of crime can affect people from all walks of life and the impact cannot be underestimated where it impairs an individual's – or a whole community's – quality of life. Although women are less likely than men to be victims of 'stranger' crime, the impacts can be greater for women as isolation and a misperception of poor police response can fuel fear, particularly among older women.<sup>74</sup> A perceived reduction in the number of 'capable guardians' in the community (be it 'bobbies on the beat', park keepers, bus conductors or similar) can also impact on people's perceptions of security. One of our indicators of progress (number 34) shows a gradual reduction in fear of crime in recent years. In 2004/05 for those aged 60 years and over, 4 per cent of men stated that their lives were greatly affected by fear of crime compared with 9 per cent of women.

**144.** Thanks to our drive against anti-social behaviour and our changes to laws on domestic violence, treatment of victims and sexual offenders, we have been able to offer greater security, improved advice and information, and better professional practice for a more responsive approach.

### *Our strategy*

**145.** To address the fear of crime, we have improved communications strategies with members of the public (see chapter one). These strategies are based on increasing the public's knowledge of action being taken to tackle crime and disorder.

**146.** Working in partnership with organisations including the Suzy Lamplugh Trust, we have developed a fear of crime toolkit, a Vulnerabilities Strategy and Community Guidance to help communities identify and resolve their local crime and disorder problems with support from the police and other agencies.

### **Experience of crime – example of domestic violence**

**147.** An area of crime where women are the majority of victims is domestic violence. The 2001 British Crime Survey estimated that there were 12.9 million incidents of domestic violence acts (non-sexual threats or force) against women and 2.5 million against men in England and Wales.<sup>75</sup> In 2002 Crime Concern/ National Association for the Care and Resettlement of Offenders reported that 25 per cent of women experience domestic violence in their lifetime.

### Domestic violence key facts

- One in four women and one in six men will be a victim of domestic violence in their lifetime, although women are likely to suffer greater injury and be classed as chronic victims (89 per cent of those suffering four or more attacks are women).<sup>76</sup>
- Among women, risks of domestic violence do not differ significantly by ethnic origin.<sup>77</sup>
- Domestic violence accounts for an estimated 17 per cent of violent crime.<sup>78</sup>
- Victims tend to suffer repeated attacks – on average, victims suffer 35 assaults before they seek any help.<sup>79</sup> And the severity tends to increase over time.
- On average, two women a week are killed by a male partner or former partner.<sup>80</sup>
- Domestic violence has worrying links to pregnancy. Thirty per cent of domestic violence starts during pregnancy and existing violence often escalates.<sup>81</sup>
- Domestic violence features in around a quarter of child contact applications.<sup>82</sup>
- One-third of child protection cases show a history of domestic violence to the mother.<sup>83</sup>

*continued*

*continued*

- Around a third of victims of physical assault say their attacker had been drinking.<sup>84</sup>
- In 2003, 13 per cent of homelessness acceptances were domestic violence related.<sup>85</sup>
- Domestic violence cost England and Wales around £23 billion in 2001: £1 billion costs to the Criminal Justice System and £1.2 billion to the NHS. Domestic violence costs employers and workers nearly £2.7 billion a year because of injuries.<sup>86</sup>

**148.** *Domestic Violence – A National Report*, published in March 2005, set out a number of cross-cutting commitments aimed at preventing domestic violence, providing protection and support for victims, and bringing perpetrators to justice.<sup>87</sup> One of our commitments is to expand the network of seven Specialist Domestic Violence Courts, with the aim of developing 25 Specialist Court areas by April 2006.

**149.** The delivery of these commitments includes the implementation of the Domestic Violence, Crime and Victims Act 2004, which represented the biggest overhaul of domestic violence legislation for 30 years.

**150.** Domestic violence is a complex pattern of offending, but there is evidence to suggest that there are links between domestic violence and substance misuse – both alcohol and

drugs. This is not to suggest that alcohol or drug abuse causes the violent behaviour. We have taken action to address this issue, for example, we have reflected domestic violence issues in our Strategy Unit's National Alcohol Harm Reduction Strategy and we have commissioned and co-funded research into improving the links between the domestic violence and alcohol/drugs services.

**151.** In the future we will be working towards implementation of the recommendations made in the Strategy Unit's report, the first of which is to develop the models of care commissioning framework that take account of need and ensures that victims receive appropriate help. Other recommendations include exploring potential partnerships with producers and sellers of alcohol – to help get the message across – and encouraging local partnerships to support domestic violence projects and support services.

**152.** We are also working with the police, the Crown Prosecution Service, the courts and the prison and probation services to improve the way in which domestic violence cases are handled. We want to ensure that there is an understanding of the issues faced by victims 'across the whole judicial service' and to ensure that we are meeting the needs of the victims of domestic violence. There is work under way to ensure that the perpetrators of domestic violence have access to offender programmes through the prison and probation services. These services are working together to ensure that there is an

effective and consistent approach to domestic violence offenders.

**153.** We are considering how to build the capacity of services delivered by the voluntary sector to provide a national network of Independent Domestic Violence Advisers who will support victims in accessing all the services they require. These advisers would also support victims through the Criminal Justice System, specifically by criminal cases going through existing and new Specialist Domestic Violence (Magistrates') Courts, and, in the future, the first Integrated Domestic Violence Court which will deal with civil and criminal aspects of a domestic violence case.

**154.** Victims leaving a violent relationship will often need a range of financial and practical support. Specific guidance on the particular issues facing those leaving violent relationships and claiming benefits is available to Jobcentre Plus staff, who often deal with victims of domestic violence, for example, at the breakdown of a relationship. As well as this, the implementation of tax credits allowed women to receive tax credits directly into their own bank account. Where this applies, all the financial support given to the couple on behalf of their children goes directly to the mother.

**155.** Just over £10 million has been given to projects to tackle violence against women. Joint funding of £2 million over three years from Government and Comic Relief was provided to launch a new national 24-hour helpline supported by UK Refugeonline, a UK-wide database of domestic violence services.

**156.** A total of £32.1 million capital has been allocated for refuge provision in England for 2003–06, providing 427 units of accommodation.

## The Sexual Offences Act

**157.** In 2003 the Home Secretary established the Inter-Departmental Ministerial Group on Sexual Offending, tasked with monitoring the implementation and effectiveness of the Sexual Offences Act 2003. Our commitment to tackle violence against women and the progress of work in this area has full ministerial commitment.

**158.** The Sexual Offences Act 2003 introduced a range of new sexual offences and clarified the law on consent, in order to give the Criminal Justice System the tools to bring more offenders to justice and deliver higher sentences to reflect the seriousness of the crimes.

**159.** Over 2004–06, £4 million has been made available from the Home Office Victims Fund to further develop services for victims of sexual violence and to strengthen voluntary and community sector provision. A significant portion of this funding is being used to develop and extend the network of Sexual Assault Referral Centres, which provide a 'one stop' location where victims of rape or sexual assault can receive care and counselling, and, if they wish, have a forensic examination and assist the police investigation.

**160.** In 2002 the Government published a Rape Action Plan which set out the practical measures for the police and

Crown Prosecution Service to improve the investigation of rape cases by the police; guidance and training for both the police and prosecutors; the quality of advice, decision making, case preparation and presentation at court by prosecutors; and the treatment of victims and witnesses in cases involving allegations of rape. Implementation of the Rape Action Plan is ongoing, and includes the introduction of specialist rape prosecutors and the Crown Prosecution Service rape policy, specialist guidance for police, the introduction of specially trained officers, special measures to help victims give evidence in court and the development of Sexual Assault Referral Centres.

## Women and offending

**161.** Women in the justice system can be among the most socially excluded people in society. They can be affected by a range of issues which contribute to their exclusion, such as problems with housing, childcare, domestic violence, mental illness or drug abuse. These are often the same issues that can lead women to offend and so it is important to look at how these problems could be tackled more effectively – and, crucially, how the responses by different agencies and organisations can be better co-ordinated and made more responsive to women's needs.

**162.** The majority of offenders are men and so the Criminal Justice System has been developed largely in response to the characteristics of, and issues presented by, male offenders. But following a decade in which the women's prison population increased far quicker than the men's – a rise of 126 per cent since 1995

compared with 46 per cent for men – it has become increasingly important to develop a distinct response to women's offending.<sup>88</sup> This is made more important when we consider the wider consequences of imprisoning women – in particular, the effect on children who are separated from their mothers. It is estimated that around 17,000 children a year are affected by their mother's imprisonment, and many end up in care or foster homes, which often means that exclusion and disadvantage is perpetuated in the next generation.<sup>89</sup>

### *Our strategy*

**163.** In 2004 we introduced the Women's Offending Reduction Programme. Stakeholders from government departments, agencies and other organisations signed up to the delivery of a wide range of actions designed to make policies, programmes, services and interventions more appropriate for women offenders at every stage of the criminal justice process – and to provide substantially improved conditions for those in custody. Initial priorities are to improve community interventions and services for women, to support greater use of community disposals and reduce the numbers in custody, and to meet the needs of women offenders with mental health and drug problems.

**164.** To help support this approach, we announced in March 2005 that £9.15 million will be devoted over the next four years to establish new initiatives to tackle women's offending in the community. These will be set up in two areas and will include Community Supervision and Support Centres where



women can access a whole range of services, support and programmes to meet their needs.

**165.** Related to women and the justice system is our drive against drug misuse, which is critically informed given that women are often exploited as carriers of Class A drugs. This links to the work we are doing and the consultation we have undertaken on the modern version of slavery, which is inherent in prostitution.

**166.** The Equal Opportunities Commission, in looking at what will be required to fulfil the new positive duty on public bodies to promote gender equality, has cited the Women's Offending Reduction Programme as an example of 'best practice'.

## Conclusion

**167.** This chapter highlights the important differences that remain between men and women across the life-cycle and our flexible and broad-ranging responses to tackle these differences.

**168.** Our strategies are designed to enable women (and men) to make informed choices at different stages of their lives. We have responded with policies to support and respect these choices and have underpinned our strategies with anti-discriminatory legislation to ensure fair treatment and protection for all.

**169.** The various strategies which benefit women are cross cutting and interlinked between government department aims and objectives. We recognise that if we are

successful in achieving our aim of parity between the sexes in all areas of life, the effects of that achievement will be far reaching in assisting with the achievement of other key priorities. For example, enabling women to work, reducing the gender pay gap and addressing occupational segregation will all help to increase family incomes, especially for low-income families. This will have a positive effect on the Government's ambition to eradicate child poverty.

**170.** We have made an impressive start to tackling gender inequality in the UK but recognise that there is still work to do. We know that we need to go further if we are to balance the position of men and women in society. With the strategies outlined above, we expect to continue to build on the progress we have made, in the years to come.



## Chapter three: The European dimension

### Introduction

1. The UK is committed to playing a key role at the centre of the European Union (EU). This means driving change to achieve the ambitious goal set at the Lisbon summit in the spring of 2000 of becoming the most dynamic knowledge based economy in the world by 2010. The means to reach this goal are partly economic – and the UK economy continues to be among the most robust in the EU – but equally important are two other factors: creating the conditions for more and better jobs and ensuring a substantial reduction in poverty – a common goal shared across the EU.

2. This chapter presents a different dimension to our strategy to tackle poverty and ensure that opportunity is available to all – the European dimension. Strategy to tackle social exclusion must relate first to the social situation in each member state in the EU – what works in one country may not work elsewhere. Social inclusion is therefore rightly ‘reserved’ to the member states with very limited competence handed to the EU institutions. However, all the members of the EU share a common goal – to make a decisive impact on poverty by 2010.

3. In pursuing this goal, it is right that we should work together, learning from good practice wherever it is found. Building on and reforming the European Social Model is a critical corollary to improved economic competitiveness. This will deliver that reduced insecurity and fear of change which can facilitate an embracing of global economic challenges while ensuring active inclusion of those most at risk.

4. This chapter analyses our anti-poverty strategy in this EU context across the life-cycle – children, working-age and older people – and in relation to communities.

### The European agenda

5. Social inclusion strategies are reserved to member states, since the social situation varies widely across the EU and the means of tackling the problems of poverty and social exclusion need to reflect this. However, to meet the demanding Lisbon goals mentioned in paragraph 36, we need to work together at European level. To achieve this, we have agreed to an Open Method of Co-ordination that allows us to benchmark progress and to learn from good practice in other countries. To facilitate this process, member states have agreed to produce National Action Plans on social inclusion, setting out their strategies for combating poverty and social exclusion. The most recent UK National Action Plan (2003) (and the 2005 Implementation Report) is published on the Department for Work and Pensions website.<sup>1</sup>

6. An important part of the EU’s social inclusion strategy is the support it gives to joined-up solutions within member states. In the UK, the process of producing National Action Plans and developing a broader response to issues at EU level has meant closer working between the UK Government and devolved, regional and local government (see chapter one).

7. In addition to the National Action Plans, the key elements of the Open Method of Co-ordination are:

- common objectives on poverty and social exclusion;
- EU-wide reports on social inclusion (Joint Inclusion Reports) which include regular monitoring, evaluation and peer review;
- common indicators to provide a means of monitoring progress and comparing best practice; and
- the social inclusion Action Programme which supports co-operation between member states to combat poverty and social exclusion, including the transnational research programme and the programme of peer review, which aims to contribute to mutual learning from examples of good practice across the EU.

8. The Round Table on Social Inclusion is being hosted by the UK during its presidency of the EU in 2005. It focuses on taking stock of progress towards the Lisbon common objectives in light of the seven key priorities set out in the *Joint Report on Social Protection and Social Inclusion*.

9. These key priorities are well aligned with the UK anti-poverty strategy.

#### The common objectives:

- To facilitate participation in employment and access by all to resources, rights, goods and services
- To prevent the risks of exclusion
- To help the most vulnerable
- To mobilise all relevant bodies

#### Seven key priority areas for the EU countries:

- Increasing labour market participation
- Modernising social protection systems
- Tackling disadvantage in education and training
- Eliminating child poverty
- Ensuring decent accommodation
- Improving access to quality services
- Overcoming discrimination and increasing the integration of: people with disabilities; ethnic minorities; and immigrants.

#### Comparing the UK with the rest of Europe

10. The common indicators are useful in giving us a picture of how the UK is doing across a range of measures compared with other EU countries. The UK economy grew at 3.2 per cent in 2004. The 2004 growth rate is significantly above the European Union 25 (EU25) average of 2.1 per cent. The UK employment rate was 71.6 per cent in 2004,<sup>2</sup> compared with an EU25 average of 63.3 per cent. Unemployment has continued to fall, reaching 4.7 per cent in 2004. This is significantly lower than the average of 8.1 per cent for the 15 'old' members of the EU.<sup>3</sup>

11. The latest 'at risk of poverty' figures<sup>4</sup> across Europe range from 8 per cent in the Czech Republic to 21 per cent in Ireland, Slovakia and Greece in 2003. The risk of poverty rate in the UK was 18 per

cent, putting greater emphasis on our determination to drive down and ultimately eliminate child poverty in the UK.

## Children and young people

**12.** Eliminating child poverty is seen as a key step in combating the inter-generational inheritance of poverty across the EU. Chapter one sets out our strategy for tackling child poverty. This section looks at child poverty rates across the EU and focuses on some key aspects of our strategy where we have learned lessons from those countries with relatively low child poverty rates.

### Child poverty

**13.** In the mid-to-late 1990s, the UK suffered higher child poverty rates than nearly all the other European nations. Over a period of 20 years the proportion of children in relative poverty had more than doubled and, by 1997, one in every three babies born in Britain was born poor. Comparing our performance with other European nations helped to highlight this issue and led to the development of our child poverty strategy and our commitment to eradicate child poverty within a generation.

**14.** The UK has made significant progress on child poverty since 1997, and by 2001 the UK's position had improved in relation to the EU15 average (Figure 3.1). In 2003/04 the rate had reduced further to 22 per cent on the EU measure.<sup>5</sup>

**15.** Children in large families, those with three or more children, are at a higher risk of poverty than other children in the UK. This pattern is very similar across the EU. The EU average for this group was 27 per cent in 2001, compared with a UK rate of 28 per cent.<sup>6</sup>

**16.** In some EU countries such as Sweden the rate of child poverty is lower than the rate for working age adults. This illustrates the magnitude of the challenge that the UK has set itself.

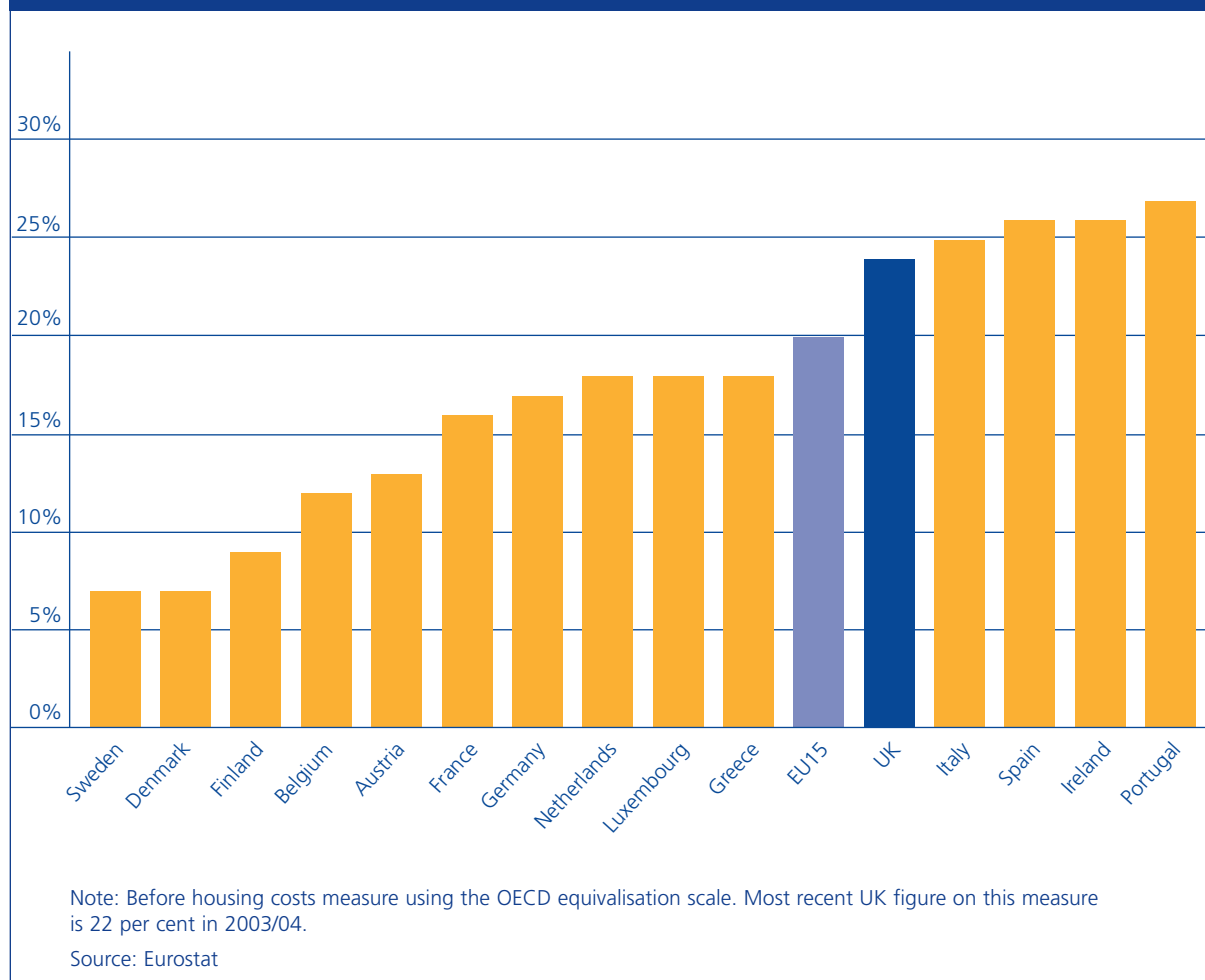
**17.** In order to monitor progress on child poverty we announced a new long-term measure in December 2003. This new tiered measure is designed to capture the notion that poverty is about more than just a lack of income and consists of three indicators: absolute low income; relative low income; and material deprivation and relative low income combined. International comparisons are important as we aspire to be among the very best performers in Europe on child poverty.

**18.** A recent UNICEF report welcomes our new child poverty measure and the inclusion of material deprivation: 'These measures appear transparent, credible and not so complex that the monitoring of progress becomes either impossible or ensnared in too much detail.'<sup>7</sup>

### Financial support

**19.** A key element of our strategy for tackling child poverty is providing a package of financial support for families with children.

Figure 3.1: Percentage of children (0–15 years) below 60 per cent of national median income, 2001



20. Recent analysis comparing child benefit packages in a number of European countries shows that the UK performs very well in terms of the financial support provided to families with children, with higher overall rates than some Nordic countries (see Figure 3.2).<sup>8</sup> While the ranking changes slightly if expressed as a percentage of average earnings, the UK is still in the top three.

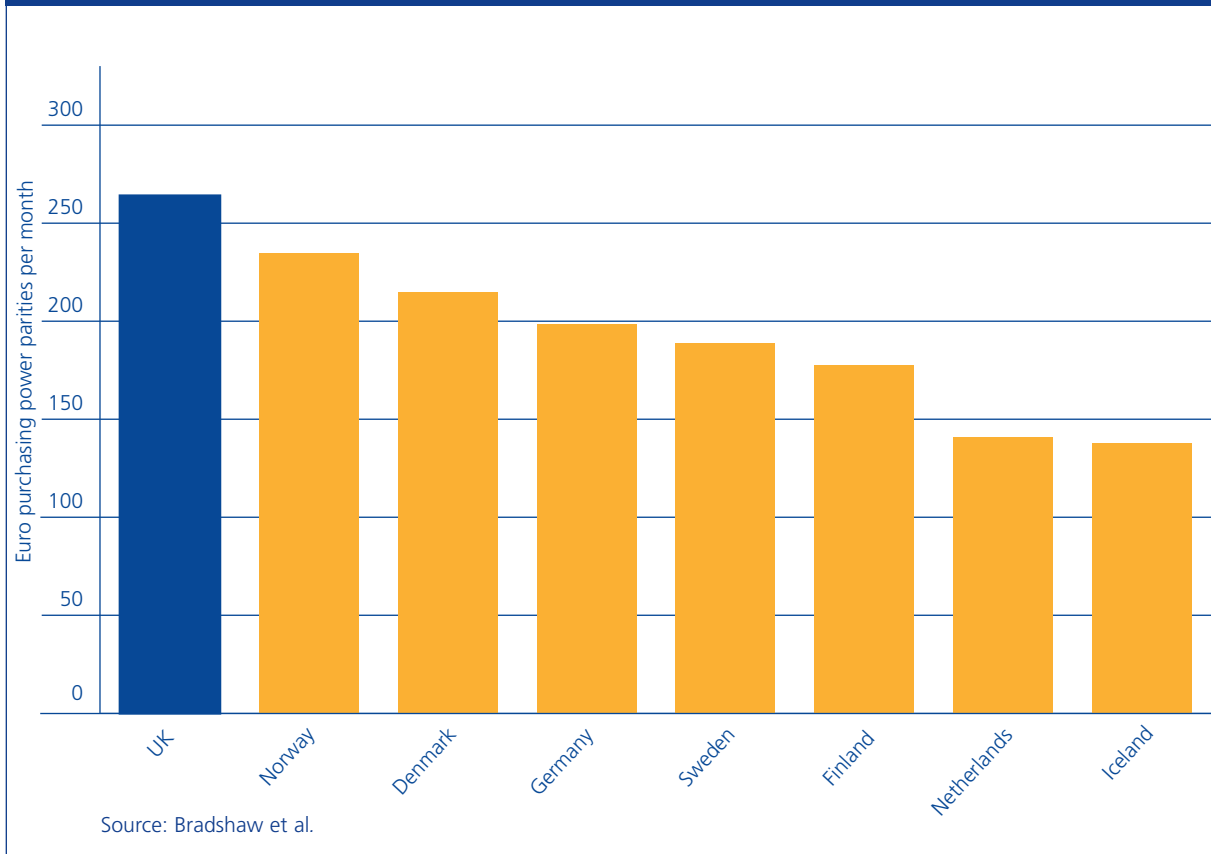
### Childcare

21. International evidence shows that there are significant differences in how

governments help families balance work and family life. There are considerable variations in parental leave entitlements between different countries, in the range and quality of childcare services and in how these are joined up into a coherent system for children, parents and employers. Despite significant improvements in many of these areas, the UK lags behind some other countries in the support offered to parents and the range of choices that are readily available to them.

22. Chapter one sets out how we have increased financial support for children's

Figure 3.2: Overall 'average' child benefit package after taxes, benefits, childcare and housing costs (difference from childless couple)



services since 1997. The number of places, and the children benefiting from childcare, has grown steadily since 1997, and, in addition, the vast majority of 3 and 4-year-olds are taking up the guaranteed Government funded, part-time free early years education. As mentioned in chapter one, by 2007/08 our spending on Sure Start will be more than double the 2004/05 figure, reaching £1.8 billion. This represents an average annual increase of 24 per cent in real terms over the 2004–08 period.

**23.** Other countries maintain higher proportions of children in childcare by having extensive planning systems and sometimes operating guarantees even for children aged

3 and under. These systems can be very effective, but are expensive to run.

**24.** In Nordic countries such as Finland and Sweden, strong childcare programmes have long been part of a universal welfare policy system, providing comprehensive support to individuals and families throughout their life, and more fully developed family-friendly policies.

**25.** For example, Sweden has for several decades had an established, extensive, publicly funded childcare model, funded through general taxation. This country was also well advanced in integrating its early years and childcare services. Since then, integration has progressed further,

including in the development of a much less diffuse and increasingly professional workforce.

**26.** We have looked carefully at childcare in other countries, including the Nordic nations, who they acknowledge have established strong universal systems. The Ten-Year Childcare Strategy has set out the Government's vision of building on the substantial progress achieved so far, through joined-up early years and childcare services that give children the best start in life and maximise parental opportunity, and are available to all who want to use them – though provision will not look the same everywhere and will be shaped by parental needs.

### Early years

**27.** It is well documented both in UK and international research that early developmental experiences have a strong effect on later educational performance. Investment in early years is one of the most effective ways of preventing educational disadvantage.

**28.** The UK, along with a number of other EU countries (Finland, Germany, Ireland, Greece, Portugal, Sweden and Spain) are developing more universal high quality early childhood education and support systems with a particular emphasis on issues of access, adequacy and affordability for children from disadvantaged backgrounds and vulnerable groups.<sup>9</sup> The UK Sure Start programme described in chapter one has been cited as an example of good practice.

### EU Transnational Exchange Programme

Homestart is an independent voluntary organisation receiving financial support from Government that is committed to promoting the welfare of families with at least one child under school age. Non-paid volunteers offer regular support, friendship and practical help to young families, primarily in their homes, helping to prevent family crisis and breakdown, as well as promoting enjoyment in family life. New funding from the EU Transnational Exchange Programme is supporting an 18-month joint study of social exclusion in families with young children in Greece, Ireland, the Netherlands and the UK. This study aims to address family policies and programmes from the point of view of families themselves and so to support the development of strategies that will lessen social exclusion among families.

### Youth and the EU

#### *Educational attainment*

**29.** In May 2003 the education ministers of the (then) EU15 countries agreed a set of 'benchmarks', or targets, for education's contribution to the Lisbon goal. The benchmarks refer to the EU as a whole, though performance of specific countries among the (current) EU25 will now come under scrutiny. The benchmarks for achievement by 2010 are as follows:

- At least 85 per cent of 22-year-olds in the EU should have completed 'upper



secondary' education. This target looks achievable across the EU with the UK performing at the EU average of 76 per cent. Higher rates of 90–91 per cent are being achieved in former communist countries such as the Czech Republic and Poland, while the lowest performer is Portugal with 49 per cent.

- For early school leavers, less than 10 per cent of the population aged 18–24 across the EU should have completed lower secondary education or less (in UK terms, below Level 2) and not be in education or training. The UK is at the less well-performing end of this spectrum with a current level of 16.7 per cent and a slightly lower average across the EU of 15.9 per cent. Countries already within the target range include Lithuania (9.5 per cent), Sweden (8.6 per cent) and Slovenia (4.2 per cent). The benchmark looks challenging though achievable for both the UK (through, for example, the Skills Strategy in England) and the EU.
- The percentage of low-achieving 15-year-olds in reading literacy in the EU should have decreased by at least 20 per cent compared with the year 2000. Comparable UK data are not available. Performance scores for the UK from the Programme for International Student Assessment 2000 found English 15-year-olds to be (statistically significantly) above the OECD average for all three 'domains': reading literacy, mathematical literacy and scientific literacy.
- The total number of graduates in mathematics, science and technology

in the EU should increase by at least 15 per cent by 2010, while at the same time the level of gender imbalance should decrease. On the latest available internationally comparable figures, students in the UK are as inclined to choose scientific and technical subjects as the EU average.

- The EU average level of participation in lifelong learning (broadly defined) should be at least 12.5 per cent of the adult working-age population (25–64 age group). The UK already exceeds this figure comfortably, with only Sweden, Denmark and Finland reporting higher proportions of adults in education or training.

### *The European Youth Pact*

**30.** The European Youth Pact was presented to the spring 2005 European Council in recognition of the need for Europe to fully utilise the human capital potential embodied by youth. The Pact is designed to highlight the contribution that young people make towards the objectives of the Lisbon agenda and to address youth unemployment and social exclusion. It also aims to achieve greater coherence in the EU's approach to youth issues by promoting actions to be undertaken in fields such as education and training, mobility, and reconciliation of work and family life. The European Commission has announced a consultation on youth policies. Under the UK Presidency, the European Council meeting in December will reach conclusions on human capital, informed by an evaluation of EU-wide employment policies relating to youth.

## Youth events

To encourage the participation of young people in the development of national and European youth policy, each Presidency holds a youth event. These events focus on different themes on the EU's youth agenda, such as participation and volunteering. The UK Youth Event will take place in Cardiff in October and will be looking at the participation of young people in local life, as well as linking to the Youth Pact by exploring how skills and competencies gained through participation and volunteering encourage social inclusion and employment.

## Work experience

**31.** A range of initiatives are in place to help young people gain work experience in other European countries, such as funding for work experience through schemes like the Leonardo programme. In addition, opportunities exist for developing skills outside formal education. Along with the emphasis on promoting work experience in Europe there are also opportunities to develop additional skills, for example, through volunteer programmes such as European Voluntary Service, which is a key aspect of the current European Youth Programme and will be carried forward into the new programme.

## Working age

**32.** In Europe we are taking advantage of new opportunities and debating how best to combine an approach to

increased globalisation with policies for greater social inclusion, so that the have-nots do not once again lose out in the face of rapid economic and social change. As part of the UK's Presidency of the EU we are seeking to build on the best traditions of solidarity and consensus that have built Europe's success, to deliver our shared social justice goals, but also to recognise the challenges of a new globalised economy and the perils of hiding people from the realities of global trade and rapid development.

**33.** With almost one in three people of working age in Europe deemed economically inactive, the future success of welfare provision will depend on tackling unemployment and building the right support to enable people to reconnect with the workplace. We have ambitious targets to raise employment levels, providing not just more but better jobs; providing not just benefits but opportunities for people. As we look to build a consensus in Europe on how best to deliver our shared social justice goals, we need to provide active inclusion.

**34.** We have never advocated taking on the United States' social and welfare model – we have a different culture and history – but we are learning from one another. That is why the debate in Europe matters. The best security we can offer to the people of Britain and Europe in a global economic and free trade environment is to take on the challenge of the world of tomorrow, to help people overcome their fear of change, support them throughout the life-cycle and ensure that they are equipped to be able to deal with the rapid developments that are taking place around us.

## Labour market performance

**35.** The UK has one of the best performing labour markets in the EU and the world. This reflects a combination of macroeconomic stability and radical welfare and labour market reforms which have helped create and sustain high levels of employment and low levels of unemployment.

**36.** The UK has the fourth highest employment rate in the EU, and the highest among the large EU member states (see Figure 3.3). The UK employment rate is well above the EU average, and it is one of only four member states to exceed the Lisbon target of a 70 per cent employment rate by 2010. The UK has also exceeded the other

two core Lisbon goals, a 60 per cent female employment rate and a 50 per cent employment rate for older workers.

**37.** The UK has the third lowest unemployment rate in the EU, at around half the EU average and less than half the unemployment rates in France and Germany (see Figure 3.4).

**38.** Economic inactivity is a major challenge facing the EU. There are around 92 million people across the EU who are inactive. Almost five times as many working-age people are economically inactive in the EU as are unemployed. Across the EU, inactivity rates are highest among younger and

Figure 3.3: Employment rates in the EU25, 2004

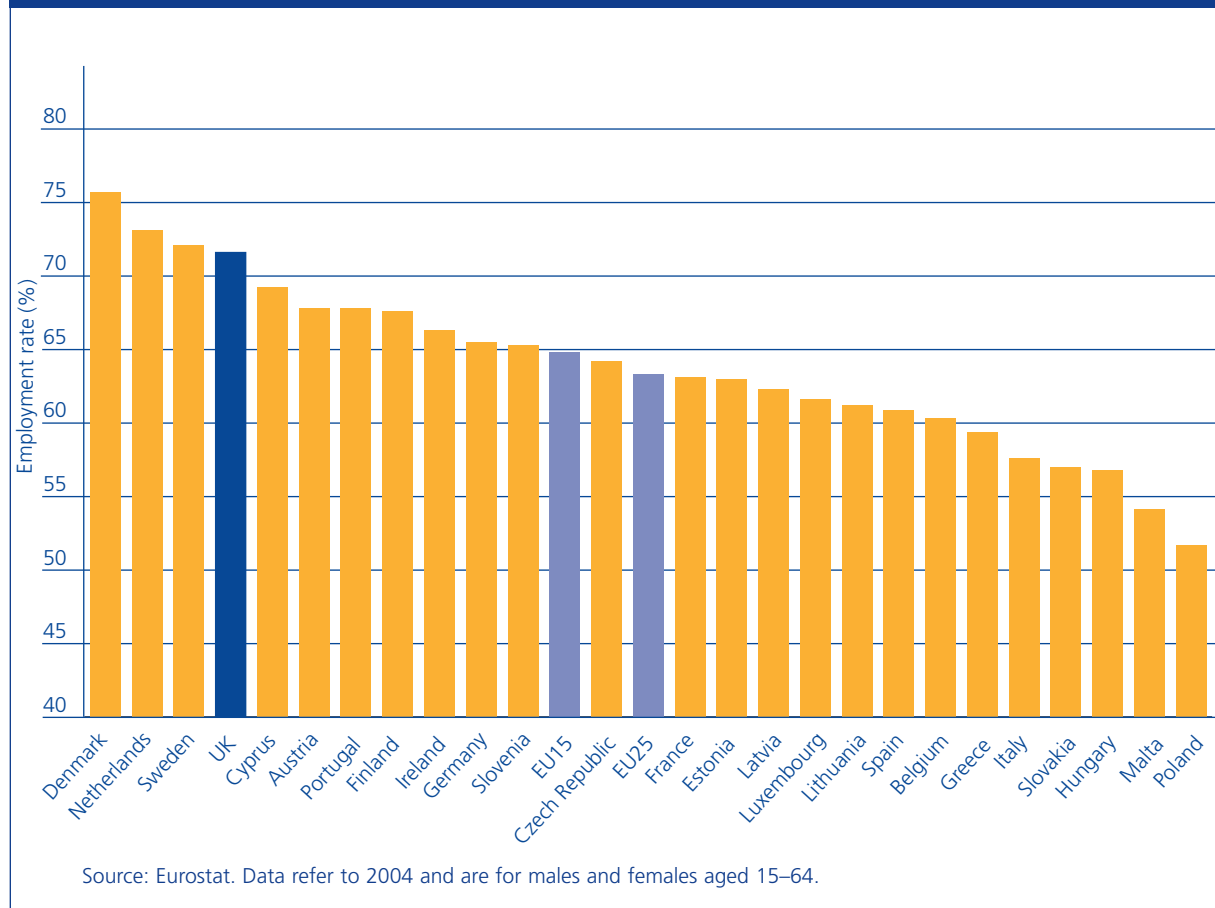
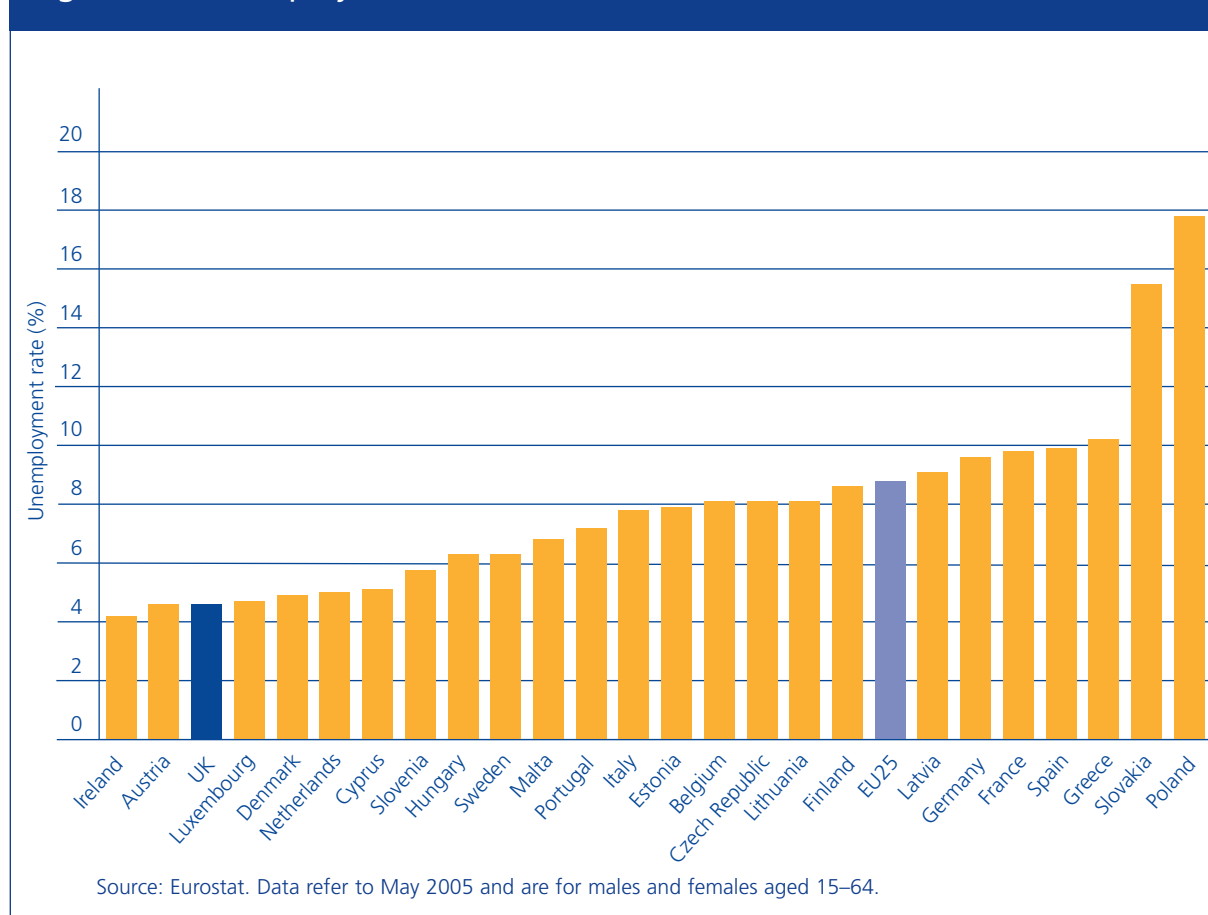


Figure 3.4: Unemployment rates in the EU25, 2005



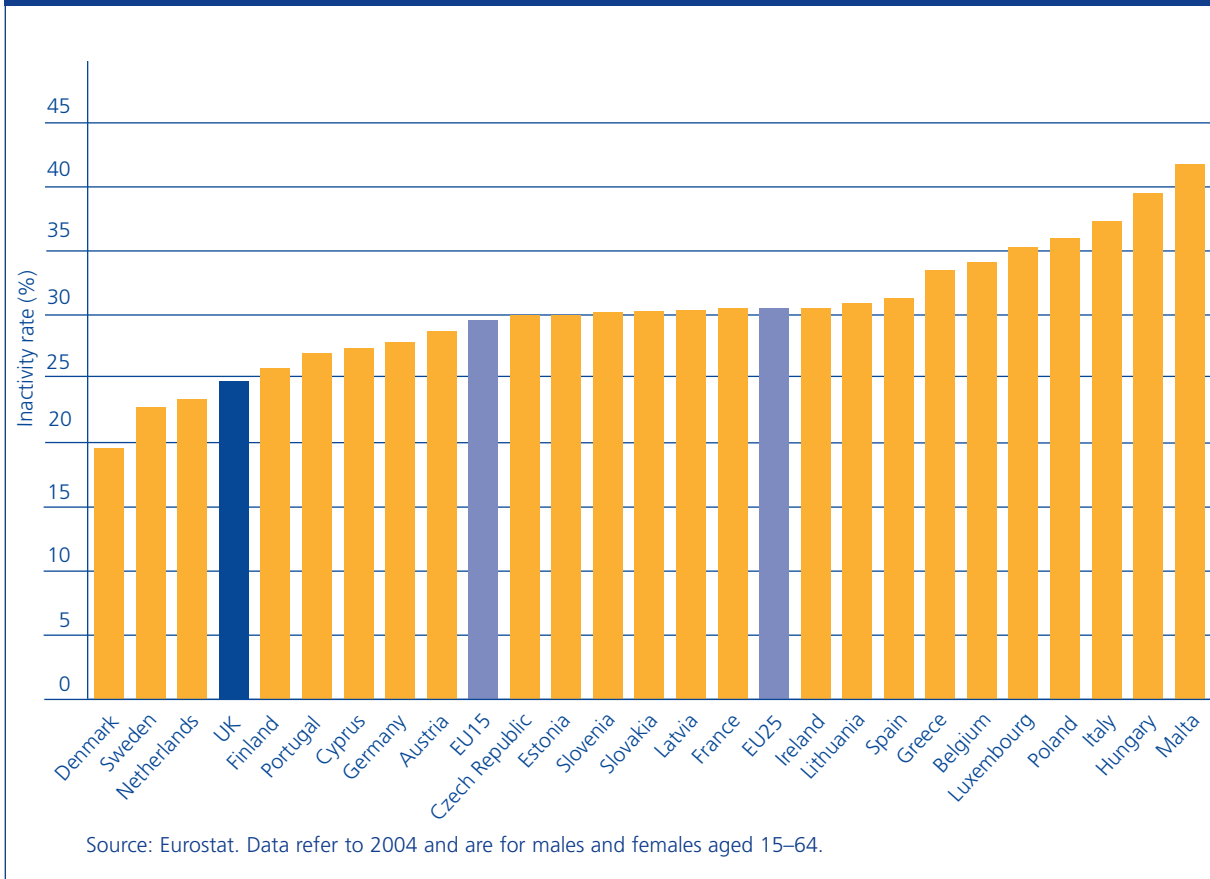
older people. Over 55 per cent of people aged 15–24 are economically inactive in the EU25, compared with around 37.1 per cent in the UK. Among people aged 50–64, the average EU25 inactivity rate is 44.1 per cent, compared with 34 per cent in the UK. The UK’s inactivity rate for people aged 25–49 is 15.9 per cent, close to the EU25 average of 15.2 per cent.

**39.** Although economic inactivity is low in the UK by international standards – only Denmark, Sweden and the Netherlands have lower inactivity rates (see Figure 3.5) – inactivity must be reduced if we are to meet the challenge

of an ageing society and reach our aspiration of an 80 per cent employment rate.

**40.** The UK labour market is characterised by its diversity. Although, for example, the overall average number of hours worked is close to the EU average, the range of working hours in the UK is wider than elsewhere. This means workers and employers have more choice and flexibility over the type of employment that suits them and is one of the reasons why the UK employment rate is among the highest in the world.

Figure 3.5: Inactivity rates in the EU, 2004



## Delivering active labour market policies

41. As set out in chapter one, Jobcentre Plus has changed the way that we deliver work and benefits support. Benefit and labour market advice has now been brought together for all people, providing an active focus on helping people into work.

### UK and Poland working together

Jobcentre Plus has worked actively with the new member states before and after accession – particularly with Poland, with which it has been twinned for employment and social affairs.

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In Poland, a two-year project between Jobcentre Plus and the Powiatowy Urząd Pracy (Regional Labour Office) in Rzeszow saw the launch of a new model office in February 2005. The Centrum Plus office replicates in almost every detail the customer-friendly environment of a British Jobcentre and has developed an intensive New Deal-inspired counselling service.

42. The success of Jobcentre Plus’s approach has also influenced how other EU public employment services deliver help and active labour market measures to their customers. Over the last year, Jobcentre Plus has welcomed nearly 600 visitors to its offices to share best

practice. The Hartz reforms in Germany, which link benefit payment more clearly to active jobsearch, and the development of the one-stop *maisons d'emploi* in France have drawn heavily on Jobcentre Plus's experience and best practice.

**43.** Jobcentre Plus is part of the European Employment Services network, a partnership of public employment services throughout the member states. European Employment Services advisers give advice to jobseekers on mobility questions and help employers to find workers. Jobcentre Plus sends live vacancies to the European Employment Services database and its jobs now account for around 60 per cent of the total stock of vacancies from all countries in the European Economic Area.

### **Preventing exclusion from the labour market**

**44.** There is an increased recognition across the EU that the unemployed, particularly the long-term unemployed and those who are not active in the labour market, are not a homogenous group and that the barriers to their access to the labour market vary significantly from person to person.

**45.** Despite strong labour market performance in the UK, certain groups such as the over-50s, ethnic minority people, lone parents, disabled people and the lowest qualified have yet to enjoy this wider labour market success. Employment rates for all these groups have, however, increased or remained stable in recent years. This section looks at two of these groups – lone parents and people with health conditions and disabilities.

### *Lone parents*

**46.** Improving employment rates for lone parents is essential if child poverty is to be tackled. Countries across the EU have introduced a mixture of programmes and other provisions. Good and affordable formal childcare availability and strong requirements to seek work, in conjunction with financial incentives to do so, are key features of all countries with a high proportion of lone parents in employment.

**47.** Sweden and Finland invest heavily in childcare, spending 1.4 per cent and 0.9 per cent of Gross Domestic Product respectively. This is coupled with investment in employment support, such as job-matching and training for all parents (a further 0.8 per cent of Gross Domestic Product in both countries) and a work-test to benefit receipt. In the Netherlands, local municipalities are required to include lone parents with children aged over 5 in activation measures and there are proposals to extend this to all lone parents, regardless of age of children. Employment rates for lone parents in the Netherlands have increased significantly over the past decade, and are currently at about 55 per cent.

**48.** In contrast to most European countries, the UK has policies tailored specifically to the needs of lone parents. New Deal for Lone Parents is a voluntary programme available to all non-employed lone parents, and has a strong focus on providing lone parents with work-focused information and advice, particularly in relation to the financial implications of employment. Tax credits ensure that

employed lone parents are, in the majority of cases, financially better off in work than out of work. Employment rates for British lone parents have risen from about 47 per cent in 1998 to about 57 per cent in 2005.

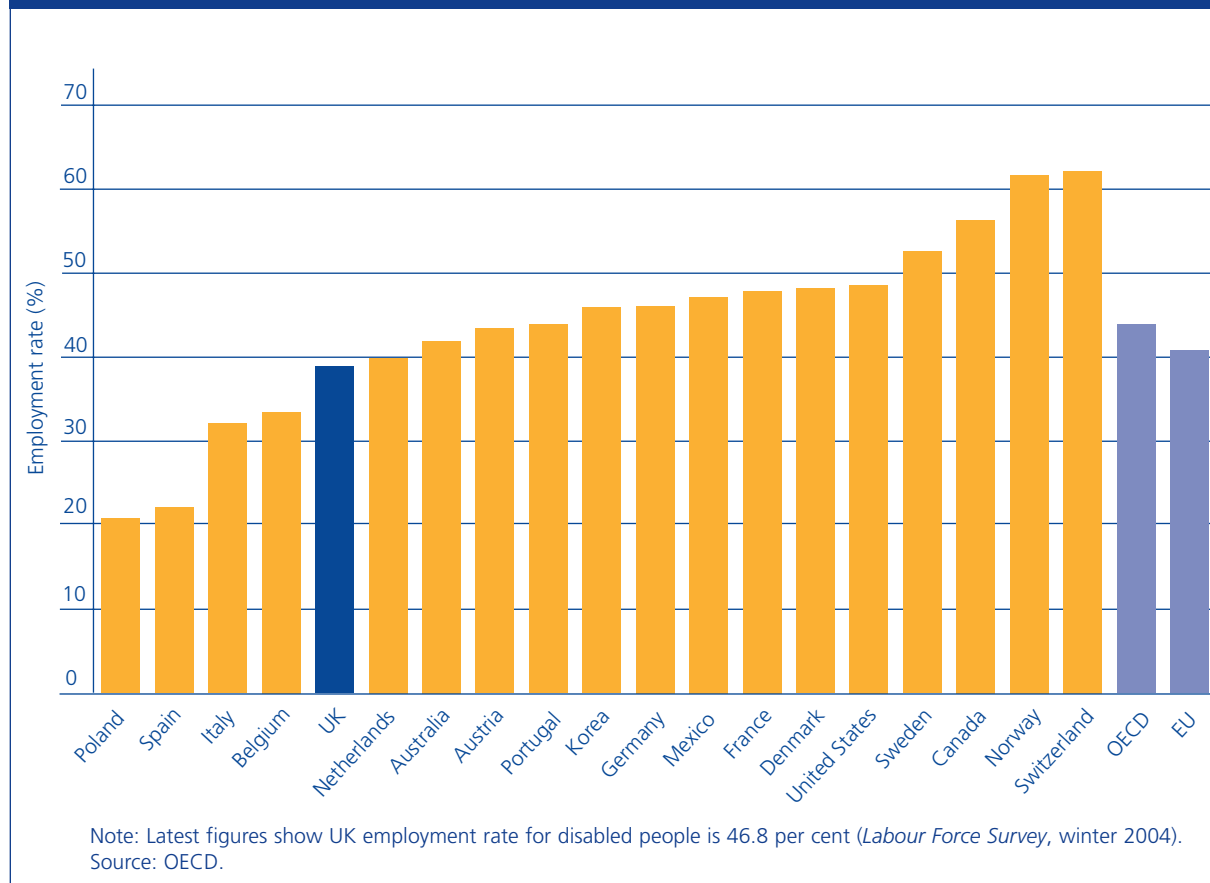
*People with health conditions and disabilities*

49. Developing policies to improve the labour market position of people with health conditions and disabilities is a priority for countries across the EU. With the successful Pathways to Work programme, the UK is generally regarded

as being at the forefront of policy for the incapacity benefits client group.

50. There is limited international evidence on employment rates of disabled people. However, the most recent evidence suggests that the UK is already around or above the EU and OECD average. The UK employment rate of disabled people is currently 46.6 per cent (2005). The most recent international evidence is for the late 1990s, when the EU average was around 41 per cent and the OECD average around 44 per cent (see Figure 3.6).

Figure 3.6: Employment rates for disabled people in 19 OECD countries, late 1990s



51. Some of the differences observed will be explained by the different demographics between countries (for example, age structures and health conditions). Labour markets, differences in definition of disability, survey design, and definition of employment will also make a difference.

### Finland

In Finland, a pilot project was launched in 2002 to promote the employment of the long-term unemployed. The objective is to formulate packages of employment services, labour market policies, municipal social welfare and

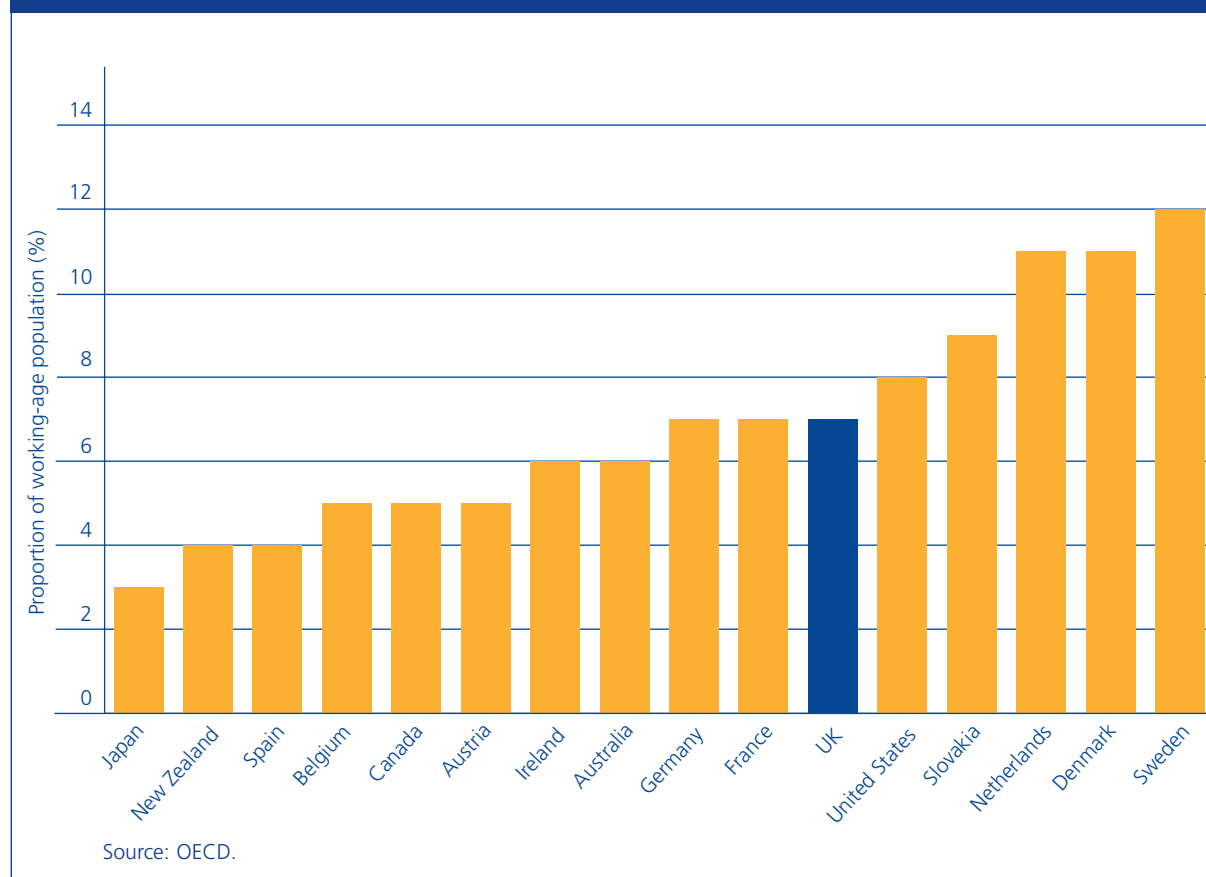
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healthcare services, and social insurance institution rehabilitation services. Based on the outcomes of this experiment, a reform of the public employment service is planned to create a network of workforce development centres, which will involve the employment office, the local authority, the social insurance institution and other service providers.

52. There is a particular problem associated with surveys that are self-reported. How people respond is likely to be affected by differing cultural norms and government policies on disability rights and the availability of benefits.

Figure 3.7: Recipients of sickness and disability benefits in 16 OECD countries, 1999





Therefore it is possible to have countries with low reported employment rates **and** low benefit reciprocity rates.

**53.** UK levels of sickness and disability benefit reciprocity are around the OECD average (see Figure 3.7).

**54.** Differences in reciprocity rates are not obviously related to differences in the scope and effectiveness of the degrees of conditionality in each system. There is a range of other factors which appears to be more important in explaining differences in reciprocity rates. This includes variations in: the definition of disability used to determine entitlement; the design of benefits; and the generosity of the benefit system.

**55.** All EU countries are developing a wide range of actions and instruments to improve the employment situation of disabled people. The 2004 *Joint Social Inclusion Report* stated that merely looking after the financial needs of disabled people through cash benefits is insufficient, as it would still leave many excluded from the labour market and often from society more generally.

**56.** The UK's Pathways to Work pilots described in chapter one are recognised as an innovative approach to helping people with health conditions and disabilities back into the labour market.

**57.** Early evidence from the pilots, which began in October 2003, is encouraging, hence the decision to roll-out to one-third of people on Incapacity Benefit, in three phases beginning October 2005, on the way to national roll-out.

**58.** The number of recorded job entries for people with a health condition or disability has almost doubled since Pathways to Work started.

**59.** There are good indications of an increase of around eight percentage points in the proportions leaving Incapacity Benefit within six months of the start of their claim, compared with the rest of the country. Although it is too early to quantify this effect, any indications of this sort are extremely encouraging.

**60.** Substantially more people are taking up further help to get back to work than in other areas. Some 20 per cent of those attending Work Focused Interviews take up one of the forms of back-to-work help available. This compares with around 4 per cent taking up New Deal for Disabled People in Jobcentre Plus Pathfinder districts and around 2 per cent nationally.

## Migration and the labour market

**61.** The UK supported the enlargement of the EU in 2004 and freedom of movement for workers from the new accession countries. We believe that it is important to provide support for new migrants, for example in provision of language training, as well as in raising public awareness of the benefits that migrants can bring. As mentioned in paragraph 35, the UK has one of the most flexible labour markets in Europe. This allows us to make the most of the valuable contribution that migration can make to meeting skills shortages and

demographic challenges. We have recently changed the types of documents that must be checked and recorded by employers to clarify and simplify procedures – a move supported by both the Trades Union Congress and the Confederation of British Industry.

**62.** The skills strategy set out the need for the UK to compete for internationally mobile, highly skilled people and key workers. They can play an important role in expanding the supply of skilled labour, and so meeting skills shortages. Over the last year, nearly 4,400 people have come to the UK on the Highly Skilled Migrants Programme. The introduction of a new Science and Engineering Graduates' Scheme was announced in the 2004 Budget.

**63.** The UK has more than doubled provision of training in English as a second or other language for migrants living in Britain, providing over 400,000 learning opportunities and expecting learners to achieve over 290,000 qualifications. Improvements to the quality and responsiveness of this provision have been made through the introduction of a range of newly accredited qualifications and a new suite of materials for teachers and learners.

## Disadvantaged groups

### *Gypsies and Travellers*

**64.** One group that faces particular discrimination in the UK and across the EU are Gypsies, Travellers and Roma people. At EU level, a report<sup>10</sup> has recommended that social inclusion of Roma should be the focus of short,

medium and long-term commitment by the EU, member state governments and other stakeholders. The European Commission should encourage all member states to address Roma, Gypsies and/or Travellers as a target group for the purposes of their National Action Plans on social inclusion, lifelong learning, employment and other relevant policy frameworks. This is considered a valid approach given that, particularly in the old member states, Roma, Gypsies and Travellers are often overlooked, while more visible or vociferous minorities are often more successful in influencing policy.

**65.** We recognise the particular difficulties that members of the Traveller community can encounter. Central and local government have developed a number of responses, including use of the European Social Fund to support this group. For example, a European Social Fund Global Grant Project in Hertfordshire has assisted women from the Traveller community by providing basic literacy and numeracy training and computer skills. Tewkesbury Borough Council has won a Beacon Status award for its innovative work with Travellers.<sup>11</sup>

### *Drug misusers*

**66.** Evidence has shown that there is a strong relationship between certain characteristics of social exclusion and drug use. Chapter one sets out the UK's strategy to reduce the harmful effects of drug use. This is a global problem needing co-ordinated action, and tackling illicit drug use is a political priority for the EU. We work closely with other member states to ensure that action taken at

international levels complements national action.

**67.** One of the key aims of the EU Drug Strategy (2005–2012) is to achieve a high level of social cohesion by complementing the actions of member states in preventing and reducing drug use, dependence and drug-related harms to health and society. The EU Drugs Action Plan – to deliver that strategy – provides a framework for a balanced approach to reducing both supply and demand through a number of specific and realistic actions. These will include improving prevention programmes aimed at target groups such as socially excluded children and families at risk.

**68.** Commonly agreed key performance indicators (such as drug-related morbidity and mortality) are used to measure the effectiveness of current actions and activities at the EU level. The European Monitoring Centre on Drugs and Drug Addiction produces an annual report<sup>12</sup> on the emerging trends and patterns of drug use and drug markets at EU level.

### Debt and financial inclusion

**69.** In Europe, it is estimated that at least 20 million people are over-indebted and debt is very much a social policy issue. The fight against over-indebtedness is one of the key issues of the European policy against social exclusion. Over-indebtedness is found in all countries but it is a special problem for people who are on low incomes or socially excluded.

**70.** Our strategy for tackling debt and financial exclusion is set out in chapter one. The process of developing the UK's 2003 National Action Plan on social inclusion<sup>13</sup> demonstrated clearly that debt was a key factor in the social exclusion of many people across this country. This contributed to the renewed interest in tackling over-indebtedness as part of our social inclusion strategy.

### The Irish Money Advice and Budgeting Service

In November 2004, the Irish Government presented a key part of its strategy in tackling over-indebtedness at a peer review seminar for policy makers and experts from other member states. The Irish Money Advice and Budgeting Service addresses problems caused by money lending and over-indebtedness, and its main aim is to help people to cope with debt and take control of their own finances. Clients with problems receive one-to-one counselling from a trained money adviser.

The training is supported by a money advice manual which has been written by practitioners. The service is free, confidential and independent. It is open to all who seek help. The Irish Money Advice and Budgeting Service has a special relationship with Ireland's extensive credit union network (involving some 60 per cent of the population), enabling clients to open savings accounts and obtain affordable credit. The Irish Money Advice and Budgeting Service does not pay clients' debts.

71. The Irish approach offers important lessons for the UK's strategy. In particular, the link between effective and accessible debt advice and access to affordable credit is a key part of a successful over-indebtedness strategy. This has been recognised in the UK's approach to financial inclusion. The role of credit unions in providing the ability and incentive to save and in giving access to credit at affordable rates has also been recognised in our strategy.

## Using the EU structural funds to support social inclusion

### *The European Social Fund*

72. Our policies to promote employment opportunities for all have been enhanced by financial support from the EU Structural Funds, in particular the European Social Fund. This fund provides about £5 billion in Great Britain (£4 billion in England) from 2000–06 to help people develop their employability and skills, with a particular focus on unemployed and socially excluded people.

#### Pecan European Social Fund Project, Peckham, London

The Pecan charity has used European Social Fund money to help unemployed and inactive people aged over 50 to acquire computing skills and move into work. Pecan received its European Social Fund funding from the Learning and Skills Council and targeted people in Peckham who face disadvantage in the labour market, including people on

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incapacity benefits and people from ethnic minority groups. The project built their confidence in using computers and provided training in information and communication technologies, with the aim of increasing their employability. It helped 171 people, of whom 92 achieved qualifications.

73. The European Social Fund supports the European Employment Strategy, adding value to national strategies to increase the employment rate and develop the skills of the workforce. In England, most funding is delivered at regional level through Jobcentre Plus, Learning and Skills Councils and other organisations that combine the European Social Fund with domestic funds to enhance provision. For example, Jobcentre Plus uses the European Social Fund to add value to the New Deals.

#### Mencap Pathway to Success Project, North Warwickshire

Mencap is using European Social Fund money from Jobcentre Plus to support its Pathway to Success project in North Warwickshire. The project enables people with learning disabilities to access paid employment, giving them the individual support needed to become successful at work. The Mencap Pathway team identifies a position that they believe would be suitable to a particular client's needs. Where necessary, a job trainer from the team provides guidance and training to help the client fulfil his or her potential.

**74.** One of the main priorities for the European Social Fund in England is to help disadvantaged people to improve their employability and skills. Key target groups include people on incapacity benefits, disabled people, ethnic minority groups, older people and people lacking basic skills and qualifications.

**75.** Since 2000, over 1.2 million people in England have been helped by the European Social Fund. Three-quarters of these were in jobs or went on to further learning when they completed their training. Some 23 per cent of participants had no prior qualifications, 19 per cent were from black and ethnic minority groups and 12 per cent had disabilities.

#### Creating Childcare Opportunities Project, Leicestershire

The Creating Childcare Opportunities project is using European Social Fund money to help unemployed people move into careers in childcare where there is a need for qualified staff. Many of the participants are women who have been caring for family members within their own homes and have been out of the job market for some considerable time. Project participants receive a one-to-one career consultation, a session on careers in childcare, and a core training package. They are then offered work placement sessions where they can experience a variety of childcare roles. They are also able to complete NVQ Level 2 or 3 training. So far the project has enrolled about 100 learners.

**76.** The European Social Fund also funds the Equal initiative, which tests and promotes new ways of combating discrimination and inequality in the labour market. Equal Development Partnerships bring together public bodies, non-governmental organisations and the social partners to tackle long-standing issues of disadvantage. The key principles of Equal are transnational co-operation, innovation, empowerment and partnership. Equal's Thematic Networking Groups provide a vehicle for disseminating and mainstreaming effective solutions to promote social inclusion.

#### Positive Futures, London

The Positive Futures Equal Development Partnership builds upon existing partnership work undertaken by the HIV voluntary sector in London. The UK partners include the Terrence Higgins Trust and Lighthouse, Chalk Farm Oasis, Positively Women, The Globe Centre and the UK Coalition of People Living with HIV and AIDS. They are helping people from ethnic minorities, women, young people, refugees, homosexual people and drug users living with HIV. Positive Futures is developing new services to enhance opportunities to work and tools and services to support people in the workplace. It is also campaigning with mainstream agencies and policy makers to combat discrimination with regard to work.

Positive Futures has partners in France, the Netherlands and Germany. The transnational work has provided a valuable learning curve establishing

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links and opportunities that neither they nor their partners had originally foreseen. They have worked jointly on all aspects of the programme, incorporating many features of their partners' approaches such as peer support. All partners have enhanced their ability to influence policy and legislation at national and European level to secure lasting change.

## People aged 50+ and retired people

**77.** Our strategy for people aged 50+ and for extending working life is set out in chapter one, section three. This section looks at issues for older people across the EU and focuses on some key aspects of our strategy where we have learned lessons from other EU countries.

**78.** The ageing European population presents a challenge to all European countries. Life expectancy is increasing and fertility rates are well below the replacement level of 2:1.<sup>14</sup> This has led most countries to review their policies on pensions, with the aim of ensuring financial sustainability while maintaining an adequate income in old age. In addition, there has been an increase in the focus on extending working lives. Different countries, however, face different challenges resulting from demographic change.

**79.** In many ways the UK faces a lesser challenge than some other major countries in coping with demographic change. Fertility rates here have not

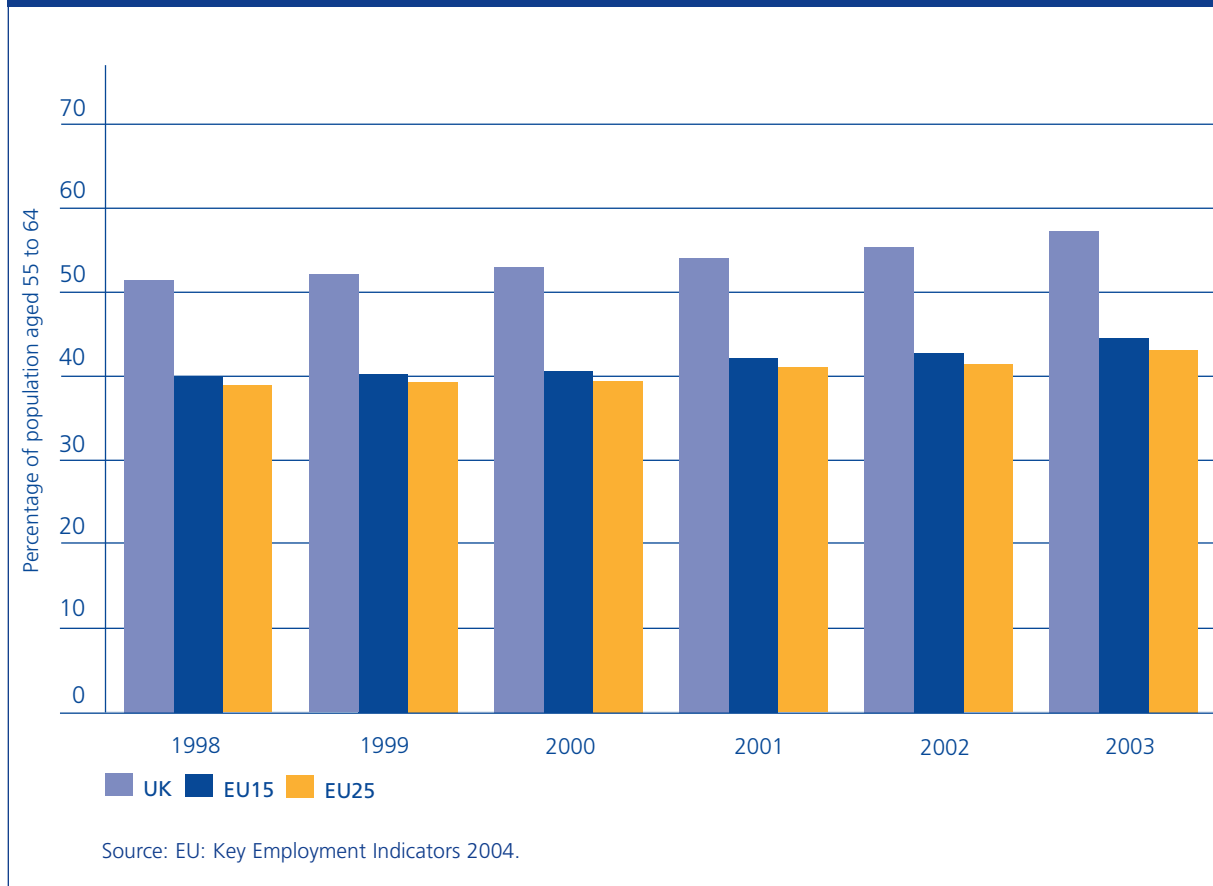
fallen as far below replacement levels as some, and the UK economy is in a stronger position than many others to weather the challenge. We are clear that the UK cannot necessarily rely on existing structures to provide the same outcomes as the century progresses. We have embarked on a programme of reform, seeking to develop policies that will endure for the long term. We have made significant progress since 2002 (see chapter one), but recognise that more needs to be done.

## Pensions

**80.** In 2001, the EU extended the Open Method of Co-ordination to the area of pensions to help member states develop their own policies so as to safeguard the adequacy of pensions while maintaining the long-term sustainability of the public finances. Since then many EU member states have started to introduce pensions reforms to this end. Despite this, pension spending is still projected to rise substantially in many member states and, in a few cases, to more than 20 per cent of Gross Domestic Product by 2050. Further efforts will therefore be required to control pension spending increases over the coming decades. In the UK, pensions spending is stable at 5–6 per cent of Gross Domestic Product and projected to rise only modestly over the coming decades.

**81.** Comparisons across countries on the adequacy of pensions are difficult as they generally do not take into account differences in, for example, home ownership, free transport and healthcare. However, 85 per cent of UK pensioners have an income other than state

Figure 3.8: Activity rate for older workers, 2004



entitlements. Overall pension expenditure (including state and private pensions) totals 11.9 per cent of Gross Domestic Product. This compares with the EU15 average of 12.5 per cent (Eurostat 2000).<sup>15</sup>

### Extending working lives

**82.** Between 1998 and 2003, the activity rate for older workers (aged 55 to 64) increased by 5.8 per cent, a significantly faster rate of growth for the EU15 than for the EU25. The improvement in activity for this group built on a relatively high level, to reach an overall activity rate of 57.3 per cent (see Figure 3.8). In terms of the employment rate, only Sweden and Denmark have higher levels than the UK.

**83.** Our strategy for extending working life is discussed in detail in chapter one. As our own policies have developed over the past seven years, our success at increasing the activity rate of people aged 50 and over has been recognised. We have shared, and continue to share, our policy details with the officials of EU member states and other countries, including Poland, Belgium, Italy, France, Japan and the United States. When the Government started to develop its older worker policies in 1998, we looked at how other countries with existing age legislation had tackled age discrimination in employment.

**84.** Many countries in the EU are developing new strategies for extending working life. In Finland, for example, the population is ageing more rapidly than in many other countries. The proportion of the population aged 65 years or older will increase from 15 per cent in 2000 to 25 per cent by 2025. As a result, the working-age population is expected to drop dramatically unless the age at which people retire is increased.

#### Finland – enhancing workability and employability through programmes on ageing

Since the early 1990s, Finland has introduced a series of programmes intended to address the issues of population ageing and early retirement. One of the most well-known programmes is the National Programme on Ageing Workers. The programme aimed to increase the employability of ageing persons and to ensure that those who want to work can do so until they reach pensionable age. It consisted of information campaigns and training of both workers and managers. Research projects on how to improve working life for older workers were also carried out under the aegis of this programme. While it is extremely difficult to evaluate the effects of such information programmes, it is possible that they have played a role in the sharp rise of older worker employment rates recorded since the mid-1990s.

## Communities

**85.** Across Europe, those living in the poorest neighbourhoods are more likely to suffer from ill health, crime, unemployment and poor educational outcomes than those living in more affluent areas. This section looks at what is being done to tackle the problems faced by people living in the most deprived communities by renewing neighbourhoods and creating truly sustainable communities.

**86.** The link between social exclusion and geography is recognised as part of the anti-poverty strategy in many European countries. As the *Joint Report on Social Protection and Social Inclusion* comments:

‘Member states need to develop integrated and co-ordinated strategies at local and regional levels and especially in those urban and rural communities facing multiple disadvantages. Such strategies should adapt policies to the local situation and involve all relevant actors.’

**87.** Our National Strategy for Neighbourhood Renewal (described in chapter one) is probably the exception in Europe, in that there is a high-profile national policy addressing the conditions in the most deprived neighbourhoods. In other countries there is much more diversity in neighbourhood renewal activity, ranging from the French *contrat de ville* system and the German neighbourhood management system, to an almost unorganised response in accession states, which are grappling with urgent issues emerging from the



need to intervene in areas where social housing was rapidly privatised.

**88.** Our strategy on improving housing and tackling homelessness is set out in chapter one. While these are areas of concern for countries across the EU, there are many obstacles to comparing the scale of the problem and extent of progress. Eurostat, along with others, is trying to develop some common measures. We have well developed measures of housing adequacy in the UK,

### The English Rough Sleeping Strategy in a European context

As outlined in the 2002 edition of *Opportunity for all*, the UK Rough Sleeping Strategy is an innovative, multi-agency, goal-oriented approach that avoids making life in the streets less uncomfortable and thereby discourages persistence. This initiative is recognised as an effective method of approaching the extreme end of the homelessness spectrum. It was selected to be one of the first subjects for a transnational peer review supported by the EU's social inclusion action programme.

The English Rough Sleeping Strategy Peer Review took place in May 2004 and was attended by delegates from Finland, France, Luxembourg, Norway, Romania and Sweden. Lessons learned included the importance of a political commitment to tackling rough sleeping; the provision of adequate funding; a national level strategy; and co-operation between national and local government in pursuing the strategy while involving the voluntary sector and all relevant professionals.

and the UK is the only country in the EU that has a target to guarantee that all social housing will be decent (by 2010).

### Regeneration

**89.** In regenerating deprived neighbourhoods, the physical reinvestment in housing remains a significant priority for the Government. However, the neighbourhood renewal programme has been broadened to include a wide range of social and economic initiatives addressing the wider needs of people living in these areas.

**90.** Neighbourhood management has been an important concept from the beginning in the policy to combat social exclusion through neighbourhood renewal. However, a major and widely consultative policy development process has aimed at interweaving approaches to physical investment with five other substantive objectives:

- getting people to work: developing an active labour market policy;
- getting the place to work: better housing and estate management and control of anti-social behaviour;
- building a future for young children and providing better alternatives to crime and drugs for older children;
- improving access to services provided by the private sector: affordable food, financial services and information technology; and
- better co-ordination of government activities.

91. What we can learn from other countries depends upon the extent that practice might provide innovative examples of solutions that might not have been tried before. In addition, where similar solutions have been sought we might be able to refine or adapt our existing strategies. Interesting examples of innovative practice include:

- Germany: an intensive form of neighbourhood management is practised in Germany. This is mediated by a non-governmental organisation and receives €500,000 per annum funding (from a combination of federal, state and EU funding). One of the most interesting features of the process is the use of citizens' juries to assess and prioritise project proposals.
- Italy: neighbourhood contract (for example, Torino). As part of developmental work a process of widespread consultation and community engagement was conducted. This resulted in a clearly expressed community view. This provided a mechanism for achieving a good balance between top-down and bottom-up approaches, which addressed conflicts head on. When the programme was up and running this consultation was institutionalised in the form of a social and technical forum.
- France: in general, the *contrat de ville* system, which has been in practice for two decades, finds a way of balancing central control and local autonomy. The cases in Marseilles demonstrate resident involvement in neighbourhood management and housing maintenance services.

### Working in partnership with EU colleagues

Northern Ireland is a partner in a two-stage EU-funded project looking at mainstreaming social inclusion. The first stage of this project compared approaches across different EU member states. The second stage has sought to develop practical guidance on mainstreaming social inclusion into policy, budget and programme development. Results of the stage one research have been published:<sup>16</sup> the results of the second stage will be available later in the year.

### Rural communities

92. The Rural Enterprise Scheme is part of the England Rural Development Programme. It provides assistance to projects that support the development of more sustainable, diversified and enterprising rural economies and communities. The scheme has a role in helping rural communities to thrive by providing assistance for small-scale community-based projects that are not covered by other mainstream government support.

93. The scheme can contribute to the funding of a range of such projects from the renovation or provision of community buildings or outdoor facilities, to items of infrastructure for remote communities and services such as voluntary carer schemes or local minibuses links.

Approximately £150 million of EU and UK Government money has been allocated to the Rural Enterprise Scheme

## Lustleigh, Devon

Villagers in Lustleigh, on the south eastern edge of Dartmoor National Park, have been trying to rebuild their village hall for over ten years. The new building was built with help from the Department for Environment, Food and Rural Affairs' Rural Enterprise Scheme, and was officially opened on 26 February 2005. The hall, complete with meeting room and modern kitchen, will provide a venue from which essential services, such as doctors' surgeries, playschools and citizens' advice sessions, can be delivered. It will also provide a venue for local groups, including the active drama group and historical societies. The Rural Enterprise Scheme grant contributed towards the cost of building the hall, while other grant sources were used to fund some of the equipment for the activity rooms.

for the period from April 2001 to the end of 2006.

## Health

**94.** Chapter one discusses the UK cross-government strategy on tackling health inequalities, which is outlined in *Tackling Health Inequalities: A Programme for Action*.<sup>17</sup> A report published by the EU in 2003<sup>18</sup> highlighted the need to tackle the uneven distribution of the determinants of health including alcohol abuse, smoking, drug abuse, poor diet and nutrition. Accordingly, the new EU Health and Consumer Protection Strategy refers to the common challenges that require

promoting health and preventing illness as well as action on broader socio-economic and environmental health determinants.

**95.** Health inequalities occur in all EU countries to varying degrees. In terms of life expectancy, the UK compares well with some countries but not so well with others. For males, life expectancy at birth in the UK was 75.9 years in 2002. This compares with estimated values of 74.8 years in the EU25 countries and 75.8 years in the EU15 countries. For females, life expectancy at birth in the UK was 80.5 years in 2002. This compares with estimated values of 81.1 years in the EU25 countries and 81.6 years in the EU15 countries. The UK value in 2002 was higher than Denmark (79.5 years) but lower than France (83.0 years), Germany (81.2 years), Italy (82.9 years) and Japan (84.3 years). However, disability-free life expectancy at birth was much lower in the UK than in the EU for both males and females, at an estimated 60.9 years for females, compared with 65.8 years in the EU15 countries, and 61.4 years for males compared with 64.3 years in the EU15 countries.

**96.** We have evidence to suggest that access to healthcare in the UK compares favourably with other countries across Europe. A 2004 report on income-related inequality in the use of medical care in 21 OECD countries looked at patterns of use of healthcare by different income groups. When the OECD looked at visiting specialists (outpatients) they found that in most OECD countries the distributions of visits was significantly in favour of higher income groups. The only exceptions were Norway, the Netherlands and the UK.

## Conclusion

**97.** Comparing ourselves with the rest of the EU, it is clear that we have in place many of the fundamental building blocks for a society that ensures opportunity for everyone. In particular, our economy is prospering and we have one of the best-performing labour markets in the EU. However, it is also clear that, in comparison with many of our European neighbours, there is more to do in tackling inequality and pockets of severe exclusion. Overall, since 1997, we have made good progress, in particular by making substantial inroads into the proportion of our children living in households at risk of poverty.

**98.** Our commitment to developing strategies that reflect EU comparisons and good practice will help us, as we proceed with the next stage of welfare reform, to identify the most effective solutions to the deep-seated problems of poverty in the UK. In particular, by using the commonly agreed indicators to benchmark our performance against other countries, we have been able to identify new ways of tackling poverty, especially poverty among children. We have also learned from the opportunities to share experience across all member states through peer reviews and the research supported by the Transnational Exchange Programmes.

**99.** The National Action Plan process has allowed us to work more effectively with people outside government in developing our strategy, and has supported the participation of people experiencing poverty. At regional and community level

this has increased integration and made it easier to identify what works. The National Action Plans have also led to increased awareness of the social inclusion agenda, at both national and European levels. The Joint Reports that the European Commission produces on the basis of these National Action Plans build a picture of poverty and inequality across the EU from which we all benefit.

## Annex: Indicators of progress

### Introduction

1. The annex contains information on the indicators used to monitor our strategy to tackle poverty and social exclusion. The indicators chosen are designed to reflect the multi-dimensional nature of poverty and social exclusion, capturing different aspects of poverty and social exclusion at different stages in people's lives, including health, education, housing, income and financial wellbeing. The indicators were first established in 1999, when we published the first *Opportunity for all* report.
2. Indicators are reviewed annually and are agreed by the Indicators Steering Group to ensure that they capture our evolving strategy and use the best available information.<sup>1</sup> Consequently, the original set of indicators has been added to and some definitions have been refined. We also ask for feedback on the indicators.<sup>2</sup>
3. As in previous reports, the indicators are organised according to four stages of the life-cycle. There are indicators for children and young people, working-age people and people aged 50+ and retired people. A set of communities' indicators monitors the progress of our strategy to narrow the gap between the areas with the worst performance and other areas.
4. We will continue to produce the overviews of the life stages, which were introduced last year. This provides a picture of what is happening behind the indicators, and gives references on where to find more detailed analysis.
5. We are changing five of the existing indicators this year:
  - The indicator which covers levels of development in Sure Start areas has now been separated into two areas: Communication, Language and Literacy; and Personal, Social and Emotional Development (indicator 4).
  - The indicator on educational attainment of children in care has a new sub-section which monitors the stability of placements for looked-after children (indicator 9).
  - The indicator on obesity in children has changed from looking at 2 to 15-year-olds to looking at 2 to 10-year-olds (indicator 14).
  - We have added a section on the frequent use of any illicit drug to the indicator on the use of drugs by 16 to 24-year-olds (indicator 27).

- The indicator around life expectancy at birth has been changed from a comparison between the fifth of local authorities with the lowest life expectancy at birth and the population as a whole, to the fifth of local authorities with the worst health and deprivation indicators – known as the ‘Spearhead group’ – and the population as a whole (indicator 39).
6. Alterations have been made to a small number of the indicators to take into account changes in the way that data are analysed or collected, for example income data has been revised in line with the new Family Resources Survey’s grossing regime.
  7. Updates were not available at the time of publication for an increase in healthy life expectancy at age 65 (indicator 32) and a reduction in the proportion of road accident casualties (indicator 41). The latest data will be provided on the *Opportunity for all* website as it becomes available later in the year.
  8. We will no longer include the indicator which looks at increases in the amount contributed to non-state pensions (previously indicator 30). This indicator has been discontinued as there were issues around using the data in this way, which could not be resolved.
  9. The geographical coverage of the indicators is set out for each individual indicator. Some 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 Parliament. The devolved administrations of Scotland,<sup>3</sup> Northern Ireland and Wales report progress on devolved issues. Further information on strategies of the devolved authorities can be found in Chapter One.
  10. A couple of years ago we made the indicators available on a special section of the Department for Work and Pensions website.<sup>4</sup> We have continued to update indicators on the website as new data become available – these can be found on the site listed under the heading ‘What’s new’.
  11. The website has given us the opportunity to include additional information – labelled ‘Further information’ – for some indicators where appropriate. For example, the indicator on adult smoking rates provides web links to the source of the data, a discussion around different smoking rates for different socio-economic groups and other information on different aspects of the indicator, such as age and gender breaks.

## National Action Plan

12. The Lisbon and Nice European Councils (in March and December 2000, respectively) set out a strategy for combating poverty and social exclusion in Europe. It was agreed that all member states of the European Union should aim to make a 'decisive impact' on social exclusion by 2010. The strategy is built on the Open Method of Coordination, which requires member states to produce their own policies within European Union level guidelines and targets.
13. To facilitate this process, the UK is required to produce National Action Plans (NAPs) on social inclusion, setting out the UK's strategy for combating poverty and social exclusion. This includes a set of indicators common to all European Union member states (known as Laeken indicators) to allow direct comparisons, and UK-specific indicators to highlight areas of particular UK interest.
14. The National Action Plans are published every three years with annual updates on progress. The most recent UK National Action Plan (2003) is published on the Department for Work and Pensions website.<sup>5</sup> The next full National Action Plan for the UK is due to be published in 2006.
15. Member states who published their last National Action Plan to cover the period 2003–05 are expected to report on the implementation of these reports and to update their Plans to cover the period 2005/06. The UK has recently submitted its Implementation Report to the European Commission.

## Indicator summary

Significant progress has been made on a range of indicators since the baseline (which is 1997 for most indicators), with 41 of our indicators moving in the right direction. For example, we have seen improvements for: children affected by serious unintentional injury, persistent low incomes for children and pensioners, housing below the set standard of decency, employment rates for lone parents, those receiving home care, employment rates in deprived areas, crime rates in high-crime areas, fuel poverty, the attainment gap at Key Stage 2, and road casualties in deprived areas.

There are seven indicators for which the data are not moving in the right direction – improvement in the outcomes for looked-after children (education gap), infant mortality, obesity for children aged 2 to 10, families in temporary accommodation, employment of disadvantaged groups (lowest qualified), people contributing to a non-state pension, and life expectancy at birth. Strategies are in place to tackle these problems.

There are five indicators for which there are not enough data available to determine a trend since the baseline.

Progress since the baseline (mostly 1997)	Number of indicators
Data moving in the right direction	41
Broadly constant trend	7
Data moving in the wrong direction	7
Cannot determine trend	5
<b>Total</b>	<b>60</b>
Note: There are 41 main indicators, some of which have sub-indicators. This means there are 60 indicators in total.	



## 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 – it is particularly important to bear this in mind when looking at the direction of the latest data.

The most recent data reported range from 2001 to 2005, depending on the data source.

- ✓ data moving in right direction
- ≈ data show broadly constant trend or no significant movement
- ✗ data moving in wrong direction
- ▲ only baseline data available or insufficient data available to determine a trend

Children and young people				
Indicator	Covers	Trend since baseline	Direction of latest data	See page
1 Children in workless households	GB	✓	≈	151–152
2 Low income:				
a) relative	GB	✓	≈	153–155
b) absolute	GB	✓	✓	153–155
c) persistent	GB	✓	✓	153–155
3 Teenage pregnancy:				
a) teenage conceptions	England	✓	≈	156–157
b) teenage parents in education, employment or training	England	✓	✗	156–157
4 Children with appropriate levels of development in Sure Start areas:				
a) Communication, Language and Literacy	England	▲	≈	158–159
b) Personal, Social and Emotional Development	England	▲	✓	158–159
5 Key Stage 2 (11-year-olds) attainment	England	✓	≈	160
6 Attainment:				
a) 16-year-olds achievement	England	✓	≈	161
b) schools below floor target	England	✓	✓	161
7 19-year-olds with at least a Level 2 qualification	England	✓	✗	162

*continued*

Children and young people (continued)				
Indicator	Covers	Trend since baseline	Direction of latest data	See page
8 School attendance	England	≈	≈	163
9 Improvement in the outcomes for looked-after children:				
a) education gap	England	✗	≈	164–166
b) Not in Education, Employment or Training	England	≈	✓	164–166
c) stability in the lives of looked-after children	England	▲	▲	164–166
10 16 to 18-year-olds in learning	England	≈	≈	167–168
11 Infant mortality	England and Wales	✗	✗	169–170
12 Serious unintentional injury	England	✓	✓	171
13 Smoking prevalence for:				
a) pregnant women	England	▲	▲	172–173
b) children aged 11 to 15	England	✓	≈	172–173
14 Obesity for children aged 2 to 10	England	✗	≈	174–175
15 Re-registrations on Child Protection Register	England	✓	≈	176
16 Housing that falls below the set standard of decency	England	✓	✓	177
17 Families in temporary accommodation	England	✗	≈	178–179

People of working age				
Indicator	Covers	Trend since baseline	Direction of latest data	See page
18 Employment rate	GB	✓	≈	183–184
19 Employment of disadvantaged groups:				
disabled people	GB	✓	≈	185–188
lone parents	GB	✓	✓	185–188
ethnic minority people	GB	✓	≈	185–188
people aged 50 and over	GB	✓	≈	185–188
lowest qualified	GB	✗	≈	185–188
20 Working-age people in workless households	GB	✓	≈	189
21 Working-age people without a Level 2 GNVQ qualification or higher	England	✓	≈	190
22 Long periods on income-related benefits	GB	✓	≈	191
23 Low income:				
a) relative	GB	≈	≈	192–194
b) absolute	GB	✓	≈	192–194
c) persistent	GB	≈	≈	192–194
24 Smoking rates:				
a) all adults	England	✓	≈	195–196
b) manual socio-economic groups	England	✓	≈	195–196
25 Death rates from suicide and undetermined injury	England	✓	≈	197–198
26 Rough sleepers	England	✓	≈	199
27 Drug use (16 to 24-year-olds):				
a) use of Class A drugs	England and Wales	≈	≈	200–201
b) frequent use of any illicit drug	England and Wales	▲	▲	200–201

People aged 50+ and retired people				
Indicator	Covers	Trend since baseline	Direction of latest data	See page
28 Low income:				
a) relative	GB	✓	✓	204–206
b) absolute	GB	✓	✓	204–206
c) persistent	GB	✓	✓	204–206
29 People contributing to a non-state pension	GB	✗	≈	207
30 People making continuous contributions to a non-state pension	GB	✓	≈	208–209
31 Healthy life expectancy at age 65	England	≈	≈	210–211
32 Being helped to live independently:				
a) receiving intensive home care	England	✓	✓	212–213
b) receiving any community-based service	England	✓	≈	212–213
33 Housing that falls below the set standard of decency	England	✓	✓	214
34 Fear of crime	England and Wales	✓	≈	215

Communities				
Indicator	Covers	Trend since baseline	Direction of latest data	See page
35 Employment rates in deprived areas	GB	✓	✓	218–219
36 Crime rates in high-crime areas	England and Wales	✓	✓	220
37 Housing that falls below the set standard of decency	England	✓	✓	221
38 Households in fuel poverty	England	✓	✓	222–223
39 Life expectancy at birth	England	✗	≈	224–225
40 Attainment gap at Key Stage 2 (11-year-olds)	England	✓	✓	226
41 Casualties in deprived areas	England	✓	✓	227

## Indicators of progress and overview of the life stages

### Children and young people

This section discusses the picture behind some of the indicators for children and young people. We know that poverty and social exclusion has an impact on children and young people and on their outcomes later in life.

### Children in workless households

1. The number of children living in households in which no adult worked has reduced since 1997 (indicator 1).
2. Lone parent and couple family households with dependent children in which no adult worked were more likely to live in low income than those in which one or more adults were in full-time work.<sup>6</sup>

### Low income

3. The proportion of children living in both relative and absolute low-income households has reduced since 1997, despite strong average-income growth throughout the income distribution (indicator 2). From 1996/97 to 2001/02 there was a fall in the number of children below 60 per cent of contemporary median income. This has remained at a similar level for the latest three years for which data are available on the 'before housing costs' income measure, while falling on the 'after housing costs' income measure. The proportion of children living in households below fixed income levels which have been held constant in real terms (absolute low income), has shown a large fall, by around a half, from 1996/97 to 2003/04.
4. The proportion of children living in persistent low income on the before housing costs income measure has decreased. In 1997–2000 the percentage of children in persistent low income was 17 per cent, compared with 15 per cent in 2000–03.
5. Children living in single-parent families were much more likely to live in low-income households than those in two-adult families. However, there has been a reduction in the risk of relative low income for children in lone-parent families since 1997/98. Children in large families – those with three or more children – were more likely to live in low-income households, although the risk of relative low income for this group has decreased markedly since 1998/99.

6. Children living in households headed by an ethnic minority (particularly those of Pakistani or Bangladeshi origin), and those in families containing one disabled person or more, were more likely to live in low-income households. Rates for children in households with an ethnic minority head, and those in families with a disabled adult, have generally fallen more steeply than the reduction for Great Britain.

## Health

7. The infant mortality rate among the 'routine and manual' group rose to 19 per cent higher than that in the total population in 2001–03, compared with 13 per cent higher in the baseline period of 1997–99 (indicator 11).<sup>7</sup>
8. The mortality rate for babies of teenage mothers was around 60 per cent higher than for babies of older mothers.<sup>8</sup> This group was also more likely to have low-birthweight babies.<sup>9</sup>
9. The most recent *Infant Feeding Survey* in 2000 found that 19 per cent of women in England continued to smoke during pregnancy (indicator 13a). Women from unskilled manual households were four times more likely to smoke during pregnancy than those in professional households.<sup>10</sup>
10. Overall, the number of children smoking has declined slightly (indicator 13b). There is a strong correlation between smoking and age, (smoking rates increase from the age of 11 upwards) and a larger proportion of young girls than boys smoke (10 per cent compared with 7 per cent in 2004). Pupils in receipt of free school meals (used as a proxy for low income) were also more likely to smoke than those who were not in receipt of free school meals.<sup>11</sup>
11. The prevalence of obesity in children aged 2 to 10 has increased from 10.9 per cent at the baseline in 1997 to 13.7 per cent in 2003.<sup>12</sup> Obesity levels were slightly higher in children living in households that had lower levels of household income, in children living in the most deprived areas and in children living in households in the routine and semi-routine socio-economic classification (NS SEC).<sup>13</sup>

## Education

12. Overall attainment has improved. The percentage of 11-year-olds achieving Level 4 or above in the Key Stage 2 tests for English and mathematics has increased (indicator 5), as has the percentage of pupils achieving five or more GCSE grades A\*–C (indicator 6).
13. There is evidence that poorer children fared worse at school than their more affluent counterparts – and that children who received free school meals were much less likely to gain five or more GCSEs than children who did not.<sup>14, 15</sup> The attainment levels for children in care continued to be much lower than the average for all children.
14. Class differences affect children’s progress long before they start school and have a growing influence as they get older. Research has shown that the gap between children from low-income families and their better-off peers has opened up by the time they are just 22 months old. Even if poorer children did have high early cognitive scores, they were likely to lose this advantage over time, compared with their more affluent counterparts.<sup>16</sup>
15. The latest absence data, published in the 2003/04 school year, showed that there has been an overall increase in school attendance compared with 1997 (indicator 8). Exclusions from school have fallen by over 20 per cent between 1996/97 and 2003/04. There are some groups which are much more likely to be excluded than others, for example, black Caribbean boys, traveller children and pupils with special educational needs.<sup>17</sup> Recent figures showed that children from a mixed-parentage background also faced a much higher risk of being excluded compared to the white population.
16. The rate of permanent exclusion in England among black Caribbean pupils has halved since 1997/98, to 37 for every 10,000 pupils of compulsory school age in 2002/03. This was still three times higher than the rate for white pupils.<sup>18</sup>

## Housing

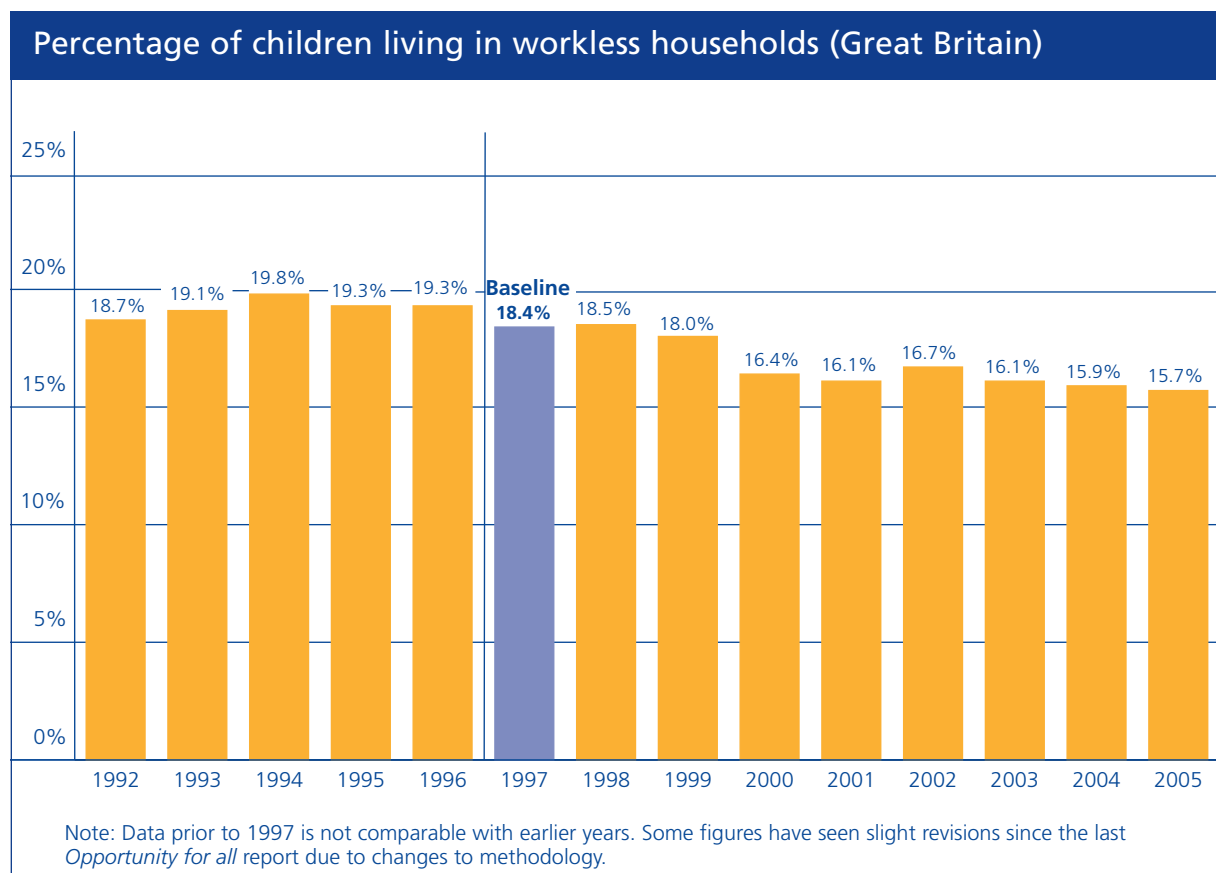
17. The number of children living in non-decent homes has declined by 14 per cent between 1996 and 2003 (indicator 16). Overall, households with dependent children are slightly less likely than the national average to live in non-decent homes (26 per cent compared with 30 per cent), except where the parents themselves are young (under 25), relatively poor, lone parents or rent privately. Overall, 27 per cent of children live in non-decent homes.<sup>19, 20</sup>
18. The number of households with dependent children in temporary accommodation has remained fairly flat since September 2004 (indicator 17).
19. Although there has been an increase in the number of households with dependent children in temporary accommodation since March 2002, increasing by 33 per cent when compared with March 2005, the numbers going into temporary accommodation reduced during 2004/05, compared with 2002/03 and 2003/04 (indicator 17). There has also been a 99 per cent reduction in the use of B&B hotels for more than six weeks for homeless families with children between 2002 and 2005. The use of temporary accommodation is greater in areas of high demand for housing.
20. At the end of March 2005, 90 per cent of households with dependent children were housed in self-contained accommodation, with sole use of kitchen and bathroom facilities, compared with 75 per cent at the end of March 2002. A much smaller proportion therefore is now in shared accommodation (for example, B&Bs, hostels and women's refuges).
21. See also indicator 26 on rough sleeping, which occurs predominantly among single male adults.



## Indicators for children and young people

### 1 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 18.4 per cent in 1997 (baseline year), reduced to and remained around 16 per cent since 2003, and stands at 15.7 per cent in 2005.



**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).

The *Labour Force Survey* has been re-grossed to take account of Census 2001 population estimates and, in order to ensure consistency with figures produced by the Office for National Statistics, minor methodological adjustments have been made concerning the treatment of households with unknown economic activity. Consequently, the *Labour Force Survey* figures quoted in this report may differ from those previously published.

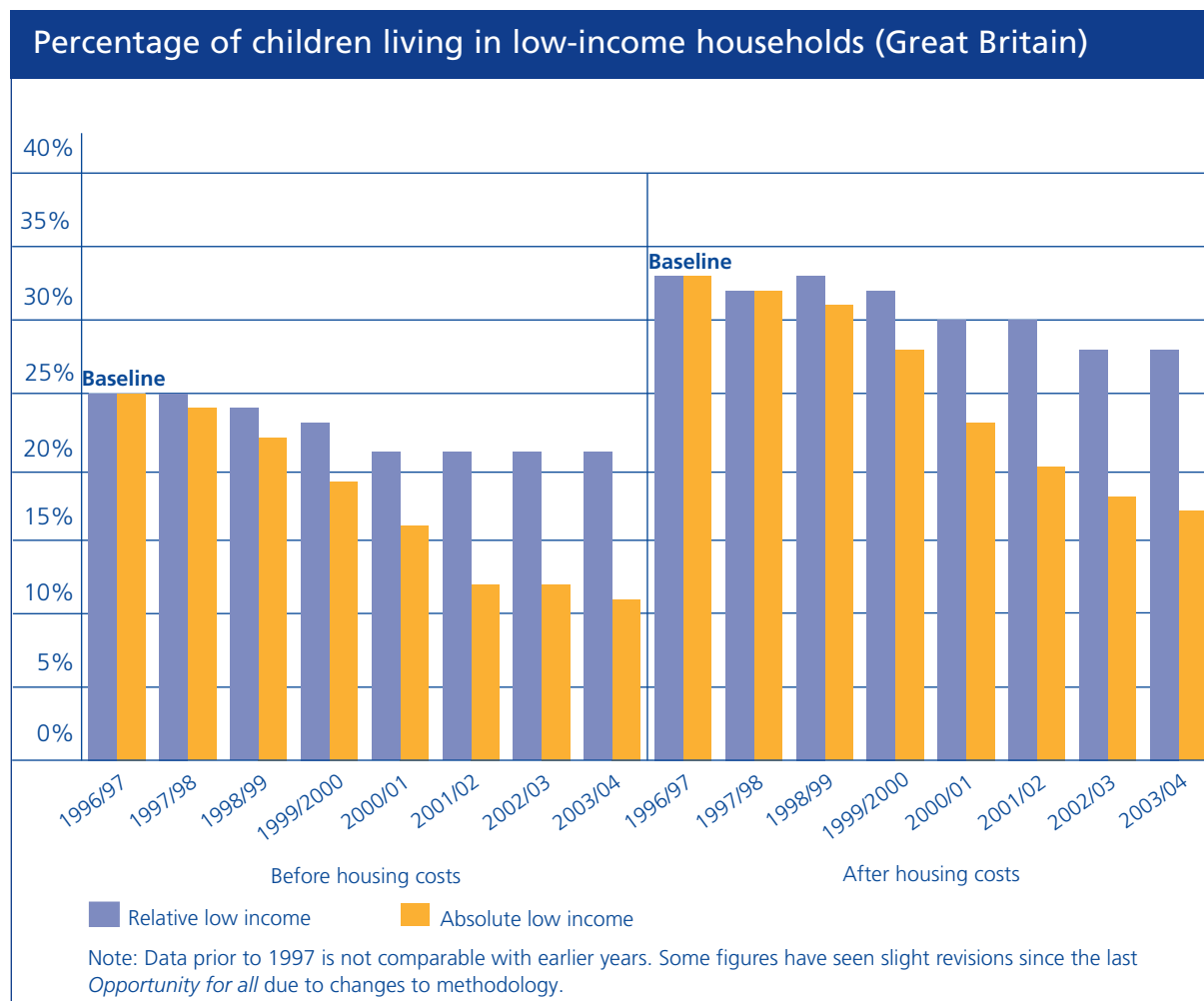
**Data source:** *Labour Force Survey*, spring quarters.

**Linked to Department for Work and Pensions PSA targets:** To reduce the proportion of children living in workless households over the three years from spring 2003 to spring 2006 by 6.5 per cent, and to reduce the proportion of children living in workless households by 5 per cent between spring 2005 and spring 2008.

## 2 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; and
- 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 tables below, though information for the persistent low-income indicator is only shown in the table. While the table aims to provide a comprehensive picture of progress by including data for a range of low-income thresholds, the chart and commentary focus 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 2003/04, from 25 per cent to 21 per cent on the before housing costs measure and 33 per cent to 28 per cent on the after housing costs measure. The proportion of children living in households with absolute low incomes showed a large fall from 25 per cent to 11 per cent on the before housing costs measure and from 33 per cent to 17 per cent on the after housing costs measure.

Seventeen per cent of children lived in a household with a low income in at least three out of four years, on the before housing costs measure, at the baseline (1997–2000) which fell to 15 per cent in 2000–03.

Percentage of children living in low-income households (Great Britain)								
	Low-income threshold	Relative low income			Absolute low income			
		50% of median*	60% of median	70% of median	50% of median*	60% of median	70% of median	
<b>Baseline</b>	<b>1996/97</b>	<b>12%</b>	<b>25%</b>	<b>35%</b>	<b>12%</b>	<b>25%</b>	<b>35%</b>	
	1997/98	13%	25%	35%	12%	24%	34%	
	Before housing costs	1998/99	13%	24%	35%	11%	22%	33%
		1999/2000	12%	23%	35%	9%	19%	31%
		2000/01	11%	21%	33%	8%	16%	26%
		2001/02	10%	21%	33%	6%	12%	22%
		2002/03	11%	21%	32%	6%	12%	21%
		2003/04	11%	21%	32%	6%	11%	20%
<b>Baseline</b>	<b>1996/97</b>	<b>23%</b>	<b>33%</b>	<b>41%</b>	<b>23%</b>	<b>33%</b>	<b>41%</b>	
	1997/98	23%	32%	40%	22%	32%	39%	
	After housing costs	1998/99	23%	33%	40%	20%	31%	39%
		1999/2000	22%	32%	40%	17%	28%	36%
		2000/01	20%	30%	39%	13%	23%	32%
		2001/02	19%	30%	38%	10%	20%	29%
		2002/03	19%	28%	38%	10%	18%	26%
		2003/04	19%	28%	36%	10%	17%	25%

\*Households reporting the lowest incomes may not have the lowest living standards. The bottom 10 per cent of the income distribution should not, therefore, be interpreted as having the bottom 10 per cent of living standards. This is a particular issue for lower thresholds, such as 50 per cent of median. Other higher thresholds are less affected by this.

Note: Some of the figures have seen slight revisions since the last *Opportunity for all* report, reflecting the changes to the *Family Resources Survey* grossing regime.

Persistent low income (low income in three out of four years – Great Britain)											
		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
		-94	-95	-96	-97	-98	-99	-2000	-2001	-2002	-03
Before housing costs	Below 60% of median	20%	18%	17%	17%	17%	16%	17%	17%	17%	15%
	Below 70% of median	29%	29%	29%	28%	28%	27%	27%	26%	27%	26%
After housing costs	Below 60% of median	25%	23%	23%	24%	24%	24%	22%	22%	21%	19%
	Below 70% of median	33%	33%	32%	32%	31%	30%	30%	30%	30%	30%

Note: Some of the figures have seen small revisions since the last *Households Below Average Income* (2002/03) report. This is due to changes to the base dataset made by the data suppliers of the *British Household Panel Study*.

**Definition:** A child is an individual aged under 16, or an unmarried 16 to 18-year-old on a course up to and including A level standard (or up to and including Highers in Scotland).

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 incomes – low incomes in three out of four years (60 and 70 per cent of median only).

Changes to previously published *Households Below Average Income* data were due to changes to the *Family Resources Survey* grossing regime, either through the method used or taking on board new post-Census population information. Further details are available at: [www.dwp.gov.uk/mediacentre/pressreleases/2005/feb/iad-170205-frs.pdf](http://www.dwp.gov.uk/mediacentre/pressreleases/2005/feb/iad-170205-frs.pdf)

Data for thresholds of mean income and full definitions are available in *Households Below Average Income 1994/5–2003/04*. 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 Study* data.

**Linked to joint Department for Work and Pensions and Her Majesty's Treasury**

**PSA target:** To halve the number of children in relative low-income households between 1998/99 and 2010/11, on the way to eradicating child poverty by 2020.

This is part of one of the UK Government sustainable development framework indicators.

### 3 Teenage pregnancy indicators (England):

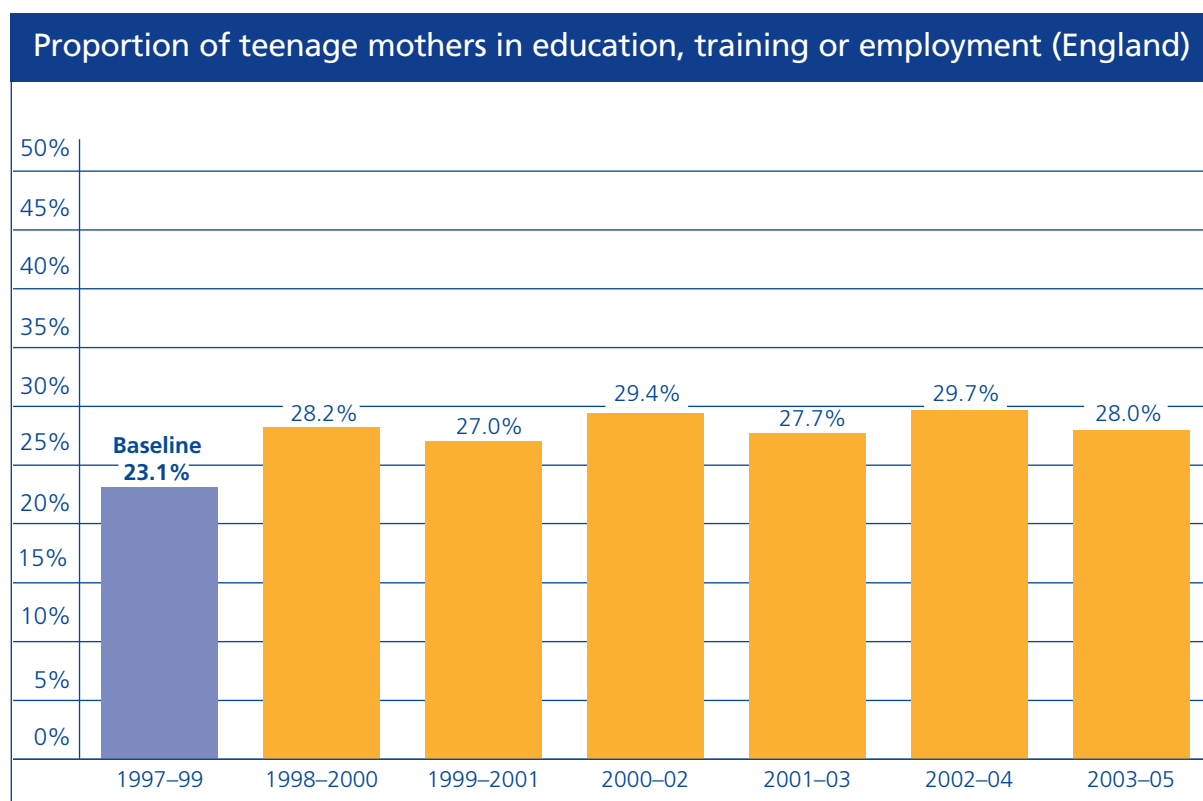
- a) a reduction in the rate of conceptions for those aged under 18; and
- b) an increase in the proportion of teenage mothers who are in education, employment or training.

**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 2003 is 42.1 per thousand females aged 15 to 17, 9.8 per cent lower than in 1998.

b) Baseline data based on three-year average for the years 1997–99. The proportion of teenage mothers who are in education, employment or training in England has risen slightly from 23.1 per cent for the period 1997–99 to 28.0 per cent in the period 2003–05.

Under-18 conception rates per thousand females aged 15–17 (England)														
1971	1981	1991	1992	1993	1994	1995	1996	1997	Baseline 1998	1999	2000	2001	2002	2003
54.7	38.7	45.5	43.3	42.1	41.6	41.6	45.9	45.5	46.6	44.8	43.6	42.5	42.6	42.1

Note: Some figures have seen small revisions since the last *Opportunity for all* report in line with Census 2001 population estimates.



**Definition:** The under-18 conception rate is the number of conceptions (resulting in one or more live births, or 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 to 19-year-old age range.

These data present the proportion of teenage mothers who are in education, employment or training, on a three-year average basis rather than individual years to take account of relatively small sample sizes.

**Data source:** Office for National Statistics Conception 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 in England 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 and Department for Education and Skills shared PSA target:** To improve life chances for children by reducing the England under-18 conception rate by 50 per cent by 2010.

#### 4 An increase in the proportion of children (in Sure Start programme areas and Children's Centres) with appropriate levels of development in (England):

- a) Communication, Language and Literacy; and
- b) Personal, Social and Emotional Development.

##### a) Communication, Language and Literacy Area of Learning (CLL AOL).

**Baseline and trends:** Baseline year – 2003. Schools in Sure Start areas achieving 24 or above in the Communication, Language and Literacy Area of Learning remained broadly constant since the baseline in 2003 (54.6 per cent) at 55.2 per cent in 2004, as compared with 66.2 per cent in England. The percentage of 5-year-olds achieving 24 or above in the Communication, Language and Literacy Area of Learning in all schools in England has also increased since the 2003 baseline.

##### Percentage of 5-year-olds achieving CLL AOL of 24 or above at the end of the Foundation Stage (England)

	Baseline 2003	2004
All schools in Sure Start areas	54.6%	55.2%
All schools in England	64.9%	66.2%

Areas of Learning (AOL) – Communication, Language and Literacy (CLL)

##### b) Personal, Social and Emotional Development Area of Learning (PSE AOL).

**Baseline and trends:** Baseline year – 2003. There has been an increase in the percentage of 5-year-olds in Sure Start areas achieving 18 or above in the Personal, Social and Emotional Development Area of Learning since the baseline in 2003 (75.1 per cent) to 77.4 per cent in 2004, as compared with 83.7 per cent in England. The percentage of 5-year-olds achieving 18 or above in the Personal, Social and Emotional Development Area of Learning in all schools in England has also increased since the 2003 baseline.



### Percentage of 5-year-olds achieving PSE AOL of 18 or above at the end of the Foundation Stage (England)

	Baseline 2003	2004
All schools in Sure Start areas	75.1%	77.4%
All schools in England	81.4%	83.7%

Areas of Learning (AOL) – Personal, Social and Emotional Development (PSE)

**Definition:** Sure Start local programmes and Children’s Centres aim to promote better outcomes for young children under 5 years of age.

The Foundation Stage Profile is finalised at the end of the Foundation Stage (when children are generally 5 years of age). It measures 13 assessment scales covering physical, intellectual, emotional and social development. In each assessment scale, there are nine points showing how far a child has progressed towards achieving the Early Learning Goals. A score of 0–3 indicates working towards the Early Learning Goals, 4–7 working within the Early Learning Goals, 8 achieving the Early Learning Goals and 9 working beyond the Early Learning Goals.

The indicator is based on the percentage of 5-year-olds achieving total scores of 24 or above in the Communication, Language and Literacy Area Of Learning, and 18 or above in the Personal, Social and Emotional Development Area of Learning.

This is a proxy for a score of 6 or above in each assessment scale (which is viewed as securely working within the range of the Early Learning Goals). However, there may be children who achieved these scores without getting a score of 6 or above in each scale.

The data are taken from overall summary data, aggregated at Local Education Authority and Sure Start area level.

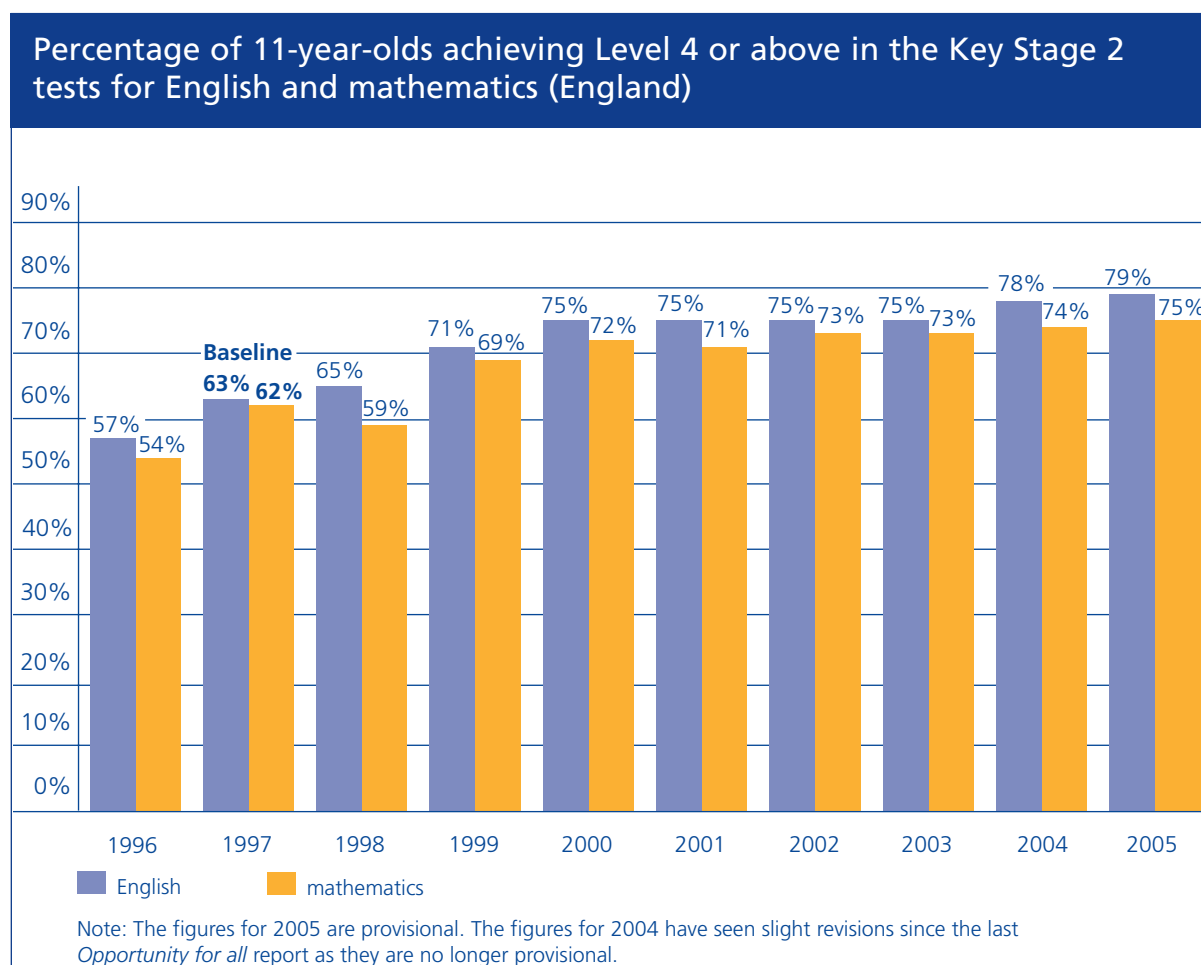
**Data source:** Department for Education and Skills.

**Linked to Sure Start PSA target, joint with Department for Work and Pensions:**

To improve children’s communication, social and emotional development so that, by 2008, 50 per cent of children reach a good level of development at the end of the Foundation Stage and reduce inequalities between the level of development achieved by children in the 20 per cent most disadvantaged areas and the rest of England (provisional target, which may be revised in the light of more extensive Foundation Stage Profile data becoming available by 2006).

## 5 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 2005, 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 79 per cent for English and from 62 per cent to 75 per cent for mathematics.



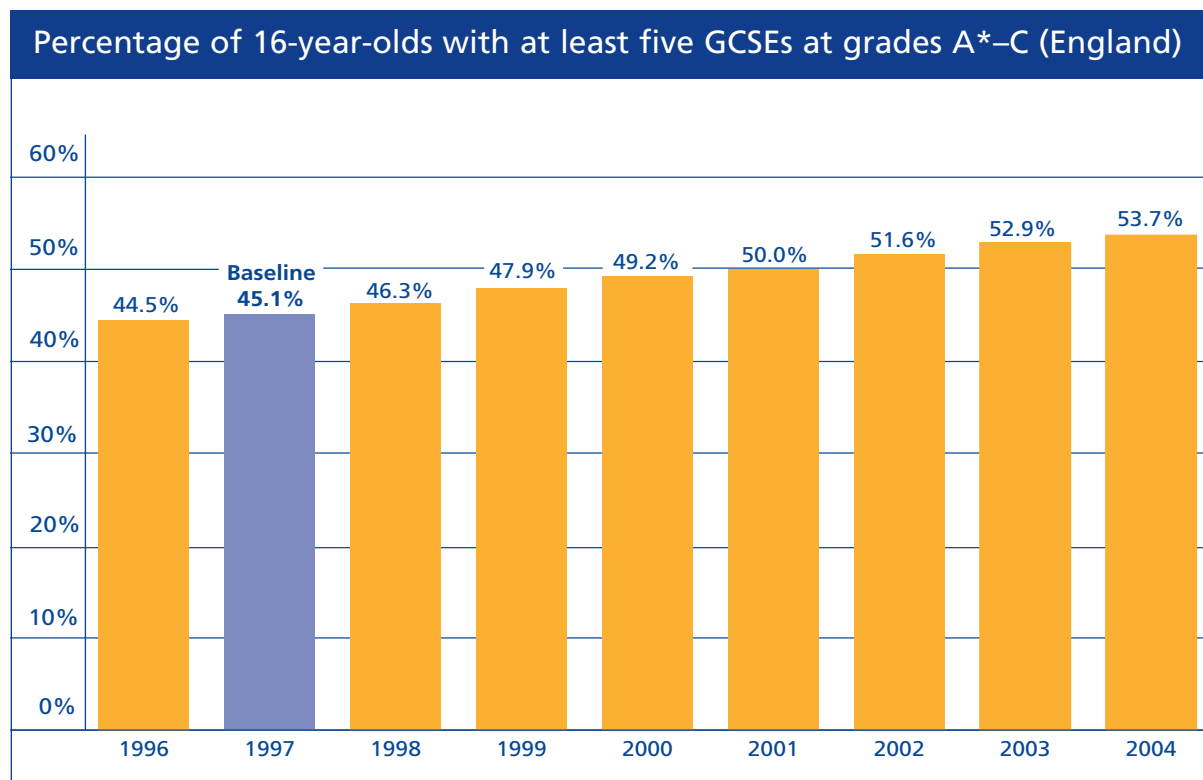
**Definition:** Percentage of 11-year-olds achieving Level 4 or above in Key Stage 2 English and mathematics tests. The 2005 data are provisional and the final data will be provided on the *Opportunity for all* website when it becomes available.

**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, by 2006, 85 per cent of 11-year-olds achieve Level 4 or above, with this level of performance sustained to 2008.

## 6 An increase in the proportion of 16-year-olds with at least five GCSEs at grades A\*–C, and in all schools at least 20 per cent to 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\*–C has risen from 45.1 per cent in 1997 to 53.7 per cent in 2004. 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.



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

	Baseline 1997	1998	1999	2000	2001	2002	2003*	2004
Below 20%	361	325	277	241	196	157	112	72
Below 25%	616	553	487	436	369	294	224	186

\*The figures for 2003 have seen small revisions since the last *Opportunity for all* report.

**Definition:** Percentage of 16-year-olds (at the end of the academic year) with at least five GCSEs at grades A\*–C or GNVQ equivalents in all schools in England.

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

**Linked to Department for Education and Skills PSA targets:** By 2008, 60 per cent of those aged 16 to achieve the equivalent of five GCSEs at grades A\*–C; and in all schools at least 20 per cent of pupils to achieve this standard by 2004, rising to 25 per cent by 2006 and 30 per cent by 2008.

## 7 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 69.8 per cent in 1996 to 74.4 per cent at the end of 2004.

Percentage of 19-year-olds with at least a Level 2 qualification (England)									
Baseline 1996	1997	1998	1999	2000	2001	2002	2003	2004*	
69.8%	72.5%	74.1%	75.2%	75.6%	75.0%	75.2%	76.6%	74.4%	
*The current data employ a revised methodology to aid comparability with earlier years. For more detail, please see: <a href="http://www.dfes.gov.uk/rsgateway/DB/SFR/s000561/SFR05-2005v2.pdf">www.dfes.gov.uk/rsgateway/DB/SFR/s000561/SFR05-2005v2.pdf</a>									

**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 grade A\*–C, or any equivalent qualifications.

From spring 2004, the *Labour Force Survey* questionnaire included revisions to the questions on GCSE attainment in order to provide more detailed information. An unanticipated consequence of the revision was that there was a sharp increase in the proportion of respondents saying they did not know how many GCSEs they had gained. The estimates of autumn 2004 GCSE attainment for these individuals have been adjusted to bring them in line with previous estimates on GCSE attainment.

**Data source:** *Labour Force Survey*, autumn quarters.

**Linked to Department for Education and Skills PSA targets:** To increase the proportion of 19-year-olds who achieve at least Level 2 by 3 percentage points between 2006 and 2008, and increase the proportion of young people who achieve Level 3.

This is one of the UK Government sustainable development framework indicators.

## 8 An increase in overall school attendance (England).

**Baseline and trends:** Baseline year – 1996/97. There has been an overall increase in school attendance from the baseline year to 2003/04, although with some fluctuation in the intervening years.

Percentage of attendances in schools (England)								
	Baseline							
1995/96	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04
92.4%	92.8%	92.7%	92.9%	93.2%	92.7%	93.0%	93.2%	93.4%

**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.

**Data source:** Department for Education and Skills Pupil Absence Return.

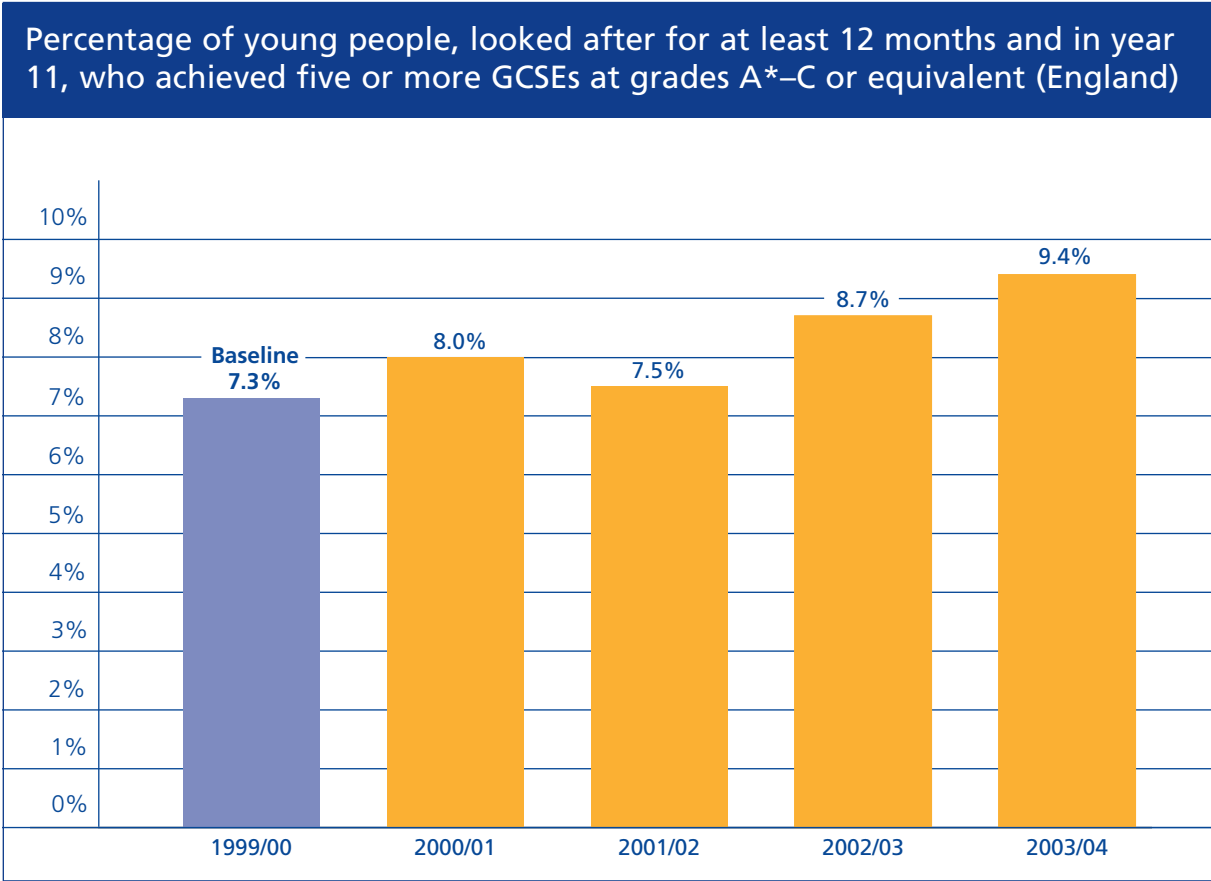
**Linked to Department for Education and Skills PSA target:** To improve levels of school attendance so that, by 2008, school absence is reduced by 8 per cent compared with 2003.

**9 An improvement in outcomes for children looked after by local authorities and care-leavers through (England):**

- a) a substantial narrowing of the gap between the educational attainment and participation of looked-after children and their peers;
- b) a reduction in the proportion of care-leavers who are Not in Education, Employment or Training; and
- c) an increase in stability in the lives of looked-after children.

**a) A substantial narrowing of the gap between the educational attainment and participation of looked-after children and their peers.**

**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\*–C or equivalent in England increased from the baseline of 7.3 per cent in 1999/2000 to 9.4 per cent in 2003/04. The gap has changed from 41.9 per cent in 1999/2000 to 44.3 per cent in 2003/04.



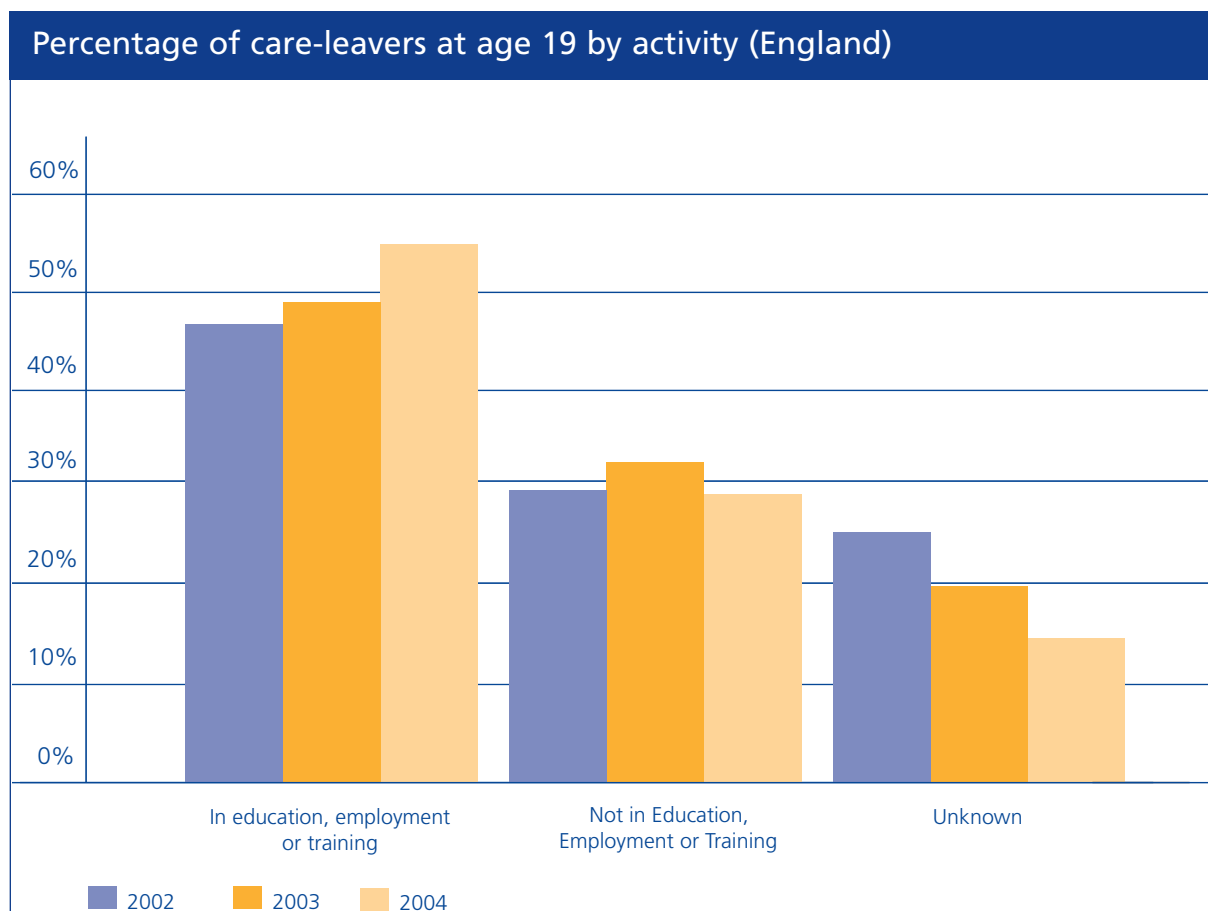
**Definition:** Percentage of young people in care for at least one year (year ending 30 September) with at least five GCSEs at grades A\*–C or equivalent.

**Data source:** Outcome Indicator returns (OC2) – returns completed annually at the request of the Department for Education and Skills.

**Linked to Department for Education and Skills PSA target:** To narrow the gap in educational achievement between looked-after children and that of their peers, and improve their educational support and the stability of their lives so that, by 2008, 80 per cent of children under 16 who have been looked after for 2.5 or more years will have been living in the same placement for at least two years, or placed for adoption.

### b) A reduction in the proportion of care-leavers who are Not in Education, Employment or Training.

**Baseline and trends:** Baseline year – 2002. The proportion of care-leavers who were Not in Education, Employment or Training in England has been stable at around 29 per cent between 2002 and 2004. However, there has been an increase in the number of care-leavers in education, employment or training due to the increase in accuracy in reporting care-leavers' destinations.



**Definition:** Care-leavers (who are looked after when aged 16 (in their 17th year)) who are Not in Education, Employment or Training activity on their 19th birthday.

**Data source:** Outcome Indicator returns (SSDA903) – returns completed annually at the request of the Department for Education and Skills, based on year ending 31 March.

**Linked to Department for Education and Skills PSA target:** To reduce the proportion of young people Not in Education, Employment or Training by 2 percentage points by 2010.

### **c) An increase in stability in the lives of looked-after children.**

**Baseline and trends:** Baseline year – 2002. The percentage of children in the same placement for at least two and a half years or placed for adoption has increased from the baseline of 63 per cent in 2002 to 66 per cent in 2004.

**Definition:** Children aged under 16 who have been looked after continuously for at least two and a half years and, of those, the number and percentage who had been in the same placement for at least two years, or placed for adoption, between 31 March 2002 and 31 March 2004.

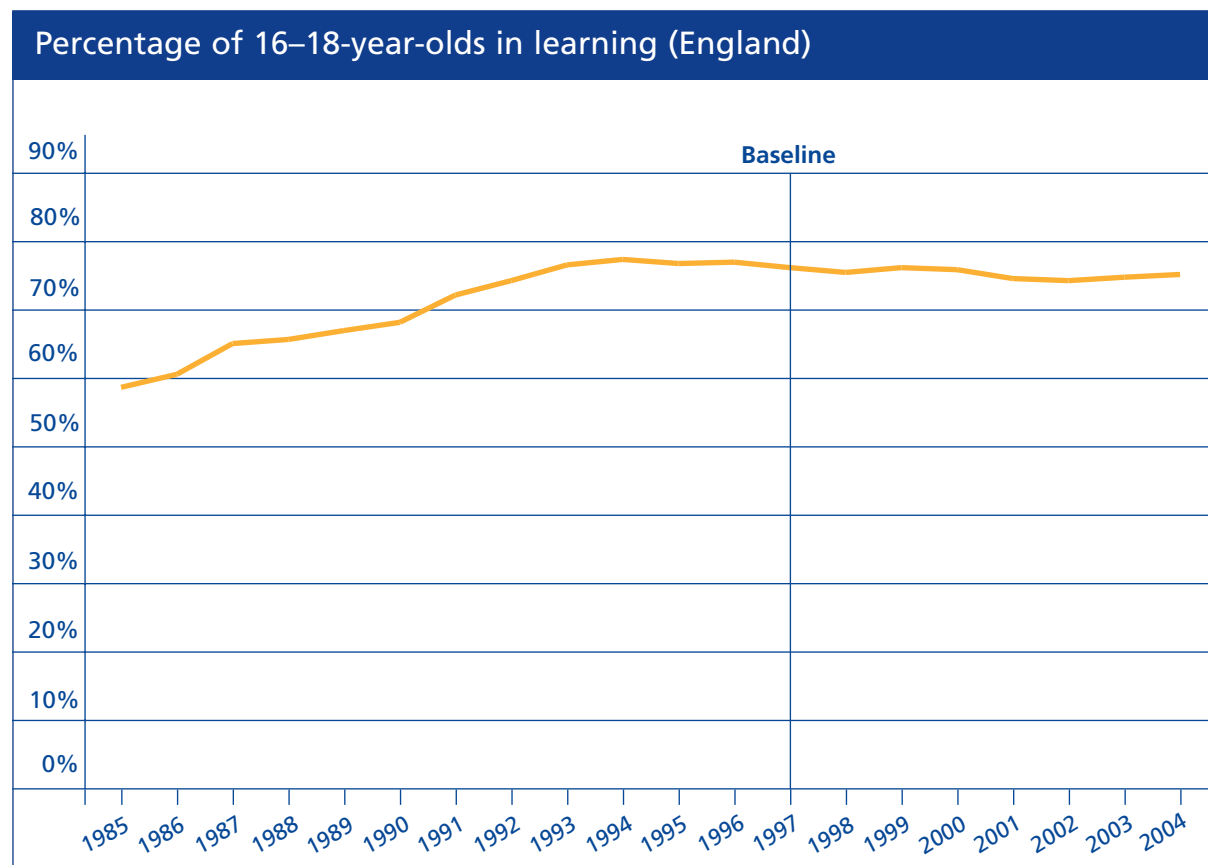
**Data source:** Outcome Indicator returns (SSDA903) – returns completed annually at the request of the Department for Education and Skills, based on year ending 31 March.

**Linked to Department for Education and Skills PSA target:** To narrow the gap in educational achievement between looked-after children and that of their peers, and improve their educational support and the stability of their lives so that, by 2008, 80 per cent of children under 16 who have been looked after for 2.5 or more years will have been living in the same placement for at least two years, or placed for adoption.



## 10 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 77 per cent between 1985 and 1994, then remained broadly constant until 1996. Since then it has continued to be broadly constant at 75 per cent and stood at 75.4 per cent in 2004.



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

1985	1986	1987	1988	1989	1990	1991	1992	1993		
58.9%	60.8%	65.3%	65.9%	67.2%	68.4%	72.4%	74.5%	76.8%		
<b>Baseline</b>										
1994	1995	1996	<b>1997</b>	1998	1999	2000	2001	2002	2003	2004
77.6%	77.0%	77.2%	<b>76.4%</b>	75.7%	76.4%	76.1%	74.8%	74.5%	75.0%	75.4%

Note: Some figures have seen small revisions since the last *Opportunity for all* report in line with Census 2001 population estimates. All of the data in the time series are now comparable.

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

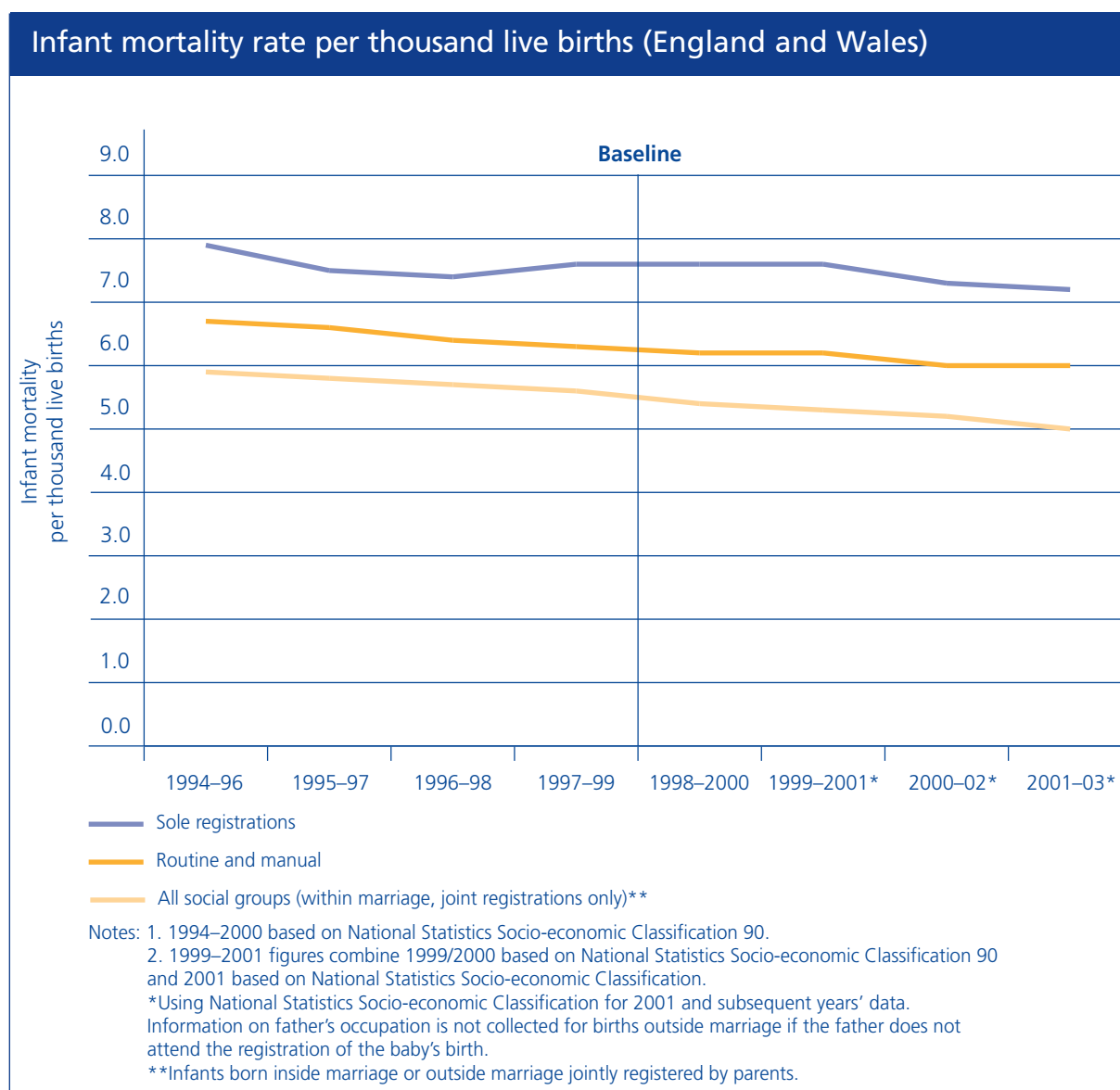
Participation estimates may be slightly underestimated for 16-year-olds between 1999 and 2000; 17-year-olds between 2000 and 2001; and 18-year-olds between 2001 and 2002. For further information see paragraphs 9–11 of the SFR03/2005 (available at: [www.dfes.gov.uk/rsgateway/DB/SFR/s000551/index.shtml](http://www.dfes.gov.uk/rsgateway/DB/SFR/s000551/index.shtml)).

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

**Linked to Department for Education and Skills PSA target:** To increase the proportion of 19-year-olds who achieve at least Level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008, and to increase the proportion of young people who achieve Level 3.

## 11 A reduction in the gap in mortality for children under 1 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 1997–99). Since the baseline, infant mortality rates have fallen in all groups. However, there has been a slight widening in the gap in mortality rates between routine and manual groups and the overall population since the baseline, though the gap has fluctuated during the period.



Infant mortality rates per thousand live births (England and Wales)								
	NS SEC 90					NS SEC		
	1994– 96	1995– 97	1996– 98	Baseline 1997– 99	1998– 2000	1999– 2001*	2000– 02*	2001– 03*
Sole registrations	7.9	7.5	7.4	7.6	7.6	7.6	7.3	7.2
All social groups (within marriage, joint registrations only)**	5.9	5.8	5.7	5.6	5.4	5.3	5.2	5.0
Routine and manual	6.7	6.6	6.4	6.3	6.2	6.2	6.0	6.0
Ratio: routine and manual/all	1.15	1.14	1.12	1.13	1.14	1.17	1.16	1.19
<p>*Using National Statistics Socio-economic Classification for 2001 and subsequent years' data. Information on father's occupation is not collected for births outside marriage if the father does not attend the registration of the baby's birth.</p> <p>**Infants born inside marriage or outside marriage jointly registered by parents.</p>								

**Definition:** Infant mortality rate per thousand live births, England and Wales. Figures for the 'all social groups' and 'routine and manual' groups 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 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. The National Statistics Socio-economic Classification was introduced in 2001, but comparable data for previous years have been produced using an approximation called the National Statistics Socio-economic Classification 90. 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.

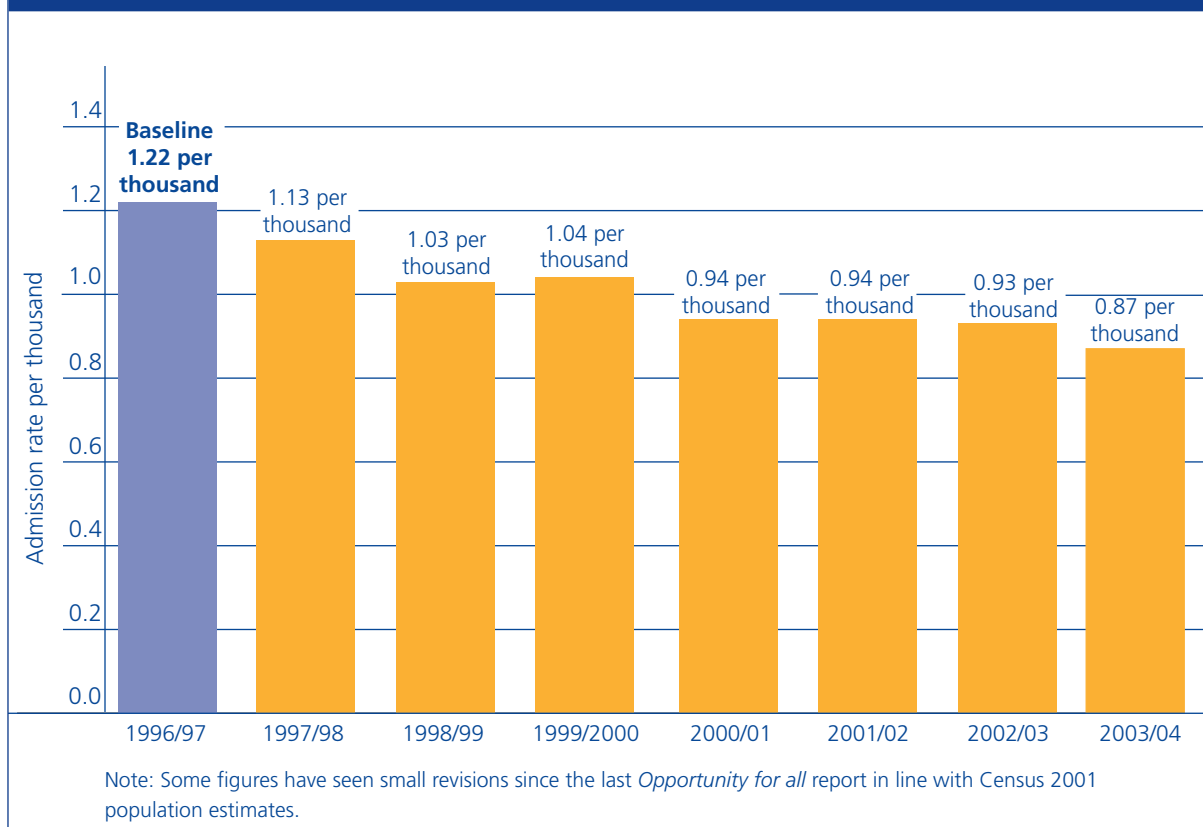
**Data source:** Office for National Statistics (data cover England and Wales). Linked file – linking information on birth and death registrations.

**Linked to Department of Health PSA target on health inequalities:** By 2010, to reduce inequalities in health outcomes by 10 per cent as measured by infant mortality and life expectancy at birth. Also its supporting target: Starting with children under 1 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.

## 12 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. The decline has continued in recent years with a fall in the admission rate from 1.22 per thousand in 1996/97 to 0.94 per thousand children in 2000/01. Between 2000/01 and 2002/03 the admission rate remained fairly constant but in 2003/04 it fell again to 0.87 per thousand children.

### 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. Population rates have been re-calculated using revised Census 2001 population estimates (released September/October 2004).

**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).

## 13 A reduction in smoking rates (England):

a) during pregnancy; and

b) among children.

### 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.

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.

The latest data shown on smoking in pregnancy are still the most recent as these 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.

**Data source:** Office for National Statistics *Infant Feeding Surveys*, 1985, 1990 and 1995 (data for Great Britain only are available from the 1985 and 1990 surveys); British Market Research Bureau *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 2010, with a fall to 18 per cent by 2005.

**b) A reduction in smoking rates among children.**

**Baseline and trends:** Baseline year – 1996 – 13 per cent. Smoking prevalence has fluctuated between 10 per cent and 9 per cent since 1992, with no clear trend over time. The most recent estimate is 9 per cent in 2004.

Prevalence of smoking cigarettes among children aged 11–15 (England)												
	Baseline											
1984	1992	1993	1994	1996	1998	1999	2000	2001	2002	2003	2004	
13%	10%	10%	12%	13%	11%	9%	10%	10%	10%	9%	9%	

**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:** National Centre for Social Research/National Foundation for Educational Research, *Smoking, drinking and drug use among young people in England in 2004: Headline figures*.

**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 2010, with a fall to 11 per cent by 2005.

## 14 A reduction in the proportion of children aged 2 to 10 years who are obese (England).

**Baseline and trends:** Baseline – 1997. Since the baseline there has been a clear upward trend in the prevalence of obesity among those aged 2 to 10. Overall, levels of obesity were similar for both boys and girls aged 2 to 10. For boys, obesity rose from 11.1 per cent in 1997 to 14.9 per cent in 2003, for girls obesity rose from 10.7 per cent in 1997 to 12.5 per cent in 2003.

**Obesity prevalence trends among those aged 2 to 10 by sex, based on national body mass index percentiles classification (England)**

	Baseline							
	1995	1996	1997	1998	1999/2000	2001	2002	2003
Boys	9.6%	11.0%	<b>11.1%</b>	10.0%	14.3%	13.5%	15.2%	14.9%
Girls	10.3%	10.2%	<b>10.7%</b>	9.8%	12.4%	12.7%	15.8%	12.5%
All	9.9%	10.6%	<b>10.9%</b>	9.9%	13.4%	13.1%	15.5%	13.7%

**Definition:** Children aged 2 to 10 are classified as obese if their body mass index score lies above the 95th percentile of the United Kingdom reference curves (referred to as the national body mass index classification). Further details on the classification are available in the technical annex in the *Obesity among children under 11* report: [www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsStatistics/PublicationsStatisticsArticle/fs/en?CONTENT\\_ID=4109245&chk=WB/AR1](http://www.dh.gov.uk/PublicationsAndStatistics/Publications/PublicationsStatistics/PublicationsStatisticsArticle/fs/en?CONTENT_ID=4109245&chk=WB/AR1)

There is no generally agreed definition of childhood obesity, but there are two widely used indicators: i) international classification – based on reference points derived from an international survey; and ii) national body mass index percentile classification – based on the United Kingdom 1990 reference curves (as used here). Although the figures produced by the two different definitions differ considerably (obesity estimates derived using the national body mass index percentiles classification are much higher than those derived by the international classification), the overall trends are not affected by the definition used.

This indicator has been amended to show information on the prevalence of obesity among those aged 2 to 10 years of age so that it is in line with the PSA target. The baseline and trend has been revised accordingly.



**Data source:** The *Health Survey for England* is an annual survey that is designed to monitor the nation's health. Every year around 16,000 adults and 4,000 children, representative of the whole population, are interviewed.

**Linked to joint Department of Health and Department for Culture, Media and Sport PSA target:** To tackle the underlying determinants of ill health and health inequalities by 'halting the year-on-year rise in obesity among children under 11 by 2010 in the context of a broader strategy to tackle obesity in the population as a whole'.

## 15 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 20 per cent to 14 per cent between 1997/98 and 1999/2000. Re-registrations decreased to 13 per cent in 2002/03 and remained at 13 per cent in 2003/04.

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.

Re-registrations on the Child Protection Register (England)						
Baseline						
1997/98*	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04
20%	15%	14%	14%	14%	13%	13%
*The figure for 1997/98 has seen a small revision since the last <i>Opportunity for all</i> report.						

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

**Data source:** The Personal Social Services Performance Assessment Framework Indicators 2002/03.

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

**Baseline and trends:** Baseline year – 1996. In 1996, 41 per cent of children lived in a home that did not meet the set standard of decency. This has since fallen to 29 per cent in 2001 and to 27 per cent in 2003.

**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 *English House Condition Survey* has been re-grossed this year to take account of Census 2001 population estimates. This re-grossing means that *English House Condition Survey* figures quoted in this report may differ from those published previously. Changes have also been made to maximise consistency in the measurement of decent homes between the 1996, 2001 and 2003 surveys.

**Data source:** The *English House Condition Survey* was undertaken every five years up to and including 2001 from when fieldwork was organised on a continuous basis. Results from the survey will be published annually from 2003 based on combined two-year datasets. Headline results for 2003 were published in March 2005.

**Linked to Office of the Deputy Prime Minister PSA target:** By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in a decent condition. Vulnerable households are those in receipt of at least one of the principal means-tested or disability-related benefits.

## 17 A reduction in the number of families with children in temporary accommodation (England).

**Baseline and trends:** Baseline year – 2002. The number of homeless families with dependent children in temporary accommodation in England rose by 3 per cent between March 2004 and March 2005, compared with a 15 per cent increase between 2003 and 2004. Compared with the baseline, the increase between March 2002 and March 2005 was 33 per cent.

### Number of homeless families with dependent children in temporary accommodation (England)

		Families	Annual year-on-year % increase
Baseline	March 2002	54,660	–
	March 2003	61,500	13%
	March 2004	70,580	15%
	March 2005	72,670	3%

Note: The figures have been revised since the last *Opportunity for all* report in order to correct previous mis-reporting by some local authorities.

**Definition:** Figures for the number of families in temporary accommodation are based on the number of families with dependent children accepted by local authorities as unintentionally homeless and in priority need living in temporary accommodation arranged by a local authority under the homelessness legislation.

At the end of March 2005, 90 per cent of homeless households with dependent children were housed in self-contained accommodation – that is, with sole use of kitchen and bathroom facilities. Just over half (54 per cent) were in private sector houses and flats leased by local authorities and Registered Social Landlords (also known as housing associations), while a quarter (26 per cent) were in social housing owned and managed by local authorities and Registered Social Landlords. Eleven per cent were in ‘other’ accommodation (mainly homes rented directly from private landlords). Finally, 10 per cent were in accommodation where facilities were shared with other households – mainly this was a hostel or women’s refuge (8 per cent), with the remaining 2 per cent in B&B type units.

**Data source:** The data for the number of families in temporary accommodation are from P1(E) quarterly returns, as collected by the Housing and Data Statistics Division of the Office of the Deputy Prime Minister. Data on families with dependent children in temporary accommodation have only been collected since March 2002.

**Linked to Office of the Deputy Prime Minister PSA target:** The number of families with children in temporary accommodation is a key indicator for the Office of the Deputy Prime Minister's PSA 5 target to improve the balance between housing supply and demand. Related to that, the Government's target to end the use of B&B hotels for homeless families with children, except in emergency cases of no longer than six weeks, was met on time in March 2004. The target is being reinforced and sustained through the Homelessness (Suitability of Accommodation) (England) Order 2003, which came into force on 1 April 2004. The Order means that local authorities are no longer able to discharge their homelessness duty to secure accommodation by placing families with children in B&B for longer than six weeks.

**Linked to Office of the Deputy Prime Minister *Homes for All* target:** In *Sustainable Communities: Homes for All. A Five-Year Plan from the ODPM*, published in January 2005, the Department announced that by 2010 the total number of households in temporary accommodation would be reduced to half its current level.

**Linked to Department of Health PSA health inequalities target:** By 2010, to reduce the inequalities in health outcomes by 10 per cent as measured by infant mortality and life expectancy at birth.

To support an overview of progress in tackling health inequalities, 12 national headline indicators sit alongside the national target to help give a more rounded assessment of developments. One of these indicators is the number of homeless families with children living in temporary accommodation.

## People of working age

This section gives a broader picture of what is happening behind the indicators for people of working age. Outcomes for this group are important as they determine some of the attributes that people carry with them through life and can determine quality of life in retirement and impact on the lives of their children.

### Employment

22. The 2005 working-age employment rate for Great Britain remains one of the highest employment rates in our history, up two percentage points since 1997 (indicator 18).
23. Some groups face particular barriers entering, remaining in, and progressing in employment. These disadvantaged groups include disabled people, lone parents, ethnic minority groups, people aged 50 and over, people with low or no qualifications, and people living in the most deprived areas. The employment rate for most of these disadvantaged groups has increased over time, and the gap between their employment rate and the national employment rate has continued to narrow (indicator 19). This means that the employment rates of these groups are 'catching up' with the nation overall, and that disadvantages are being eroded.
24. The ethnic minority population is varied in terms of both labour market participation and employment rates. The ethnic minority employment rate has risen by 1.7 percentage points since 2001 and is currently 59.3 per cent.
25. Ethnic minorities on average have a much lower employment rate than that for Great Britain as a whole. Pakistanis and Bangladeshis have the lowest rates of all ethnic groups. The highest employment rates among ethnic minorities are held by the Indian, Black Caribbean and Other Black ethnic minority groups.

### Worklessness

26. The proportion of working-age people living in workless households in Great Britain has fallen (indicator 20). Similarly, the proportion of households where no one works has also fallen.

27. Amongst ethnic minority groups, 27.4 per cent of those in the Black African group live in workless households, compared with 8.4 per cent of those from the Indian group and 11.1 per cent of those from the White group. Analysing by household type, 35.6 per cent of individuals in lone parent households live in workless households, compared with 4.8 per cent in couple households with children. Similarly, 28.7 per cent of individuals in single person households live in workless households, compared with 8.4 per cent in childless couple households. Overall, 52.4 per cent of all individuals who live in workless households live in single adult households.
28. Consistent with indicator 20, the number of adults living in families which have been in receipt of Income Support or Jobseeker's Allowance for two years or more has also shown a decrease – from 1.99 million in 1997 (the baseline year) to 1.76 million in 2005 (indicator 22).
29. The majority of working-age people claiming Income Support for five years or more are lone parents or disabled people.<sup>21</sup>
30. Claimants of Jobseeker's Allowance aged 50 and over are far more likely to have been claiming for two or more years than any other age group.<sup>22</sup>

## Low income

31. Over the period 1994/95 to 2003/04 there was little change in the percentage of working-age adults below various low-income thresholds linked to contemporary (mean and) median relative low income (indicator 23). There was, however, a marked fall in the percentage of working-age adults below various low-income thresholds that were fixed in real terms (absolute low income).
32. Inner London has the highest proportion of individuals living in households in relative low income (23 per cent on the before housing costs measure), while the South East region has the lowest (11 per cent).<sup>23</sup>
33. There was insufficient evidence of a change in rates of persistent low income. The latest data for the period 2000–03 show that the percentage of working-age adults living in persistent low income was 7 per cent.<sup>24</sup>

## Health

34. Overall, people from lower socio-economic groups have a shorter life expectancy and higher infant mortality rates, and are more likely to smoke than those from other groups.<sup>25</sup> Smoking rates explain a large part of the difference in life expectancy between different socio-economic groups (indicator 24). Smoking is more prevalent among manual socio-economic groups than non-manual groups, and there is no sign that the gap is narrowing. In England in 2003, 31 per cent of those in manual groups smoked compared with 21 per cent of those in non-manual groups.<sup>26</sup> However, smoking rates overall have declined slightly since the baseline of 1996.
35. The overall trend in suicide rates among all ages is downwards, with an overall reduction from 10.3 per 100,000 population for the period 1990–92 to 8.6 per 100,000 population in 2002–04. The downward trend for all ages is also shown in suicide rates among working-age people (ages 15 to 64 – indicator 25), with an overall reduction from 13.2 per 100,000 population for the period 1990–92 to 11.2 per 100,000 population in 2002–04, and the rate falling in most years.

## Homelessness

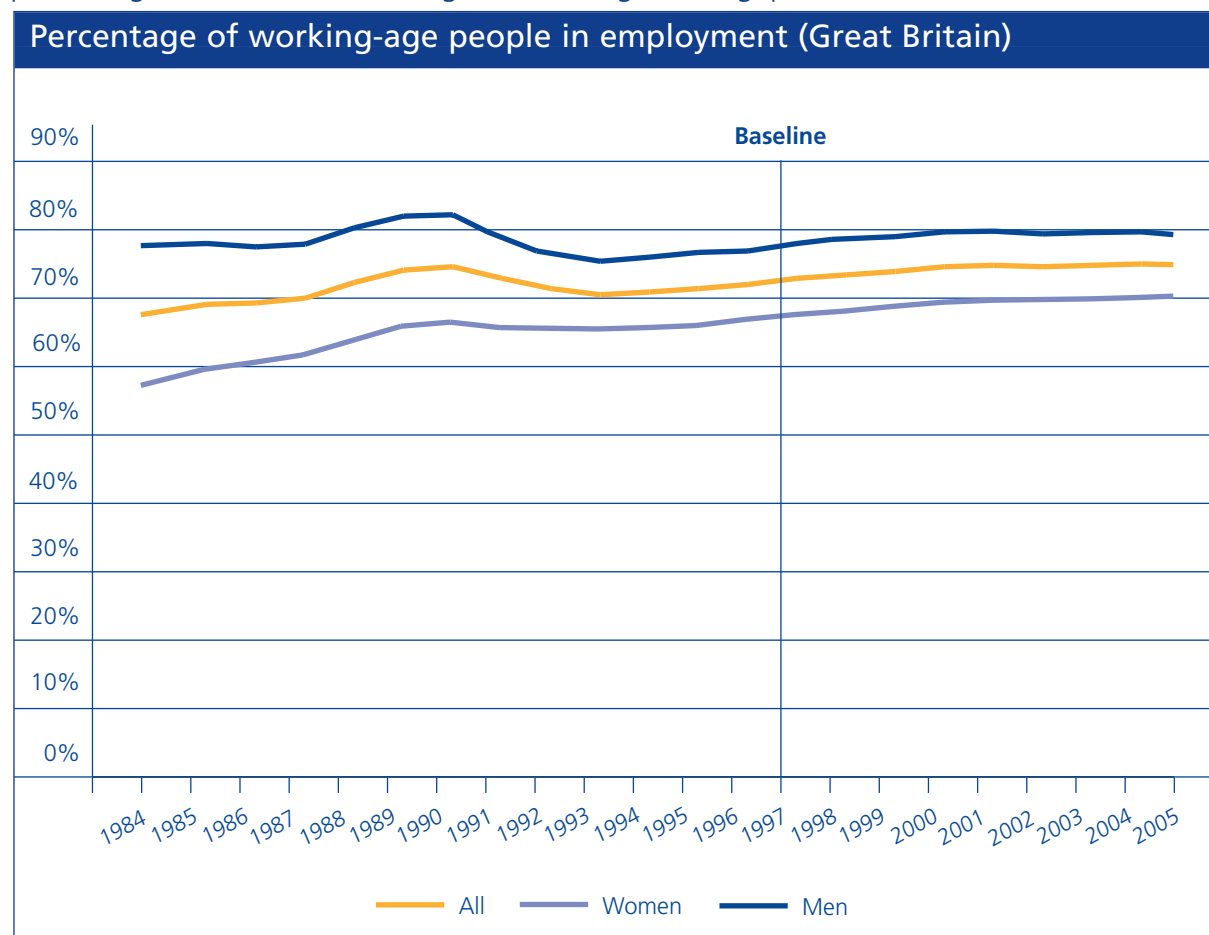
36. There has been a large (75 per cent) reduction in the most extreme form of homelessness – rough sleeping – since 1998 (indicator 26). Rough sleeping occurs predominantly among single male adults. Around half of all rough sleepers counted in June 2003 were in London.<sup>27</sup>
37. Although the number of households being accepted for homelessness assistance by local authorities ('statutory' homelessness) has been increasing over recent years, in part because the groups given priority need under the legislation have been extended, the number accepted for homelessness assistance in 2004/05 decreased by 11 per cent when compared with 2003/04. Lone parents and ethnic minorities remained at a much higher risk of statutory homelessness than other groups.<sup>28</sup>
38. See also indicator 17 on families in temporary accommodation, in the children and young people section.



## Indicators for people of working age

### 18 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 74.6 per cent in 1990, falling subsequently to 70.5 per cent in 1993 during the recession. The proportion in employment then rose to 72.9 per cent in 1997 (the baseline year) and continued to rise to 74.9 per cent in 2005. Employment rates for men were just over ten percentage points higher than for women in 1997, compared with just under nine percentage points higher in 2005, indicating a narrowing of the gap.



Percentage of working-age people in employment (Great Britain)											
	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
All	68.3%	69.1%	69.3%	70.0%	72.3%	74.1%	74.6%	72.9%	71.4%	70.5%	70.9%
Men	77.4%	77.8%	77.3%	77.7%	80.1%	81.8%	82.0%	79.5%	76.7%	75.2%	75.8%
Women	58.2%	59.6%	60.6%	61.7%	63.8%	65.9%	66.5%	65.7%	65.6%	65.5%	65.7%
Baseline											
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
All	71.4%	72.0%	72.9%	73.4%	73.9%	74.6%	74.8%	74.6%	74.8%	75.0%	74.9%
Men	76.5%	76.7%	77.8%	78.4%	78.8%	79.5%	79.6%	79.2%	79.4%	79.5%	79.1%
Women	66.0%	66.9%	67.6%	68.1%	68.8%	69.4%	69.7%	69.8%	69.9%	70.1%	70.3%
<p>Note: The figures for the years up to 1992 have not been adjusted, while those for 1992 onwards have been seasonally adjusted; the two sets are therefore not directly comparable. Some figures differ slightly from the last <i>Opportunity for all</i> report due to population reweighting and seasonal adjustment by the Office for National Statistics.</p>											

**Definition:** Proportion of working-age people in employment. Working age is 16 to 59 for women and 16 to 64 for men.

**Data source:** *Labour Force Survey*, spring quarters. 1984–91: seasonally unadjusted data. 1992–2005: seasonally adjusted data. All the data have been revised in line with the results of Census 2001.

**Linked to joint Department for Work and Pensions and Her Majesty’s Treasury**

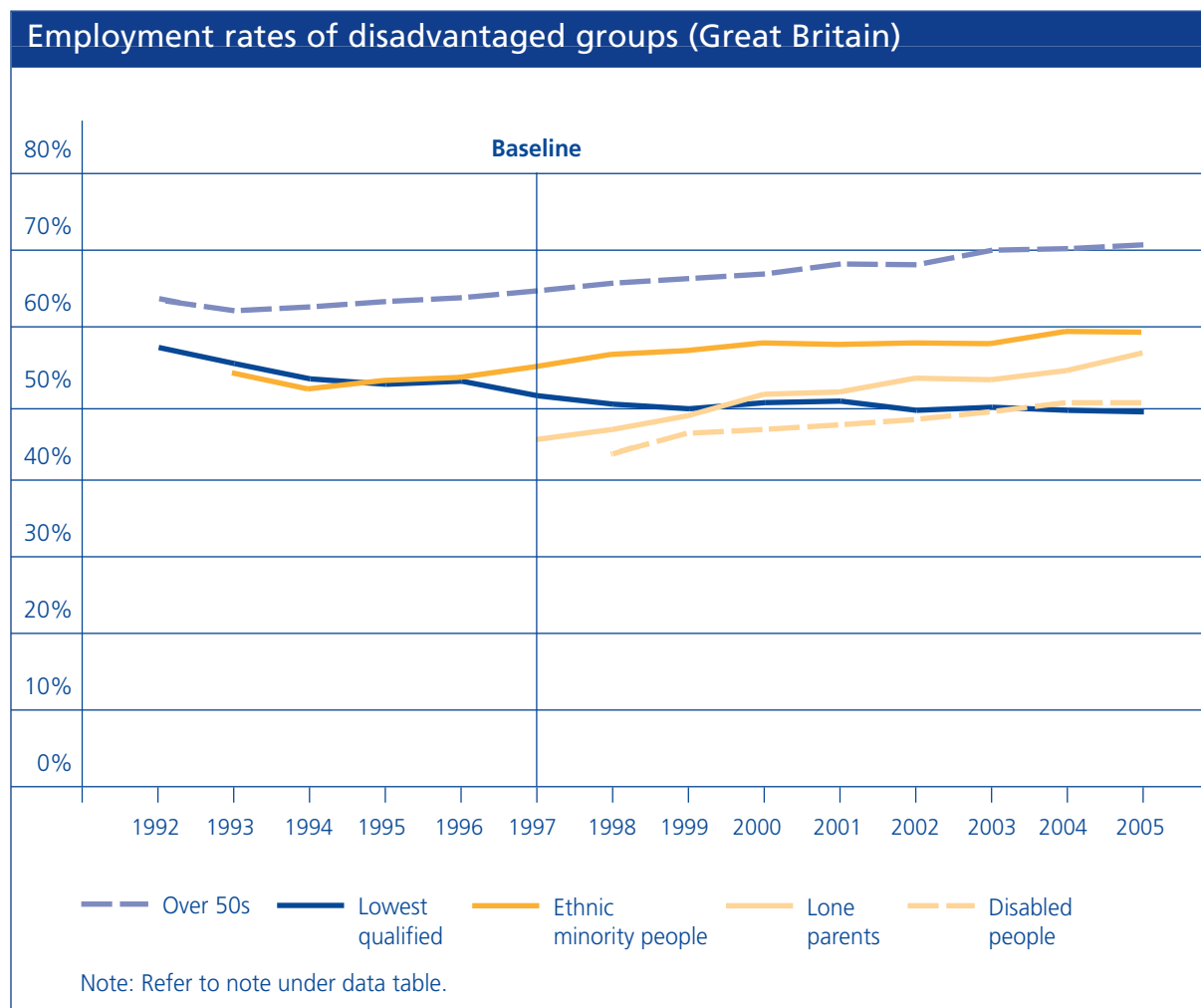
**PSA targets:** As part of Spending Review 2002: To demonstrate progress by 2006 on increasing the employment rate and reducing the unemployment rate over the economic cycle.

As part of Spending Review 2004: As part of the wider objective of full employment in every region, over the three years to spring 2008, and taking account of the economic cycle, demonstrate progress on increasing the employment rate.

This is one of the UK Government sustainable development framework indicators.

## 19 An increase in the employment rates of disadvantaged groups – disabled people, 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).

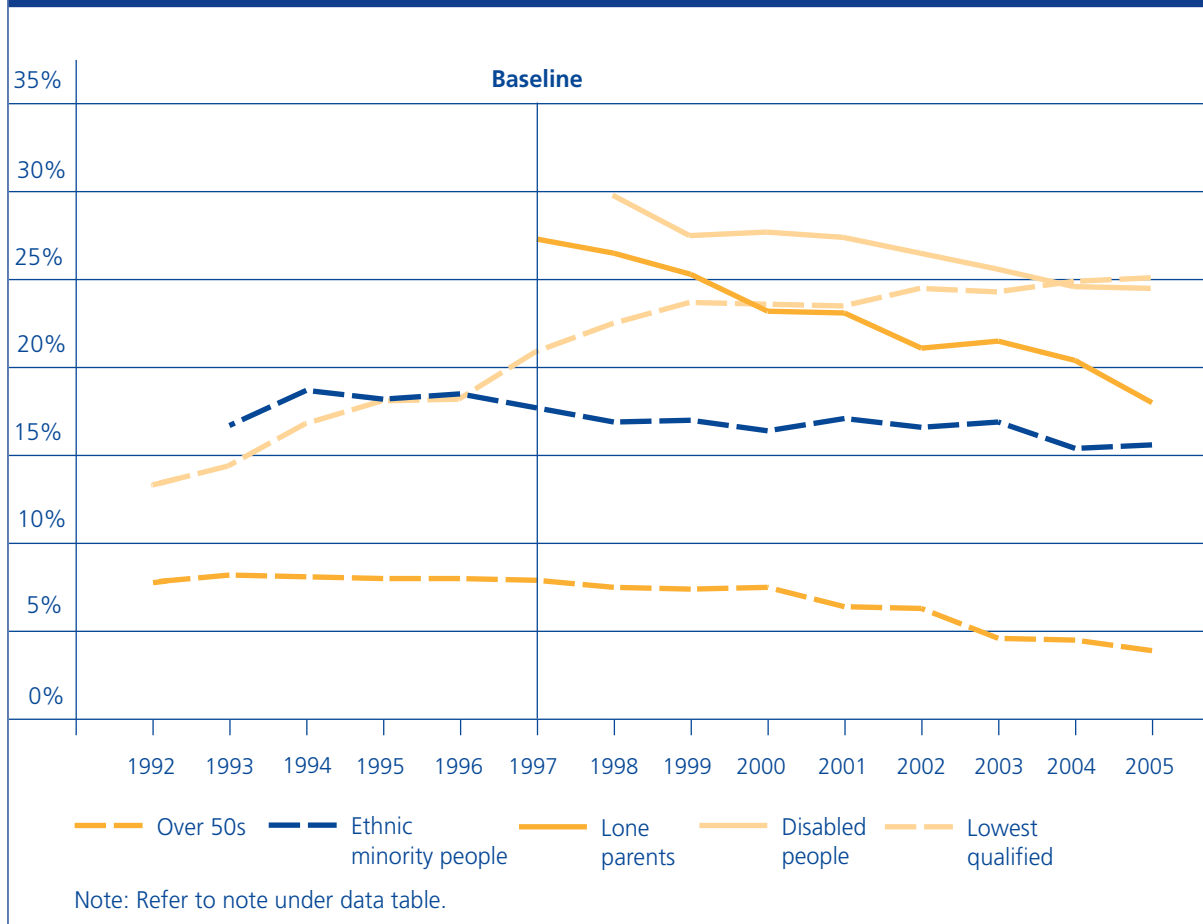
**Baseline and trends:** Baseline year – 1997 for lone parents, the over 50s and the lowest qualified, 1998 for people with disabilities and ethnic minority people. The employment rates for all these groups were lower than the national employment rate. Between 1997 and 2005 there has been a rise in the employment rates of the over 50s from 64.7 per cent to 70.7 per cent and of lone parents from 45.3 per cent to 56.6 per cent. The employment rate of disabled people has increased from 43.4 per cent in 1998 to 50.1 per cent in 2005 and the employment rate of ethnic minority people has increased from 56.4 per cent to 59.3 per cent over the same period. The employment rate for the lowest qualified has fallen from 51.7 per cent in 1997 to 49.6 per cent in 2005.



Employment rates of disadvantaged groups (Great Britain)							
	1992	1993	1994	1995	1996	1997	1998
All	71.2%	70.4%	70.7%	71.3%	71.8%	72.6%	73.2%
Over 50s	63.5%	62.1%	62.6%	63.3%	63.8%	64.7%	65.7%
Ethnic minority people	–	54.0%	51.9%	53.0%	53.4%	54.8%	56.4%
Lone parents	–	–	–	–	–	45.3%	46.6%
Disabled people	–	–	–	–	–	–	43.4%
Lowest qualified	58.0%	55.9%	53.9%	53.2%	53.6%	51.7%	50.6%
	1999	2000	2001	2002	2003	2004	2005
All	73.7%	74.4%	74.5%	74.3%	74.6%	74.7%	74.6%
Over 50s	66.3%	66.9%	68.2%	68.1%	70.0%	70.2%	70.7%
Ethnic minority people	56.9%	57.9%	57.7%	57.9%	57.8%	59.4%	59.3%
Lone parents	48.4%	51.2%	51.5%	53.3%	53.1%	54.3%	56.6%
Disabled people	46.1%	46.6%	47.2%	47.9%	48.9%	50.1%	50.1%
Lowest qualified	50.0%	50.8%	51.0%	49.8%	50.2%	49.8%	49.6%
Employment rate gaps (Great Britain)							
	1992	1993	1994	1995	1996	1997	1998
Over 50s	7.8%	8.2%	8.1%	8.0%	8.0%	7.9%	7.5%
Ethnic minority people	–	16.7%	18.7%	18.2%	18.5%	17.7%	16.9%
Lone parents	–	–	–	–	–	27.3%	26.5%
Disabled people	–	–	–	–	–	–	29.8%
Lowest qualified	13.3%	14.4%	16.8%	18.1%	18.2%	20.9%	22.5%
	1999	2000	2001	2002	2003	2004	2005
Over 50s	7.4%	7.5%	6.4%	6.3%	4.6%	4.5%	3.9%
Ethnic minority people	17.0%	16.4%	17.1%	16.6%	16.9%	15.4%	15.6%
Lone parents	25.3%	23.2%	23.1%	21.1%	21.5%	20.4%	18.0%
Disabled people	27.5%	27.7%	27.4%	26.5%	25.6%	24.6%	24.5%
Lowest qualified	23.7%	23.6%	23.5%	24.5%	24.3%	24.9%	25.1%
<p>Note: Data from 2001 onwards for ethnic minority people are not comparable with earlier years. The <i>Labour Force Survey</i> has been revised in line with Census 2001 population estimates. Data for lone parents were not available prior to 1997 at the time of going to print. All gaps were calculated using the disadvantaged groups' employment rate and the employment rate for Great Britain, except for ethnic minorities, which used a four-quarter average. Comparable data for ethnic minorities were not available for 1992.</p>							

The gap between the employment rate for most of these groups and the overall rate has narrowed since the baseline – from 7.9 percentage points to 3.9 percentage points for the over 50s, 27.3 to 18.0 percentage points for lone parents, 29.8 to 24.5 percentage points for people with disabilities, and 16.9 to 15.6 percentage points for ethnic minority people. There has been an increase in the employment rate gap for the lowest qualified, from 20.9 percentage points in 1997 to 25.1 percentage points in 2005.

### Employment rate gaps: the difference between employment rates of disadvantaged groups and the overall rate (Great Britain)



**Definition:** All of the targets are for the working-age population, males aged 16–64 and females aged 16–59. 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). 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 is based on lone parents with dependent children aged 0–18 years. Ethnic minority people are all those respondents to the *Labour Force Survey* who classify themselves as ‘non-white’. 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 from spring 2001 onwards are based on the new ethnicity variable **ethcen15** and are not directly comparable with previous years.

For Spending Review 2004, which covers the period spring 2005 to spring 2008, over 50s are those aged between 50 and 69 (both male and female), which is different to the Spending Review 2002 definition of those between 50 and State Pension Age. Disabled people are those covered by the provisions of the Disability Discrimination Act 1995, but not those who have a work-limiting disability, as in Spending Review 2002. These new definitions are not reflected in the charts and data above, but will be included in future reports.

**Data source:** People with disabilities – quarterly *Labour Force Survey*, spring quarters 1998 onwards. Lone parents – household *Labour Force Survey* spring release. Ethnic minority people – four-quarter averages for spring quarters from 1992 to 2005. Over 50s and the lowest qualified – quarterly *Labour Force Survey* spring quarters 1992 to 2005. Working-age employment rates except for the over 50s.

**Linked to Department for Work and Pensions PSA targets:** As part of Spending Review 2002: Over the three years to 2006, to 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. The targets for the disadvantaged areas and for ethnic minorities are based on four-quarter moving averages.

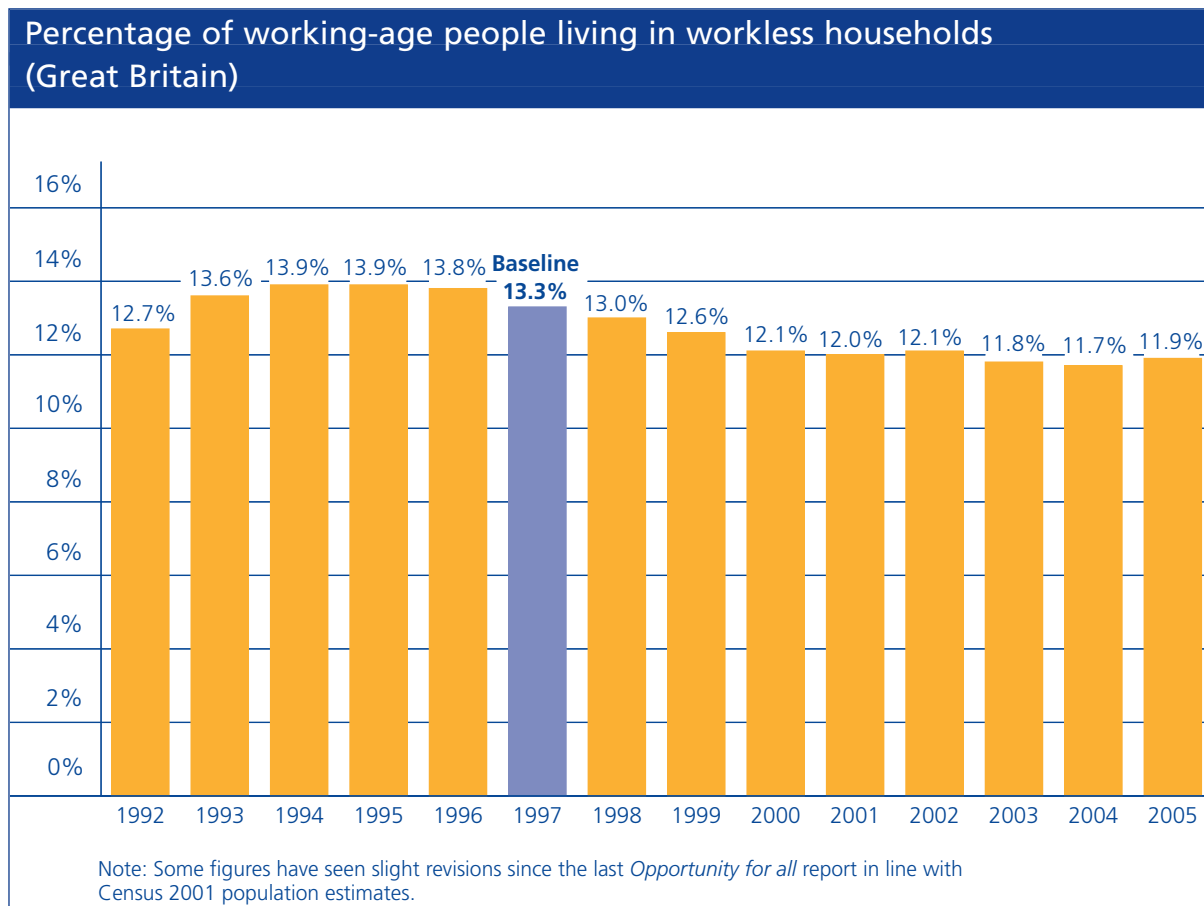
In the three years to 2006, increase the employment rate of people with disabilities, taking account of the economic cycle, and significantly reduce the difference between their employment rate and the overall rate. Work to improve the rights of disabled people and to remove barriers to their participation in society.

As part of Spending Review 2004: As part of the wider objective of full employment in every region, over the three years to spring 2008, and taking account of the economic cycle, increase the employment rates of disadvantaged groups (lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications and those living in the local authority wards with the poorest initial labour market position) – and significantly reduce the difference between the employment rates of the disadvantaged groups and the overall rate.

In the three years to March 2008, increase the employment rate of disabled people, taking account of the economic cycle – and significantly reduce the difference between their employment rate and the overall rate, taking account of the economic cycle.

## 20 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 fell from 13.3 per cent in 1997 to 11.9 per cent in 2005.



**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**

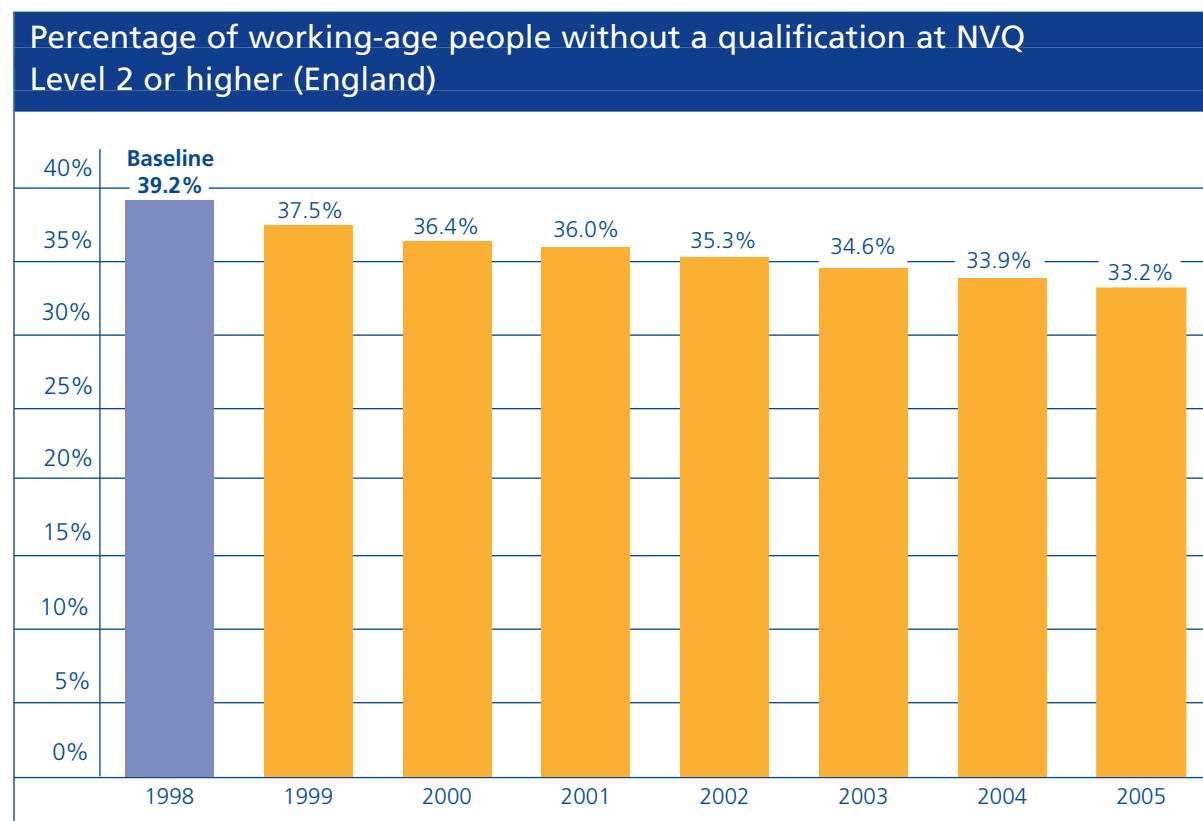
**PSA target:** As part of Spending Review 2002: To demonstrate progress by 2006 on increasing the employment rate and reducing the unemployment rate over the economic cycle.

As part of Spending Review 2004: As part of the wider objective of full employment in every region, over the three years to spring 2008, and taking account of the economic cycle, demonstrate progress on increasing the employment rate.

This is one of the UK Government sustainable development framework indicators.

## 21 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 39.2 per cent in 1998 to 33.2 per cent in 2005.



**Definition:** Proportion of working-age adults without a qualification at Level 2 or higher (England). Data have been revised following re-weighting of the *Labour Force Survey* to Census 2001 populations. Therefore, figures are slightly different to those presented in previous reports. Figures for 2004 have been calculated by the Department for Education and Skills to provide consistency with previous years, and may differ from estimates published elsewhere.

**Data source:** *Labour Force Survey*, spring quarters.

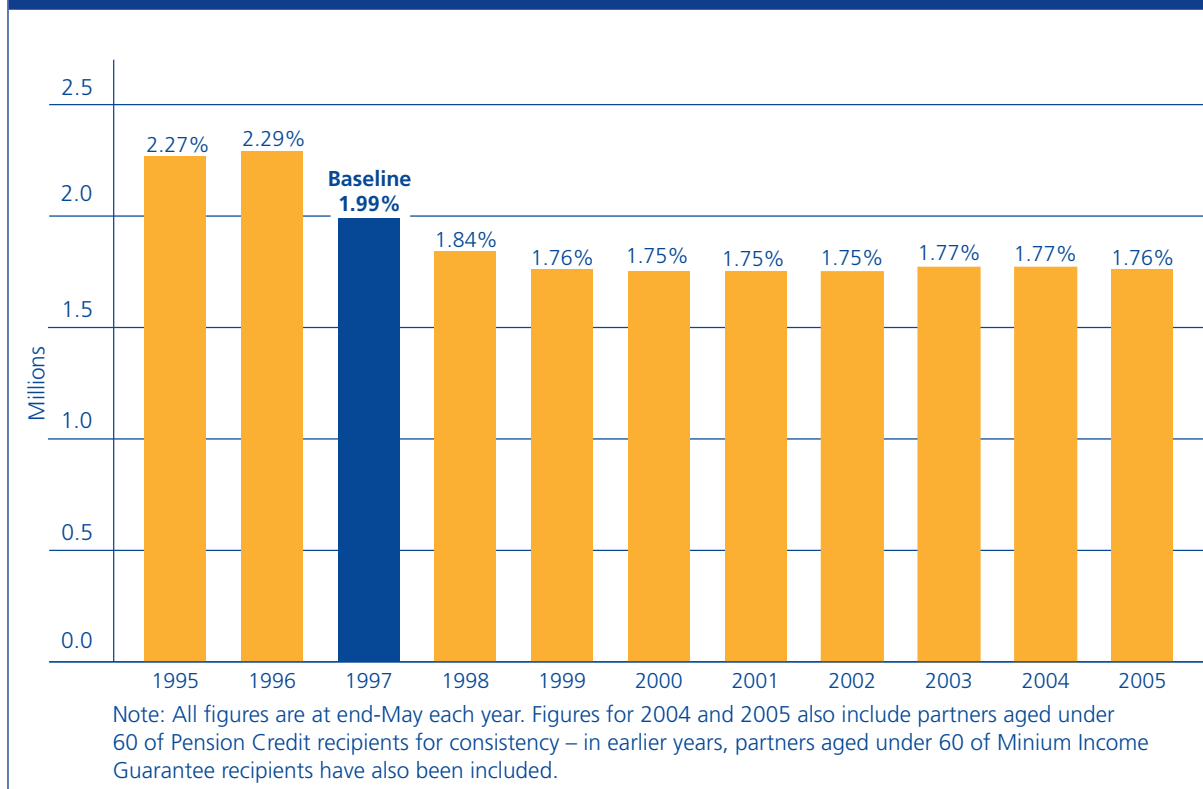
**Linked to the Department for Education and Skills PSA target:** To increase the number of adults with the skills required for employability and progression to higher levels of training through: improving the basic skill levels of 2.25 million adults between the launch of Skills for Life in 2001 and 2010, with a milestone of 1.5 million in 2007; and reducing by at least 40 per cent the number of adults in the workforce who lack NVQ 2 or equivalent qualifications by 2010. Working towards this, 1 million adults in the workforce to achieve Level 2 between 2003 and 2006.



## 22 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 early 1996. Since then, the numbers have fallen to 2 million in May 1997 (the baseline) and to around 1.76 million in 1999 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)



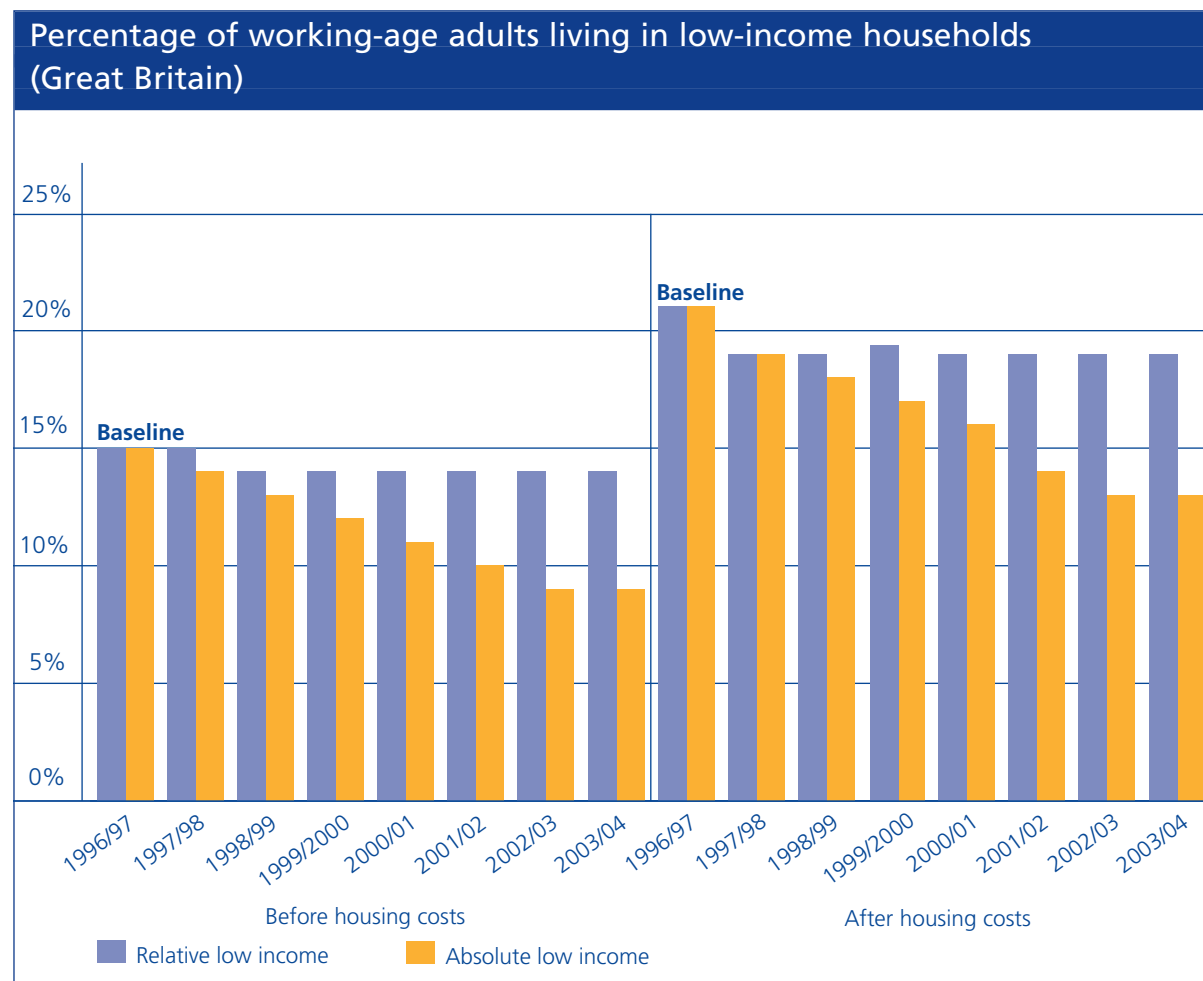
**Definition:** Number of adults aged 16–59 in families that have been claiming Income Support (including Minimum Income Guarantee/Pension Credit) or income-based Jobseeker's Allowance for two years or more (claimants and partners). Income-based Jobseeker's Allowance includes those receiving income-based Jobseeker's Allowance with an underlying entitlement to contribution-based Jobseeker's Allowance. 'Duration of two or more years' is defined using the standard definitions of 720 days or more for Income Support and 104 weeks or more for income-based Jobseeker's Allowance. Figures are based on 100 per cent data for Income Support claimants and 5 per cent sample data for partners and income-based Jobseeker's Allowance claimants. The figures are therefore subject to a degree of sampling variation.

## 23 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; and
- 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 tables below, though information for the persistent low-income indicator is shown only in the table. While the tables aim to provide a comprehensive picture of progress by including data for a range of low-income thresholds, the chart and commentary focus 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 2003/04, 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 15 per cent to 9 per cent on the before housing costs measure and 21 per cent to 13 per cent on the after housing costs measure.



### Percentage of working-age people living in low-income households (Great Britain)

	Low-income threshold	Relative low income			Absolute low income			
		50% of median*	60% of median	70% of median	50% of median*	60% of median	70% of median	
<b>Baseline</b>	<b>1996/97</b>	<b>8%</b>	<b>15%</b>	<b>22%</b>	<b>8%</b>	<b>15%</b>	<b>22%</b>	
	1997/98	8%	15%	21%	8%	14%	20%	
	Before housing costs	1998/99	8%	14%	21%	8%	13%	19%
		1999/2000	8%	14%	21%	7%	12%	18%
		2000/01	9%	14%	21%	7%	11%	17%
		2001/02	8%	14%	20%	6%	10%	15%
		2002/03	9%	14%	21%	6%	9%	14%
		2003/04	9%	14%	21%	6%	9%	14%
<b>After housing costs</b>	<b>1996/97</b>	<b>15%</b>	<b>21%</b>	<b>26%</b>	<b>15%</b>	<b>21%</b>	<b>26%</b>	
	1997/98	14%	19%	24%	14%	19%	24%	
	1998/99	14%	19%	24%	13%	18%	23%	
	1999/2000	14%	20%	25%	12%	17%	22%	
	2000/01	14%	19%	24%	11%	16%	20%	
	2001/02	13%	19%	24%	9%	14%	18%	
	2002/03	14%	19%	24%	9%	13%	17%	
	2003/04	14%	19%	24%	9%	13%	17%	

\*Households reporting the lowest incomes may not have the lowest living standards. The bottom 10 per cent of the income distribution should not, therefore, be interpreted as having the bottom 10 per cent of living standards. This is a particular issue for lower thresholds, such as 50 per cent of median. Other higher thresholds are less affected by this.

Note: Some figures have seen slight revisions since the last *Opportunity for all* report, reflecting changes to the *Family Resources Survey* grossing regime.

Seven per cent of working-age people lived in a household with a low income in at least three out of four years, on the before housing costs measure, at the baseline (1997–2000) which remained at 7 per cent until 2000–03.

### Persistent low income (low income in three out of four years – Great Britain)

		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
		–94	–95	–96	–97	–98	–99	–2000	–2001	–2002	–03
Before housing costs	Below 60% of median	8%	8%	7%	7%	7%	7%	7%	7%	7%	7%
	Below 70% of median	13%	14%	14%	13%	13%	13%	13%	13%	12%	13%
After housing costs	Below 60% of median	11%	11%	11%	11%	10%	10%	9%	9%	9%	8%
	Below 70% of median	15%	16%	16%	15%	15%	15%	14%	15%	14%	15%

Note: Some of the figures have seen small revisions since the last *Households Below Average Income* (2002/03) report. This is due to changes to the base dataset made by the data suppliers of the *British Household Panel Study*.

**Definition:** Working-age people include those who are not children – see definition of a child at indicator 2 – and those who are below State Pension Age (less than 65 for men, less than 60 for women).

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 in three out of the last four years (60 and 70 per cent of median only).

Changes to previous published *Households Below Average Income* data were due to changes to the *Family Resources Survey* grossing regime, either through the method used or taking on board new post-Census population information. Further details are available at: [www.dwp.gov.uk/mediacentre/pressreleases/2005/feb/iad-170205-frs.pdf](http://www.dwp.gov.uk/mediacentre/pressreleases/2005/feb/iad-170205-frs.pdf)

Data for thresholds of mean income and full definitions are available in *Households Below Average Income 1994/5–2003/04*. 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 Study* data.

## 24 A reduction in adult smoking prevalence and in particular a reduction in adult smoking prevalence in manual socio-economic groups (England).

**Baseline and trends:** Baseline year for adult smoking prevalence – 1996 – 28 per cent smoking prevalence for all adults. Baseline year for manual socio-economic group – 1998 – 32 per cent smoking prevalence in manual groups (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 remained broadly constant between 1992 and 1998. Between 1998 and 2003 (based on weighted data), smoking prevalence has decreased slightly for all groups. The trend for routine and manual groups (as defined by the new National Statistics Socio-economic Classification – see Definition) has remained broadly constant since 2001, the first year for which these data are available.

Smoking prevalence (England)						
	1988	1990	1992	1994	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%
					1998*	2000*
					2001*	2002*
					2003*	
All adults					28%	27%
Non-manual groups					22%	23%
Manual groups					33%	31%
Routine and manual groups (NS-SEC)					33%	31%
					32%	

\*General Household Survey data were weighted in 2000 and retrospectively for 1998 for comparative purposes. Weighted data cannot be reliably compared with unweighted data. See definition for full explanation. Manual/non-manual groups data relate to the old socio-economic group classification. Routine and manual groups data relate to National Statistics Socio-economic Classification, introduced in 2001.

**Definition:** Percentage of all adults and adults in manual socio-economic groups aged 16 and over in England who smoke cigarettes. Since 2000, figures have been based on the socio-economic group of the household reference person. Prior to 2000, figures were based on the head of the household. Members of the Armed Forces, persons in inadequately described occupations, and all persons who have never worked, have not been shown as separate categories 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, personal service and unskilled manual workers. Figures for 2001 to 2003 are based on the new National Statistics Socio-economic Classification recoded to produce the manual/non-manual split from the old socio-economic group, and should therefore be treated with caution.

The table also shows data since 2001 for routine and manual groups as defined by the new National Statistics Socio-economic Classification, to reflect the Department of Health PSA target (set as part of the 2004 Spending Review). From April 2001 the National Statistics Socio-economic Classification was introduced for all official statistics and surveys. It replaced social class based on occupation and socio-economic groups. Full details can be found in *The National Statistics Socio-economic Classification User Manual 2002*, Office for National Statistics 2002.

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. The trend table shows weighted and unweighted data for 1998, to give an indication of weighting. Although the difference was slight (it increased prevalence of smoking by one percentage point), caution should be exercised when comparing weighted data for 2000 onwards with unweighted data for previous years.

**Data source:** Office for National Statistics. *Results from the 2003 General Household Survey*, analysed for England.

**Linked to Department of Health PSA target:** To tackle the underlying determinants of ill health and health inequalities by reducing adult smoking rates to 21 per cent or less by 2010, with a reduction in prevalence among routine and manual groups to 26 per cent or less.

**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 2010; with a fall to 26 per cent by 2005.

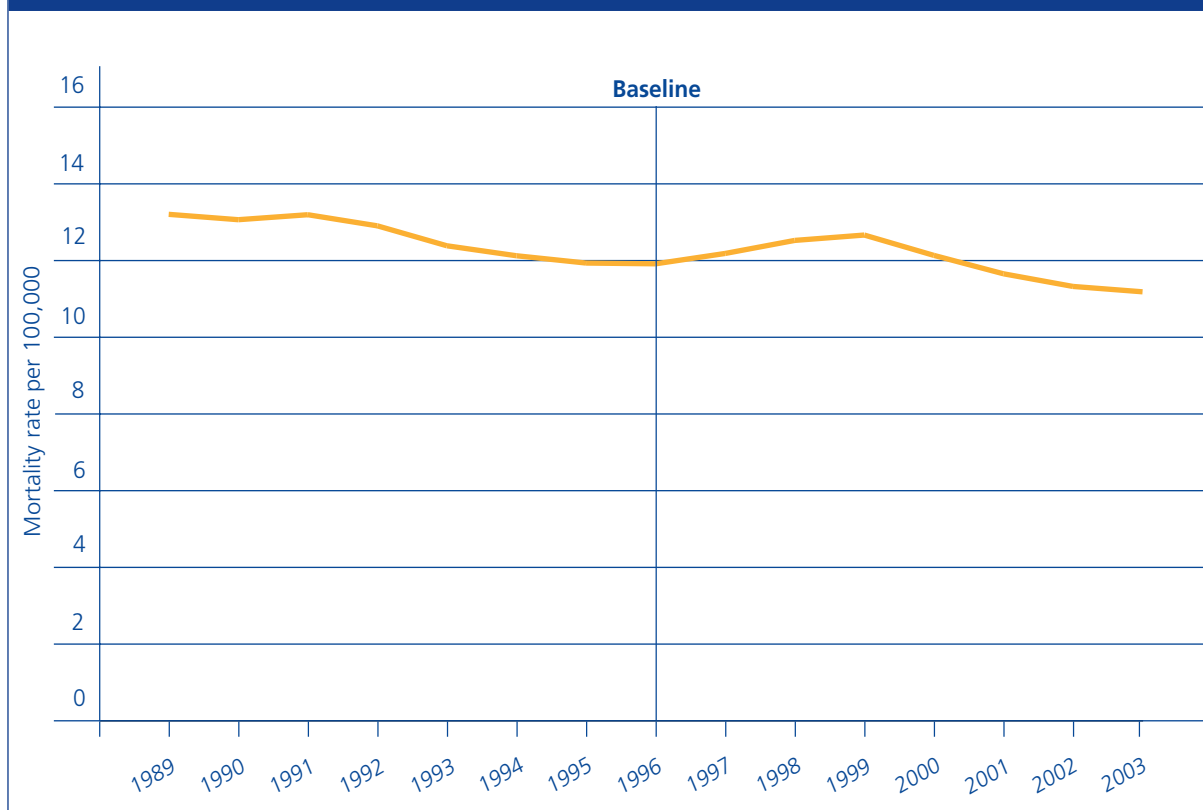
**Linked to NHS *Cancer Plan* target:** To reduce smoking rates among manual groups from 32 per cent in 1998 to 26 per cent by 2010, so that we can narrow the gap between manual and non-manual groups.

Note that the PSA target (set as part of the 2004 Spending Review) has largely superseded the *Smoking Kills* White Paper and NHS *Cancer Plan* targets.

## 25 A reduction in the death rates from suicide and injury of undetermined intent (England).

**Baseline and trends:** Baseline data – 1995–97. For this period, the suicide plus undetermined injury rate for England was 12 per 100,000 working-age adults. Suicide rates showed a downward trend in the first half of the 1990s, but in the late 1990s there were modest increases. Since 1999 rates have fallen, and are now at their lowest for at least 30 years.

Mortality rates per 100,000 working-age adults from suicide and injury of undetermined intent (England)



Intentional self-harm and injury of undetermined intent (England)							
Rate per 100,000 adults of working age							
1988–90	1989–91	1990–92	1991–93	1992–94	1993–95	1994–96	
13.2	13.1	13.2	12.9	12.4	12.2	12.0	
<b>Baseline 1995–97</b>	1996–98	1997–99	1998–2000	1999–2001	2000–02	2001–03	2002–04
<b>12.0</b>	12.2	12.6	12.7	12.2	11.7	11.4	11.2

Note: Due to data limitations, the 15–64-year-old age group is used as a proxy for 16–64-year-olds. Data from 1993 onwards are not directly comparable with earlier years due to changes in coding. There is a discontinuity between the years 2000 and 2001 due to a change in coding, which may affect the comparability of the data.

**Definition:** Three-year average (age-standardised) rate of intentional self-harm and injury of undetermined intent – excluding cases where a verdict is pending. For original definition 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 the whole population. Revised from previous time series – populations now based on Census 2001 (amended) and original cause coding of deaths.

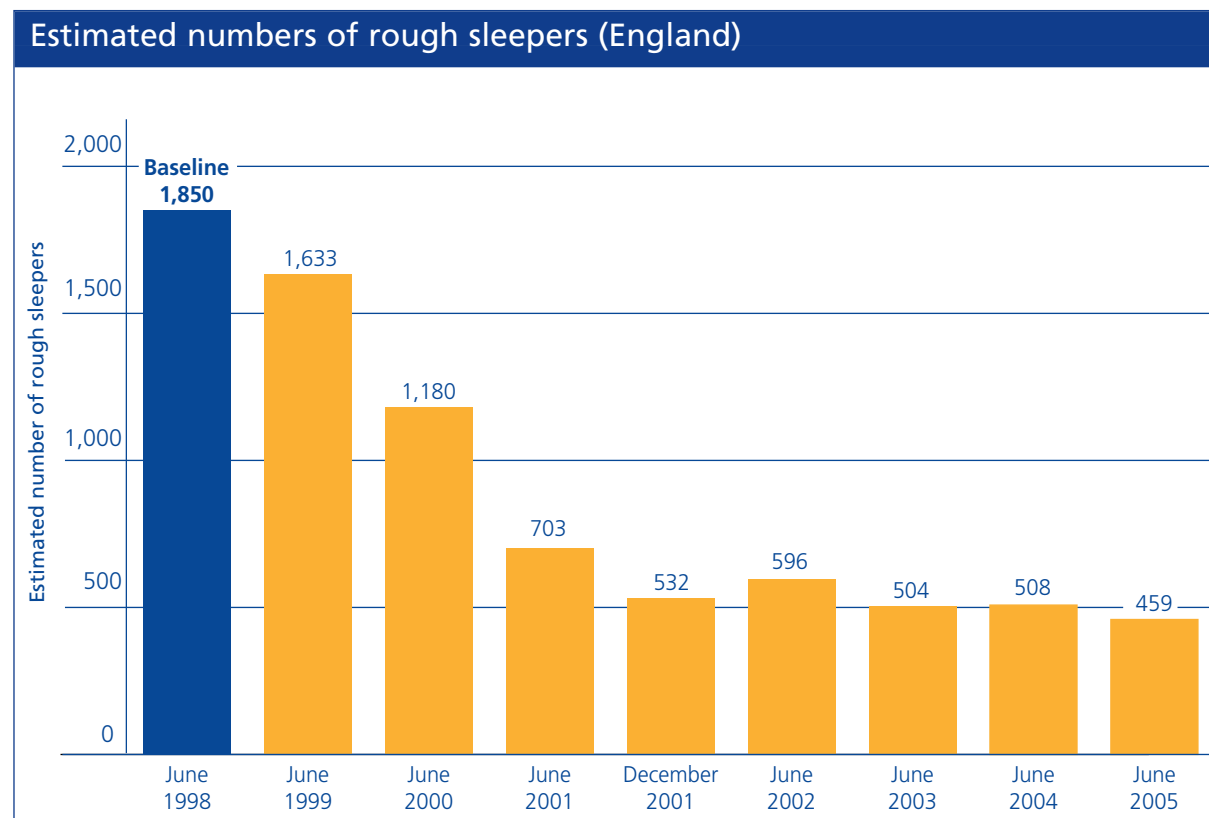
**Data source:** Office for National Statistics data, calculations by Department of Health.

**Linked to Department of Health PSA target:** To improve life outcomes of adults and children with mental health problems through year-on-year improvements in access to crisis services and Child and Adolescent Mental Health Services, and reduce the mortality rate from suicide and undetermined injury by at least 20 per cent by 2010.



## 26 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 2005, local authority returns showed 459 people were estimated to be sleeping rough on any one night. This was the lowest ever recorded level and represented a 75 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.



**Definition:** Figures based on single-night street counts and estimates.

**Data source:** Housing Investment Programme data, supplied by local authorities.

### Linked to Office of the Deputy Prime Minister Spending Review 2000 PSA

**target:** To reduce by April 2002 the number of people sleeping rough by two-thirds compared to June 1998, and keep the number at or below this level thereafter. The sustainment of this target remains a priority for the Office of the Deputy Prime Minister and contributes to its current PSA targets on social inclusion and housing.

## 27 A reduction in the use of drugs by 16–24-year-olds in the last year (England and Wales):

a) use of Class A drugs; and

b) frequent use of any illicit drug.

### a) Use of Class A drugs.

**Baseline and trends:** Baseline year – 1998. Class A drug use among young people has remained stable since 1998 (in England and Wales). The figures for 2003/04 show little change compared with 2002/03 for use in the past year of most Class A drugs except for a slight significant increase in the use of hallucinogens. This is due to a significant increase in the use of magic mushrooms: the use of LSD is stable. The latest information for 2003/04 shows 8.3 per cent reporting use of any Class A drug during the last year and 4.3 per cent during the last month. Owing to low prevalence estimates for the ‘use in the last month’ data, caution should be used when comparing these figures for different years.

Class A drug use among 16 to 24-year-olds (England and Wales)						
	1996	Baseline 1998	2000	2001/02	2002/03	2003/04
Use in the last year	9.2%	8.6%	9.7%	8.8%	8.2%	8.3%
Use in the last month	4.2%	3.6%	5.0%	4.9%	3.8%	4.3%

**Definition:** The drug misuse self-completion component of the *British Crime Survey* asks about drug use over the respondent’s lifetime, in the last year and in the last month. The data presented cover England and Wales. Class A drugs asked about in the survey are: cocaine, crack, ecstasy, heroin, hallucinogens (LSD and magic mushrooms) and opiates (heroin 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.

After the year 2000, the *British Crime Survey* changed from reporting calendar years to financial years.

## b) Frequent use of any illicit drug.

**Baseline and trends:** Questions have been asked about frequent drug use for 2002/03 and for 2003/04. The table below shows the frequency of use of any drug in the last year among all 16 to 24-year-olds. The table shows that frequency of use has remained stable between 2002/03 and 2003/04. In 2002/03, 11.3 per cent of respondents took drugs frequently and in 2003/04, 12.0 per cent of the respondents took drugs frequently.

Frequent drug use in the last year for 16–24-year-olds (England and Wales)		
	2002/03	2003/04
Use of any drug more than once a month	11.3%	12.0%

**Definition:** The drug misuse self-completion component of the *British Crime Survey* asks about drug use over the respondent's lifetime, in the last year and in the last month. Frequent use is defined as taking a drug more than once a month; this can include people who have taken two different types of drugs. The data presented cover England and Wales. Any illicit drug includes: Class A drugs (detailed in part a) and amphetamines, tranquilisers, anabolic steroids, cannabis, amyl nitrate and volatile substances. 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*, 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.

To reduce the harm caused by illegal drugs (as measured by the Drug Harm Index encompassing measures of the availability of Class A drugs and drug-related crime) including substantially increasing the number of drug-misusing offenders entering treatment through the Criminal Justice System.

## People aged 50+ and retired people

It is important for older people to be able to live secure, active and fulfilling lives. This section sets out more detail on selected areas of interest for older people.

### Low income

39. From 1996/97 to 2003/04, there were pronounced falls in the proportions of older people living in households in absolute low income both before and after housing costs (indicator 28); although this was more marked for income after housing costs. The decline has been more rapid since 1998/99.
40. Between 1996/97 and 2003/04, there was no consistent change in the proportion of older people living in households in relative low income on a before housing costs basis; a slight rise up to 1998/99 was followed by a slight fall. On an after housing costs basis, the proportions showed a marked fall, from 1996/97.
41. In 2003/04, pensioner families living alone had a greater risk of low income than those living with other families. Single female pensioners were more likely to be in low income than their male counterparts. Those living in a household headed by someone from an ethnic minority group also had a higher risk of low income.
42. The proportion of older people living in persistent low income on the before housing costs measure had a slight rise up to 1998–2001, followed by a slight fall. In 1997–2000, the percentage of older people in persistent low income was 20 per cent, which fell slightly to 18 per cent by 2000–03. On the after housing costs basis there was a more pronounced fall over the same period.<sup>29</sup>

### Pensions

43. There has been a slight decrease in the number of people contributing towards non-state pensions since 1996/97 (indicator 29).
44. The numbers contributing to a non-state pension in at least three years out of four has risen slightly since the baseline period of 1994–97 (indicator 30). Overall, men were more likely than women to have a private pension, although women are becoming increasingly more likely to have private pension provision.

### Crime

45. Fear of crime is much more common than experience of crime, especially among older people (indicator 34). The overall numbers of older people reporting fear of crime have reduced since 1998. In 2004/05 twice as many women than men reported a fear of crime.

## Housing

46. The number of older people living in non-decent homes has declined by 14 per cent between 1996 and 2001 (indicator 33). Overall, households including older people are now only a little more likely than the national average (of 30 per cent) to be living in a non-decent home (33 per cent), but they are much more likely to do so where: they are low-income private sector households; the oldest person is over 75 years old; and they are long-term residents in their home. Overall, 32 per cent of older people live in non-decent homes.<sup>30, 31</sup>

## Help to live independently

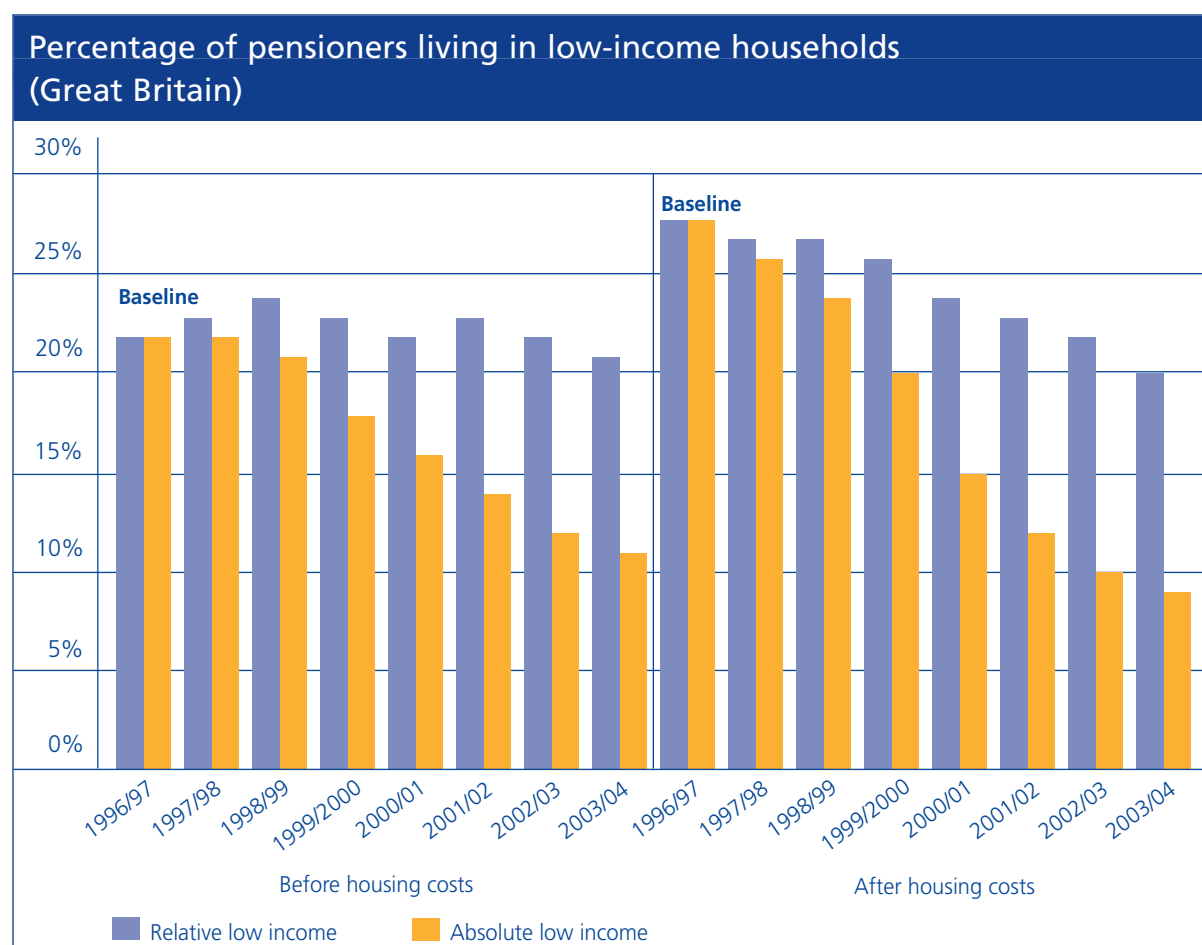
47. While the proportion of older people receiving any community-based service has remained steady since 2000/01, the proportion continuing to receive intensive home care has continued to steadily increase during that period (indicator 32).

## Indicators for people aged 50+ and retired people

### 28 Low-income indicators (Great Britain):

- a) a reduction in the proportion of pensioners living in households with relative low incomes on the after housing costs measure;
- b) a reduction in the proportion of pensioners living in households with low incomes in an absolute sense; and
- 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 is presented in the chart and tables below, though information for the persistent low-income indicator is shown only in the table. While the tables aim to provide a comprehensive picture of progress by including data for a range of low-income thresholds, the chart and commentary focus on the 60 per cent of median income threshold for the relative and absolute indicators.



The proportion of pensioners living in households with relative low incomes fluctuated between 1996/97 and 2003/04 on the before housing costs measure, but there is a clear downward trend on the after housing costs measure, from 28 per cent to 20 per cent. The proportion of pensioners living in households with absolute low incomes showed a large fall from 22 per cent in 1996/97 to 11 per cent in 2003/04 before housing costs and from 28 per cent to 9 per cent on the after housing costs measure.

Twenty per cent of pensioners lived in a household with a low income in at least three out of four years, on the before housing costs measure, at the baseline (1997–2000) which fell to 18 per cent in 2000–03.

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

	Low-income threshold	Relative low income			Absolute low income			
		50% of median*	60% of median	70% of median	50% of median*	60% of median	70% of median	
<b>Baseline</b>	<b>1996/97</b>	<b>11%</b>	<b>22%</b>	<b>36%</b>	<b>11%</b>	<b>22%</b>	<b>36%</b>	
	1997/98	12%	23%	37%	11%	22%	35%	
	Before housing costs	1998/99	12%	24%	38%	11%	21%	35%
		1999/2000	12%	23%	36%	9%	18%	30%
		2000/01	11%	22%	35%	7%	16%	27%
		2001/02	11%	23%	35%	6%	14%	24%
		2002/03	11%	22%	35%	5%	12%	22%
		2003/04	10%	21%	34%	5%	11%	21%
<b>After housing costs</b>	<b>1996/97</b>	<b>12%</b>	<b>28%</b>	<b>39%</b>	<b>12%</b>	<b>28%</b>	<b>39%</b>	
	1997/98	13%	27%	38%	12%	26%	37%	
	1998/99	13%	27%	38%	11%	24%	36%	
	1999/2000	12%	26%	37%	9%	20%	32%	
	2000/01	11%	24%	36%	7%	15%	28%	
	2001/02	11%	23%	37%	6%	12%	22%	
	2002/03	11%	22%	37%	5%	10%	19%	
	2003/04	10%	20%	34%	5%	9%	16%	

\*Households reporting the lowest incomes may not have the lowest living standards. The bottom 10 per cent of the income distribution should not, therefore, be interpreted as having the bottom 10 per cent of living standards. This is a particular issue for lower thresholds, such as 50 per cent of median. Other higher thresholds are less affected by this.

Note: Some figures have seen slight revisions since the last *Opportunity for all* report, reflecting changes to the *Family Resources Survey* grossing regime.

Persistent low income (low income in three out of four years – Great Britain)											
		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
		-94	-95	-96	-97	-98	-99	-2000	-2001	-2002	-03
Before housing costs	Below 60% of median	17%	17%	17%	19%	19%	20%	20%	21%	19%	18%
	Below 70% of median	35%	33%	34%	35%	35%	36%	37%	37%	37%	34%
After housing costs	Below 60% of median	18%	17%	17%	19%	21%	21%	22%	22%	18%	16%
	Below 70% of median	35%	34%	34%	34%	33%	33%	34%	34%	33%	31%

Note: Some of the figures have seen small revisions since the last *Households Below Average Income* (2002/03) report. This is due to changes to the base dataset made by the data suppliers of the *British Household Panel Study*.

**Definition:** A pensioner is a person of State Pension Age or above (65 for men, 60 for women).

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 in three out of the last four years (60 and 70 per cent of median only).

Changes to previous published *Households Below Average Income* data were due to changes to the *Family Resources Survey* grossing regime, either through the method used or taking on board new post-Census population information. Further details are available at: [www.dwp.gov.uk/mediacentre/pressreleases/2005/feb/iad-170205-frs.pdf](http://www.dwp.gov.uk/mediacentre/pressreleases/2005/feb/iad-170205-frs.pdf)

Data for thresholds of mean income and full definitions are available in *Households Below Average Income 1994/5–2003/04*. 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 Study* data.

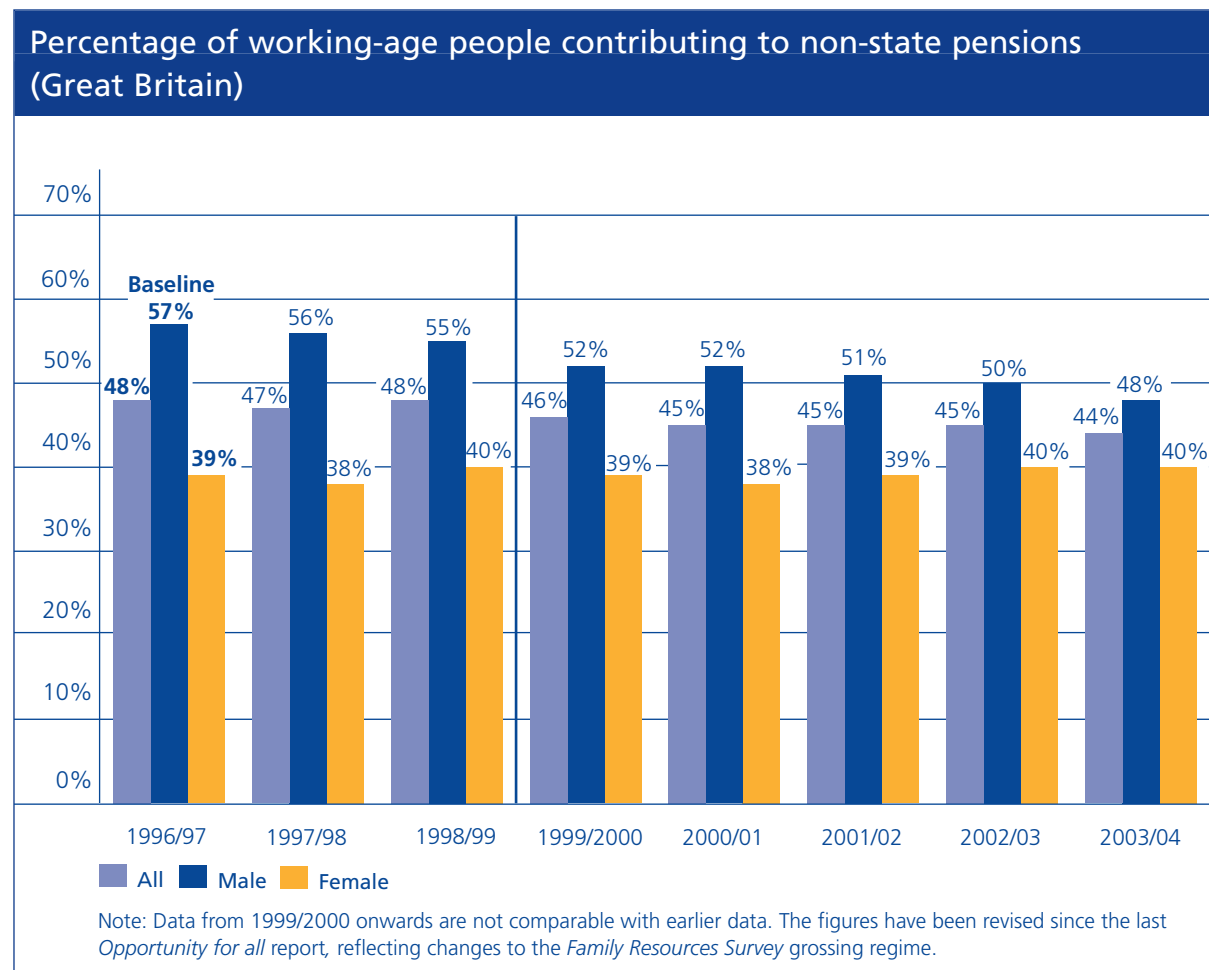
**Linked to Department for Work and Pensions PSA target:** By 2006, to pay Pension Credit to at least 3 million pensioner households.

This is part of one of the UK Government sustainable development framework indicators.



## 29 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 2003/04 are not comparable with earlier data. Between 1999/2000 and 2003/04, the proportion contributing showed a slight decline. More men are contributing than women (48 per cent of men, compared with 40 per cent of women in 2003/04).

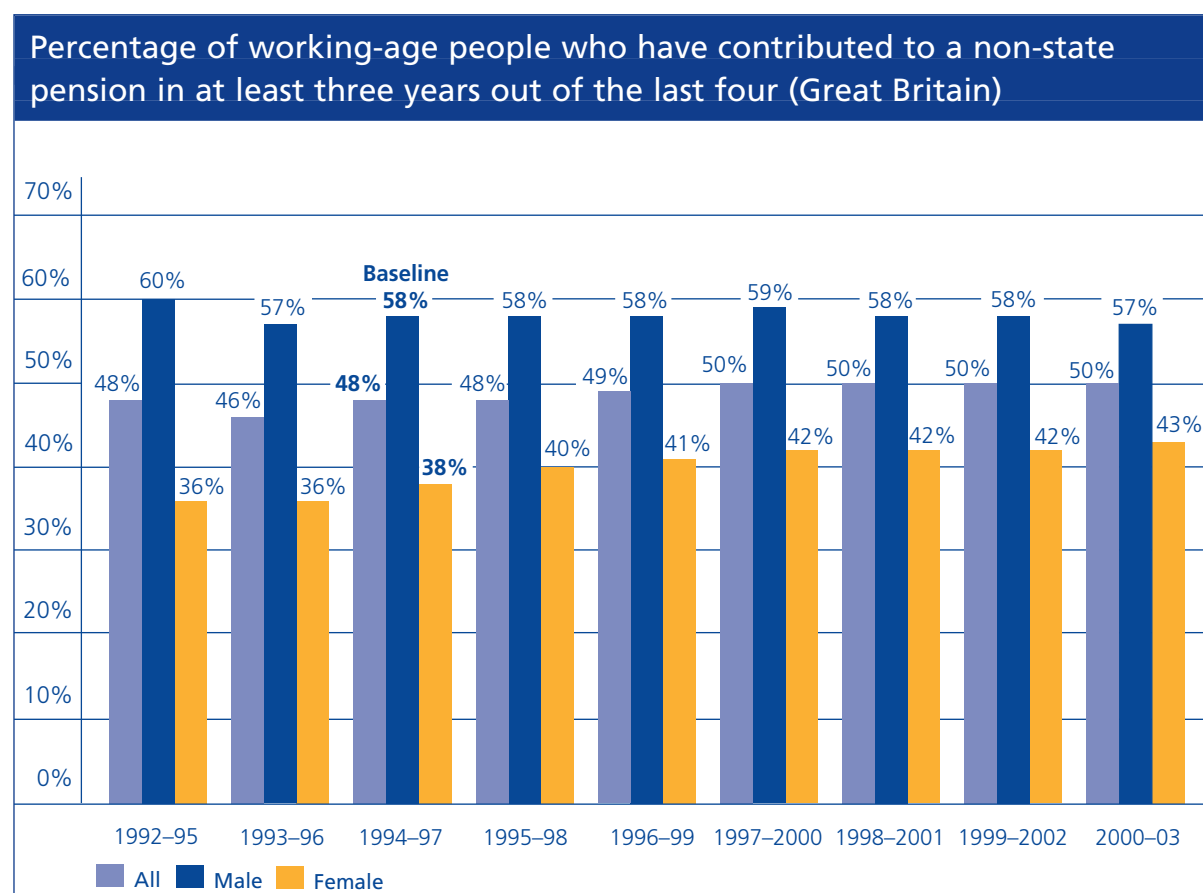


**Definition:** Includes people in an employees' occupational scheme and/or personal pension scheme. Methodological work conducted by the Office for National Statistics and the National Centre for Social Research in 1996/97 resulted in a number of recommendations for improving pension questions across 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*.

### 30 An increase in the proportion of working-age people contributing to a non-state pension in at least three years out of the last four (Great Britain).

**Baseline and trends:** Baseline data 1994–97. Estimates for the periods 1994–97 (the baseline) and 2000–03 show an increase from 48 per cent to 50 per cent in the proportion of people contributing to non-state pensions in at least three years out of the last four. Men were more likely to be consistently contributing than women (57 per cent compared with 43 per cent in the period 2000–03). The proportion of working-age people who have contributed to a non-state pension in at least three out of four years had increased slightly up to the period 1997–2000, and has levelled off since then. 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 decreased from 20 per cent to 14 per cent since the baseline.



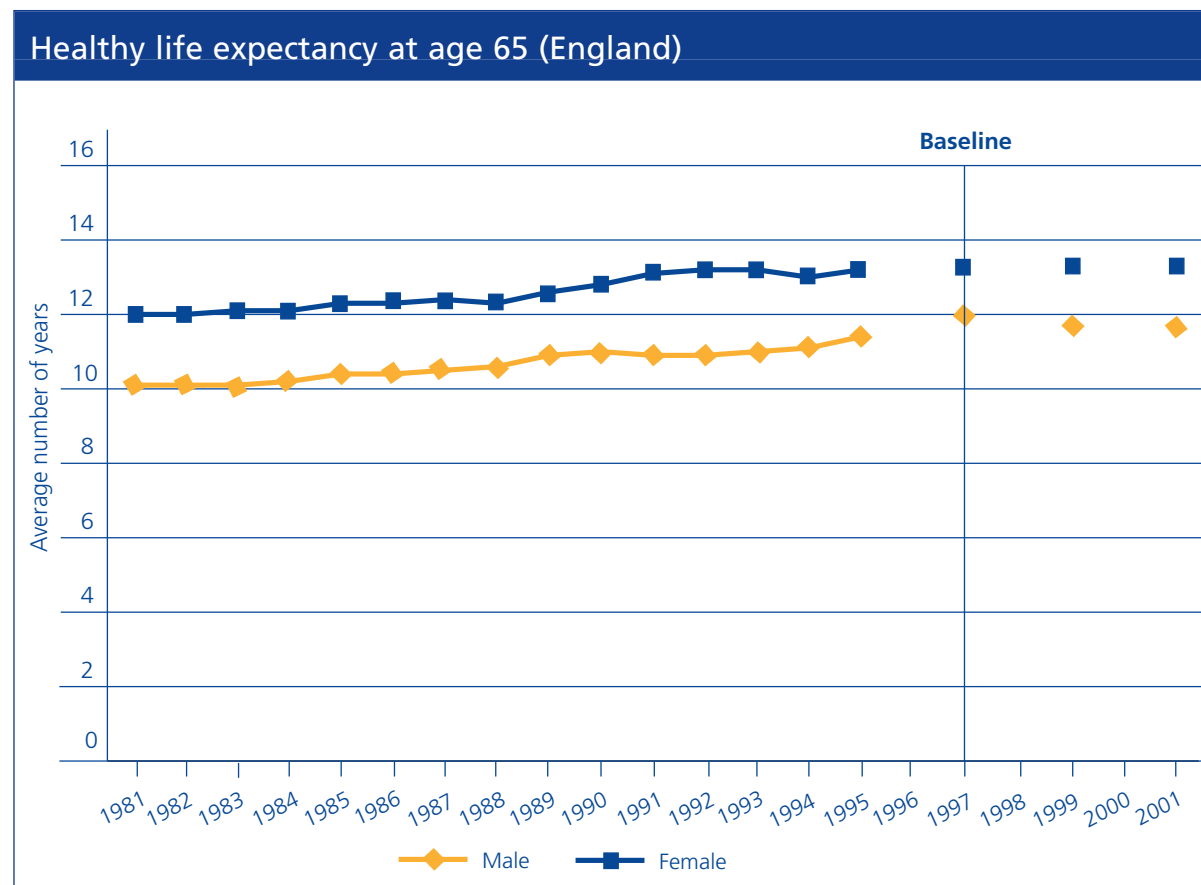
**Definition:** Proportion of those aged 20 years to State Pension Age who have contributed to a non-state pension in at least three years out of the last four. Includes people in an employees' occupational scheme and/or personal pension scheme. The longitudinal weights have been revised by the data providers, resulting in a slight change in the series: figures are around one percentage point higher than those previously reported.

**Data source:** *British Household Panel Survey* (data for Great Britain).

**Linked to Department for Work and Pensions PSA target:** 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; and 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.

### 31 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 years in 1981 to 13.3 in 1997 (the baseline). Changes between 1997 and 2001 are small.



**Healthy life expectancy at age 65 (England)**

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	
Male	10.1	10.1	10.1	10.2	10.4	10.4	10.5	10.6	10.9	11.0	
Female	12.0	12.0	12.1	12.1	12.3	12.3	12.4	12.3	12.6	12.8	
	<b>Baseline</b>										
	1991	1992	1993	1994	1995	1996	<b>1997</b>	1998	1999	2000	2001
Male	10.9	10.9	11.0	11.1	11.4	–	<b>11.9</b>	–	11.7	–	11.7
Female	13.1	13.2	13.2	13.0	13.2	–	<b>13.3</b>	–	13.3	–	13.3

Note: Figures for 1996, 1998 and 2000 are not available. Some figures have seen small revisions since the last *Opportunity for all* report in line with Census 2001 population estimates. 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 1997 and 1999 points are three-year moving averages plotted on the central year (for example, 1995 uses data for 1994–96). Data for 1996, 1998 and 2000 are not available because the *General Household Survey* was not undertaken in 1997 or 1999. The latest data will be available at the end of 2005 and will be provided on the *Opportunity for all* website at that time.

**Data source:** Population estimates from Office for National Statistics. Interim life tables from the Government Actuary’s Department.<sup>32</sup>

**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. The actions required to achieve the mortality targets should also bring about an improvement in healthy life expectancy for people of all ages.

## 32 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.

### a) Receiving intensive home care.

**Baseline and trends:** Baseline year – 1998/99. The number of households receiving intensive home care per thousand aged 65 and over has increased steadily since the baseline – 11.1 per thousand in 2003/04, up from 7.9 per thousand in 1998/99.

#### Proportion of older people being helped to live independently (England): Receiving intensive home care

	Number of households per thousand population aged 65 and over
Baseline 1998/99	7.9
1999/2000	8.9
2000/01	9.3
2001/02	9.9
2002/03	10.3
2003/04	11.1

Note: Some figures have seen slight revisions since the last *Opportunity for all* report in line with Census 2001 population estimates.

**Definition:** 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) Receiving any community-based service.

**Baseline and trends:** Baseline year – 1998/99. The number of people receiving any community-based service per thousand of the population aged 65 and over was 84 per thousand in 2003/04, up on the baseline of 82 per thousand in 1998/99. However, this has remained broadly constant since 2000/01.

**Proportion of older people being helped to live independently (England):  
Receiving any community-based service**

People per thousand population aged 65 and over		
	Old basis	New basis
1996/97	83	
1997/98	81	
<b>Baseline 1998/99</b>	71	<b>82</b>
1999/2000		86
2000/01		84
2001/02		84
2002/03		84
2003/04		84

Note: Some figures have seen slight revisions since the last *Opportunity for all* report in line with Census 2001 population estimates.

**Definition:** The number of people receiving any community-based service 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. 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 2003/04* (indicators AO/C28 and AO/C32).

**Linked to Department of Health PSA target:** To improve the quality of life and independence of vulnerable older people by supporting them to live in their own homes wherever possible, by:

- increasing the proportion of older people being supported to live in their own home by 1 per cent annually in 2007 and 2008; and
- increasing, by 2008, the proportion of those supported intensively to live at home to 34 per cent of the total of those being supported at home or in residential care.

### 33 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:** Baseline year – 1996. In 1996, 46 per cent of older people lived in a home that did not meet the set standard of decency. This has since fallen to 34 per cent in 2001 and to 32 per cent in 2003.

**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.

The *English House Condition Survey* has been re-grossed this year to take account of Census 2001 population estimates. This re-grossing means that *English House Condition Survey* figures quoted in this report may differ from those published previously. Changes have also been made to maximise consistency in the measurement of decent homes between the 1996, 2001 and 2003 surveys.

**Data source:** The *English House Condition Survey* was undertaken every five years up to and including 2001 from when fieldwork was organised on a continuous basis. Results from the survey have been published annually from 2003, based on combined two-year data sets. Headline results for 2003 were published in March 2005.

**Linked to Office of the Deputy Prime Minister PSA target:** By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition. Vulnerable households are those in receipt of at least one of the principal means-tested or disability-related benefits.



### 34 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 2004/05 this figure was 7 per cent, stable from the previous year (6 per cent). Trends further back in time are not available. In 2004/05, for those aged 60 years and over, 4 per cent of men stated that their lives were greatly affected by fear of crime compared with 9 per cent of women. (The apparent difference between men and women in 2002/03 was not statistically significant at the 95 per cent level.)

Percentage of older people reporting fear of crime (England and Wales)							
	Baseline			2001/02	2002/03	2003/04	2004/05
	1998	2000	2001				
All	10%	10%	8%	8%	8%	6%	7%
Male	5%	7%	3%	6%	6%	6%	4%
Female	14%	12%	12%	9%	9%	6%	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 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:** To reassure the public, reducing the fear of crime and anti-social behaviour, and building confidence in the Criminal Justice System without compromising fairness.

## Communities

Deprived areas are characterised by a multitude of linked problems. Government policies are designed to ensure that those living in deprived areas share in the quality of life enjoyed by those in more prosperous areas. This section sets out the broader picture for communities.

### Employment

48. A rise in employment of about 1.9 million since 1997 has increased the United Kingdom employment rate to a historical level of over 28 million. Employment is high across the United Kingdom: every region and country has an employment rate above the European Union average.
49. The average employment rate for the 25 local authority districts, which appeared consistently as part of the 30 local authority districts with the poorest labour market position showed a narrowing of the gap between their employment rate and the rate for Great Britain (indicator 34). Employment rates are discussed in detail in Chapter One – working age section.

### Housing

50. There has been a decline in the numbers of those in fuel poverty (indicator 38). This trend has been most marked among those living in vulnerable households.<sup>33</sup>
51. There has been a decrease of 3 per cent in the number of households who live in a home below the set standard of decency between 2001 and 2003 (indicator 37). Of the dwellings that are not decent, most (73 per cent) do not provide a reasonable degree of thermal comfort. Then 28 per cent fail through disrepair, 15 per cent through being unfit and 8 per cent do not have modern facilities and services. This includes 23 per cent that have more than one of these problems.
52. Although there are greater numbers of owner-occupiers in non-decent homes, those who rent privately are most likely to live in non-decent homes. The proportion of vulnerable households in non-decent private sector homes fell from 43 per cent in 2001 to 37 per cent in 2003. However, large differences between different socio-economic groups remain.<sup>34</sup>

## Health

53. Between the baseline of 1995–97 and 2001–03, the relative gap in life expectancy between England and the ‘Spearhead group’ of local authorities increased – for males the increase was around 1 per cent, for females around 6 per cent (indicator 39). The gap has been widening for some years and is likely to take time to turn around.
54. Overall life expectancy at birth for males and females has risen. There remain inequalities in the gap between social classes. For example, in 1997–2001 life expectancy at birth for males was over eight years longer in professional social classes than in unskilled manual social classes.<sup>35</sup>

## Indicators for communities

### 35 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 – 2000. There has been a rise in the employment rate for the 25 most deprived local authority areas from 61.6 per cent in 2000 to 64.4 per cent in 2005. The overall employment rate was relatively stable over this period and consequently the employment rate gap narrowed from 12.8 to 10.5 percentage points.

#### Employment rates for the 25 deprived local authority districts in target since 2001 compared to the overall employment rate (Great Britain)

	Employment rate for the 25 deprived areas in target since 2001 (per cent)	Great Britain employment rate (per cent)	Employment rate gap (percentage points)
<b>Baseline 2000</b>	<b>61.6%</b>	<b>74.4%</b>	<b>12.8</b>
2001	61.7%	74.7%	13.0
2002	62.6%	74.6%	12.0
2003	63.0%	74.7%	11.7
2004	63.3%	74.8%	11.5
2005	64.4%	74.9%	10.5

Note: Figures are based on four-quarter averages to spring. Some of the figures have seen slight revisions since the last *Opportunity for all* report as the 25 underperforming local authority districts have been amended to accurately reflect those areas that have consistently underperformed since spring 2001.

**Definition:** Employment rates are for working-age people, aged 16–59 for women and 16–64 for men. The 25 most deprived areas are the local authority areas with the worst initial labour market position listed below. The employment rate for these areas is the total number of working-age people in employment in all 25 areas as a proportion of the total working-age population in all 25 areas.

Those 25 local authority areas which have appeared consistently since 2001 are: Newham; Tower Hamlets; Hackney; Liverpool; Manchester; Haringey; Blaenau Gwent; Neath Port Talbot; Easington; Hartlepool; Knowsley; Glasgow City; Nottingham; Merthyr Tydfil; Islington; Middlesbrough; Rhondda, Cynon, Taff; Southwark; Redcar and Cleveland; Newcastle upon Tyne; Wear Valley; South Tyneside; Carmarthenshire; Caerphilly and Anglesey.

**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, to 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.

### 36 A decrease in the gap between the high crime quartile of Crime and Disorder Reduction Partnership areas and the remaining three quartiles (England and Wales).

**Baseline and trends:** Baseline year – 2002/03. In 2002/03, the gap between the high crime quartile and the remaining three quartiles was 27.1 offences per 1,000 population. This reduced to 18.0 in 2004/05.

#### Crime rates in the highest crime quartile compared to the remaining three quartiles (England)

	Rate per thousand population		
	High-crime quartile	Remaining three quartiles	Gap
Baseline 2002/03	45.6	18.5	27.1
2003/04	40.6	17.3	23.3
2004/05	32.7	14.8	18.0

**Definition:** Crime defined as domestic burglary, vehicle crime and robbery per 1,000 population. The highest crime Crime and Disorder Reduction Partnerships are those 94 partnerships with the highest rate of combined domestic burglary, vehicle crime and robbery in the baseline year. Crime and Disorder Reduction Partnerships are, in most cases, similar to the areas covered by local authorities.

**Data Source:** Crime Statistics, Home Office – covers England and Wales. Crime and Disorder Reduction Partnership data have been collected centrally since 1 April 2000. Population data from the Office for National Statistics.

**Linked to Home Office PSA target:** To reduce crime and the fear of crime; to improve performance overall, including by reducing the gap between the highest crime Crime and Disorder Reduction Partnership areas and the best comparable areas. For 'reducing the gap', the target is for the average level of crime in the highest crime quartile of Crime and Disorder Reduction Partnerships to reduce towards the average level in the remaining three quartiles (as resulting from improvement in their overall levels of crime).

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

**Baseline and trends:** Baseline year – 1996. In 1996, 44 per cent of households lived in a home that did not meet the set standard of decency. This has since fallen to 33 per cent in 2001 and to 30 per cent in 2003.

**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.

The *English House Condition Survey* has been re-grossed this year to take account of Census 2001 population estimates. This re-grossing means that *English House Condition Survey* figures quoted in this report may differ from those published previously. Changes have also been made to maximise consistency in the measurement of decent homes between the 1996, 2001 and 2003 surveys.

**Data source:** The *English House Condition Survey* was undertaken every five years up to and including 2001 from when fieldwork was organised on a continuous basis. Results from the survey will be published annually from 2003, based on combined two-year data sets. Headline results for 2003 were published in March 2005.

**Linked to Office of the Deputy Prime Minister PSA target:** By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in a decent condition. Vulnerable households are those in receipt of at least one of the principal means-tested or disability-related benefits.

### 38 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 2003. Analysis has been carried out to determine how much of this reduction has been due to increased income, energy prices and energy efficiency improvements. This analysis reveals that, since 1996, 61 per cent of the reduction can be attributed to improvement in incomes, 22 per cent to energy price changes and 17 per cent to improved energy efficiency.

Number and percentage of households in fuel poverty (England)					
	All households		Vulnerable households		
	Number (millions)	Percentage	Number (millions)	Percentage	
1996	5.1	26%	4.0	30%	
<b>Baseline 1998</b>	<b>3.4</b>	<b>17%</b>	<b>2.8</b>	<b>20%</b>	
2001	1.7	8%	1.4	10%	
2002	1.4	7%	1.2	8%	
2003	1.2	6%	1.0	7%	

Note: Some figures have seen slight revisions since the last *Opportunity for all* report following a methodological review.

**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. The Department of Trade and Industry and the Department for Environment, Food and Rural Affairs usually publish numbers of those in fuel poverty, whereas in previous *Opportunity for all* reports the indicator has been expressed as a proportion. Both are presented here for comparison, with the number of households becoming the primary indicator. 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.

A full explanation of the policies to tackle fuel poverty is given in *The UK Fuel Poverty Strategy, 3rd Annual Progress Report* (DTI, 2005).<sup>36</sup> The figures for England in 2003 have used the new rolling *English House Condition Survey*, which covers combined data sets for two-yearly periods.

These statistics have been revised following a consultation and peer review into the methodology through which fuel poverty statistics are calculated.<sup>37</sup>



**Data source:** *English House Condition Survey* 1996, 2001, 2003 and the *Energy Follow-up Survey* 1998.

**Linked to the UK Fuel Poverty Strategy:** Following the Warm Homes and Energy Conservation Act 2000, we have 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* are to eradicate fuel poverty where practicable to do so, by 2010 for vulnerable and by 2016 for non-vulnerable households. That commitment was reaffirmed in the *Energy White Paper*,<sup>38</sup> published in 2003.

### 39 To reduce the gap in life expectancy at birth between the 'fifth of local authorities with the worst health and deprivation indicators' and the population as a whole (England).

**Baseline and trends:** Baseline data – 1995–97 (three-year average). Latest data for 2001–03 show that since 1995–97 the life expectancy gap for both males and females has increased in absolute and relative terms.

Life expectancy for males and females in England compared with the 'fifth of local authorities with the worst health and deprivation indicators' (known as the 'Spearhead group')											
	Baseline										
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
	-93	-94	-95	-96	-97	-98	-99	-2000	-2001	-03	-04
<b>Males</b>											
Spearhead group	71.89	72.20	72.32	72.56	<b>72.69</b>	72.90	73.09	73.40	73.73	74.06	74.25
Total population in England	73.69	74.02	74.18	74.44	<b>74.61</b>	74.84	75.09	75.38	75.71	76.01	76.24
Difference	1.80	1.82	1.86	1.88	<b>1.92</b>	1.94	2.00	1.98	1.98	1.95	1.99
% Difference*	2.44%	2.46%	2.51%	2.53%	<b>2.57%</b>	2.59%	2.66%	2.63%	2.62%	2.57%	2.61%
<b>Females</b>											
Spearhead group	77.70	77.94	78.04	78.23	<b>78.28</b>	78.38	78.49	78.69	78.93	79.16	79.21
Total population in England	79.12	79.37	79.44	79.64	<b>79.69</b>	79.84	79.97	80.19	80.42	80.66	80.72
Difference	1.42	1.43	1.40	1.41	<b>1.41</b>	1.46	1.48	1.50	1.49	1.50	1.51
% Difference*	1.79%	1.80%	1.76%	1.77%	<b>1.77%</b>	1.83%	1.85%	1.87%	1.85%	1.86%	1.87%
* % Difference = difference as a percentage of England life expectancy.											

**Definition:** This indicator has been revised to reflect a revision to the detailed objective for life expectancy underpinning the Department of Health PSA health inequalities target, made as part of the 2004 Spending Review. The 'fifth of local authorities with the worst health and deprivation indicators', known as the 'Spearhead group', is a fixed group of 70 local authorities identified as those that are in the worst fifth of authorities for three or more of the following five indicators:

- male life expectancy at birth;
- female life expectancy at birth;
- cancer mortality rate in under-75s;
- cardiovascular disease mortality rate in under-75s; and
- Index of Multiple Deprivation 2004 (local authority summary), average score.

Life expectancy data are derived from deaths data and population estimates. The figures are rolling three-year averages, produced by aggregating deaths and population estimates for each successive overlapping three-year period. The data have been calculated using the most up-to-date Census 2001 population estimates (released September/October 2004). The life expectancy gap is presented in both absolute terms (the difference in life expectancy) and relative terms (the percentage difference in life expectancy).

The indicator has been chosen to monitor an overall reduction in inequality – it is not just a measure of improvement in disadvantaged groups.

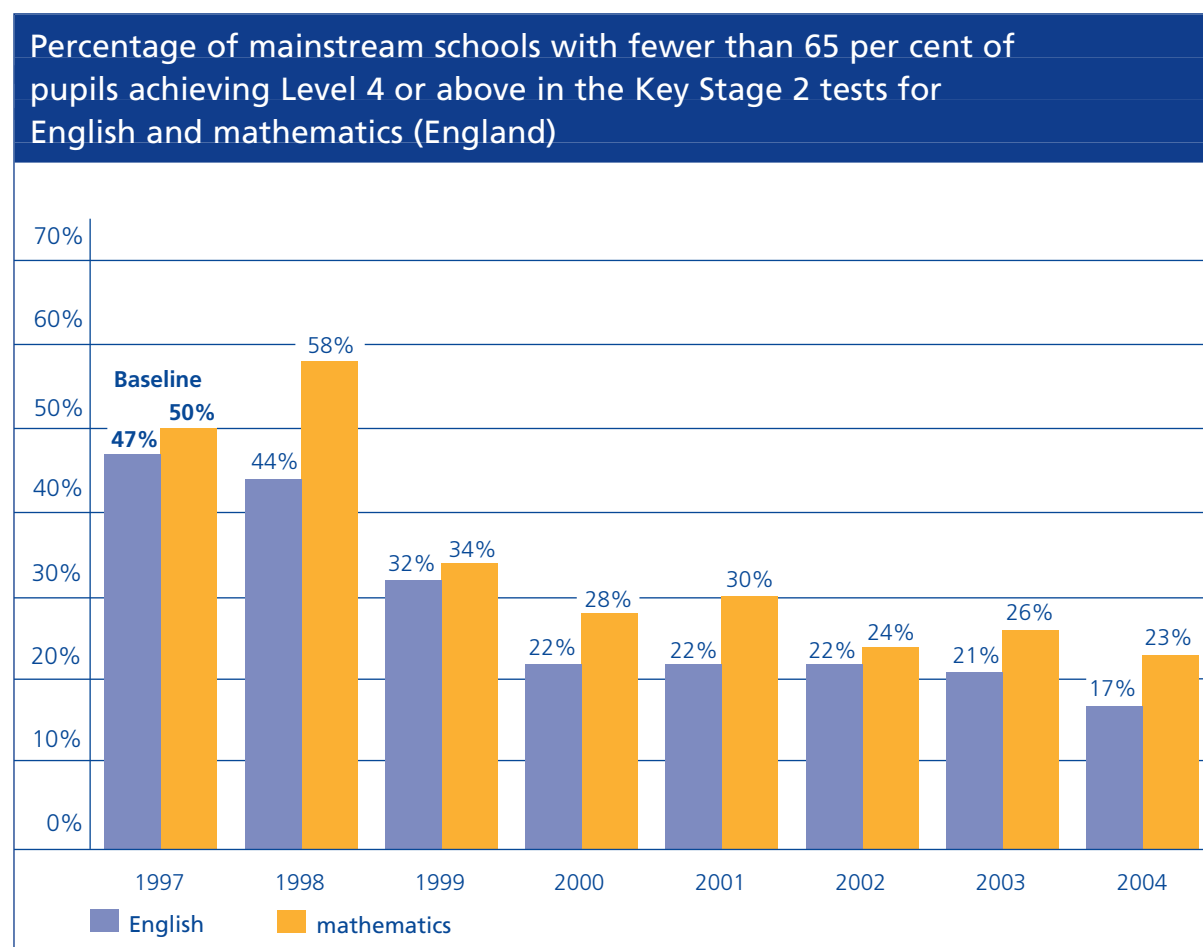
**Data source:** Office for National Statistics (life expectancy data based on population estimates and mortality statistics from death registrations).

**Linked to 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 in life expectancy at birth between the fifth of areas with the ‘worst health and deprivation indicators’ and the population as a whole – this reflects a revision to the detailed objective for life expectancy made as part of the 2004 Spending Review.

*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. 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 National Health Service. These indicators will be monitored to check progress on key aspects of the inequality agenda.

## 40 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 2004 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.



**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 2008, the proportion of schools in which fewer than 65 per cent of pupils achieve Level 4 or above is reduced by 40 per cent.

## 41 A greater reduction in the proportion of all road accident casualties in disadvantaged districts than that for England as a whole (England).

**Baseline and trends:** Baseline years – 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 2003 has fallen by 10.6 per cent since the baseline, compared with a 9.0 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. The latest data will be available at the end of 2005 and will be provided on the *Opportunity for all* website at that time.

**Data source:** Department for Transport STATS 19 personal injury accident database.

**Linked to Department for Transport PSA target:** To reduce road accident casualty numbers in deprived areas by more than the percentage decline across the country.



# References

## Introduction

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## Chapter one: Our strategy

### Section one: Our child poverty strategy

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- 77 The aims of the framework are set out at [www.scotland.gov.uk/Topics/Business-Industry/Employability/aims](http://www.scotland.gov.uk/Topics/Business-Industry/Employability/aims)
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## Chapter two: Women

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[www.womenandequalityunit.gov.uk/women\\_work\\_commission/index.htm](http://www.womenandequalityunit.gov.uk/women_work_commission/index.htm)
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## Chapter three: The European dimension

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