



Opportunity for all

Eighth Annual Report 2006

Strategy document



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



When in 1999 we made the historic pledge that we would seek to end child poverty in a generation, we not only set out a social policy ambition that remains unparalleled in our political history – we also committed to delivering on that ambition and to measuring our progress against a series of stretching targets.

This is the origin of the *Opportunity for all* reports – and as this, the eighth annual report shows, we have made real progress in raising aspirations and breaking the cycle of deprivation that was all too engrained in the Britain of 1997.

As a result of our reforms to make work pay, including the introduction of the National Minimum Wage and tax credits, we have lifted 2.4 million people out of relative poverty – including 800,000 children. For the first time in 50 years, we have the best combination of high employment rates and low unemployment and inactivity anywhere in the G8. And thanks to measures like Pension Credit and Winter Fuel Payments, there are a million fewer pensioners in relative poverty.

Yet for all this progress, it is clear that we have much further to go if we are to meet our targets. That is why I have made tackling child poverty my Department's number one priority. It is why we are reviewing the work of the entire Department and we have appointed Lisa Harker to advise us as we move towards a renewed strategy later this autumn. And it is why we will push forward with our investment in and reform of public services and our renewal of welfare support from wraparound childcare to our reforms of Incapacity Benefit and the new City Strategy – modernising and devolving welfare provision to empower local communities and reward local providers who are successful in helping people move off benefit and into work.

The decisions we take now will determine whether we do ultimately achieve our ambition of true opportunity for all. We remain absolutely committed to our goal – and we stand ready to meet it.

A handwritten signature in black ink, appearing to read 'John Hutton'.

Introduction

Opportunity for all was first published in September 1999. The first report set out our strategy for tackling poverty and social exclusion. It also established the indicators of progress against which our success is measured. We deliberately set indicators that would show what we had achieved but that would not disguise poor performance. In subsequent annual reports, we have reported progress against these indicators and continued to develop our strategy as the progress started to bed in.

Our strategy is now well established and there is less need to repeat the details of each policy instrument in this year's report. In this, our eighth *Opportunity for all* report, we take stock of the progress we have made on key elements of our approach, and look ahead to how we will build on this. We also focus on child poverty (chapter two), looking in depth at the problems faced by children and their families, our strategy for tackling child poverty and the progress we have made.

We are determined to maintain progress. We aim to:

- eradicate child poverty in a generation, ensuring that every child gets the best start in life and has the opportunity to fulfil their potential;
- break cycles of deprivation by improving the quality of education for all and by ensuring that every young person has a sound grounding in the basics of maths and English and the skills they need for employment;
- promote work as the best form of welfare and remove the barriers that people face in getting work, while supporting those in greatest need;

- support people to build personal assets and social capital by improving financial inclusion and investing in and engaging the voluntary, community and not-for-profit sector;
- provide security and independence in retirement, ensuring older people can live secure, active and fulfilling lives; and
- deliver high-quality public services so that everyone can enjoy a decent quality of life.

The Government's social exclusion action plan – *Reaching Out* – launched in September 2006, sets out a bold vision for tackling the root causes of deep-seated social exclusion.¹ It is underpinned by five key guiding principles that drive our approach and inform our actions: better identification and earlier intervention; systematically identifying what works; promoting multi-agency working; personalisation, rights and responsibilities; and supporting achievement in terms of local delivery of services to the most excluded, while intervening where there is under-performance. The plan also sets out a series of immediate changes and pilots built around a lifetime approach to tackling exclusion. This includes new approaches to improving outcomes for people with chaotic lives and multiple needs, and a number of measures for the most disadvantaged children and their families (see chapter two).

But the Government cannot tackle poverty and social exclusion in isolation. Partnerships formed between the UK Government and other bodies (both elected and non-governmental) have been and, in the future, will be crucial to delivering our shared social inclusion agenda. Working together with the

Scottish Executive, the Welsh Assembly Government and (when restored) the Northern Ireland Assembly is crucial to achieving our aims in this area.

The devolved administrations control many of the main levers that are central to a successful social inclusion strategy within their own jurisdiction; however, the detailed responsibilities and areas of direct control vary between countries. Areas where direct control may vary include health, education and social services. Although the overall strategy for tackling poverty and social exclusion is covered in this document, because of the intricacies and differences between the strategies of the devolved administrations, the *Opportunity for all* report should be read in conjunction with *Working Together: UK National Action Plan on Social Inclusion 2006–08*, and social inclusion updates produced separately for Scotland, Wales and Northern Ireland.²

We are also publishing a companion document to this year's *Opportunity for all*, which presents in detail the indicators by which we monitor our progress in tackling poverty and social exclusion.³

Chapter one: Our strategy

Overview

1. We are committed to achieving a fairer, more inclusive society in which nobody is held back by disadvantage or lack of opportunity. There are important links between poverty in childhood and lifelong disadvantage. Experience in early years – through the quality of education and the link to aspiration – is a crucial factor in breaking the cycle of deprivation that leads to unemployment and inactivity. Lack of opportunity to work in adulthood in turn restricts people's ability to build assets throughout their life, save for retirement and achieve security in later life. This in turn influences the ability to break intergenerational disadvantage and under-achievement.

2. This chapter presents our strategy through the life-cycle. It begins with a very brief overview of our strategy for children, which is discussed in detail in chapter two, then working-age people, meeting aspirations in later life and finally our strategy for building strong communities and excellent public services.

Children

3. In 1999, the Prime Minister pledged to eradicate child poverty in the UK within a generation. The next key milestone is our commitment to halve child poverty by 2010.

4. This commitment reflects the Government's wider ambition to ensure that every child has the best start in life and has an equal opportunity to fulfil their potential – both in childhood and as an adult. The *Child Poverty Review*,¹ published in July 2004, set out the Government's strategy for eradicating child poverty.

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.

5. Our strategies so far have been working, resulting in large decreases in child poverty, and reducing the exclusion experienced by children, young people and their families. We will therefore be building upon our current strategy to ensure that we meet our 2010 target, on the way to eradicating child poverty by 2020.

6. Chapter two outlines in detail the progress we have already made in tackling child poverty and improving the lives of children and young people and their families, and details our strategy moving forward.

People of working age

Our aims

7. Since 1997, a key objective for this Government has been the promotion of employment opportunity for all. Work strengthens personal independence, fosters greater social inclusion and is the best route out of poverty. Ensuring citizens have the right to enter the world of work has therefore been

the guiding principle of our drive to create a modern, active welfare state. And making a reality of employment opportunity for all is vital if the UK is to meet the challenge of an ageing society.

8. That is why we have set ourselves the aim of achieving an employment rate equivalent to 80 per cent of the working-age population. There are groups of people locked into long-term dependency on benefits who have been denied the opportunities that work can bring. We cannot afford to be denied the skills and contributions of those who have the potential to work. To achieve our aim we need to:

- reduce the number of people on incapacity benefits by a million in a decade;
- help 300,000 more lone parents into work;
- close the gap between the employment rate of people from ethnic minorities and the overall population; and
- increase the number of older workers by a million.

Progress so far

9. Since 1997, real progress has been made in achieving our goal of employment opportunity for all. The UK now has one of the highest employment rates in its history, and the highest of the G8 countries. Based on an overall framework of macroeconomic stability, we have delivered groundbreaking labour market policies that have transformed the former passivity of the welfare state into an active engagement, based on rights to financial support, and balanced by responsibilities to look for work with individual tailored help.

The New Deal and Jobcentre Plus

10. Our economy and society are changing fast and our welfare state must help us respond to these changes. The New Deal sits at the heart of our active labour market policy. It has played a key role in the massive reduction of long-term unemployment among adults and the virtual eradication of long-term youth unemployment. We have also created Jobcentre Plus which brings together benefit and labour market advice, providing an active focus for people who need help in finding employment. This revolutionary development is rightly considered internationally as a model for employment services.

For people with disabilities and ill health

11. Incapacity Benefit claimant numbers more than trebled between the late 1970s and mid-1990s. But this is changing. New claims are down by a third since 1997 and the number of claimants is now falling. However, we need to do more. Most people on benefits have manageable conditions and want to work, but significant barriers remain. Also, the very name of incapacity benefits sends a signal that a person is incapable and there is nothing that can be done to help them into work. We need to address these issues.

12. We have already introduced major innovations, including the New Deal for Disabled People and Pathways to Work pilots. Pathways to Work offers a dual approach to assistance, providing people with financial support while helping their return to independence and the ability to earn the means to live. The pilots combine a balanced package of rights and responsibilities, which aims to target some of the health-related, personal and external barriers to returning to work. Early indications are that this groundbreaking approach is having a positive impact, with recorded job entries increasing at a consistently greater rate in Pathways to Work areas than in the rest of the country.²

Gareth Almond, Bulldog Spirit

Despite losing his arm after a road accident in the 1970s, Gareth Almond had always worked. However, a few years ago he was forced to stop due to severe arthritis and phantom pain.

Unable to work, Gareth, from Barnoldswick in Lancashire, spent four years on Incapacity Benefit. As his situation began to improve, he started to think about returning to work.

He'd always loved motor sports, and came up with the idea of setting up a company that specialised in teaching disabled people how to drive.

One of the first things Gareth needed to do was complete a driving instructor's training course. But finances were limited, so he needed help to pay for it.

He went to Jobcentre Plus in Nelson, Lancashire, to seek advice. He met Personal Adviser Rob Moxham who looked at his business plan and sought funding.

Rob contacted various organisations and got funding for a training course at the Driving Instructor's College in Stockport. He also put Gareth in touch with the Shaw Trust which funded a disability awareness course.

After completing the training Gareth set up his company, Bulldog Spirit. He received £1,000-worth of equipment from the Pendle Enterprise Trust to help him start up.

"I really can't thank Rob and Jobcentre Plus enough," said Gareth. "He put me in touch with the right people and enabled me to do what I needed to do."

Gareth, now 51, has seen his business go from strength to strength, receiving awards in recognition of its success.

For people from ethnic minorities

13. There is a long-term and potentially damaging gap between the employment rate for ethnic minorities and the rest of the population. If we are to address persistent disadvantage and lift ethnic minority children out of poverty, we must narrow this gap. We are championing a cross-government strategy through the Ethnic Minority Employment Task Force to tackle the main factors in ethnic minority employment disadvantage.

14. The ethnic minority employment rate has risen by 1.9 percentage points since 2003, and now stands at 59.7 per cent (see indicator 19). The gap between the ethnic minority employment rate and the overall rate is now 15 percentage points.³ These figures confirm that the Department for Work and Pensions has met its 2002 Public Service Agreement target. Over 165,000 people from ethnic minorities have been helped into work through mainstream programmes such as the New Deals and over 11,000 through specialist programmes like Ethnic Minority Outreach. Key programmes, delivered by Jobcentre Plus and its partners, include Fair Cities, an employer-led initiative in the cities of Birmingham, Leeds/Bradford and London (Brent), and the Work Search Premium, a payment to help non-working partners in low-income families look for work.

For people living in cities and other disadvantaged areas

15. We have supplemented our core welfare-to-work programmes with area-specific initiatives where disadvantage is greatest. Since 2004, we have gradually moved away from concentrating on the 30 most deprived local authority districts, and have refocused our activity on the 903 most deprived wards which form part of our Public Service Agreement. Using innovative approaches, tailored to individuals' needs, programmes like Action Teams for Jobs have helped over 170,000⁴ disadvantaged

customers into work. Despite progress in the last nine years, there remain pockets of persistent low employment, low skills, poor health and weak overall economic performance.

16. The Working Neighbourhoods pilot was introduced to help to test flexible approaches to tackling pockets of persistent worklessness in some of our most deprived communities. We hope that evidence from the ongoing evaluation will help us to better understand the barriers and measures needed to continue to address small area disadvantage. There are particular challenges in cities due to the size of their population and their labour market disadvantage. While the national employment rate is 74.6 per cent, the employment rate (see indicator 18) in the ten biggest cities in Great Britain stands at 69.3 per cent, and in the five key cities (London, Birmingham, Glasgow, Liverpool and Manchester) the rate is only 68.2 per cent.⁵

For particular disadvantaged groups

17. Certain groups have been identified as being particularly disadvantaged in the labour market, and we are continuing to develop strategies to tackle the barriers they face as part of wider government working and in consultation with the voluntary sector.

Offenders

18. Low skills and lack of employment opportunities can be an obstacle for an offender wanting to turn away from crime and become a productive member of society. Our Green Paper, *Reducing Re-Offending Through Skills and Employment*,⁶ focuses on how to better train offenders and help them get jobs. Key proposals include a stronger focus on jobs, with more relevant skills training, led by employer needs; job developers who will provide a crucial link between all those engaged in supporting offenders; and a new 'employability contract' for offenders, with incentives for participation.

19. A new education and skills service for offenders, funded by Learning and Skills Councils, in close collaboration with Regional Offender Managers, has been rolled out across England from July 2006. Our commitments are being taken forward in tandem with the Home Office's employer engagement activity through its Reducing Re-offending Corporate Alliance. This brings together private and public sector employers, and others with skills in the business world, to find ways of increasing the number of offenders going into jobs.

20. The Government enacted the Equality Act 2006 in March, which contains a requirement for all public authorities to actively promote gender equality. This has provided added impetus to the various strands of work being taken forward as part of the Women's Offending Reduction Programme, which aims to ensure that policies, interventions and services are appropriate to women's needs. In March 2006, it was also announced that Baroness Jean Corston has been appointed to undertake a review of vulnerable women in the criminal justice system. The review is due to report to Ministers with recommendations in December 2006.

Drug misusers

21. Drug misusers face considerable barriers to entering and progressing in the labour market, and we are continuing to provide those who are now either drug-free or stabilised with specialist support through progress2work. Some 24 per cent of those starting this programme have moved into work of 16 hours per week or more. Progress2work LinkUP builds on the progress2work model, concentrating on those who experience multiple barriers to employment – having an offending background, being homeless and recovering from alcohol misuse. This is an extremely challenging client group and, to date,

27 per cent of those customers starting the programme have moved into work of 16 hours per week or more.

Refugees

22. In 2005, we published *Integration Matters*,⁷ our refugee integration strategy document. This outlined how we are ensuring successful integration for recognised refugees (for more information, see the Communities section).

23. *Working to Rebuild Lives: A Refugee Employment Strategy*⁸ was published by the Department for Work and Pensions alongside *Integration Matters*. It recognises that employment is one of the most effective ways of integrating refugees into the wider community. The Department, working with partners, is building a clearer picture of the refugee client group to help develop its business approach. This involves accessing better data to understand where the main refugee communities are, particularly outside London.

For people with low or no skills

24. Our Skills Strategy⁹ advocates wholesale reform of the adult skills system to tackle skill shortages, ensuring employers have the skills needed to support the success of their businesses and individuals have the skills needed to be employable. The Skills for Life strategy continues to provide free training in basic literacy, language and numeracy skills. We know that many people in the low-skilled group face other barriers to work and, through Jobcentre Plus, we aim to offer access to high-quality employment-related skills and training provision and other support to meet individual needs.

25. Current new initiatives include the New Deal for Skills Skills Coaching and Adult Learning Option pilots. The Adult Learning Option, for instance, which began in

September 2006, will test the labour market impact of providing financial incentives and support to help low-skilled Jobcentre Plus customers to work towards a first full Level 2 qualification¹⁰ (including those on Income Support and Incapacity Benefit), when this is considered to be what is preventing them from getting a job (see indicator 21).

European Social Fund

26. Our policies to promote employment opportunity for all have been enhanced by financial support from the EU Structural Funds, in particular the European Social Fund. This fund provided about £5 billion in the UK (£4 billion in England) from 2000 to 2006 to help people develop their employability and skills, with a particular focus on unemployed and socially excluded people.

27. 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. Key target groups include people on incapacity benefits, disabled people, ethnic minority groups, older people and people lacking basic skills and qualifications. Since 2000, over 2.3 million people in England have been helped by the European Social Fund.¹¹

Making work pay

28. Through the National Minimum Wage and tax credits, we have ensured that people will be better off in work than on benefits. 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, is around £56 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 £75 a week from the move to work.

29. We have also recognised that particular groups of people need extra help to ease the transition into work from benefit. For lone parents, we are piloting an In-Work Credit to aid the transition into work and, in Pathways to Work areas, incapacity benefits claimants can receive a Return to Work Credit.

Financial inclusion

30. *Promoting financial inclusion*¹² outlined our strategy to tackle financial exclusion. This included the establishment of a Financial Inclusion Task Force to oversee progress and a Financial Inclusion Fund of £120 million to support initiatives to tackle exclusion in three priority areas: that is, access to banking, affordable credit, and free face-to-face money advice. The Financial Inclusion Task Force reported in March 2006 that we have achieved steady progress towards our shared goal, agreed with the banks in December 2004, of halving the number of adults living in households with no access to a bank account. In June 2006, we announced the first successful bids for the Growth Fund, a £36 million fund available to credit unions and other third-sector lenders working towards increasing the availability of affordable credit for lower-income groups.

31. In 2005, we launched a second Saving Gateway pilot. Saving Gateway is exploring how matching (the Government contributes money for every £1 saved) promotes saving among those who do not usually save. Evidence from the first pilot showed that Saving Gateway could generate new saving and new savers. The second pilot has around 22,000 accounts in six areas.

32. One of the aims of the Identity Cards Act, which received Royal Assent on 31 March 2006, was to contribute to social cohesion by giving all British citizens resident in the UK, and all foreign nationals legally resident here,

whatever their financial or economic status, a standardised and secure way of demonstrating their identity. Public reaction to the proposals to introduce identity cards has shown that there is a significant minority of people who find that activities like opening a bank account are problematic for them. Identity cards will be particularly valuable for people like this who are financially excluded because they have difficulty providing enough documentation to be able to open a bank account.

Housing Benefit

33. Housing Benefit is vitally important in helping people with low incomes to pay for rented accommodation whether they are in or out of work. Delays in processing claims and uncertainty about the amount of support that they can receive may discourage some claimants from making a return to work. We have improved processing times and, since 2002/03, the average time to process new Housing Benefit and Council Tax Benefit claims has been improved by nearly three weeks. We have also continued simplifying the benefit and improving measures to help people get back into work by, for example, extending the four-week Housing Benefit run-on to people leaving certain disability benefits. But a radical new approach is needed to further reform Housing Benefit.

34. Local Housing Allowance, a fairer and simpler way of calculating Housing Benefit entitlement, is being tested in 18 local authority areas throughout the country. Based on the size of the claimant's household and the area in which they live, this approach offers tenants more choice when deciding where they live and the type of property to rent. The allowance in most cases is paid to the tenant, so helping to promote personal responsibility and financial inclusion.

Looking forward

35. Despite our overall success, we recognise that some groups continue to face disadvantage. There are over 2.7 million people on incapacity benefits. There is a clear link between benefits dependency and hardship. As many as half of the most severe pockets of deprivation in Britain are contained within the 100 parliamentary constituencies that have the largest numbers of people claiming incapacity benefits. But, because of our achievement in reducing unemployment, we are now well placed to provide more help for these hard-to-help groups. In *A new deal for welfare: Empowering people to work*,¹³ we identified key areas where further reform is needed.

For people with a disability or ill health

36. For people with a disability or ill health, work is a key factor in delivering equality and contributing to their health and well-being. We intend to address weaknesses in the current system by:

- early intervention, to avoid the drift on to benefits;
- a supportive gateway, to give people return-to-work help during the gateway onto incapacity benefits; and
- focusing the medical assessment on ability not incapacity.

37. We must also make people better off in work and remove perverse incentives to claim benefits. People's rights and responsibilities must be clear, focusing upon ability not incapacity. There must be swift and appropriate health interventions, helping people to manage their condition and make a quick return to work.

38. We have already announced our intention to roll out the successful Pathways to Work approach nationwide by 2008. This will be supported by a new Employment and Support Allowance, introduced from 2008. This would be payable at a higher rate for those able to engage in return-to-work activities, and would be reduced to basic Jobseeker's Allowance levels if people fail to comply. Those with the most severe conditions will not be expected to undertake activity and will be paid at a higher rate. We will work with existing claimants, protecting their existing level of payment, and in time migrating them across to the Employment and Support Allowance.

39. Meanwhile, we need to reduce the number of people taking sick leave and claiming sickness benefits. We are working with partners, including employers, trade unions and healthcare professionals, to improve the general health and well-being of our working-age population, create healthier workplaces, and ensure provision of good occupational health services and enhanced rehabilitation support. In addition, we are engaging with healthcare professionals, giving them the training and support necessary to provide informed advice to their patients on fitness for work and their options. In many cases, work may be beneficial to their patients' recovery and well-being.

Review of mental health and employment

40. Building on this, Budget 2006 announced a review of the policies needed to improve mental health and employment outcomes. The review aims to develop a clear understanding of the support and assistance available to working-age people with mental health problems, which can help them to remain in or return to work, including identifying existing policies and best practice, as well as gaps in service delivery and options for the future.

For people with multiple needs

41. The Government's social exclusion action plan, *Reaching Out*, launched in September 2006, sets out a bold vision for tackling the root causes of deep-seated social exclusion.¹⁴ The plan seeks to identify and persistently support adults with chaotic lives and multiple needs to take control over and responsibility for their own lives. We have committed £6 million over three years from 2007 to develop and evaluate alternative approaches to improving outcomes for people with chaotic lives, and will use the findings to inform further policy development.

People from ethnic minorities

42. New initiatives to increase ethnic minority employment include Partners' Outreach, work-focused help for non-working ethnic minority partners in low-income households in areas with a high ethnic minority population, and using the City Strategy to improve outcomes delivered through existing funding.

European Social Fund

43. During 2006, the UK is developing proposals for the next round of EU Structural Funds programmes from 2007 to 2013. These will include new European Social Fund programmes for England, Scotland, Wales and Northern Ireland. We have proposed two main priorities for the European Social Fund in England: extending employment opportunities and developing a skilled and adaptable workforce.

Housing Benefit

44. Local Housing Allowance has been the core reform for private tenants. Evaluation indicates that the scheme is working well in pathfinder areas, but has identified a number of changes required for a national model. The challenges associated with reforming the social housing sector are more difficult and we are moving cautiously with reform of this

sector. However, we recognise the importance of maintaining the momentum of our reform programme.

Delivering welfare reform

Extending Pathways to Work pilots

45. Delivering our radical programme of reform requires much more than legislation and policy change. It requires a delivery network that is effective, accessible and flexible. In taking forward our reforms, we need to ensure that we provide the best possible service for all our customers and value for the taxpayer. We want to draw on the experience of the private and voluntary sector and look for their greater involvement in the reform agenda. Building on the success of the New Deal for Disabled People and other initiatives, we wish to develop our services for incapacity benefits claimants. We will invite new voluntary sector and private providers to manage Pathways to Work in new areas, testing innovative approaches and focusing on improving job entry and retention. We will extend the Pathways to Work programme to cover every part of Britain by 2008.

City Strategy

46. From 2007, we will test an initial phase of pathfinders in those areas that are furthest from the Government's long-term aim of an 80 per cent employment rate. In order to achieve this, we need to focus on the most disadvantaged groups and areas, and the major cities have the biggest concentrations of labour market disadvantage. The aim of the City Strategy is to test whether a local consortium, or partnership, of agencies, coming together with the shared aim of improving employment rates, can provide the drive and focus for cross-agency efforts to help jobless people, especially the most disadvantaged, find and progress through work. It is a bottom-up approach in which we are looking to empower areas through the opportunity to put forward proposals to

government for how employment-related services should be delivered locally, based on their knowledge of their area and the key priorities for action.

47. A City Strategy project board has been established and first met in March 2006. The board has representation from central government departments, including the Departments for Work and Pensions, Communities and Local Government, Education and Skills, Trade and Industry, and the Treasury; delivery agencies including Jobcentre Plus, Learning and Skills Councils and Regional Development Agencies; the devolved administrations; and local authorities. The first two pathfinders, announced in April 2006, are in East and West London and form part of our vision for the city following the awarding of the 2012 Olympic Games.¹⁵ In July 2006, a further 13 successful cities and towns¹⁶ were granted City Strategy pathfinder status. The successful cities will establish consortia made up of government agencies, local government and the private and voluntary sector, which will start developing plans for agreement with the Department for Work and Pensions by autumn 2006.

Welfare Reform Bill

48. Some of the key reforms outlined in *A new deal for welfare: Empowering people to work* require primary legislation – the agreement of Parliament. We therefore introduced the Welfare Reform Bill on 4 July 2006.¹⁷ The Bill outlines proposals:

- for a new Employment and Support Allowance to replace incapacity benefits, with a new Personal Capability Assessment for people making a new claim to benefit and, for the majority of recipients, mandatory engagement in ongoing support;

- to help local authorities administer Housing Benefit more efficiently; and
- for replacing Housing Benefit with a new Local Housing Allowance for private rented sector claimants.

More information about these measures can be found above.

Meeting aspirations for later life

49. Tackling poverty among today's pensioners has been, and remains, a priority for the Government. People approaching retirement have a right to expect security and support when they are in need. However, they also have a responsibility to plan and save for when they stop working.

50. Later life should also be a time of opportunity, not vulnerability. The Government strategy on ageing, *Opportunity Age*,¹⁸ set out an ambitious agenda for the ageing population and we have seen progress on poverty, equality in employment and better services. *A Sure Start to Later Life: Ending Inequalities for Older People*¹⁹ focuses on preventing exclusion and isolation among older people.

51. The effect of central and local government strategies on the lives of today's and tomorrow's older people will be monitored using a suite of indicators of older people's independence and well-being. These indicators were published in the White Paper *Security in retirement: towards a new pensions system*²⁰ published in May 2006, and a document including baseline data on the indicators will be published shortly. *Opportunity Age* indicators are designed to be the first stage in developing a balanced national assessment of quality of life for older people.

The Government aims to:

- combat poverty and ensure financial security in retirement;
- enable people to make real and informed choices on working and saving;
- increase employment opportunities for people aged over 50;
- improve security and bolster confidence in occupational pension schemes;
- improve the standard of public services for people approaching or in retirement; and
- end the perception of older people as 'dependent', ensuring that longer life is healthy and fulfilling and that older people are included as full participants in society.

52. This is a growing challenge as UK population projections suggest that the number of people aged between 50 and 69 will increase from 13.6 million to around 16.3 million by 2025.

53. Our White Paper sets out proposals for reform of the UK pensions system, which will address the twin challenges of demographic change and under-saving by a new system of automatic enrolment into personal accounts, underpinned by a solid, more generous State Pension to make the benefits of personal saving more transparent, coupled with a gradual increase in State Pension Age to 68 by 2046.

Progress so far

Employment for people aged over 50

54. Our work with employers through the Age Positive campaign and the range of back-to-work help for people aged over 50, including financial support from the over-50s return-to-work element of the Working Tax Credit and the New Deal 50 plus programme, have helped the employment rate for those aged 50 to State Pension Age to increase from 64.5 per cent to 70.9 per cent from spring 1997 to spring 2006, rising faster than the overall employment rate.

55. Legislation against age discrimination in employment comes into force on 1 October 2006. We have been working with employers to prepare them for the legislation and encourage the introduction of flexible working and retirement policies. Age Positive week in May 2006 and our ongoing Be Ready campaign with leading business organisations are raising awareness of the changes that need to be made.

56. We have given people the incentive to extend their working lives by offering more generous State Pension deferral options.

Planning and saving for retirement

57. To enable people to plan, work and save for retirement, they need clear, complete and unambiguous information, which helps them make fully informed choices about their future pension provision. To meet this need, in 2006, we have:

- developed *Smart Start to Pensions*, an online guide for beginners;²¹
- introduced *Pensions: the basics. A guide from the Government*, a replacement for the leaflet *A Guide to your Pension Options*, using a customer-friendly design and presentation of information;

- sent information to around 237,000 people under State Pension Age who indicated on household surveys that they are interested in receiving information about pensions; and
- issued over 7 million individuals with an automatic, combined or individual pension forecast between January and August 2006.

Bolstering confidence in occupational pensions

58. The Pensions Regulator, established in 2005, provides greater emphasis on identifying and tackling the real risks to members' benefits and a proactive, risk-based style of regulation. It is clear that this approach is already making itself felt in the industry.

59. The Pension Protection Fund provides compensation to members of eligible defined benefit schemes where the employer related to the scheme becomes insolvent after 6 April 2005 and leaves the pension scheme underfunded. To date, there are over 100 schemes, with more than 80,000 members, in assessment for Pension Protection Fund entry.

Pensioner poverty

60. As a result of the measures we have introduced since 1997, we will be spending £10.5 billion extra in 2006/07 on pensioners. Almost half this extra spending is going to the poorest third.

61. Poverty among pensioners has fallen – there are 1 million fewer people of State Pension Age living in relative low income than in 1997, lifting over 2 million older people out of absolute poverty.²²

62. Pension Credit is continuing to make a real difference to the incomes of people aged 60 and over. It targets money at those who need it most but also rewards those aged 65 and over who have made modest provision for their retirement. Figures at the end of May 2006 indicate that over 2.7 million households are receiving Pension Credit.

63. We have continued to make Winter Fuel Payments as an integrated part of support for older people, many of whom value a timely lump-sum payment to help with fuel costs. For winter 2006/07, we expect around 11.5 million people in over 8 million households in Great Britain to receive these payments, at an estimated cost of around £2 billion.

Working in partnership to deliver benefits and services

64. LinkAge is a partnership delivery model for better integration of healthcare, housing, and the provision of benefits and social care. The model uses local networks of services and includes three elements.

- Joint Teams, where the local authority and The Pension Service Local Service work in partnership to offer older people a full personal care, benefits, heating and housing check so that they can receive all the support they need. As of May 2006, there are 90 operational Joint Teams, with a further 57 at different stages of implementation.
- Alternative Offices – these offer customers aged 60 and over the choice of lodging claims for benefits with voluntary/ community organisations or local authorities rather than with government agencies. This avoids the need to send personal documents through the post.

- The Partnership Fund – a one-off project providing short-term funding to not-for-profit organisations to increase take-up of benefits by older people, particularly those in hard-to-reach groups or groups where take-up of benefits is low. Partnership Fund contractors have so far supported customers in completing around 35,000 claims for older people's benefits, resulting in reported increases in weekly income of between £40 and £150.

The Pension Service in action

For Jean Williams, aged 63, the loss of her husband was a devastating blow.

Her family rallied round but she also needed financial help to pay her bills and rent.

A visit from Lynda Ormerod of The Pension Service in Swindon helped provide the security she needed.

Mrs Williams was already receiving Disability Living Allowance of £85 and State Pension of £27.71 a week. But now she also gets £133.09 of Pension Credit, £60.52 of Housing Benefit and £15.54 of Council Tax Benefit.

Lynda also helped Mrs Williams claim a Funeral Payment from the Social Fund.

When Lynda visited Mrs Williams at home, she found her struggling to use the stairs and bath and having difficulty putting money in the electricity meter which was situated too high for her to reach.

So Lynda contacted both the local council's Careline and a scheme called Care and Repair. Care and Repair secured funding and arranged for the electricity company to lower the meter.

"Care and Repair are also arranging for the electric cable to be extended so I can have Homeline and I am having an assessment for help with bathing and getting around the house," said Mrs Williams. "Lynda was wonderful in doing all that. I don't know what I would have done without her."

Lynda said: "I went expecting a straightforward visit to change her method of payment. I came across a lady who had just lost her husband and had financial, welfare and personal needs but I was able to do so much myself and through my partners."

Improving older people's health and independence

65. *The National Service Framework for Older People* was published in March 2001.²³ It set national standards for the health and social care of older people in England and guidance on medicines management in a ten-year programme to improve care and support. The focus of key health and social care strategies and policies for older people have been:

- treating older people with dignity and respect in every care setting, whether at home, in hospital or in a care home;
- improving services for strokes, falls, mental health, long-term conditions and emergency care; and
- helping older people to maintain their health, independence and well-being. (This will be a key component in the delivery of the *Opportunity Age* strategy.)

66. In April 2006, a report²⁴ on progress in implementing the National Service Framework for Older People showed that:

- there has been a steady increase in the proportion of older people receiving intensive help to maintain a high quality of life independently at home rather than in residential care, with nearly one-third (32 per cent) now in this group;
- delayed discharge from acute hospitals has been reduced by more than two-thirds;
- through tackling age discrimination, older people are receiving access to treatment and services in greater numbers than ever before;
- specialist services for age-related needs, such as stroke and falls, continue to improve; and
- increasing numbers of older people are taking advantage of health promotion opportunities, for example in stopping smoking.

67. A vision for older people's mental health services,²⁵ published in July 2005, was followed by a new older people's mental health service development guide²⁶ in November 2005, which describes the foundations and key elements of a comprehensive older adult's mental health service. It will be a benchmark for mental health services, and will be used by the Healthcare Commission and the Commission for Social Care Inspection to aid their inspection processes.

Transport for people over age 60

68. Being able to get out and about is central to enabling older people to participate in society, and contributes to the independence of older people, as set out

in *Opportunity Age*. The Government is committed to an accessible public transport system in which people with mobility impairments have the same opportunities to travel as other members of society.

69. We have taken the following measures:

- For everyone aged 60 and over in England, we have introduced, from 1 April 2006, a statutory entitlement to free off-peak bus travel in their local area. This will benefit an estimated 9 million people. The Government is providing an extra £350 million to implement this measure.
- We have introduced regulations to ensure that all new trains, buses and coaches are accessible to the widest range of disabled people. Over 4,400 accessible trains were in service by the end of 2005 and 46 per cent of the bus fleet is already accessible.
- We launched a Railways for All strategy on 23 March 2006 explaining how the accessibility of all aspects of rail travel will be improved. The strategy includes £370 million Access for All funding to be spent on improving accessibility at railway stations.

Looking forward

People in employment

70. We are working to ensure that people are empowered to make sufficient provision for their retirement by working with pension providers and employers to evaluate techniques to maximise membership of workplace pension schemes.

71. We also set out proposals in the White Paper²⁷ to introduce a new pension saving scheme of low-cost, portable personal accounts, making private saving truly accessible for all.

72. In the period before the implementation of personal accounts, we will be pursuing three distinct strands of work:

- developing an information and communications strategy to support the introduction of personal accounts;
- continuing our work on improving public understanding of pensions; and
- working with the Financial Services Authority and others on the broader financial capability strategy.

73. To enable people to prepare for a secure retirement, we will also give people the choice and opportunity to work longer, enabling those who want to, to extend their working lives by:

- introducing age discrimination legislation from 1 October 2006, which includes a default retirement age of 65. For the first time, employers will not be able to force people to retire below age 65 unless, in their particular case, they can justify a lower retirement age. Individuals will also have the right to request to work longer, which employers will have a duty to consider;
- introducing, for people claiming incapacity benefits, an Employment and Support Allowance and improved assessment of their personal capability and needs in order to help their return to work, where appropriate, by 2008;
- piloting face-to-face guidance sessions on future work options for people in work and approaching or over 50;
- improving back-to-work support for Jobseeker's Allowance claimants and their dependent partners who are over 50;

- working with employers to extend flexible working opportunities to older workers; and
- increasingly treating people aged 60 to 64 as active labour market participants as the State Pension Age for women, and Pension Credit age for both men and women, is phased up from 60 to 65 from 2010 to 2020.

Pensioner poverty: more help for pensioners

74. It is essential that we continue to tackle poverty among older people. We had announced that the guarantee element of Pension Credit would be increased in line with earnings until 2008. In the White Paper,²⁸ we announced that it would go up in line with earnings over the long term.

75. The Pension Service is looking at ways to ensure that all those who are entitled to Pension Credit receive this support. It is aiming to undertake a further 1 million home visits during 2006/07, offering a full benefit entitlement check to ensure pensioners are receiving all the benefits and services to which they are entitled. It will continue to develop work with partners, local and national, statutory and voluntary, to best serve customers in all communities.

76. The White Paper²⁹ sets out a number of proposals for changing the state pensions system for people who reach State Pension Age on or after 6 April 2010. Proposed changes would increase the number of people who become entitled to a State Pension and increase the amount of State Pension some people would get. The changes will simplify the state pensions system and would ensure better State Pension outcomes for more women and carers. They will ensure that fewer people retire on less than a full basic State Pension.

77. We also said in the White Paper that we will re-link the uprating of the basic State Pension to average earnings. Our objective, subject to affordability and the fiscal position, is to do this in 2012, but in any event by the end of the Parliament at the latest.

78. The proposals would need to become law before they take effect and, as such, the Government plans to introduce legislation in the near future. We will publicise any changes to the current system before they are introduced.

Working in partnership to deliver benefits and services

79. Income levels are important but are not the only issues facing older people. To fulfil the Government's aims, the strategy requires the active involvement of older people themselves in the development of services within their local area. This approach underpins the development of the LinkAge Plus pilots. *Opportunity Age* set out the intention to develop a fully integrated service based on the needs and aspirations of older people, with their full participation.

80. *A Sure Start to Later Life* sets out 30 cross-government actions for tackling current and future exclusion among older people. The report sets out a vision of reforming services in a way that will tackle the social exclusion and isolation of older people by employing the principles developed in the delivery of services to disadvantaged children and families. The Sure Start principles of service delivery will ensure a service that is locally owned, joined up, non-stigmatising, accessible and economically effective.

81. The Sure Start model is being piloted for older people through the LinkAge Plus programme, which will:

- expand the principles of joined-up working, and look to provide access to a wide range

of services, including housing, transport, health and social care as well as work and volunteering opportunities – all as part of a seamless service;

- involve a programme of pilots that will integrate services for older people and will be designed to meet the needs of each local area; and
- build on existing links between central government, local authorities and other organisations, and work in partnership.

82. There are eight pilot sites across England. The pilot programme was launched in July 2006 and the results of these pilots will be evaluated and findings disseminated to allow other local partnerships to establish similar approaches in their areas.

83. In *Opportunity Age*, we made a commitment to develop improvements in the use of information on ageing and older people. We will consider the scope for setting up an Office for Ageing and Older People to promote the ageing agenda, together with an observatory to improve the co-ordination and dissemination of information about ageing.

Improving older people's health and independence

84. The review of implementation of the National Service Framework for Older People, published by the Healthcare Commission, Commission for Social Care Inspection and Audit Commission in March 2006, identified a number of key challenges for the next phase. These are addressed as part of Professor Ian Philp's (the National Director for Older People) report, *A New Ambition for Old Age*.³⁰

85. The report sets out the next steps in implementing the National Service Framework for Older People, providing the priorities for the next phase of reform covering the second half of the ten-year National Service

Framework. Ten programmes are detailed that focus on changing culture, reform to systems and raising aspirations for later life.

86. Caring for frail older people remains the core business of the NHS and social care. The *Our health, our care, our say* White Paper, published in January 2006, provides the wider programme framework to align planning and commissioning, and support the delivery of health and social care for older people. It draws together a range of actions that provide for:

- more services in local communities (closer to people's homes);
- increased support for independence and well-being;
- increased support for individual choice and giving people a say;
- increased support for people with high-level needs; and
- a sustained realignment of the health and social care system.

Transport for people over age 60

87. The entitlement to free off-peak local area bus travel for everyone aged 60 and over in England will be extended further so that, from April 2008, it will allow free off-peak bus travel on any local bus in the country.

Communities

88. Our vision is of a flourishing, fair society in which everyone has opportunities and choices. This is dependent on creating sustainable communities – places where people want to work, now and in the future, communities in which the issues of crime, health, transport and integration are addressed along with housing and homelessness.

Progress so far

Housing and homelessness

89. Increasing the supply of affordable housing is an important part of our strategy to address homelessness and overcrowding. We have an ageing and growing population set against the background of a housing market that has failed to respond to increasing demand. The latest household projections show that households will grow by 209,000 per year to 2026, but in 2004/05, only around 168,000 extra homes were delivered. This gap is unsustainable.

90. To address this, we have already significantly increased investment in social housing and low-cost home ownership. The latest Spending Review committed to increasing 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.

91. Very few people are sleeping rough; however, we recognise that temporary accommodation lacks the certainty people need to settle and we want to ensure that the number of households living in these circumstances is halved by 2010.

92. We have been successful in reducing the number of people who are homeless. In addition, we have reduced the number of families in temporary accommodation and, of those who are in temporary accommodation, we have increased the number who are in self-contained premises. We have achieved sustained success in reducing the use of bed and breakfast hotels for families with children (except in exceptional circumstances), and we have reduced the number of rough sleepers.³¹

93. Since 1997, we have doubled the funding for affordable housing and have supported the creation of 230,000 new affordable homes. With the funding provided

in Spending Review 2004, along with efficiency improvements, we will produce 75,000 social rented homes by 2008. This is in addition to 100,000 households we will help into low-cost home ownership by 2010 through our Homebuy proposals.³²

94. In addition, we are working to improve access to benefits and employment opportunities for people who are homeless or living in temporary accommodation. The Working Future pilot is one element of this work.

The Working Future pilot

Led by the Greater London Authority and the East Thames Group, the Working Future pilot is testing how the lowering of rents and increased access to employment opportunities for those in temporary accommodation can help overcome worklessness.

One hundred households in temporary accommodation in East London are taking part in the pilot, and have their rents set at a level equivalent to the average social rent for that area. The difference between the set rent and the property's former rent is being met through a block grant paid to the local authority concerned.

As well as reduced rents, the households are receiving a range of support and advice, both tailored and through existing mainstream services, to get them ready for training and employment, and advising them on the range of benefits to assist them when moving from welfare to work.

The pilot began in September 2005 and will run for around two years. If successful, the pilot could pave the way for future reform of the current Housing Benefit rules for those in temporary accommodation.

95. Under the Decent Homes programme:

- 167 voluntary transfers of stock from local authorities to registered social landlords have been made since 1997, covering more than 749,000 homes;
- 40 arm's-length management organisations have passed their inspections, releasing funds to improve more than 612,000 local authority homes; and
- 12 housing Private Finance Initiative contracts have been signed.

96. The Private Finance Initiative schemes will reduce the number of non-decent social sector homes by around 27,000 and deliver around 3,600 new social rented units. In addition, 98 local authorities have put plans in place to deliver decent homes through retention of direct management and ownership of their housing stock.

97. The wider strategy *Sustainable Communities: settled homes; changing lives* sets out the Government's plans for preventing homelessness and improving access to settled housing.³³ The Supporting People programme, launched in April 2003, provides a range of housing-related support services to enable vulnerable people to live independently. These can range from help with accessing benefits, health and personal care services, to providing low-level practical support such as helping to find a handyman or gardener. This continues to be a key Government programme. Through it, each year, over 1.2 million of society's most vulnerable people are helped to become or stay independent in their own home. Since its launch, local authorities have assessed overall local needs and set out their plans for how best to address these through local five-year strategies.

Tackling fuel poverty

98. The Government is firmly committed to tackling fuel poverty. In November 2004, we published *Fuel Poverty in England: The Government's Plan for Action*, which set out how we intend to meet our fuel poverty targets in England.³⁴ In addition, the energy White Paper published in February 2003 made it clear that tackling fuel poverty is one of our four energy goals.³⁵ The goal is to seek an end to the problem of fuel poverty.³⁶

99. We exceeded our original Public Service Agreement of assisting 600,000 households under the Warm Front programme between 2001 and 2004, having now provided assistance to more than 1 million vulnerable households.

Health

100. The White Paper – *Our health, our care, our say: a new direction for community services* – sets out to create a flexible and responsive health and social care system for everyone, driven by the needs of the public, patients and service users.³⁷ It aims to tackle some major challenges, for example the wide-ranging programme to tackle health inequalities is focusing action on disadvantaged communities and doing more to ensure that the NHS value of equal access to all, including to the most disadvantaged, is a reality. That means putting more services into the poorest areas of the country, which have historically had the fewest number of doctors per head of population, and making primary care services more responsive to their patients' needs through practice surveys and developing 'triggers' for local action to tackle problems.

Transport

101. Transport is an important issue which can have a significant effect on the most vulnerable in society, for example a lack of transport can isolate people, especially in rural areas. 'Accessibility planning' looks at improving social inclusion by getting people to the services they need. It concentrates on improving access for those most in need, to the services with the greatest impact on life opportunities: jobs, healthcare, learning and food shops.

102. Local transport authorities are expected to work with partner organisations, such as primary care trusts, local education authorities and Jobcentre Plus, to identify and address accessibility problems. Guidance and advice on accessibility planning has been issued by the Departments for Transport, Communities and Local Government (formerly the Office of the Deputy Prime Minister), Work and Pensions, Education and Skills, Health, and Culture, Media and Sport.³⁸

Safer and Stronger Communities Fund

103. In 2005/06, the Home Office and the Department for Communities and Local Government rolled out the Safer and Stronger Communities Fund to all local authorities, providing 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. In its first year, the fund totalled over £210 million and, in 2006/07, it totals over £220 million. This will be increased to over £230 million by 2007/08.

Crime

104. 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, fire and rescue authorities and primary care trusts, along with other key local partners.

105. The partnership provisions of the Crime and Disorder Act 1998 (Sections 5–7, 17 and 115) were reviewed between November 2004 and January 2005.³⁹ A range of recommendations were made and, for those that require legislative change, provisions are included in the Police and Justice Bill, currently before Parliament. We have recently completed a consultation programme with stakeholders across England and Wales on how best to implement the partnership provisions of the Police and Justice Bill.⁴⁰

Community cohesion

106. We are proud of today's multicultural society, but there is still more to do to ensure that everyone in Britain has the life chances they deserve. To help achieve this, the Government launched *Improving Opportunity, Strengthening Society* in 2005.⁴¹ This is the first ever cross-departmental strategy to increase community cohesion and race equality – helping to ensure that a person's ethnicity or race is not a barrier to their success. The strategy contains more than 100 commitments from across government and key stakeholders including the Commission for Racial Equality and local authorities.

107. Volunteering is an important aspect of community engagement. Although levels of volunteering in England are already high –

more than 29 per cent of adults in England now volunteer through a group or club at least once a month, up significantly from 2001 – opportunities to volunteer are not evenly spread across all groups in society. In order to combat this discrepancy, the Volunteering and Charitable Giving Unit is focused on raising the level of voluntary activity among groups at risk of social exclusion.⁴²

108. We published our strategy for the integration of refugees into their new communities in *Integration Matters* in March 2005.⁴³ We want to provide refugees with the opportunity to become active participants in their new communities. We want to ensure that they can access the services they are entitled to, and to the same level as people currently in the receiving community, and to enable refugees to make a positive contribution in their new community. We are now taking this strategy further by developing a standard level of service that every refugee can expect to receive and we will be consulting stakeholders on our proposals in the coming months.

109. We have continued to develop the Sunrise casework programme in four areas for newly recognised refugees, providing a designated caseworker who can work with each refugee to identify the specific opportunities that they want to take advantage of, the specific barriers that prevent them from doing so, and the support and assistance available to help them overcome these barriers. Sunrise will be complemented by the further development of the TimeBank project, Time Together, which brings together refugees and volunteer mentors from the receiving community.⁴⁴

Sunrise casework programme

Gawo left war-torn Somalia in 2003 with his four children because of the conflict and threats against his life. He was granted refugee status two months after arriving in the UK.

He said: "I received a letter saying my support would stop and I had to leave my accommodation. I didn't know what to do. It was extremely difficult for me to understand the system without speaking English. I had two young children and it was such a relief to know Sunrise was there to help me.

"My Sunrise caseworker immediately made an appointment for me with the housing department. I was introduced to a Somali 'advocate' who has attended appointments with me at the Jobcentre, helped me to fill in forms, read letters to me and translated for me. He's been fantastic. Sunrise has also helped me to get English language classes.

"I want to learn English and become independent so I don't have to ask people."

Rural areas

110. While rural areas are on average less deprived than their urban counterparts, there are still significant numbers of disadvantaged rural residents. The broad features of disadvantage are similar wherever you live – financial exclusion, lack of skills, lack of affordable housing and limited social mobility. But the spatial characteristics that define rurality can create particular challenges and

often require imaginative, innovative and tailored delivery solutions. The Department for Environment, Food and Rural Affairs supports the approach taken by the wider government agenda on social exclusion, which is focused on life stages and aims to break the inter-generational cycle of disadvantage.

Community Champions Fund

111. The Community Champions Fund was set up in 2000 to develop and deliver our objectives for promoting social inclusion and active citizenship. The two main objectives are to increase the skill levels of individuals to enable them to act as inspirational figures, community entrepreneurs, community mentors and community leaders, and to increase the involvement of communities in regeneration and learning activity.

112. The fund is an annual £3 million programme, which offers individuals up to £2,000 to run innovative projects in their community to change it for the better. Government Offices for the Regions deliver the fund through locally contracted intermediary organisations.⁴⁵

Looking forward

Housing

113. Despite our successes in the area of social housing, we recognise that there is more to do, for example within London's social rented sector, the rate of overcrowding is 7.8 per cent for white households but 17.8 per cent for black and ethnic minority households. It is this kind of issue that we need to address in the future as we work towards our vision.

Our response to the Barker Review of Housing Supply⁴⁶

Our response to Kate Barker's review included a commitment to set out ambitious plans for increasing the social housing supply in the next Comprehensive Spending Review, with new investment alongside improved efficiencies and innovation in provision. Objectives include:

- improving affordability and helping future generations of homebuyers get a foot on the housing ladder;
- increasing net additions to the housing stock from 150,000 to 200,000 by 2016, within the range of house building envisaged by Kate Barker in her review;⁴⁷ and
- responding to housing needs in all regions.

Tackling fuel poverty

114. We have set a Public Service Agreement target to eliminate fuel poverty in vulnerable households in England, as far as is reasonably practicable, by 2010. Recent rises in energy prices pose several significant challenges for the achievement of this target. The Government remains committed to working with all of our stakeholders to tackle the difficulties that lie ahead. To demonstrate our commitment to fuel poverty targets, we have provided £250 million of additional funding, to be allocated to the Warm Front programme over the period 2005–08. This takes the total funding for the programme to over £800 million.

Health

115. The *Our health, our care, our say* White Paper recognises that significant progress is required in promoting healthy living and the prevention of ill health, and supporting people to take control of their own well-being. A new NHS Life Check is being developed and will be piloted in the primary care trusts with the worst levels of health deprivation – known as the Spearhead group. The NHS Life Check will help people to self-assess what potential future health and well-being risks their chosen lifestyle may present for them. It will be supported by health trainers and materials that can help motivate people to follow healthier lifestyles, ultimately reducing their future health needs.

116. In England, for the first time ever, the Department of Health has made tackling health inequalities one of the top six priorities for the NHS as set out in *The NHS in England: the operating framework for 2006/7*.⁴⁸ This will help provide a stronger focus for the NHS on the delivery of targets and reflects a growing recognition of the impact of social disadvantage on the health of the population.

Transport

117. Local authorities produced framework accessibility strategies as part of their provisional local transport plans in July 2005, and full strategies as part of their final local transport plans in March 2006. They are required to set at least one accessibility indicator and target relating to their local priorities, which will demonstrate improvements in accessibility over time and will be recorded in their progress reports.

Community safety

118. The *National Community Safety Plan 2006–09* was published in November 2005.⁴⁹ It incorporates the National Policing Plan 2006–09, which sets out the Home Secretary's priorities for the Police Service. The plan recognises that community safety cannot be successfully delivered by the police on their own and that effective, broad-based partnerships are vital.

119. The plan is primarily about driving cultural change in the way that central government operates around a shared community safety agenda. It will influence the planning of departmental Public Service Agreement objectives and targets, and improve the linkages between programmes. It places no new burdens or responsibilities upon either central or local partners. At the local level, it adds value by providing a clear view of central priorities as an aid to local planning of community safety improvements.

Modernising government

120. We published *Transformational Government, Enabled by Technology* in November 2005, which sets out a vision for 21st-century government. At its core are three themes:

- Services enabled by information communication technology must be designed around the citizen or business.
- Government must move to a shared-services culture.
- There must be a broadening and deepening of government professionalism in terms of information communication technology-enabled change.

121. Progress has been made; for example, among unemployed people, 51 per cent have reported accessing government services

electronically. This is much higher than the result for the general population at 38 per cent. Jobcentre Plus is one of the most used e-government services and is a contributor to this success. However, in comparison with the general population, only 16 per cent of pensioners and 20 per cent of educational under-achievers report having used e-government services.

122. Following the Social Exclusion Unit's report on *Inclusion Through Innovation*, which showed the potential of information communication technology to improve the lives of excluded people, the Government is establishing a Digital Inclusion Team to raise awareness of and gather evidence on how to tackle the main drivers which exclude people from using technology.⁵⁰

Community cohesion

123. Following the launch of *Improving Opportunity, Strengthening Society* there are three ways in which our success in delivering our commitments will be judged. First, we have a Government target to reduce race inequality and improve community cohesion. In addition, we published the annual review of progress against the strategy in the summer of 2006. And, third, it will be judged by the difference we notice in all our lives – stronger communities in a more inclusive society. The strategy will be delivered through partnerships with a wide range of national, regional and local organisations, and voluntary and community groups.

124. We want to ensure that communities see a robust response to anti-social behaviour – helping to create the conditions in which communities and individuals can flourish. We have a commitment from 100 areas to introduce neighbourhood management and neighbourhood warden schemes. We are introducing the community call for action so that residents can hold services to account where they fail to deliver, introducing 'face

the public' sessions with senior members of police and local authorities and the Single Non-Emergency Number to make it easier for people to report problems.

125. *Getting Earlier, Better Advice to Vulnerable People*, published in March 2006, outlines a strategy for helping people, especially the vulnerable and socially excluded, to obtain independent advice more easily in order to resolve some of the problems they face.⁵¹ The review was published alongside the Legal Services Commission's strategy for the Community Legal Service, which sets out a way forward that makes civil legal aid more clearly focused on clients. Both reports build on research by the Legal Services Research Centre which found that people, and particularly the most vulnerable people in society, tend to suffer from 'clusters' of problems. For example, people needing help with employment or benefits issues often also have problems with debt and housing.

126. A key proposal in the Community Legal Service strategy is the setting up of Community Legal Advice Centres that will be located in the most deprived areas and provide services across a range of social welfare law categories.⁵² In addition, the Community Legal Advice Networks will link Community Legal Service organisations in less densely populated areas to ensure that clients are able to access a range of high-quality advice services, regardless of their geographic location.

127. Volunteering is an important aspect of community engagement, and we are committed to increasing the number of people who volunteer, across all sections of society, in particular those who are at risk of social exclusion.

Programmes to increase volunteering

- The implementation of recommendations made by the Russell Commission, through the new charity 'V', will deliver a step change in youth volunteering, including for those at risk of exclusion.
- The GoldStar programme, worth £5 million over two years, promotes best practice in volunteering for groups at risk of social exclusion.⁵³
- Volunteering Strategic Funding funds core sector infrastructure and the national policy debate.
- Volunteering for All is the strategy to remove barriers to volunteering for socially excluded adults. This involves working across government at a policy level to remove barriers, and promoting volunteering and volunteering opportunities to excluded groups through voluntary and community sector partners.⁵⁴

Equality and human rights

128. The Equality Act 2006 received Royal Assent in February 2006. It establishes the Commission for Equality and Human Rights which brings together the work of the three existing equality commissions: the Equal Opportunities Commission, the Commission for Racial Equality and the Disability Rights Commission. The new commission takes on responsibility for three new equality areas – sexual orientation, religion or belief, and age – as well as the promotion of human rights, and good relations between groups. The Act also:

- prohibits discrimination on grounds of religion or belief in the provision of goods, facilities and services, education, premises and the exercise of public functions;

- provides a power to prohibit discrimination on grounds of sexual orientation in the provision of goods, facilities and services; and
- introduces a 'gender duty' on public authorities to eliminate discrimination on grounds of gender and to promote equality of opportunity between men and women.

The Commission for Equality and Human Rights will come into force in October 2007.

The Olympics

129. Winning the right to host the 2012 Olympic and Paralympic Games was a major achievement and potentially offers enormous opportunities for the country. Hosting the Olympic Games will play its part in helping to tackle poverty and social exclusion. A key strategic commitment is to maximise the economic, social, health and environmental benefits of the Games for the UK, particularly through regeneration and sustainable development in East London.

130. This includes maximising the employment and skills benefits to the UK arising from the Games; maximising the wider economic benefits to the UK, including those for tourism and business promotion; and maximising the cultural benefits of the Games.

Chapter two: Child poverty

Introduction

1. In 1999, the Prime Minister pledged to eradicate child poverty in the UK within a generation. The next key milestone is the Government's commitment to halve child poverty by 2010. This commitment reflects our wider ambition to ensure that every child has the best start in life and has an equal opportunity to fulfil their potential – both in childhood and as an adult.

2. Providing high-quality public services is key to tackling poverty but, to be truly effective, this needs to combine with high personal aspirations. Education and training enable parents to break out of the poverty trap by enhancing their skills and employability. Learning, career progression and social mobility go hand in hand and together provide a positive example for future generations to follow. This is particularly important in disadvantaged communities, where low educational achievement is often found alongside high unemployment.

3. Our child poverty goals are vital to improving the circumstances of poor children, as well as improving their life chances during adulthood. Eradicating child poverty will also benefit society as a whole. Everyone will gain by living in a society with higher educational achievement and skills, greater levels of employment, less crime and better health.

4. The *Child Poverty Review*,¹ published in July 2004, set out the Government's strategy for eradicating child poverty. This was agreed after consultation across government, and with the voluntary and academic sectors.

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.

5. This chapter begins by outlining what we mean by child poverty and how progress on our key goals will be monitored. It also describes the number and characteristics of children affected by poverty, and the consequences of growing up in poverty. The main section of the chapter outlines the progress that we have made to reduce child poverty and how this has been achieved, and our strategy moving forward.

What is child poverty and who does it affect?

6. A child in poverty lives in a family with resources that are far lower than the average, such that they cannot fully participate in society. This means that the family does not have the income to participate. But it can also mean that the family experiences poorer access to services or other disadvantages, such as poorer quality housing and neighbourhoods or lower levels of assets.

Figure 1: Three indicators of child poverty

Type of poverty	What it measures
Absolute low income	Whether the poorest families are seeing their incomes rise in real terms
Relative low income	Whether the poorest families are keeping pace with the growth of incomes in the economy as a whole
Material deprivation and low income combined	A wider measure of families' living standards

7. Our long-term measure of child poverty consists of three indicators to reflect that, while income is a key aspect of child poverty, it is not the only consideration. Figure 1 outlines the three indicators we use – child poverty is falling when all three indicators are decreasing.

8. This measure was developed as part of a wide consultation exercise² and is the basis for the Public Service Agreement target to halve child poverty by 2010.³ This measure is underpinned by the *Opportunity for all* multi-dimensional indicators (see Indicators document).

Measuring child poverty

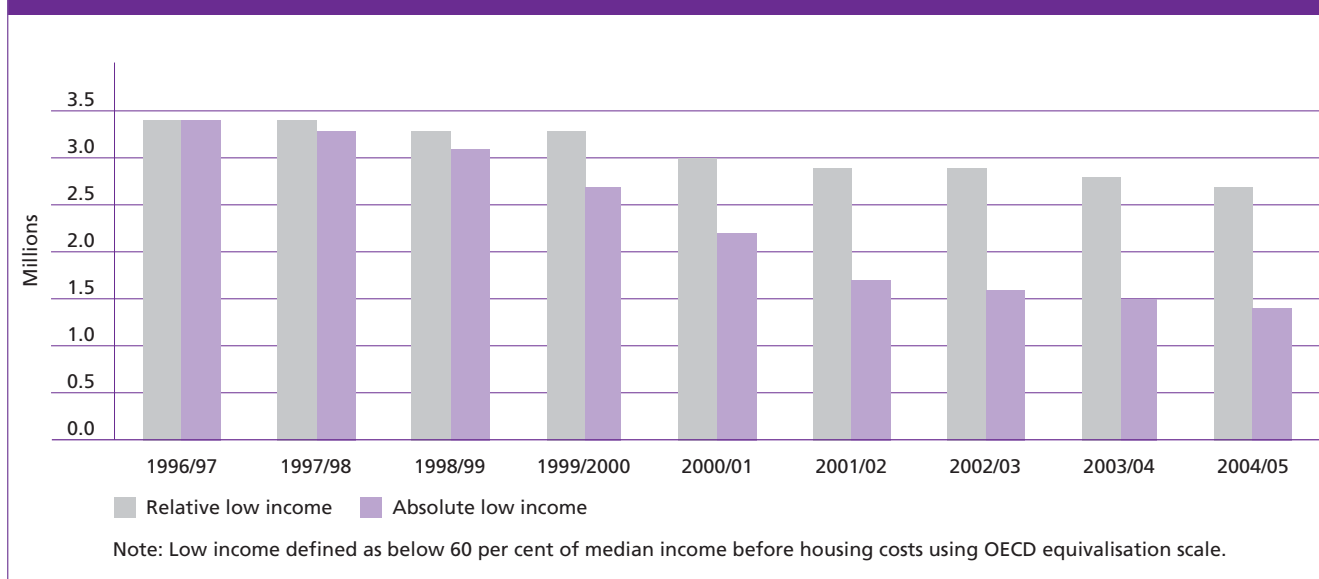
9. The ultimate aim is to eradicate child poverty by 2020. The next key milestone is our target to reduce the number of children in relative low income by at least a half by 2010/11. We are also committed to reducing the number of children experiencing poverty as defined by absolute low income, and relative low income and material deprivation combined.

10. *Opportunity for all* includes a range of indicators for children and young people that incorporates not only income, but also health, education and housing, and underpins the targets outlined above. We annually measure our progress using these indicators and we continue to strive for success on each of them.

How many children are poor?

11. In 2004/05, there were 2.7 million children in Britain living in relative low income (2.8 million in the UK). Since 1998/99, this represents a decrease of 600,000 children (see Figure 2; see also indicator 2a).⁴ Although this is significant progress – particularly given strong average income growth over the period – it was not quite enough to meet our Public Service Agreement target to reduce the number of children living in relative low income by a quarter. Therefore, to meet our 2010 target, much more progress needs to be made.

Figure 2: Number of children living in low-income households (Great Britain)



12. Between 1998/99 and 2004/05, the number of children in absolute low income fell by 1.6 million (see Figure 2; see also indicator 2b).⁵ There were also reductions in the number of children experiencing material deprivation. The *Families and Children Study* shows fewer children in families unable to afford a range of 'necessities',⁶ and research has also shown that, as the incomes of the poorest families have increased, more has been spent on their children's needs.⁷

13. The proportion of children spending a large number of years in poverty has also declined (see indicator 2c). In 2001–04, 13 per cent of children spent three out of the past four years in poverty. This figure has fallen from 17 per cent in 1997–2000.

Which children are in poverty?

14. Worklessness is a key cause of poverty. Just over half of children in poverty are in households without work.⁸ Around two-fifths of poor children live in lone parent families, the majority of whom are without work. One-fifth of poor children are in couple families without employment. We have a

Public Service Agreement target to reduce the proportion of children living in workless households.

15. However, working families also experience poverty – this may be because their work is low paid and/or because of the number of hours worked. Almost half of all children in poverty are in households in which at least one adult works, the majority of which are couple families. Hence the Government's dual aims to tackle worklessness and to make work pay.

16. Other characteristics associated with a child living in poverty include:

- **large families** – over two-fifths of poor children live in households with three or more children (yet children in families of this size make up less than one-third of the total child population);
- **disability** – living in a household in which an adult has a disability increases the likelihood of children in the household being poor – one-quarter of poor children live in a household with a disabled adult;

- **ethnicity** – although children of non-white ethnicity make up 12 per cent of the total child population, they make up 20 per cent of all poor children; and
- **housing** – children living in local authority or housing association homes are particularly likely to be poor (30 per cent and 20 per cent of poor children, respectively).

17. A number of these characteristics are related to worklessness or low-paid work. For example, in spring 2006, 31.6 per cent of Pakistani or Bangladeshi children were in workless households (compared with 13.8 per cent of white children). In addition, of all ethnic minority children in poverty, 51 per cent have at least one parent in work, in contrast with 47 per cent of white children in poverty. Large families are also disproportionately affected by worklessness. In spring 2006, 30.7 per cent of children in families with four or more children were in workless households compared with 11.4 per cent of children in families with two children. Our recent research has shown that the employment disadvantage associated with being in a large family is more important than family size itself in determining the risk of poverty for these families.⁹

The importance of reducing child poverty

18. Children who grow up living in poverty and in disadvantaged neighbourhoods are more likely to experience both a poorer quality of life in childhood and to have poorer outcomes as adults.

19. Compared with those with a higher income, children experiencing poverty in childhood are:¹⁰

- less likely to perform well at school and more likely to play truant;

- more likely to have lower self-esteem and lower expectations for their future;
- more likely to be involved in criminal behaviour;
- more likely to experience poor health, including being more likely to die in infancy and to suffer accidental injury in childhood, and also more likely to smoke and drink at a young age; and
- more likely to have a child at a young age, for young women.

20. As adults, they are more likely than their counterparts to:¹¹

- be poor themselves in adulthood – there is a strong association between children's subsequent earnings and those of their parents;
- be economically inactive in young adulthood or not in work if this was the case for their parents; and
- have achieved lower educational outcomes (particularly men) and therefore be more likely to experience social exclusion in adulthood.

21. As this list of outcomes suggests, child poverty has consequences for society as a whole. Tackling it will, for example, improve social cohesion, reduce costs to public services and increase national productivity. Therefore, tackling child poverty is in the interest of everyone.

Tackling child poverty

22. The remainder of this chapter discusses the progress that we have already made to reduce child poverty and our strategy for the long term. This section considers, in turn, the key elements of our approach: increasing

parental employment; improving financial support for families with children; tackling material deprivation; improving public services; and working together to tackle child poverty.

Increasing parental employment

23. In spring 2006, the proportion of children in households with no one in work was 15.3 per cent. Since 1997, this represents a decrease of 3.2 percentage points or 440,000 children (see indicator 1). Our strategy to increase the proportion of children with parents in work has been key to our success in reducing child poverty, particularly for children in lone parent families. Therefore, we are continuing to do more to reduce the proportion of children in workless households.

Lone parent families

24. Around 40 per cent of poor children live in lone parent households, the majority of which are non-working. The Government has set itself the ambitious target of reaching an employment rate of 70 per cent for lone parents by 2010. This would lift in the order of a further 200,000 children out of poverty.

25. We have been making good progress to increase the number of working lone parents. Currently, the number of lone parents in work is just over 1 million, 312,000 more than in 1997 (see indicator 19). The provisions in the New Deal for Lone Parents have been successful in not only improving the job-readiness of lone parents, but also moving them into work – about one in two lone parents who join New Deal for Lone Parents move into work.¹²

26. Work-focused interviews ensure that lone parents are aware of the opportunities and support available. Evaluation has found that these annual interviews have a positive impact by not only increasing participation in the New Deal for Lone Parents, but also reassuring lone parents that they will be supported during a transition towards employment.¹³ The interviews provide a boost to morale and confidence, and information on the financial support available when in work. The success of these initiatives has encouraged us to go further, building on the support we provide by increasing contact incrementally.

27. It is currently mandatory for Income Support recipients to attend a work-focused interview at the point of a claim, then at 6 months and 12 months into their claim, and annually thereafter. In addition, from October 2005, we extended this to quarterly interviews for lone parents whose youngest child is aged at least 14, to prepare individuals for the transition to employment when their child reaches 16 years old.

28. Given the demonstrable success of work-focused interviews and the New Deal for Lone Parents, these measures will continue to be central to increasing lone parent employment and thereby reducing child poverty. As announced in Budget 2006, we will be introducing work-focused interviews at six-monthly intervals for all lone parents in receipt of Income Support with a youngest child aged 13 or under. The roll-out of these work-focused interviews will be split into two waves, the first commencing in April 2007 for those with a youngest child aged 5–13, and the second from April 2008 for those with a youngest child aged 0–4.

Helping lone parents – Carol Bennett

As a lone parent, Carol Bennett spent 19 years bringing up her three girls.

After various tough jobs, she found herself out of work for two years. Determined to make a fresh start, she contacted her local Jobcentre Plus in Bedford where she met New Deal for Lone Parents Adviser, Shayne Bliss.

Shayne helped Carol identify her skills and search for suitable work. One vacancy in particular caught Carol's eye. It was with Bedford Credit Union, a non-profit organisation helping people manage their finances better.

Shayne convinced Carol to apply for the job, a decision that changed her life.

Carol got the job, and she now visits local schools making pupils aware of what credit unions do, and teaching them about finance and the importance of budgeting.

"It took a while to build the confidence to go for a job," said Carol. "But Shayne was very supportive and set time aside for me when I popped into Jobcentre Plus for advice.

"Since starting at Bedford Credit Union, my confidence has grown, my outlook on life has new meaning and I have loads to look forward to – that all rubs off on my kids."

Shayne also helped Carol access a range of financial assistance including Working Tax Credit, Job Grant and In-Work Credit.

But for Carol the positive change went far beyond the difference to her bank balance.

"Financially we are definitely better off," she said. "But to be honest, the fact that I am now in a position to help everyone I meet is worth more than money."

29. We are currently piloting a number of initiatives which will be independently evaluated to help develop our future strategy. The New Deal Plus for Lone Parents is one of these pilot initiatives, providing increased contact with a Personal Adviser, access to a menu of provision to help lone parents during their transition into work – including a Work Search Premium – as well as an In-Work Credit for those who move into work. Pilot measures also include increased follow-up support in work and an In-Work Emergency Fund.

30. Helping lone parents to remain in work once they have made that move is crucial. The Employment Retention and Advancement demonstration programme continues to be evaluated in the six pilot areas, comparing the outcomes of those randomly selected to receive additional support with those not selected (who continue to receive standard services available in all areas). From 2003 to 2006, lone parents on the New Deal for Lone Parents and lone parents in receipt of the Working Tax Credit for work of 16–29 hours per week will receive individual support from an Advancement Support Adviser to assist them:¹⁴

- into suitable work;
- in remaining in work and avoiding some of the early pitfalls that sometimes cause new jobs to be short-lived; and
- in getting on in their jobs by advancing to positions of greater job security, better pay and conditions, and so on.

31. They may also receive additional cash incentives once in employment, including:

- a Retention Bonus if they stay in full-time work of at least 30 hours a week for 13 out of 17 weeks;

- additional cash payments for training; and
- access to an emergency payment to overcome short-term barriers to retaining work.

32. The Green Paper, published in January 2006, *A new deal for welfare: Empowering people to work*¹⁵ also proposed a number of measures to enhance our lone parent strategy. One such measure will be the Work-Related Activity Premium, which is designed to encourage lone parents to make the necessary steps to move closer to the labour market and, subsequently, enter work. The Work-Related Activity Premium will be a £20 per week payment normally payable for up to six months in addition to Income Support. It will be made available to lone parents in the pilot areas who have been on benefits for at least six months, whose youngest child is aged 11 or over, and who engage in some work-related activity. Examples of such activity include confidence building, basic skills training, work-related training, health management, structured voluntary work and job search.

33. Following a successful pilot in ten local authorities, the Working for Families Fund in Scotland is being rolled out to a further ten local authorities to help disadvantaged lone parents in areas with high levels of deprivation into work by ensuring that availability of childcare is not a barrier to entering education, training or employment. The core model of the fund is the provision of link workers who work with parents on their pathway to work to access both childcare and financial support for childcare, as well as assisting them in addressing other barriers that may be keeping them out of the labour market.

Couple families

34. A range of strategies and initiatives are in place to tackle worklessness in couple families. Partners of benefit claimants are supported by a Work-Focused Interview and an enhanced New Deal for Partners. We are also testing initiatives to promote and support partners' transitions into work. For example, we extended the In-Work Credit to all qualifying parents in London from April 2005, and from October 2005 introduced a Work Search Premium of £20 per week to the non-working partner in a family receiving Working Tax Credit.¹⁶

Supporting couple families – Mark Trickett

Mark Trickett enjoys driving and for some years worked as a seasonal coach driver. But it became difficult to find work within the trade.

Mark, who was supporting his partner and their three children, became long-term unemployed.

However, his prospects started looking up when he attended a six-month restart interview at his local Jobcentre Plus in Burnley.

Mark was given an in-work benefit calculation and told about the financial incentives available. He was referred for intensive support to find a suitable job match, which helped improve his efforts to find work.

During another interview with Personal Adviser Sean Gavin, Mark mentioned the possibility of a permanent job as a taxi driver.

But he needed an official medical, an application for a taxi licence and photos for a badge, all of which he could not afford.

Sean immediately sorted out payment for Mark's application from the Adviser Discretion Fund.

Mark was also encouraged into work by his eligibility for Job Grant, and Housing Benefit and Council Tax Benefit run-on to help him out during the first four weeks of his job.

As a result, Mark started driving full time for a local taxi company and is delighted to have finally secured permanent work.

"I was finding it hard to get work but the advisers at the local Jobcentre Plus were fantastic," Mark said. "They made things happen for me – I've now got a job I love and the extra money coming in has made things much better for all of us. I can now afford to give my children a better quality of life."

35. However, worklessness among couple families remains a key issue that we need to address and, as noted above, couple families are also particularly affected by in-work poverty.

36. A number of poor children in couple families are in households with disabled parents; children in these families may therefore benefit from the reforms of Incapacity Benefit set out in the Welfare Reform Bill¹⁷ (see chapter one). We are reviewing how best to help children where there is a carer in the household, as well as improving carers' well-being more generally.

37. The Department for Work and Pensions is looking at how we can further develop our employment strategy to support more parents into work and reduce child poverty further. Details will be published later this year. The Department for Work and Pensions aims to maximise the contribution that all of its

policies make to reducing child poverty by considering the impact of these policies on child poverty.

Making work pay

38. The National Minimum Wage was introduced in April 1999 and guarantees a fair minimum income from work. In October 2006, the adult rate increased to £5.35 per hour, the youth rate to £4.45 per hour and the rate for 16 and 17-year-olds to £3.30 per hour. The National Minimum Wage has helped over 1 million workers each year since its introduction and the main beneficiaries are women. Around 1.3 million workers stood to gain from the October 2005 increase, two-thirds of them women.¹⁸

39. The Working Tax Credit, introduced together with the Child Tax Credit in April 2003, provides additional support to those with low incomes to ensure that work pays. Around 6 million families with 10 million children are benefiting from tax credits, and take-up of tax credits is at unprecedented levels for a system of income-related financial support, with first year take-up of around 80 per cent and 93 per cent among families earning under £10,000 a year.

Making work pay – Tanya Francis

For Tanya Francis, getting a job as a domestic gas installer has proved a triumph against the odds.

As a lone parent, Tanya spent six years on benefits bringing up her sons, Thomas and twins Robert and Callum.

During this time, she never stopped looking for work. She completed an NVQ Level 2 in plumbing, but found the industry unwilling to give her a chance.

Her fortunes changed after meeting New Deal for Lone Parents Adviser Lynette Lewis at Neath Jobcentre Plus.

Lynette suggested that Tanya apply to take part in a training programme – funded by Jobcentre Plus – which matched skills shortages in local industries to jobseekers.

Tanya passed the interview and began the intensive six-month training to become a domestic gas fitter.

After completing the course, Tanya was taken on full time by a local gas company and has since found work with Women In Trade – a company that only employs women.

“It’s a dream come true,” said Tanya.
“I love my job – I can’t wait to get to work.”

Tanya was full of praise for Lynette: “She’s been there for me over the last couple of years and even now I can still phone her if I need help.”

Most importantly, she has transformed her life and the lives of her children.

“Just last week I bought bikes for Robert and Callum’s 11th birthday, but only a few years ago I couldn’t even dream of doing that,” she said.

“With my income and big help from my tax credits, I’m now thinking of getting a mortgage – I can provide security for myself and my kids and that means the world to me.”

40. The 2005 Pre-Budget Report announced a further series of steps to give greater certainty to tax credit recipients while maintaining the flexibility to respond to changes. In particular, the income disregard –

that is, the amount incomes can increase before the change needs to be declared – was increased from £2,500 to £25,000. There are also new responsibilities for claimants to tell us about changes in their circumstances promptly.

41. In February 2006, the Government announced extra help for recipients, with more generous additional payments to people who may be caused financial hardship as a result of paying back overpaid tax credits. We are now working, in partnership with the voluntary sector, to ensure that the implementation of these measures fully reflects the needs of recipients.

Financial support for families with children

Child Tax Credit

42. The financial support that government provides for children has been underpinned by two key objectives: support for all families and greatest support for those that need it most. This financial support is primarily provided through Child Benefit and Child Tax Credit.

43. The Child Tax Credit provides a single, seamless system of support for the poorest families. It is paid to both parents who are in or out of work, thereby providing income stability during periods of transition. During the first year of the Child Tax Credit, 79 per cent of eligible families were claiming the tax credit.¹⁹ The proportion of money claimed was 87 per cent, meaning that the support was going to those most in need (that is, those who were eligible for the highest level of financial support).

44. In April 2006, the child element of Child Tax Credit was increased to £1,765 per year, an increase of £320 since its introduction in April 2003. As a result of the Government’s reforms to the personal tax and benefit system, by October 2006, and in real terms,

families with children will be, on average, £1,500 a year better off than in 1997/98, while those in the poorest fifth of the population will be, on average, £3,400 better off.

45. Progress to tackle child poverty has been enhanced by these measures because, although all families have gained through the increased financial support to families with children, those on low incomes have gained the most. To ensure that Child Tax Credit remains an integral part of our strategy to reduce child poverty, it needs to keep pace with the incomes of society as a whole. Therefore, the Government is committed to ensuring that the child element of Child Tax Credit will be increased at least in line with average earnings for the rest of the Parliament.

Child support

46. Regular maintenance payments are a significant source of financial support for low-income households with children where there has been a breakdown in the relationship between parents. We estimate that child support payments lift around 100,000 children out of poverty. Part of our strategy to reduce child poverty is to develop a more effective child support system, which will ensure that non-resident parents meet their financial obligations to their children through the payment of child maintenance. Despite changes and improvement to the child support system, we recognise that child support policy and its delivery have failed to live up to expectations.

47. Our guiding principles for reform of the child support system are to ensure that the system: helps to tackle child poverty; promotes parental responsibility; and provides an efficient and professional service that gets money to children in the most effective way for the taxpayer.

48. In July 2006, following the publication of an independent report from Sir David Henshaw,²⁰ the Government announced new policy and delivery arrangements for the child support system.²¹ There will be a simpler system that enables and encourages parents to take responsibility for making their own arrangements, but delivers firmly and more effectively for parents who need help in arranging child maintenance. As part of these reforms, we will significantly increase the amount of maintenance that parents with care on benefit can keep, thereby lifting many more children out of poverty.

49. The Government will consider Sir David's report further and we plan to publish a White Paper with our final, detailed proposals in the autumn. We plan to bring forward legislation, and our ambition is to see some aspects of the new system in place from 2008. During the period when the new organisation is being set up, the current Child Support Agency will continue with the Government's full support – in February 2006, the Government announced that it would invest an additional £120 million to help stabilise and improve the performance of the Child Support Agency in the short term, helping 200,000 more children to benefit from maintenance payments and lifting 30,000 to 40,000 more children out of poverty.

Tackling material deprivation

50. The material deprivation measure of child poverty outlined earlier will capture children's living standards. In order to meet this target, services that directly affect family well-being have a particular role to play.

Housing and homelessness

51. *Sustainable Communities: settled homes; changing lives*,²² the Government's strategy for tackling homelessness, sets out how the number of households in temporary

accommodation will be halved to 50,000 by 2010 (from a total of just over 100,000 at the end of 2004).

52. Sustained success has been achieved in ending the long-term use of bed and breakfast hotels for families with children in all but a few exceptional cases (in March 2006, 110 families with children had been in bed and breakfast hotels for longer than six weeks, down from around 4,000 in 2002).

53. We have made good progress in stabilising the number of families in temporary accommodation and increasing the proportion whose temporary accommodation is self-contained (see indicator 17). This proportion is highest for families with dependent children, at 92 per cent.

54. We are currently developing a new pilot scheme, Extra Homes, to help families in London move from temporary accommodation into settled homes. Local authorities and housing associations in London have been invited to put forward innovative proposals to help reduce the number of households living in insecure temporary accommodation in the capital. In addition, the pilot scheme will explore new approaches which will provide opportunities to give more families settled homes and help them to overcome the barriers to work and education they often face in expensive temporary accommodation.

55. The pilot scheme is an important measure in the Government's report *Building on Success: London's Challenge for 2012*,²³ which sets out a range of actions being taken by the Government and its partners to address housing needs in the capital. The report includes commitments to increase social housing for families in London to address the problem of overcrowding and the impact on children. In addition, an action plan between the Government, the Association of Local

Government and the Greater London Authority is being drawn up to start addressing overcrowding in the capital. As well as building more social housing, it looks at the need for more family housing across the board and also preventative measures that have been successful in bringing the number of homelessness acceptances down by 19 per cent between 2004/05 and 2005/06.

56. We are taking forward legislation to roll out the Local Housing Allowance. This allowance uses a simplified formula to calculate benefit rates based on family size and location, with payments made to the claimant in most cases. This reform has the potential to increase financial inclusion and to empower poor families, helping them to make the best choice of housing for them and their children. We will also be developing proposals for using Housing Benefit to address the high levels of worklessness in social housing.

57. Overcrowding is also an issue that can affect the most deprived children. The Barker Review of Housing Supply²⁴ showed that the housing market is not responding sufficiently to meet the needs of the country's ageing and growing population, with an ever increasing gap between supply and demand. The central recommendation of the review was that there should be a step change in housing supply. We have, therefore, set out a package of aims to make it easier to buy a full or part share of a home, as well as improving access to high-quality rented social housing. We have set out our ambition to raise the level of house building in England to 200,000 per year by 2016.

58. In 1997, 2.2 million social tenants lived in homes that were not decent. The Decent Homes programme has reduced the number of non-decent homes by over half since 1997, and many more have had improvements to their homes with new kitchens, new bathrooms and new boilers (see indicator 16). By 2010, we expect that local authorities and

registered social landlords will together have spent £42 billion on improving their homes, and the majority of these improvements will have been in the most deprived areas. Good progress is also being made to increase the proportion of vulnerable households living in decent homes in the private sector and we are ahead of our target to increase the proportion to 70 per cent by 2010.

Financial inclusion

59. Financial exclusion imposes significant costs on individuals, their wider neighbourhood and on society as a whole. The most recent data show that there were around 8 per cent or 1.9 million households in Great Britain without access to any kind of bank account, equating to 1 in 12 households or around 2.8 million adults. Thirty per cent of these households contained children.²⁵

60. *Promoting financial inclusion*,²⁶ published alongside the 2004 Pre-Budget Report, set out our strategy, focusing on three priority areas of access to banking, affordable credit and free face-to-face money advice. To address lack of access to bank accounts, along with the banks, we have agreed a goal of halving the number of adults in households without any kind of bank account and achieving significant progress within two years.

61. In addition, a Financial Inclusion Fund of £120 million was established to support initiatives to tackle financial exclusion. For example, £45 million has been provided to support an increase in the provision of free face-to-face money advice.

62. A Financial Inclusion Task Force, with a budget of £3 million, has been set up to monitor progress against objectives and report to the Government on what more can be done. The Task Force presented its first annual report²⁷ to Ministers before the Budget, which

concluded that steady progress has been made towards the goal, but also encouraged banks to continue to address the difficulties faced by some when opening a bank account.

63. Assets are essential to ensuring long-term independence, security and opportunity. The introduction of the Child Trust Fund in April 2005 ensures that all children, regardless of background, will have a financial asset at age 18. It promotes saving and will provide children with practical financial education.

64. All children born since 1 September 2002 are eligible and, when an account is opened, the Government will provide a £250 voucher to invest in a long-term saving or investment account. At age 7, the Government will make a further payment of £250. In line with our principles for greater support for those that need it most, children from families with lower incomes will receive £500 when a fund is opened, with a further £500 provided at age 7. Up to £1,200 a year can be contributed to each child's fund by parents, families and friends with no tax paid on money earned in the account. Since their introduction, nearly 1.5 million accounts have been opened by parents.

Improving life chances for poor children through public services

65. The cross-government Every Child Matters: Change for Children²⁸ programme highlights our commitment to improving the lives of all children and young people. However, it places particular emphasis on narrowing the gap in outcomes between those children who do well and those who do not. This will be achieved through local change programmes that build and bring together services for children – such as health, social care, education, Sure Start and youth services – to meet the needs of children and young people. The aim is to maximise

children's opportunities and minimise their risks. The five key outcomes to be addressed through these programmes are:

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

66. Addressing the economic well-being of children during childhood is particularly important in achieving our income poverty targets. All the outcomes should, however, support the reduction of material deprivation experienced by children and our aim of achieving equality of opportunity for all children.

67. We have recently published *Reaching Out*,²⁹ our social exclusion action plan, which proposes to tackle the social exclusion of vulnerable groups on a number of levels. It examines how systemic reforms across public services can improve the delivery of services to those most at risk of exclusion. Specifically, it proposes new incentive models to support early interventions, cross-agency working, information sharing and the spread of best practice early interventions. It also details a series of pilots to establish the effectiveness of the most promising interventions, so that we can start to make an immediate difference to people's lives.

68. In Budget 2006, the Chancellor announced a children and young people policy review to inform the 2007 Comprehensive Spending Review. It will

consider how services for children and young people and their families can build on the three principles identified in *Support for parents: the best start for children*³⁰ to improve outcomes for children and young people – rights and responsibilities, progressive universalism and prevention.³¹ Under the umbrella of the children and young people policy review, sub-reviews will focus on:

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

Early years and childcare

69. The provision of flexible, available and affordable childcare is a key element in the Government's strategy to support families and eradicate child poverty. It can enable parents to move into work or increase their hours. In addition, high-quality early years' services have been shown to lead to better outcomes for children, the benefits being greatest for those with disadvantaged backgrounds.³² The Government's ten-year childcare strategy outlines the long-term vision for childcare and early years' services,³³ and good progress has already been made. We are committed to ensuring that, by 2010, all children aged 3 to 14 will be able to access a childcare place between 8am and 6pm each weekday.

70. In June 2006, the stock of registered childcare places was over 1.26 million, almost double the number of places in 1997. Recent research shows a ten percentage point rise in the proportion of families using formal childcare or early years' provision between 2001 and 2004.³⁴ National figures and recent research suggest that, in many parts of the country, sufficient childcare places now exist. Hence, emphasis is now being placed on providing funding to local authorities to make good quality provision more sustainable, rather than to create new places.

71. All 3 and 4-year-olds are now guaranteed free, part-time early education. At January 2006, nearly all 4-year-olds, and 96 per cent of 3-year-olds, were in some form of free early education. From April 2006, the minimum free entitlement for all 3 and 4-year-olds was extended from 33 to 38 weeks of the year and, from April 2007, 3 and 4-year-olds will gradually 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 weekly entitlement to 20 hours.

72. We are currently piloting free early years' provision for 12,000 disadvantaged 2-year-olds across 15 local authorities up to 2008. Key target groups are children who would most benefit from early access and who are less likely to access the free entitlement at age 3 (for example ethnic minority children and Travellers).

73. By 2010, all schools will offer access to a range of out-of-school activities and extended services, which we know make the most difference to child outcomes and help parents balance their work and family lives. Following consultation with parents and the wider community, schools will work in partnership with the voluntary and private sectors to develop sustainable services such as childcare. Our aim is to have 2,500 schools providing

access to a core of extended services by September 2006. We are currently making good progress, with nearly 6,500 schools working with their local authority to develop extended services in response to local need.

74. The Childcare Act is the next stage in the process of transforming early years' and childcare services with the purpose of raising attainment and maximising opportunities for all children and young people but, most particularly, enhancing the life chances of those disadvantaged children whose backgrounds and circumstances still hold them back.

75. The Act contains a series of new duties for local authorities. This includes responsibility for improving the outcomes for all children under 5, and closing the gap between groups with the poorest outcomes and the rest. The Act requires local authorities, working together with key partners in the NHS and Jobcentre Plus, to improve the Every Child Matters outcomes for all young children under 5, and reduce inequalities in achievements through the delivery of integrated early childhood services.

76. The Act also requires local authorities to secure sufficient childcare to meet the needs of their local communities, in particular for those on low incomes or with disabled children. Local authorities will have the lead role in ensuring that local childcare meets, as a minimum, the needs of working parents and those making the transition to work. Jobcentre Plus will be a key partner for local authorities in assessing the need for childcare and helping parents make the best use of it.

77. We know that, in order for childcare to benefit children's development, the childcare they receive needs to be of good quality. That is why, with relevant partners and experts, we have produced draft professional standards for a new graduate-level Early Years' Professional status.³⁵ We are committed to ensuring that,

by 2015, all full day-care settings employ a graduate with Early Years' Professional status. The Government has created the Transformation Fund, worth £250 million a year over 2006–08. This will enable childcare providers to employ more staff at graduate level and train more childcare workers to achieve higher qualifications without passing the costs to parents.

78. To engage employers and help working families with childcare costs, the Government offers Income Tax and National Insurance contributions exemptions for good quality, formal childcare contracted by the employer or paid for with childcare vouchers provided by the employer. To enhance this support, from April 2006 the value of the exemption was increased from £50 to £55 per week.

79. The tax credits system provides financial support to help cover the costs of childcare for low and middle-income working families. In April 2006, over 370,000 families received help with their childcare costs through the Working Tax Credit. To increase affordability, in April 2005 the cost limits were increased to £175 per week for one child and £300 for two or more children. From April 2006, parents have been able to claim a maximum of 80 per cent of their childcare costs.

80. The Government is committed to ensuring that parents have greater choice and flexibility in balancing work and family life. Legislation is now being considered by Parliament to extend paid maternity leave from six to nine months from April 2007, and the Government has an aim of 12 months' paid maternity leave by the end of the Parliament. The Government will continue to examine the case for extending the right to request flexible working to parents of older children in the future. In addition, from April 2006 the flat rate of Statutory Maternity, Paternity and Adoption Pay and Maternity Allowance was increased to £108.85 a week.

Childcare – Whaddon Sure Start Children's Centre

Parents looking after their children at home can find it difficult to go out and learn new skills, and some can feel daunted by the prospect of formal learning in colleges or other education establishments.

But an innovative scheme run by Jobcentre Plus at the Whaddon Sure Start Children's Centre in Cheltenham has shown that these issues can be tackled together.

Childcare Partnership Manager, Sallie Mumford, arranged local authority funding for a college representative to attend the centre and provide training to local parents interested in developing their childcare skills.

Jobcentre Plus is meeting the cost of an on-site crèche, so the parents can study with their children nearby.

The training will lead to a Level 2 qualification and put the parents in a good position to find work in the industry. Most of the parents are from disadvantaged areas and have partners in receipt of Working Tax Credit, or are lone parents.

One trainee who has benefited is Vanessa Harb, a mother of four from Whaddon. Vanessa was working part time at the centre when the course started and jumped at the chance to join up, happy in the knowledge that her son, Talat, could attend the crèche, just an arm's length away.

Vanessa's working hours were soon extended thanks to the experience she gained, and she plans to use her qualification to find more work in the future.

"Doing the course right next to where Talat was being looked after was great," she said. "It really made us both feel comfortable about the whole thing."

Sure Start

81. Sure Start is one of this Government's major successes. Since 1998, over 500 Sure Start local programmes have been opened and have offered a range of early learning, health and family services to parents and children in the most disadvantaged areas. Almost a third of children under the age of 4 who live in poverty are covered by the programmes, and they are playing an important role in tackling child poverty. For example, there has been a significant reduction in the proportion of young children living in households wholly dependent upon benefits in these areas, a greater reduction than that in England as a whole (see also indicator 3).³⁶

82. Building on the evidence from Sure Start local programmes, almost all of the early local programmes have now become Sure Start Children's Centres, offering a one-stop shop of help, advice, childcare and early education for children under 5 and their families. More than 1,000 Sure Start Children's Centres have been established so far, offering services to over 800,000 children and their families. Initially targeted in areas of disadvantage, we aim to have 2,500 centres by 2008 and 3,500 by 2010 – one for every community.

Education

83. Ensuring that all children – but particularly those from disadvantaged backgrounds – have the best start in life and are able to fulfil their potential requires good quality education. We know that educational attainment, even from a young age, is extremely important in determining children's likelihood of escaping poverty later in life.³⁷ Outcomes for lower-achieving children are improving. In the past two years for example, the proportion of children not achieving Level 2 or above in Key Stage 1 maths reduced from 10 per cent to 9 per cent, while the proportion of children not achieving Level 3

or above reduced from 6.1 per cent to 5.8 per cent. (Indicators 5 to 10 report on education progress.)

84. The Government is continuing to make significant investments in education. By 2007/08, the increase since 1997/98 will have reached over £1,400 per pupil in real terms. However, we know that schools in disadvantaged areas often face additional challenges. As a follow-up to the 2004 Child Poverty Review, the Government published *Child Poverty: Fair funding for schools*,³⁸ looking at the ways in which local authorities fund schools to meet the extra burdens imposed by social deprivation among their pupils.

85. The review found that additional expenditure has a modest, positive impact on attainment, but that this is greatest when expenditure is targeted on the most deprived schools and towards pupils who are eligible for free school meals. To address the specific issues raised by the review, the Government has asked local authorities to review the effectiveness of its funding formula in tackling deprivation, with the aim of introducing necessary changes from 2008. We will be monitoring progress on the local reviews.

86. Our Excellence in Cities programme provides additional resources and guidance for schools in the most disadvantaged communities. The programme is delivered through local partnerships working with their local authorities. In addition, Excellence Clusters are designed to bring the benefits of Excellence in Cities to smaller pockets of disadvantaged communities.³⁹ From April 2006, schools have had the freedom to decide on the best use of their Excellence in Cities resource and the strategies they implement to support school improvement and tackle barriers to pupil achievement resulting from disadvantage.

87. The rate of improvement in GCSE performance for Excellence in Cities areas is around twice that of non-Excellence in Cities areas for the fourth consecutive year. This has resulted in a narrowing of the achievement gap between these areas from 12.4 percentage points in 2001 to 7.6 percentage points in 2005.⁴⁰ There is continuing evidence of a 'partnership dividend', with gains being made by schools in the most disadvantaged communities, where they have collaborated effectively under the Excellence in Cities programme.

88. As noted above, children in families with lower incomes are less likely to perform well at school and more likely to play truant. Seventy-seven per cent of children in lower-income families reported they did not skip school in the last year, compared with 87 per cent overall (see indicator 8).⁴¹ Our education White Paper, *Higher Standards, Better Schools For All: More choice for parents and pupils*,⁴² outlines the progress that has been made in terms of behaviour. This has included increased access for schools to learning mentors, on-site units to help them deal with disruptive pupils and more places available in Pupil Referral Units. However, there is more to do. We are implementing recommendations made by the Practitioners' Group on School Behaviour and Discipline, such as providing full-time education for every pupil excluded for more than five days.

Educational outcomes for ethnic minority children

89. In 2003 the Government launched Aiming High,⁴³ a national strategy for raising the academic achievement of ethnic minority pupils in our schools. The strategy set out to ensure that, over time, the participation and achievement of ethnic minority pupils, including Gypsy, Roma and Traveller pupils, matches that of the population as a whole.

90. The improvement in results shown by ethnic minority groups since the introduction of Aiming High demonstrates that our policies to tackle under-achievement through targeted initiatives are boosting exam performance and helping make year-on-year improvements. Latest exam results show significant improvements in achievement at GCSE level made by all pupils. However, the attainment gap between the average for all pupils in maintained schools and previously under-achieving black and ethnic minority groups continues to close.

91. National Strategies support schools in raising the attainment of pupils at ages 7, 11, 14 and 16, and support local authorities in raising standards across the Foundation Stage. We are building on our improvements so far by strengthening the work of the National Strategies. We are improving the work targeted at bilingual learners and those from black and ethnic minority groups who have previously under-achieved.

92. We outlined in the schools White Paper our commitment to ensuring that all pupils, regardless of their background, achieve their potential. To deliver on this commitment, we have put in place a targeted programme aimed at developing the capacity of local authorities and schools to meet the needs of Gypsy, Roma and Traveller pupils more effectively.

Support for 16 to 19-year-olds

93. A cross-government review of financial support for 16 to 19-year-olds and their parents/carers aims to ensure that these young people have the support and incentives needed to participate and achieve in education and training.⁴⁴ The long-term vision for financial support builds on the Child Benefit, Child Tax Credit and Education Maintenance Allowance model of support for parents and incentives for young people engaged in an 'approved' learning activity.

94. From April 2006, a number of measures were introduced including extending entitlement to Child Benefit, Child Tax Credit and Income Support to support 19-year-olds as they complete a course, up to Level 3, that they started before their 19th birthday. We have also allocated £60 million over two years to pilot Activity Agreements and an Activity Allowance intended to help identify the most effective model for engaging 16 to 17-year-olds not in education, employment or training. In addition, significant progress has been made to improve the information and advice available to 16 to 19-year-olds. Throughout the country, detailed plans are in place to improve post-16 support for **all** children, including disabled children.

95. The Welsh Assembly Government has supported the establishment of 14–19 Networks in each local authority area. These Networks are responsible for ensuring that all 14 to 19-year-olds are given choice, flexibility and opportunity in their learning. The aims of the Networks include achieving a reduction in the number of young people leaving full-time education with no qualifications and the number of 16 to 18-year-olds not in education, employment or training.

96. The Scottish Executive has recently published its strategy to reduce the proportion of young people not in education, employment or training in Scotland. It contains a comprehensive set of actions aimed at giving both the pre- and post-16 systems an even sharper focus on supporting young people who are, or are at risk of becoming, not in education, employment or training, so that they can progress towards the labour market.

Children with special educational needs

97. Children with special educational needs are more likely to live in poorer circumstances. Children with special educational needs from poorer homes tend to do less well in school

than those from wealthier homes. In addition, they are more likely than other young people to end up not in education, employment or training after compulsory schooling.

98. Our programme for improving provision for all children with special educational needs and helping them to achieve their potential was outlined in our special educational needs strategy.⁴⁵ Under the programme, we have:

- developed a £1 million package of practical measures over three years to improve special educational needs training for teachers;
- carried out a national audit of specialist provision for children with the most severe and complex needs, which will help local authorities to plan for improved services; and
- promoted early intervention and co-ordinated services for children with special educational needs and disabilities, and their families, through the Early Support Programme, Children's Centres and Extended Schools.

99. The strategy puts the emphasis on early intervention, co-operation between special and mainstream schools, improving teacher training and joining up of services. Families and children with special educational needs welcome the joined-up provision of services which reflects their range of needs. Extended Schools, for example, can point to evidence of better outcomes for vulnerable children than would otherwise be the case.⁴⁶

100. The Government is committed to improving outcomes for children and young people with special educational needs. Action is being taken forward through the ten-year special educational needs strategy, *Removing Barriers to Achievement*, to build the capacity of the education system, working with

partners in health and social care to better meet children's needs. This recognises many of the key priorities identified in the Education and Skills Select Committee's inquiry into special educational needs.

Looked-after children

101. Looked-after children are among the most vulnerable groups of children in society. Most of them are in care as a result of abuse and neglect and, although there are some individual success stories, the poor outcomes they achieve as a group are well documented. The Government is determined to tackle the poor outcomes among this group of children and improve the level of personalised support that they are offered.

102. Building on progress made under the Quality Protects programme, we are focusing on improving the stability of care placements for looked-after children. We are also taking specific steps to improve educational outcomes for this group. We have introduced a legal duty for local authorities to promote the educational achievement of looked-after children. In addition, we are introducing legislation to enable local authorities to direct a school admissions authority to give a looked-after child a school place. This should help ensure that they are able to secure a school place that can best meet their needs.

103. Despite our progress, we recognise that there is much more to be done (see indicator 9). That is why we have recently published a wide-ranging Green Paper on transforming outcomes for looked-after children.⁴⁷

Disabled children

104. The new cross-government Office for Disability Issues has begun to put in place arrangements to improve the development and implementation of a Government strategy

to secure long-term improvements to the outcomes experienced by disabled people. The first annual report of the Office for Disability Issues was published earlier this year.⁴⁸ In addition, the Government is currently undertaking a review of services for disabled children.

105. The way in which services are designed and delivered to support disabled children and their families in the early years has a huge impact on disabled young people's prospects and expectations as they become adults. This has repercussions for the whole family, including the parents' ability to care for their children and participate in education, training and employment. We have made progress by developing a programme of work that will:

- improve support for families with disabled children in line with the National Service Framework for Children, Young People and Maternity Services (see below);
- ensure disabled children benefit from the development and expansion of early years' services;
- promote equality of opportunity for disabled children, including through the Disability Discrimination Acts 1995 and 2005, and improve access to schools and early years' services; and
- deliver fit-for-purpose services which improve outcomes for disabled children, in line with the Every Child Matters objectives.

106. The Early Support programme was delivered through Sure Start (£13 million for 2003–06) to develop materials and deliver training to achieve better co-ordinated, family-focused services for young disabled children and their families. We expect the principles of Early Support, and use of its materials, to become routine within mainstream practice in

Children's Centres and other early years' settings, as new ways of multi-agency working develop and awareness of the programme increases.

107. A new resource, *Implementing the Disability Discrimination Act in Schools and Early Years Settings*,⁴⁹ has been designed to support schools, local authorities and early years' settings in understanding their duties under the Act and developing their approach to improve access for disabled children and young people. We are also developing supplementary guidance for Extended Schools and Children's Centres to help them develop accessible services for disabled children and young people.

108. We are currently scoping the potential for individual budgets for disabled children. Individual budgets are intended to build on the progress already made through direct budgets to enable families with disabled children to live independent lives, bringing together various sources of funding, services, equipment and adaptation to address a family's holistic needs.

109. We recognise that major structural changes are required to address the lack of continuity from child to adult services. These changes are currently in their early stages of development and include:

- improving continuity and planning of service delivery;
- putting disabled young people at the centre of decision making about the support they receive, and involving them in the design of services;
- improving information provision and access to advocacy;
- improving support to families; and

- ensuring that disabled young people benefit from the appropriate mainstream and post-16 secondary educational and training provision.

110. The introduction of the new Children's Trusts and the Director of Adult Social Services role represents an important step forward. Clear lines of accountability have been set out in service delivery for the first time and the changes planned for post-16 education are intended to actively engage disabled young people in work-focused education and training.

Parenting

111. Parents play the key role in giving children and teenagers the best start in life. However, we recognise that being a parent is not always easy. That is why our aim is to ensure that families are able to access appropriate support services when they are most needed and help parents to become equipped to nurture, protect and support their children, engaging in their children's learning and enabling them to fulfil their potential.

112. Many parents say there are times when they would like more information or support. Extended Schools, Children's Centres and other national and local services offering information, advice and support to parents will help to meet this need. As part of the core offer of services in Extended Schools, all schools will offer access to parenting groups, whether at the school or another venue nearby. Local authority or NHS services should offer all families with children under 5 information on parenting, drop-in groups and opportunities to access parenting support.

113. More parents are experiencing relationship breakdown than a generation ago. The plans of the Government's Relationship Breakdown programme include the greater use of alternative dispute resolution mechanisms for agreeing future

arrangements about children. A number of pilots to test different mechanisms are under way and Revised Parenting Plans designed to assist parents in agreeing contact arrangements were published in February 2006. The Government intends to promote these methods as better ways to reach and sustain agreement than through contested court hearings. Additional funding has also been made available to develop a wider range of services, such as support of contact after separation and divorce. This includes issues of safe contact where there has been domestic violence, to ensure the child will not witness or experience violence in future.

114. We are co-ordinating an inter-agency programme of work, which aims to achieve better lives for children by improving the child care proceedings system and eliminating unnecessary delay, while ensuring that the process remains a fair one. Early work has centred on improving case management, inter-agency working and providing for more flexible use of court facilities/judicial resources.

115. The *Review of the Child Care Proceedings System in England and Wales* (published May 2006)⁵⁰ made further recommendations which encourage early interventions to find resolutions before court, and propose ways to help parents and children follow proceedings. For those cases that do reach court, the review makes recommendations to improve the quality of applications and case management in the courts. A Ministerial Group has been established to oversee implementation of these initiatives.

Improving parents' skills

116. Skills for Life is the national strategy for improving adult literacy, numeracy and language.⁵¹ Parents' own difficulties with literacy, language and numeracy can be a barrier to being involved with their children's schooling. The Skills for Life strategy has

created several projects which aim to tackle the intergenerational skills gap by equipping parents with both the skills that they need for their own life, work and learning, and those that will foster the confidence and ability to help their children to learn.

117. The Family Literacy, Language and Numeracy programme⁵² offers learning opportunities to parents and children so that they can improve their literacy, language and numeracy skills together. During the 2004/05 academic year, of the 70,000 parents/carers who participated, 25 per cent have achieved a national Skills for Life qualification. We have announced our intention to safeguard the levels of funding for the programme, providing £25 million in both 2006/07 and 2007/08, alongside £12 million for family learning in both those years.

118. Step in to Learning is a programme designed to provide childcare workers with the skills to identify parents, carers and colleagues who may have literacy, language and/or numeracy gaps. Step supports and encourages staff to identify opportunities to effectively signpost parents and others to appropriate local provision to improve their skills. The Step approach aims not only to benefit parents, but also their children. Over 100 local authorities have been engaged with Step in to Learning, with 47 partnerships currently running the Step approach locally in 2005/06. As a result of staff accessing the training and development programme, we can estimate that over 20,000 parents/carers have been signposted to learning and training opportunities.

119. Using school locations to deliver adult learning, Skills for Life and family learning can be a good way of engaging hard-to-reach adults and other parents who may not wish to attend a further education college. Many schools already provide opportunities for lifelong learning in partnership with other

providers and, as a result of Extended Schools, many more will be looking to do so.

120. The working-age section of chapter one outlines some of the other key work that is being undertaken as part of the Government's Skills Strategy. Parents stand to benefit from this strategy, improving their employability and progression in work, and, subsequently, improving their families' economic position. The New Deal for Skills and Skills Coaching, in particular, should assist parents.

121. The New Deal for Skills is a package of Skills Strategy measures, aimed at improving the skills of individuals to enable them to secure and sustain employment, or to make progress from lower to higher skilled work. It comprises Skills Coaching, Skills Passports and the Adult Learning Option. The Skills Coaching and Skills Passport trials are providing individually tailored support to inactive benefit claimants and jobseekers, including lone parents. This support will help them enter work, but also sustain and progress within it, and thus escape the cycle of low pay and benefits dependency.

122. The Women and Work Commission Report *Shaping a Fairer Future*, published this year, recognised that some women face particular challenges in improving their skills and securing and progressing in employment.⁵³ In response to the Commission's report, the Budget 2006 announced that we would double the number of Skills Coaching pilots from 8 to 16 Jobcentre Plus districts, focused on helping low-skilled women enter work.

Health

123. The *National Service Framework for Children, Young People and Maternity Services*⁵⁴ sets out the long-term programme to lead to sustained improvement in children's health and well-being. The National Service Framework sets clear standards for children's

health and social care, emphasising the importance of partnership work with education, children, parents, carers and the voluntary sector. As with Every Child Matters, the National Service Framework aims to reduce health inequalities, including among children from disadvantaged backgrounds who are more likely to experience poorer health outcomes. The National Service Framework promotes the adoption of healthy lifestyles, focuses on early intervention and prevention, stresses accessibility of services, and requires an increase in information, power and choice for children, young people and parents. To support services in implementing the National Service Framework, a database of exemplars on emerging practice has been developed.

124. The National Service Framework is a ten-year strategy, and progress is well under way. For example, we intend to publish a maternity delivery plan in the autumn to support the implementation of the Government's maternity commitment to give all women choice in how and where they have their baby.

125. The National Service Framework sets out details of the Child Health Promotion Programme – a comprehensive system of care which encompasses childhood screening, immunisations, health promotion, needs assessment and early intervention to address identified needs. Midwives, health visitors, school nurses, GPs and other healthcare professionals will deliver the programme in a range of settings such as primary care practices, Children's Centres and Extended Schools.

126. The Government's social exclusion action plan has a particular focus on early intervention and support to tackle problems more effectively before they mature and become entrenched. We recognise how vital pregnancy and the early years of life are for child development. International evidence

suggests that intensive health-led home visiting during pregnancy and the first two years of life can radically improve outcomes for both mother and child, particularly in the most at-risk families.⁵⁵ The Government is therefore establishing ten health-led parenting demonstration projects from pre-birth to age 2 and supporting the up-skilling of midwives, health visitors and commissioners to support early years' interventions.

127. Tackling health inequalities has remained a high priority across government in the UK. In England in 2001, a national target was first set to reduce the health gap on life expectancy and infant mortality by 2010. Our strategy to support the 2010 target and lay the foundations for a long-term, sustainable reduction in health inequalities considered the socio-economic, area and ethnic dimensions of health inequalities and detailed 76 cross-government commitments. Our action to tackle health inequalities includes improving:

- early years' support for children and families;
- social housing and reducing fuel poverty among vulnerable populations;
- educational attainment and skills development among disadvantaged populations;
- access to public services in disadvantaged communities in urban and rural areas; and
- access to employment and increasing income among the poorest.

128. Obesity is a key health issue affecting young people. At present, 15 per cent of children in England under 11 are obese. If current trends continue, 20 per cent will be

obese by 2010. Therefore, we have set ourselves the target of reducing the year-on-year increase in obesity among children under 11 by 2010 (see indicator 14). Although obesity has increased across the whole population, the rise appears to have been slightly greater among those living in inner-city and socially deprived areas and those in households with lower incomes.

129. Given the contribution made to rising obesity levels by low levels of physical activity and increased sedentary behaviour in children, our National School Sports strategy is an important part of our programme to tackle this issue. Following increased investment in school sports, the proportion of pupils aged 5–16 spending at least two hours in a typical week on high-quality physical education and school sport has increased by 11 percentage points (to 69 per cent) between 2003/04 and 2004/05. The target is to reach 75 per cent of pupils by 2006. We are on a positive trajectory and confident of meeting this target.

130. Play as a form of physical exercise can help tackle obesity and is vital to a child's development and well-being. We have recently published *Time for play: Encouraging greater play opportunities for children and young people*.⁵⁶ This document reports on our current and future work on children's play and sets out how we see our further work progressing. Many children are disadvantaged in the access they have to outdoor play provision and suitable open areas to play in. Children most likely to be disadvantaged include children from deprived backgrounds, children with disabilities and children from ethnic minorities. In March 2006, the Big Lottery Fund launched its £155 million play programme. This will target those children disadvantaged in their access to play provision.

131. Maternal smoking increases the risks of infant mortality. Reducing smoking among pregnant women and mothers of infants is therefore crucial. Action is continuing through the NHS to meet the national target of reducing smoking in pregnancy to 15 per cent by 2010. Our strategy has been successful in reducing the number of women smoking in pregnancy and we are on track to achieve this 2010 target (see indicator 13a).

132. NHS Stop Smoking Services received funding to ensure specialist advisers (usually midwives) are available to help pregnant smokers quit smoking. Local NHS Stop Smoking Services are expected to liaise with Sure Start to ensure the most effective delivery of service to the women who need it most. As part of the national smoking communication campaign, we are aiming to reach pregnant smokers through the ongoing 'partners' education campaign, which provides information about smoking, the benefits to the health of both mother and baby in quitting, and how partners and families can provide support.

133. A change in guidance for the use of nicotine-replacement therapy has meant that pregnant or breast-feeding women can now benefit from the use of nicotine-replacement therapy. This move can increase a pregnant smoker's ability to quit, because smokers using nicotine-replacement therapy are twice as likely to quit and up to four times as likely to quit using the therapy in conjunction with NHS Stop Smoking Services. In the year April 2004 to March 2005, some 7,100 pregnant women successfully quit smoking at the four-week stage with the help of NHS Stop Smoking Services.

134. The national Healthy Schools programme, introduced in 1999, promotes a whole-school approach to health. Schools need to satisfy specific criteria in four core themes – healthy eating, physical activity,

personal, social and health education, and emotional health and well-being – to achieve Healthy School status. Healthy Schools is a critical delivery vehicle for promoting our health agenda in schools and for getting across the message that achievement is inextricably linked to health. The Healthy Schools programme is intended to deliver real benefits in terms of:

- improved health and reductions in health inequalities;
- higher pupil achievement;
- greater social inclusion; and
- increased working between health promotion providers and education establishments.

135. A challenging target has been set that half of all schools will be Healthy Schools by 2006, with all schools working towards Healthy School status by 2009. We are on track to meet this target. The links between the Healthy Schools and Extended Schools programmes are explicit. The expectations for both programmes are entirely complementary and rely on many of the same enablers, including each other, to help them succeed.

136. Mental health problems are relatively common in children, with up to 20 per cent requiring help at some time, of whom about half suffer from mental disorders. Severe mental illness is rare but begins to increase during adolescence.

137. We are committed to ensuring that all children who need it have access to a comprehensive child and adolescent mental health service locally. The publication in September 2004 of the child and adolescent mental health services standard for the National Service Framework for Children, Young People and Maternity Services gives

guidance on what a comprehensive child and adolescent mental health service should include. In addition, 11 child and adolescent mental health service Regional Development Workers are in place to help both the NHS and local authorities to meet the challenges set for them in providing a comprehensive child and adolescent mental health service. The main measure of progress is the annual child and adolescent mental health services Mapping Exercise. The second exercise, conducted at the end of 2004, indicated increased levels of child and adolescent mental health service provision, with a 9 per cent increase in the number of child and adolescent mental health service teams, 26 per cent more staff and a 70 per cent increase in new cases seen.

138. As set out in the social exclusion action plan, the Government will launch pilots to test different interventions for tackling mental health problems in childhood, such as multi-systemic therapy and treatment foster care, to prevent the onset of problems in later life.

Teenage pregnancy

139. *Teenage Pregnancy: Accelerating the Strategy to 2010* was published in September 2006 and sets how we will broaden local strategies to more fully address the root causes of teenage pregnancy.⁵⁷ This shows the strong association between teenage conceptions and low educational attainment, with almost 40 per cent of teenage mothers having no qualifications and poor school attendance. It also illustrates that, over and above deprivation and attainment, the risk of teenage pregnancy is also affected by a range of personal factors, such as ethnicity, experience of living in care and prior sexual abuse. Local authorities have been asked to further strengthen delivery of local strategies particularly in high-rate neighbourhoods and to vulnerable groups.

140. There has been further progress in reducing under-18 conceptions with a reduction of 11.1 per cent in the under-18 conception rate between 1998 and 2004, and a fall of 15.2 per cent in the under-16 conception rate over the same period (see indicator 3a). Both rates are now at their lowest since the mid-1980s. The interim target of a 15 per cent reduction in conception rates by 2004 was achieved for under-16s – but more needs to be done.

141. The Teenage Pregnancy Strategy is placing an increasing emphasis on support for teenage parents to help them avoid poor long-term outcomes (see indicator 3b) through, for example:

- maternity services tailored to improve health outcomes for teenage mothers and their babies, in line with the National Service Framework for Children, Young People and Maternity Services;
- providing intensive support for teenage parents drawing on the lessons of the Sure Start Plus pilot, which ran until March 2006;
- the Care to Learn scheme of support with childcare costs for teenage parents (£155 a week and £170 in London), which has been extended from August 2006 to 19-year-olds returning to education or work-based learning; and
- provision of accommodation with support whether through on-site units or floating support for all under-18 parents who cannot live at home or with their partner.

142. The Department for Education and Skills is aiming to produce delivery guidance to local authorities and primary care trusts on support for teenage parents in early 2007.

Transport

143. Road accidents are more likely to occur in deprived areas than in other areas of the country. The Government's Neighbourhood Road Safety Initiative funds 15 councils with high child pedestrian casualty rates to deliver improvements across their deprived communities. Projects under way aimed at tackling child pedestrian accidents include the provision of, and improvements to, safe play areas and safe access to play areas, and after-school projects on the journey to and from school.

144. The Neighbourhood Road Safety Initiative is scheduled to end in March 2007. It is therefore too early to evaluate the effectiveness of the project in reducing child pedestrian road casualties. However, the project does contain a wide variety of measures (including engineering measures to provide traffic calming and improve pedestrian crossing facilities), which are usually shown to be effective in reducing child pedestrian casualties.

145. Kerbcraft is a child pedestrian training scheme that involves roadside training for 5 to 7-year-olds with trained adult supervisors. Since 2001, the Government has been funding 103 of these schemes in areas of deprivation in 64 local authorities. The interim evaluation results show that children trained using this model had improved their pedestrian safety skills and that their performance was significantly better than that of their untrained peers from similar areas.

Families at risk, child crime, drugs and anti-social behaviour

146. Children born into poverty are far more likely to be victims of crime and to offend. Around two-thirds of the most deprived areas in England are also the areas with the highest crime rates. Ensuring that poor children are protected from crime, and prevented from

perpetrating crime and engaging in anti-social behaviour is crucial to breaking cycles of disadvantage. In addition, it is also crucial that children are protected from the risks that they may face in their own homes.

Young people and crime

147. The Government is working in partnership with a range of organisations to prevent children and young people becoming involved in offending and anti-social behaviour.

148. Local Youth Offending Teams provide a range of targeted services and interventions for children and young people at high risk of offending, such as:

- activity-based Youth Inclusion Programmes for 13 to 16-year-olds identified as being most at risk of offending, truancy or social exclusion, or who are already engaged in crime or anti-social behaviour;
- support and referral to mainstream services through Youth Inclusion and Support Panels, which are multi-agency planning groups;
- parenting programmes for families at risk needing support; and
- other programmes such as family group conferencing and mentoring services.

149. The Government also works to prevent crime in a range of other ways. For example, there are now around 500 Safer Schools Partnerships (police in schools) which work with pupils in and around schools to reduce offending, increase attendance and improve behaviour, and we are actively encouraging areas to promote this approach. More broadly, the Government's Every Child Matters reforms underpin all this specific activity as they shift the focus of general children's services towards early intervention and prevention.

150. Work is also ongoing under the Prevent and Deter strand of the Prolific and Other Priority Offenders programme, to prevent the most active young offenders of today from becoming the next generation of prolific offenders in the future and to prevent children and young people from becoming involved in criminality in the first place.

151. The Arts Council for England has joined with the Youth Justice Board and the Government to provide PLUS, forming part of our Skills for Life strategy. PLUS aims to improve the literacy and numeracy skills of young people who have offended, are at risk of offending, or have disengaged from learning. Through focusing on young people's low educational attainment, PLUS addresses one of the main risk factors associated with offending and aims to increase participation in education, training and employment, promote inclusion and contribute to a reduction in offending.

Young people, alcohol and drugs

152. We are working to implement the young people and drugs strategy which is a key priority of the Government's drug strategy and an aim within the Every Child Matters outcome 'Be Healthy'. Good progress is being made across government on tackling young people's drug use, and Class A drug use among older young people is stable.⁵⁸

153. In addition to mainstream funding for children and young people, over £61 million in 2006/07 is available to local areas to ensure the provision of a comprehensive range of universal, targeted and specialist services built around the needs of children and young people, especially the most vulnerable. In addition to supporting the work of local partnerships, the Government directly funds national programmes that contribute to reducing young people's drug use.

154. The FRANK campaign makes drug information and advice available to all young people. The FRANK campaign has become a credible source of information and advice for young people and their parents. The following has been achieved:

- over 1.3 million calls have been made to the FRANK helpline;
- 11.3 million visits have been made to the talktofrank.com website; and
- over 82,000 e-mails have been sent to and replied to by FRANK.

155. Positive Futures is a national social inclusion programme using sport and leisure activities to engage with disadvantaged and socially marginalised young adults. The aim of Positive Futures is to have a positive influence on young people's lives by widening horizons and providing access to new opportunities within a culturally familiar environment. The programme has:⁵⁹

- involved over 110,000 young people in regular project activity since 2002;
- run 119 youth projects, with projects run in each of the 30 worst affected areas of drug-related crime in the country; and
- over 4,000 participants that have signed up for or completed awards or training through Positive Futures projects.

156. The Drug Interventions Programme includes three tailored interventions for children and young people to engage them early in their substance misuse and offending, and to facilitate the appropriate support and treatment services.

157. The *Alcohol Harm Reduction Strategy for England*,⁶⁰ published in March 2004, created an expectation that more effective, cross-government co-ordination was required in order to deliver initiatives that would have the impact of reducing alcohol-related harm. The Licensing Act has given police greater powers to close down problem premises, and has increased penalties for premises that sell to under-age drinkers.

Young people and anti-social behaviour

158. The three-year Young People's Development Programme includes 27 demonstration projects in some of the country's most deprived areas. It is testing the effectiveness of a distinctive approach to tackling risk-taking behaviour, particularly related to teenage pregnancy, substance misuse and educational attainment through a holistic programme for 'at-risk' 13 to 15-year-olds. The programme is being evaluated and will identify and spread good practice so that this innovative approach can be used to drive forward improved health outcomes, help young people re-enter mainstream school, and improve educational attainment and training and employment opportunities.

159. The Respect programme is a cross-government strategy to tackle anti-social behaviour and its causes and to build strong families and communities. The Respect Action Plan was launched in January 2006 and set out a broad package of measures to:

- provide young people with positive activities;
- improve behaviour and attendance in schools;
- do more to help parents parent;
- take a new approach to the most anti-social families;

- improve the response to anti-social behaviour from public services and empower local people to demand effective and efficient responses from their local agencies; and
- ensure effective enforcement action where bad behaviour occurs.

160. We have already made good progress in implementing the action plan and delivering change in communities. We are on track to deliver intensive family intervention projects in 50 areas by the end of 2006. These kinds of projects have been shown to reduce anti-social behaviour but also improve school attendance and behaviour in schools and reduce the risk of homelessness, therefore improving the life chances of young people in those households.⁶¹ We are also committed to improving the delivery of parenting programmes at local level and are investing up to £70 million to make this happen.

161. The Respect Action Plan states that we will focus help on parents who need it most by establishing Pathfinders to prevent anti-social behaviour among young people at risk. Our aim is to fund a series of Pathfinders over two years to increase support for the parents of children and young people at risk of negative outcomes. The Pathfinders will ensure that these families receive an earlier, more effective, co-ordinated package of relevant support. The Pathfinders will target 8 to 13-year-olds (identified through parental referral or referral by practitioners because of the child's behaviour or parental risk factors) and will run in 15 local authorities. Each local authority will focus on one of three particular parenting programmes to enable evaluation and develop our knowledge of the effectiveness of specific parenting programmes.

162. The additional £45 million invested in prevention programmes that are run by local Youth Offending Teams will target young people at risk of anti-social behaviour and crime. Through participation in Youth Inclusion Programmes and Youth Inclusion and Support Panels, and the use of Individual Support Orders, it is envisaged that underlying causes of anti-social behaviour will be addressed.

163. As part of the Respect Action Plan, we will also be working with the key cultural and sporting bodies to ensure that, within the target areas, current funding is more effectively channelled into community sport and cultural activities that support Respect principles and provide a 'hook' for those young people most at risk of anti-social behaviour. This includes focusing on techniques that engage young people in their own neighbourhoods, utilising staff who are able and willing to stand up to unacceptable behaviour and being able to provide progression pathways for all participants.

164. We have recently announced a partnership with the football industry and police which builds on existing models of good practice. Kickz, a sports-based social intervention is delivered by professional football club community programmes in England and Wales. It is targeted at marginalised young people living in some of the most socially disadvantaged neighbourhoods and works alongside established Safer Neighbourhood Policing Teams.

Children and families of offenders

165. Every year, parents of approximately 300,000 children enter custody or start a community sentence. The living arrangements of around 11,000 children every year are disrupted by the imprisonment of a mother, with only 5 per cent remaining in their own home during the sentence. Forty-three per

cent of offenders report that a member of their family has also been convicted of a criminal offence.

166. *The National Reducing Re-offending Delivery Plan*,⁶² published in November 2005, committed the Government to developing a cross-government approach to seven pathways, one of which was support for the children and families of offenders to address their poverty and skills needs and prevent intergenerational offending. One of the ways in which this pathway is being taken forward is through the West Midlands Children and Families Project, which is strengthening offenders' relationships with their children and families. The aim is to develop a sustainable regional partnership model, applicable to the rest of the country.⁶³

Domestic violence

167. Women and children are significantly affected by crime, or fear of crime, particularly through domestic violence and the long-term effects that are associated with it. Domestic violence accounts for an estimated 17 per cent of all violent crime and is estimated to cost almost £1 billion a year to the criminal justice system.

168. We have recently published a progress report updating last year's national report on domestic violence.⁶⁴ It outlines the considerable progress made across the seven domestic violence workstreams and how this learning can be applied to local delivery. It also sets out key areas of work and delivery on domestic violence for 2006/07.

169. A commitment from last year was to expand the existing network of seven Specialist Domestic Violence Courts; as a result of our programme, 25 specialist court areas have now been developed across England and Wales. The programme will be expanded further in 2006/07, with an additional £2 million being made available for

the establishment of Independent Domestic Violence Advisers in all specialist court areas, and Independent Sexual Violence Advisers in all sexual assault referral centres and in specialist sexual violence voluntary sector organisations.

Getting involved and extending opportunities

170. Culture, sport and play activities provide 'things to do, places to go' for children and young people, but they also have an important role to play in delivering the Every Child Matters programme by contributing to the achievement of the five outcomes.

171. The Youth Green Paper, *Youth Matters*, was published in July 2005, followed by *Youth Matters: Next Steps* in March 2006.⁶⁵ *Youth Matters* proposed a statutory duty on local authorities to secure the provision of positive activities for all young people and legislation for statutory guidance setting out national standards covering activities that should be available to young people. These include a range of cultural, sporting, recreational and enriching experiences, as well as provision for young people to make a contribution through volunteering.

172. The Government believes that young people should be given more choice and influence over services and facilities that are available to them. Among other things, it will ensure that more young people use the services and therefore benefit from them.

173. The Youth Opportunity Fund and Youth Capital Fund will provide for the improvement of facilities and allow young people to establish their own small-scale projects, for example renting space in a community centre to organise events and activities, establishing a neighbourhood council or youth café, or running sports leagues and tournaments. We have announced additional funding of £53 million over 2006/07 and 2007/08 to extend both funds, bringing the total available

over two years to £115 million. In addition, £2 million will be provided to fund a national competition in 2006/07 that will recognise and reward innovative projects run by young people, for young people, from the two funds. The competition is intended to encourage, highlight and reward projects that are particularly innovative in their design and planning.

174. We will be providing a total of £6 million over two years to fund opportunities for disadvantaged young people to develop new skills in a range of media and promote young people's involvement in producing programmes for television and radio.

175. Volunteering can play an important role in promoting social inclusion, developing talent and providing work experience as a route into employment. Forty-seven per cent of young people's volunteering takes place in sport. Sport England is working towards developing pathways into volunteering for young people in partnership with key organisations, ensuring sport is able to support the development of the new national framework of youth action and engagement, as recommended by the Russell Commission.⁶⁶

176. Creative Partnerships is a flagship programme of the Government and the Arts Council of England. It provides schoolchildren aged 5–18 with the opportunity to work on sustained projects with creative professionals such as architects, theatre companies, film makers, dance studios and website designers. The partnerships are primarily concentrated in areas of economic deprivation and areas that are rurally isolated. In April 2006, Creative Partnerships has engaged over 280,000 young people and worked with over 1,000 schools.

177. Over the last two years, Government investment in support provided by museums for school-age children and their teachers

through the Renaissance in the Regions programme has enabled regional museums to greatly improve and increase their cultural provision to school-age children in deprived areas. Forty-six per cent of visits over this period assessed by an evaluation study of the programme were made from schools located in the 20 per cent most deprived wards in England, including those in Birmingham, Manchester, Leeds, Bolton and Wolverhampton.⁶⁷

178. A number of national and regional museums, such as National Museums Liverpool and Tate Britain, have also been engaging with families with young children in deprived areas through partnership working with agencies such as Sure Start. Tate Britain's work with young families from Westminster Sure Start won a Partners in Excellence award in December 2005.

Working together

179. Launched in 2004, the Child Poverty Accord consists of representatives from a number of government departments and the Local Government Association. We are working in partnership to increase awareness of the poverty agenda and support the delivery of activities at a local level. The Accord aims to assist the Government to meet the child poverty targets by:

- promoting the eradication of child poverty;
- improving benefit take-up;
- increasing employment rates;
- narrowing inequalities of opportunities and outcomes for poor children;
- improving the range of local services for children; and

- sharing research and evaluation evidence.

The Accord aims to embed 'joined-up working' between local and central government, government departments and the voluntary and community sector.

180. Recently, the Accord has worked with Government Offices and local authorities to discuss the best way in which child poverty outcomes can be reflected within Local Area Agreements and through other reward and incentive frameworks that affect local authorities. The Accord has also gathered information on some of the excellent practice that is already taking place around the country in many local areas. The Local Government Association published *Local government and child poverty: making a shared commitment a joint reality*⁶⁸ in March 2006, and in July 2006 the Accord brought together stakeholders from local government and the voluntary sector to discuss best practice in tackling child poverty.

181. Since December 2005, a cross-government working group has been working to co-ordinate the delivery and implementation of public services' contribution to the child poverty and economic well-being agenda. This group's work is fully aligned with that of the Child Poverty Accord. The group brings together the Department for Education and Skills, HM Treasury, Department for Work and Pensions, Home Office, Department of Health, the Regional Co-ordination Unit and the Department for Culture, Media and Sport.

182. Departments are working together to produce practical tools which help to join up child poverty policy development and delivery. For example, the working group has developed a map of the delivery chain for the Government's child poverty strategy, and a forward look at Departments' public events

and announcements, research and policy documents. The group is also working to develop a cross-government child poverty communications plan.

Meeting our ambition

183. If we are to make meaningful and sustained improvements to children's lives, we need to take action across all these areas. We need to ensure that each and every child gets the best possible start in life and is able to fulfil their potential.

184. We have made considerable progress in tackling child poverty as the indicators of progress which follow show. But we realise that we have some way to go if we are to meet our ambition of eradicating child poverty by 2020.

185. We need an effective cross-government approach – pushing forward with our reforms of public services to offer ever greater choice and flexibility to meet the specific needs of individuals, breaking the cycle of dependency and tackling discrimination and prejudice in our society.

186. That means delivering accessible and high-quality education, health and social care. It means improving the quality of housing and reducing the number of families living in all forms of temporary accommodation. And it means continuing to develop the provision of childcare, enabling people to balance their work and parenting responsibilities.

187. Only by offering every individual and every generation the opportunity and support to raise and fulfil their aspirations can we realise the ultimate goal of our modern social democracy – an end to child poverty and equality of life chances for all.

Conclusion

Poverty and social exclusion are deep-rooted problems that take time and effort to tackle. In the seven years since *Opportunity for all* was first published we have made significant and sustained progress. The 59 indicators of progress set out in the Indicators document and summarised in the following pages clearly identify where progress has been made and those areas in which we still have more to do.

This is just the beginning, and we recognise that there is much more to do if we are to realise our goals to tackle poverty; to break the cycle of deprivation throughout people's lives; and to build a society where no one is held back by disadvantage or lack of opportunity.

Many of the causes of poverty are engrained and we are committed to a long-term strategy that works. We want real and lasting change to help individuals and communities take control of their lives and to break the intergenerational cycle of poverty and deprivation.

We will work with individuals, families and communities, and continue to make concerted efforts across central government and through partnership, working with devolved administrations, local government and the voluntary and community sectors, ensuring that progress is maintained.

We welcome your views on this report and the strategy that we have set out. Please send your comments to:

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Annex: Indicators of progress

Indicator summary

Significant progress has been made on a range of indicators since the baseline (which is 1997 for most indicators), with 40 of our indicators moving in the right direction. For example, we have seen improvements for the proportion of children in workless households; smoking rates for manual socio-economic groups; the proportion of older people living in low income; and households in fuel poverty.

There are seven indicators for which the data are not moving in the right direction – the

education gap for looked-after children; infant mortality rates; obesity for children aged 2 to 10 years; families in temporary accommodation; employment disadvantage for the lowest qualified; people contributing to a non-state pension; and life expectancy at birth. Strategies are in place to tackle these problems.

There are three 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	40
Broadly constant trend	9
Data moving in the wrong direction	7
Cannot determine trend	3
Total	59

Note: There are 41 main indicators, some of which have sub-indicators. This means there are 59 indicators in total.

Please see the companion Indicators document for a full discussion of all the indicators.

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 2002 to 2006 depending on the data source.

- ✓ data moving in right direction
- ✗ data moving in wrong direction
- ≈ data showing broadly constant trend or no significant movement
- ▲ 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	
1 Children in workless households	GB	✓	≈	
2 Low income:				
a) Relative	GB	✓	✓	
b) Absolute	GB	✓	✓	
c) Persistent	GB	✓	✓	
3 Teenage pregnancy:				
a) Teenage conceptions	England	✓	≈	
b) Teenage parents in education, employment or training	England	✓	✗	
4 An increase in the proportion of children in disadvantaged areas with a 'good' level of development	England	▲	▲	
5 Key Stage 2 (11-year-olds) attainment	England	✓	≈	
6 Attainment:				
a) 16-year-olds achievement	England	✓	✓	
b) Schools below floor target	England	✓	✓	
7 19-year-olds with at least a Level 2 qualification	England	▲	✓	
8 School attendance	England	≈	≈	
9 Improvement in the outcomes for looked-after children:				
a) Education gap	England	✗	✗	
b) Not in education, employment or training	England	≈	≈	
c) Stability in the lives of looked-after children	England	✓	≈	
10 16 to 18-year-olds in learning	England	≈	≈	
11 Infant mortality	England and Wales	✗	≈	
12 Serious unintentional injury	England	✓	≈	
13 Smoking prevalence for:				
a) Pregnant women	England	✓	✓	
b) Children aged 11 to 15	England	✓	≈	
14 Obesity for children aged 2 to 10	England	✗	≈	

Children and young people			
Indicator	Covers	Trend since baseline	Direction of latest data
15 Re-registrations on Child Protection Register	England	✓	≈
16 Housing that falls below the set standard of decency	England	✓	✓
17 Families in temporary accommodation	England	×	≈

People of working age			
Indicator	Covers	Trend since baseline	Direction of latest data
18 Employment rate	GB	✓	≈
19 Employment of disadvantaged groups:			
Disabled people	GB	✓	✓
Lone parents	GB	✓	≈
Ethnic minority people	GB	✓	✓
People aged 50 and over	GB	✓	≈
Lowest qualified	GB	×	≈
20 Working-age people in workless households	GB	✓	✓
21 Working-age people without a Level 2 NVQ qualification or higher	England	✓	✓
22 Long periods on income-related benefits	GB	✓	≈
23 Low income:			
a) Relative	GB	≈	≈
b) Absolute	GB	✓	≈
c) Persistent	GB	≈	≈
24 Smoking rates:			
a) All adults	England	✓	≈
b) Manual socio-economic groups	England	✓	≈
25 Death rates from suicide and undetermined injury	England	✓	≈
26 Rough sleepers	England	✓	≈
27 Drug use (16 to 24-year-olds):			
a) Use of Class A drugs	England and Wales	≈	≈
b) Frequent use of any illicit drug	England and Wales	≈	✓

People in later life			
Indicator	Covers	Trend since baseline	Direction of latest data
28 Low income:			
a) Relative	GB	✓	✓
b) Absolute	GB	✓	✓
c) Persistent	GB	✓	✓
29 People contributing to a non-state pension	GB	×	≈
30 People making continuous contributions to a non-state pension	GB	≈	≈
31 Healthy life expectancy at age 65	England	≈	≈
32 Being helped to live independently:			
a) Receiving intensive home care	England	✓	✓
b) Receiving any community-based service	England	▲	▲
33 Housing that falls below the set standard of decency	England	✓	✓
34 Fear of crime	England and Wales	✓	≈

Communities			
Indicator	Covers	Trend since baseline	Direction of latest data
35 Employment rates in deprived areas	GB	✓	✓
36 Crime rates in high-crime areas	England and Wales	✓	≈
37 Housing that falls below the set standard of decency	England	✓	✓
38 Households in fuel poverty	England	✓	≈
39 Life expectancy at birth	England	×	≈
40 Attainment gap at Key Stage 2 (11-year-olds)	England	✓	✓
41 Road accident casualties in deprived areas	England	✓	✓

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Opportunity for all

Eighth Annual Report 2006

Indicators document



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the Secretary of State for Work and Pensions
by Command of Her Majesty
October 2006

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Introduction

1. This year, the indicators annex is a stand-alone document and is published in conjunction with the main *Opportunity for all* 2006 report,¹ which outlines the Government's strategy for tackling poverty and social exclusion. Tackling poverty and promoting equality of opportunity lie at the heart of the UK Government's policy agenda and its vision for the future. The strategies of the devolved administrations of the UK are set out as follows:

- Northern Ireland – *Targeting Social Need*;²
- Scotland – *Closing the Opportunity Gap*;³
- Wales – *Welsh Assembly Government: Social Justice Report*.⁴

2. This report contains information on the indicators used to monitor our strategy. The indicators chosen are designed to reflect the multi-dimensional nature of poverty and social exclusion at different stages in people's lives, including their health, education, housing, income and financial well-being. The indicators were first established in 1999, when we published the first annual *Opportunity for all* report.

The indicators

3. 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.⁵ Consequently, the original set of indicators has been added to and some definitions have been refined. We also ask for feedback on the indicators.⁶

4. As in previous reports, the indicators are organised according to stages of the life-cycle. There are sets of indicators for children and young people, working-age people and older people. A set of communities indicators monitors the progress of our strategies to narrow the gap between areas with the worst performance and other areas.

5. The geographical coverage of the indicators is set out for each individual indicator. Some cover England only, while 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 UK Parliament. The devolved administrations of Scotland, Northern Ireland and Wales report on their devolved strategies separately.

6. Alterations have been made to a number of indicators to take into account changes in the way the data are analysed or collected. For example, a number of the indicators were previously based on data from the *Labour Force Survey* which used an average of the four quarters of data for a given year. However, the method of measurement has now changed and uses spring quarter comparisons. This affects employment and worklessness-related indicators 1, 7, 18, 19, 20, 21 and 35. In addition, the methodology for calculating indicator 31 – healthy life expectancy at 65 – has changed to incorporate new data from Census 2001, and the changes made to the *General Household Survey* to reflect this. Healthy life expectancy data for 2003 (indicator 31) will be updated via our website shortly after publication.

The overview of the life stages

7. We continue to produce an overview of the life stages section, which was first introduced two years ago. This provides an overview of what is happening behind the indicators for each of the main groups – children and young people, people of working age, people aged over 50 and retired people, and communities.

8. For each group, we aim to set out some background information on the issues behind the indicators and a brief outline of the main groups affected, as well as information on what may be driving the trends outlined in the indicators section. We provide references on where to find more detailed analysis, data and further research. Where possible, we will include web-based links to other sites of interest relevant to the indicator being discussed.

Web-based indicators

9. The indicators are also available on a section of the Department for Work and Pensions website.⁷ This means that we can update indicators as new data become available, rather than relying on the once-a-year publication of the report. These updates can be found on the Opportunity for all website listed under the heading 'What's New'.⁸

10. The website also includes additional information relevant to the indicator where appropriate. This is set out in a separate box at the end of each indicator labelled 'further information'. For example, the indicator on health inequalities (indicator 39) provides web links to the source data, a report on progress towards the Public Service Agreement (PSA) target, and other information covering different aspects of the indicator, such as a breakdown by social class, as well as links to related research evidence.

11. We are also producing ethnicity and urban/rural comparisons for a selected number of indicators.

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 (EU) should aim to make a 'decisive impact' on social exclusion by 2010. The strategy is built on the Open Method of Co-ordination, which requires member states to produce their own policies within EU-level guidelines. In 2006, all EU countries, including the UK, produced annual national reports on strategies for social protection and social inclusion. These reports were delivered to the European Commission in September 2006.

13. The UK national report outlines social policy issues for the UK from 2006–08:
- Chapter one provides an overview of the economic, social and demographic context of the UK, the key challenges, and our overall strategy for addressing them.
 - Chapter two is the social inclusion section of the report, detailing our priorities in combating poverty and exclusion, and the main policies designed to achieve progress in this area. This is the third UK National Action Plan for social inclusion and is available at: www.dwp.gov.uk/publications/dwp/2006/nap
 - Chapter three reports on major developments around UK pensions policy since our second National Strategy Report on Pensions in 2005.⁹
 - Chapter four adds health and long-term care to the EU reporting process for the first time, and outlines current UK strategies and systems. This section also identifies issues for future exchange of information and learning between member states across the EU.
14. To facilitate this process, the UK is required to produce national action plans on social inclusion, setting out the UK's strategy for combating poverty and social exclusion. These include a set of indicators common to all EU member states (known as Laeken indicators) to allow direct comparisons, and UK-specific indicators to highlight areas of particular UK interest (known as 'tertiary indicators').

Opportunity Age

15. *Opportunity Age* is the Government's strategy for an ageing society. The strategy aims to end the perception of older people as dependent; to ensure that longer life is healthy and fulfilling; and that older people can participate fully in society.
16. The effect of central and local government strategies on the lives of today's and tomorrow's older people will be measured using a suite of indicators of older people's independence and well-being. It will use some of the same indicators as those contained within this report to monitor poverty and social exclusion for those aged over 50. *Opportunity Age* indicators are designed to be the first stage in developing a balanced national assessment of quality of life for older people.¹⁰
17. Details of the indicators that have been selected are available on the DWP website at: www.dwp.gov.uk/opportunity_age/indicators/. A baseline report including data was published in summer 2006.

Indicator summary

Significant progress has been made on a range of indicators since the baseline (which is 1997 for most indicators), with 40 of our indicators moving in the right direction. For example, we have seen improvements for: the proportion of children in workless households; smoking rates for manual socio-economic groups; the proportion of older people living in low income; and households in fuel poverty.

There are seven indicators for which the data are not moving in the right direction – the education gap for looked-after children; infant mortality rates; obesity for children aged 2 to 10 years; families in temporary accommodation; employment disadvantage for the lowest qualified; people contributing to a non-state pension; and life expectancy at birth. Strategies are in place to tackle these problems.

There are three 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	40
Broadly constant trend	9
Data moving in the wrong direction	7
Cannot determine trend	3
Total	59

Note: There are 41 main indicators, some of which have sub-indicators. This means there are 59 indicators in total.

Indicator summary table

The following table 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 2002 to 2006, depending on the data source.

- ✓ data moving in right direction
- ✗ data moving in wrong direction
- ≈ data showing broadly constant trend or no significant movement
- ▲ 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	✓	≈	13
2 Low income:				
a) Relative	GB	✓	✓	14–16
b) Absolute	GB	✓	✓	14–16
c) Persistent	GB	✓	✓	14–16
3 Teenage pregnancy:				
a) Teenage conceptions	England	✓	≈	17–18
b) Teenage parents in education, employment or training	England	✓	×	17–18
4 An increase in the proportion of children in disadvantaged areas with a 'good' level of development	England	▲	▲	19–20
5 Key Stage 2 (11-year-olds) attainment	England	✓	≈	21
6 Attainment:				
a) 16-year-olds achievement	England	✓	✓	22
b) Schools below floor target	England	✓	✓	22
7 19-year-olds with at least a Level 2 qualification	England	▲	✓	23
8 School attendance	England	≈	≈	24
9 Improvement in the outcomes for looked-after children:				
a) Education gap	England	×	×	25–6
b) Not in education, employment or training	England	≈	≈	26
c) Stability in the lives of looked-after children	England	✓	≈	27
10 16 to 18-year-olds in learning	England	≈	≈	28
11 Infant mortality	England and Wales	×	≈	29–30
12 Serious unintentional injury	England	✓	≈	31
13 Smoking prevalence for:				
a) Pregnant women	England	✓	✓	32
b) Children aged 11 to 15	England	✓	≈	33–4
14 Obesity for children aged 2 to 10	England	×	≈	34

Children and young people				
Indicator	Covers	Trend since baseline	Direction of latest data	See page
15 Re-registrations on Child Protection Register	England	✓	≈	35
16 Housing that falls below the set standard of decency	England	✓	✓	36
17 Families in temporary accommodation	England	×	≈	37–8

People of working age				
Indicator	Covers	Trend since baseline	Direction of latest data	See page
18 Employment rate	GB	✓	≈	42–3
19 Employment of disadvantaged groups:				
Disabled people	GB	✓	✓	44–7
Lone parents	GB	✓	≈	44–7
Ethnic minority people	GB	✓	✓	44–7
People aged 50 and over	GB	✓	≈	44–7
Lowest qualified	GB	×	≈	44–7
20 Working-age people in workless households	GB	✓	✓	48
21 Working-age people without a Level 2 NVQ qualification or higher	England	✓	✓	49
22 Long periods on income-related benefits	GB	✓	≈	50
23 Low income:				
a) Relative	GB	≈	≈	51–3
b) Absolute	GB	✓	≈	51–3
c) Persistent	GB	≈	≈	51–3
24 Smoking rates:				
a) All adults	England	✓	≈	54–5
b) Manual socio-economic groups	England	✓	≈	54–5
25 Death rates from suicide and undetermined injury	England	✓	≈	56
26 Rough sleepers	England	✓	≈	57
27 Drug use (16 to 24-year-olds):				
a) Use of Class A drugs	England and Wales	≈	≈	58
b) Frequent use of any illicit drug	England and Wales	≈	✓	58–9

People in later life				
Indicator	Covers	Trend since baseline	Direction of latest data	See page
28 Low income:				
a) Relative	GB	✓	✓	62–4
b) Absolute	GB	✓	✓	62–4
c) Persistent	GB	✓	✓	62–4
29 People contributing to a non-state pension	GB	×	≈	65
30 People making continuous contributions to a non-state pension	GB	≈	≈	66
31 Healthy life expectancy at age 65	England	≈	≈	67–8
32 Being helped to live independently:				
a) Receiving intensive home care	England	✓	✓	69
b) Receiving any community-based service	England	▲	▲	69–70
33 Housing that falls below the set standard of decency	England	✓	✓	71
34 Fear of crime	England and Wales	✓	≈	72

Communities				
Indicator	Covers	Trend since baseline	Direction of latest data	See page
35 Employment rates in deprived areas	GB	✓	✓	75
36 Crime rates in high-crime areas	England and Wales	✓	≈	76
37 Housing that falls below the set standard of decency	England	✓	✓	77
38 Households in fuel poverty	England	✓	≈	78
39 Life expectancy at birth	England	×	≈	79–80
40 Attainment gap at Key Stage 2 (11-year-olds)	England	✓	✓	81
41 Road accident casualties in deprived areas	England	✓	✓	82

Indicators of progress and overview of the life stages

Children and young people

We know that poverty and social exclusion have an impact on children and young people, and on their outcomes later in life. This section discusses the picture behind some of the indicators for children and young people.

Children in workless households

1. The number of children living in working-age workless households (indicator 1) has reduced since 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 fell to 18.4 per cent in 1997 (baseline year) and now stands at 15.3 per cent in 2006.
2. Lone-parent and couple 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.¹¹

Low income

3. The proportion of children living in both relative and absolute low-income households (indicator 2) has reduced since 1997 despite strong average-income growth throughout the income distribution. From 1996/97 to 2004/05 there was a fall in the number of children below 60 per cent of contemporary median income on both before and after housing cost measures. The number of children living in persistent low income has reduced slightly in the latest observation period 2001–04.
4. The new measure of child poverty for the long term, and its associated PSA target, is calculated on a slightly different basis to that presented for the indicator in *Opportunity for all*. The PSA is based on an OECD-modified equivalisation scale, while the *Opportunity for all* indicator is based on the McClements scale. From next year, the indicator will be aligned with our PSA target so that both are calculated using the same equivalisation scale.¹² The baseline for the PSA is also slightly different: it uses 1998/99 compared with 1996/97 figures used in the indicator. The new child poverty measure is on a before housing costs basis only.¹³
5. The OECD-modified figures show that the proportion of children living in households with relative low incomes fell between 1998/99 and 2004/05, from 26 per cent to 21 per cent. The proportion of children living in households with absolute low incomes also fell between 1998/99 and 2004/05, from 24 per cent to 11 per cent. Despite these improvements, child poverty rates in the UK are still relatively high compared with other OECD countries.
6. Children living in lone-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 four or more children – were more likely to live in low-income households, although the risk of relative low income (before housing costs) for this group has decreased markedly from 57 per cent in 1996/97 to 41 per cent in 2004/05.

7. Children living in households with an ethnic minority head (particularly those of Pakistani or Bangladeshi origin), and those in families containing one or more disabled adult, 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 reduced broadly in line with the reduction for Great Britain.¹⁴

Health

8. The infant mortality rate among the 'routine and manual' occupational group rose to 19 per cent higher than that in the total population in 2002–04 compared with 13 per cent higher in the baseline period of 1997–99 (indicator 11).¹⁵

9. The mortality rate for babies of teenage mothers was around 60 per cent higher than for babies of older mothers.¹⁶ This group were also more likely to have low-birthweight babies.¹⁷

10. The most recent *Infant Feeding Survey* in 2005 found that 17 per cent of women in England continued to smoke throughout pregnancy (indicator 13a). Women in routine and manual occupations were four times more likely to smoke throughout pregnancy than those in managerial and professional occupations.¹⁸ Smoking is a major risk factor contributing to low birthweight, which in turn is a strong predictor of mortality in infancy and of lifelong poor health. Low-birthweight babies are 40 times more likely to die before their first birthday, and to suffer a range of diseases and disabilities, including heart problems and respiratory infections. Babies born to women who smoke weigh on average 200g less than babies born to non-smokers.¹⁹

11. Smoking among children shows that overall the proportion 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 2005). 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.²⁰

12. The prevalence of obesity in children aged 2 to 10 has increased from 10.9 per cent in 1997 to 14.3 per cent in 2004 (indicator 14).²¹ Obesity levels were slightly higher for children living in households that had lower levels of household income, for children living in the most deprived areas and for children living in households in the routine and semi-routine socio-economic classification (NS-SEC).²² Obesity prevalence among children aged 8 to 10 years rose from 11.2 per cent in 1995 to 16.5 per cent in 2003.²³

13. Age-specific fertility rates for women aged 15–19 shows that in 2000 the rate for the UK was higher than the OECD 30-country average and the EU 19-country average, and higher than other Western European nations such as France, Germany, Denmark, and the Netherlands, as well as Canada, Australia and New Zealand. The UK rate was lower than the US rate.²⁴

Education

14. 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 since the baseline (indicator 5), as has the percentage of pupils achieving five or more GCSE grades A*–C (indicator 6). GCSE achievement (grade A*–C) has risen from 45 per cent in 1997 to 56 per cent in 2005.²⁵

15. 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.^{26, 27} Three-quarters of 16-year-olds in receipt of free school meals failed to get five 'good' GCSEs (grade A*–C), which was one and a half times the rate for other children.²⁸ The attainment levels for children in care continue to be much lower than the average for all children.²⁹
16. Differences between advantaged and disadvantaged children 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.³⁰
17. Participation rates for 16-year-olds in post-compulsory education varies by socio-economic status. Children from lower-income families are more likely to forgo higher education. A one-third reduction in family income from the average (or £140 a week, £7,000 a year, in 2001) reduced the chances of securing a degree by around four percentage points.³¹
18. The latest absence data, published in the 2004/05 school year, showed that there has been an overall increase in school attendance compared with 1997 (indicator 8). Exclusions from school have fallen by 25 per cent between 1996/97 and 2003/04. There are some groups that are much more likely to be excluded than others, for example Black Caribbean boys, Traveller children and pupils with special educational needs.³² Recent figures showed that children from a mixed parentage background also faced a much higher risk of being excluded compared with White children.
19. The rate of permanent exclusion in England among Black Caribbean pupils has approximately halved since 1997/98, to 39 for every 10,000 pupils of compulsory school age in 2004/05. This was three times higher than the rate for White pupils.³³
20. African Caribbean boys still under-achieve at GCSE level: 33 per cent gained five or more GCSEs at grades A*–C in 2005 compared with 50 per cent of White boys.³⁴
21. There has been little change in the number of 16 to 18-year-olds described as not in education, employment or training. The proportion of those not in education, employment or training has remained broadly unchanged since the 1990s, at 9–10 per cent. However, this proportion did increase to 11 per cent in 2005.³⁵
22. The proportion of teenage mothers who are in education, employment or training in England has risen slightly from 28.0 per cent for the period 2003–05 to 29.2 per cent in the period 2004–06 (indicator 3b).

Housing

23. In 1996, 41 per cent of dependent children (aged 0–15 or aged 16–18 and in full-time education) lived in a home that did not meet the set standard of decency. This fell to 25 per cent in 2004 (indicator 16). Although in general households with children are less likely than other vulnerable household types to live in non-decent housing, particular groups of households with children, such as those on low income, minority ethnic households or lone-parent households, tend to experience poorer housing conditions.³⁶

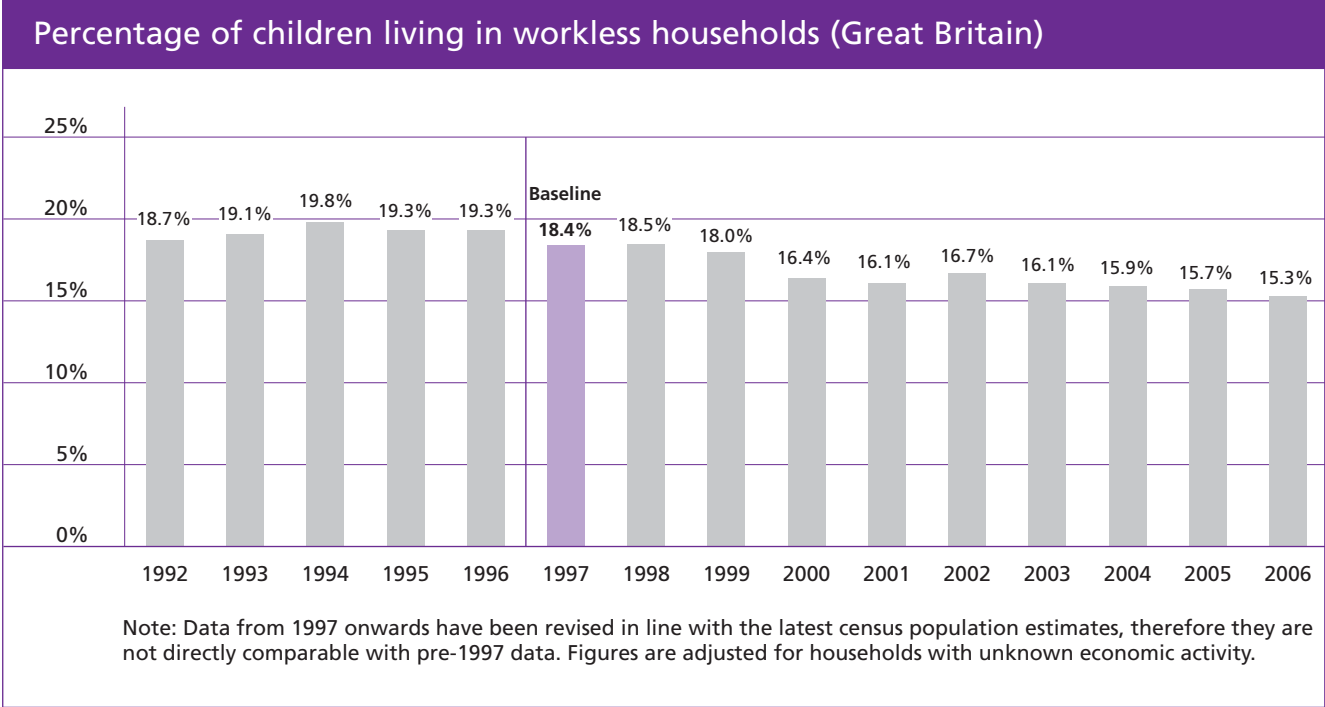
24. The number of households with dependent children in temporary accommodation in March 2006 increased by just under one-third when compared with March 2002, although there is now a downward trend with numbers falling since March 2005 (indicator 17).

25. At the end of March 2006, 92 per cent of households with dependent children in temporary accommodation were housed in self-contained accommodation, with sole use of kitchen and bathroom facilities, compared with 77 per cent at the end of March 2002. Therefore, a much smaller proportion is now in shared accommodation for example bed and breakfast hotels, hostels and women's refuges, (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 15.3 per cent in 2006.



Definition: Percentage of children aged under 16 in a working-age household where no adult works. A working-age household is defined as 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.

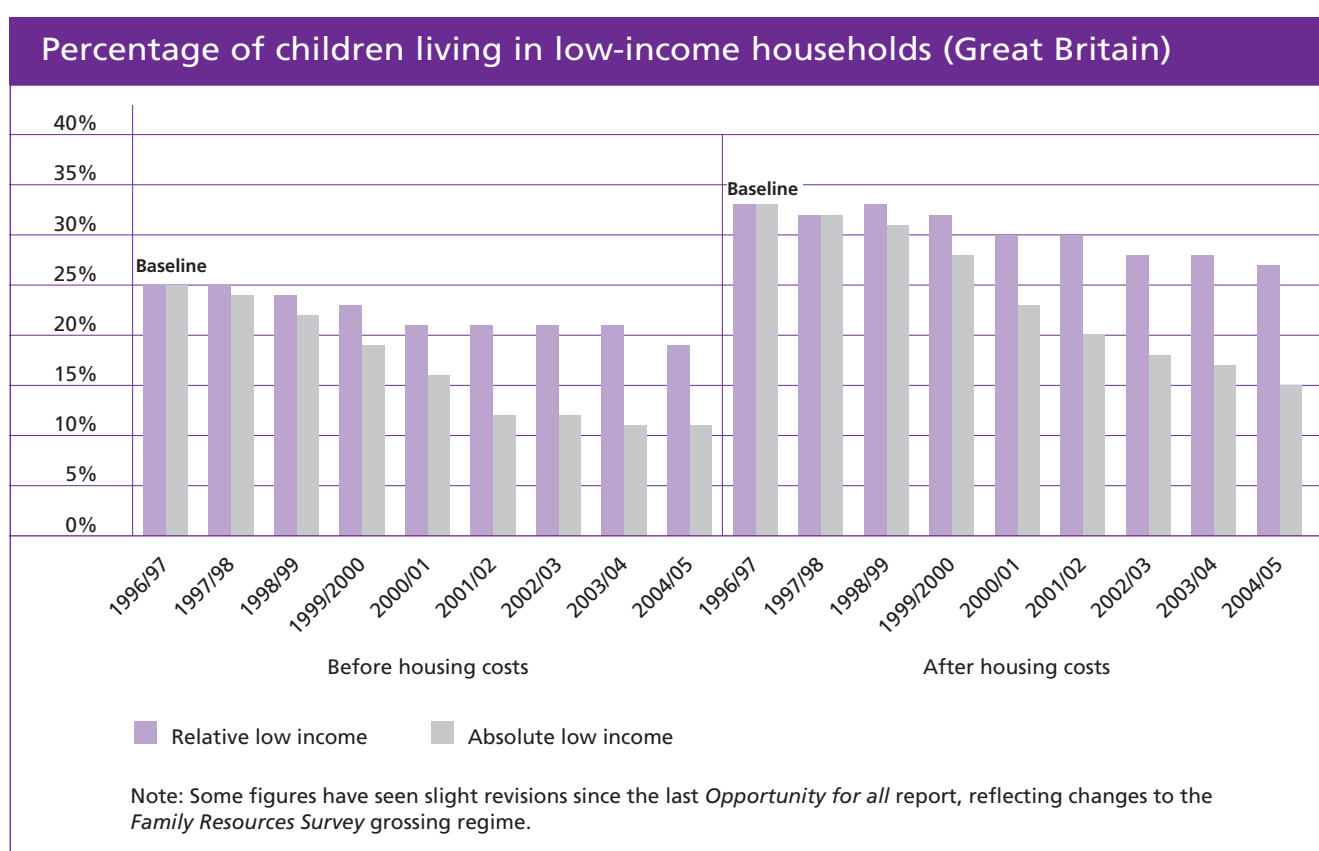
Data source: *Labour Force Survey*, spring quarters.

Linked to Department for Work and Pensions PSA targets: To reduce the proportion of children living in workless households 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 2004/05, from 25 per cent to 19 per cent on the before housing costs measure and from 33 per cent to 27 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 15 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 13 per cent in 2001–04.

Twenty-two per cent of children lived in a household with a low income in at least three out of four years, on the after housing costs measure, at the baseline (1997–2000) which fell to 17 per cent in 2001–04.

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
Baseline Before housing costs	1996/97	12%	25%	35%	12%	25%	35%
	1997/98	13%	25%	35%	12%	24%	34%
	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%
2004/05	10%	19%	32%	6%	11%	18%	
Baseline After housing costs	1996/97	23%	33%	41%	23%	33%	41%
	1997/98	23%	32%	40%	22%	32%	39%
	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%
2004/05	17%	27%	37%	9%	15%	23%	

* 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 –94	1992 –95	1993 –96	1994 –97	1995 –98	1996 –99	1997 –2000	1998 –2001	1999 –2002	2000 –03	2001 –04
Before housing costs	Below 60% of median	20%	18%	17%	17%	17%	16%	17%	17%	17%	15%	13%
	Below 70% of median	29%	29%	29%	28%	28%	27%	27%	26%	27%	26%	24%
After housing costs	Below 60% of median	25%	23%	23%	24%	24%	23%	22%	22%	21%	19%	17%
	Below 70% of median	33%	33%	32%	32%	31%	30%	30%	30%	30%	29%	27%

Note: Some of the figures have seen small revisions since the last *Households Below Average Income* (2004/05) 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 through 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

Data for thresholds of median income and full definitions are available in *Households Below Average Income 1994/95–2004/05*. 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):

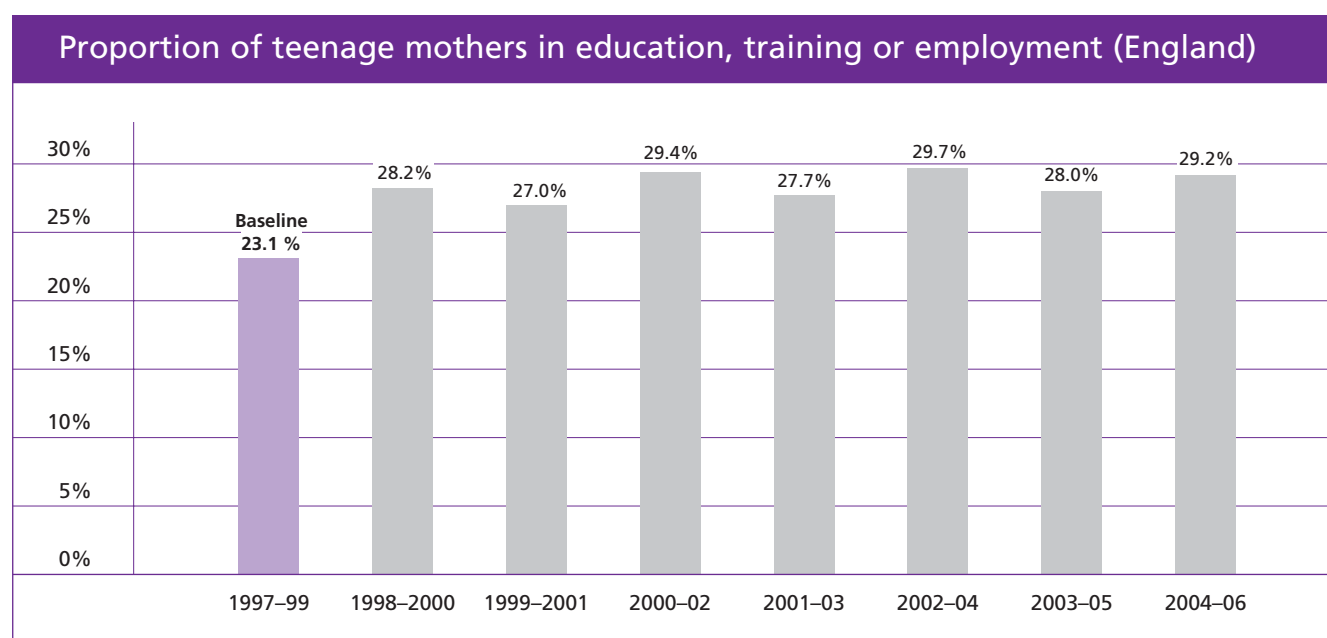
- a) a reduction in the rate of conceptions for those aged under 18; and
- b) an increase in the proportion of teenage mothers who are in education, employment or training.

Baseline and trends:

- a) Baseline year – 1998. The under-18 conception rate fell between 1971 and 1981 and then rose until 1991. The rate fell again until 1995 but then rose following a contraceptive pill scare, reaching a peak in 1998. Since 1998, the rate has fallen 11.1 per cent. The rate for 2004 is 41.5 per 1,000 females aged 15 to 17, the lowest rate for 20 years.
- 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 29.2 per cent in the period 2004–06.

Under-18 conception rates per 1,000 females aged 15–17 (England)															
		Baseline													
1971	1981	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
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	41.5

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 1,000 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: Reduce the under-18 conception rate by 50 per cent by 2010 as part of a broader strategy to improve sexual health.

4 An increase in the proportion of children in disadvantaged areas with a 'good' level of development (England)

Baseline and trends: This indicator is designed to use data derived from the Foundation Stage Profile. In 2005, schools and providers were more accurate in their assessment of attainment on the profile. The improved rigour in reporting for 2005, particularly the reporting of those children achieving all, or working beyond, the Early Learning Goals (scale 8–9), is borne out by the findings of the Foundation Stage team within the Primary National Strategy, in the course of their work with local authorities. This implies that the figures prior to 2005, as produced in previous editions of the *Opportunity for all* report should be treated with a degree of caution. The change in emphasis in using 2005 as a baseline has also coincided with the development of a new target: Sure Start Spending Review 2004 Public Service Agreement (PSA1), which is a joint target with the Department for Work and Pensions (see below).

The table shows the baseline data for this indicator and represents estimates derived from the child-level sample. In 2005, 37 per cent of children in the most deprived areas achieved a good level of development compared with 53 per cent of children from other areas and 48 per cent of all children.

Percentage of children achieving a good level of development* at the end of the Foundation Stage in communication, language and literacy, and personal, social and emotional development (England)

	Baseline 2005
Children in the most deprived super output areas**	37
Children in other areas	53
All children	48

* Percentage of children achieving a good level of development is defined by the number of children achieving a score of 6 or more across the seven communication, language and literacy, and personal, social and emotional development area of learning scales.

** The 30 per cent most deprived super output areas defined by the Index of Multiple Deprivation.

Definition: Previous measures represented the percentage of children 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. However, there are children who achieve these point scores without obtaining a score of 6 or above in all of the component scales, or working securely within the range of Early Learning Goals. Hence, a new Sure Start Spending Review 2004 Public Service Agreement (PSA1) indicator evolved which defined 'good development' as the percentage of children achieving a score of at least 6 in the assessment scales associated with the communication, language and literacy, and personal, social and emotional development areas of learning. The choice of these areas of learning continued the theme of the previous indicator but redefined the measure.

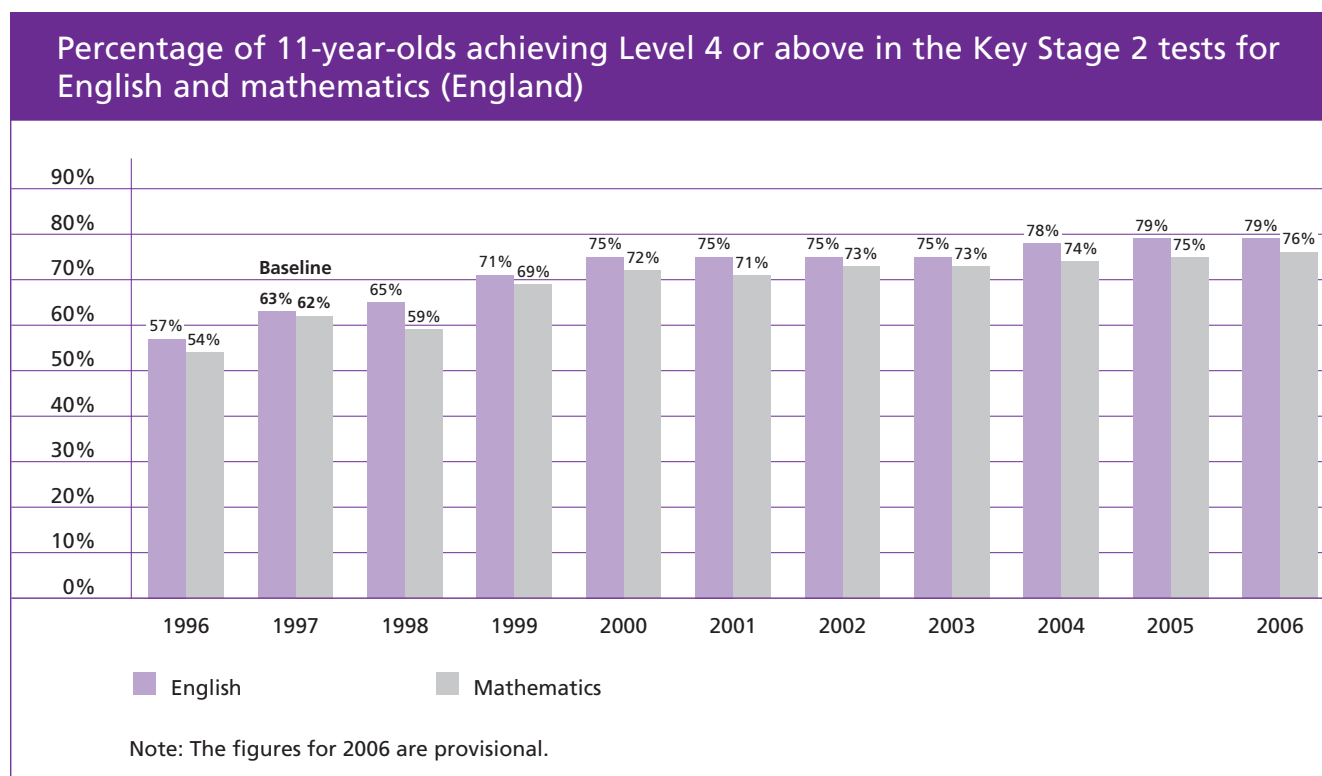
Overall, the Foundation Stage Profile has 13 assessment scales, covering physical, intellectual, emotional and social development. The scales are combined into six areas of learning including the two areas of learning used for the new Sure Start indicator. In each assessment scale, there are nine points 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.

Data source: Department for Education and Skills.

Linked to joint Sure Start and Department for Work and Pensions PSA target: To improve children's communication, social and emotional development so that by 2008, 53 per cent of children reach a good level of development at the end of the Foundation Stage and the inequalities between the level of development achieved by children in the 30 per cent most disadvantaged super output areas and the rest of England are reduced to 12 percentage points.

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 2006, there has been an overall increase in the proportion of pupils 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 76 per cent for mathematics.



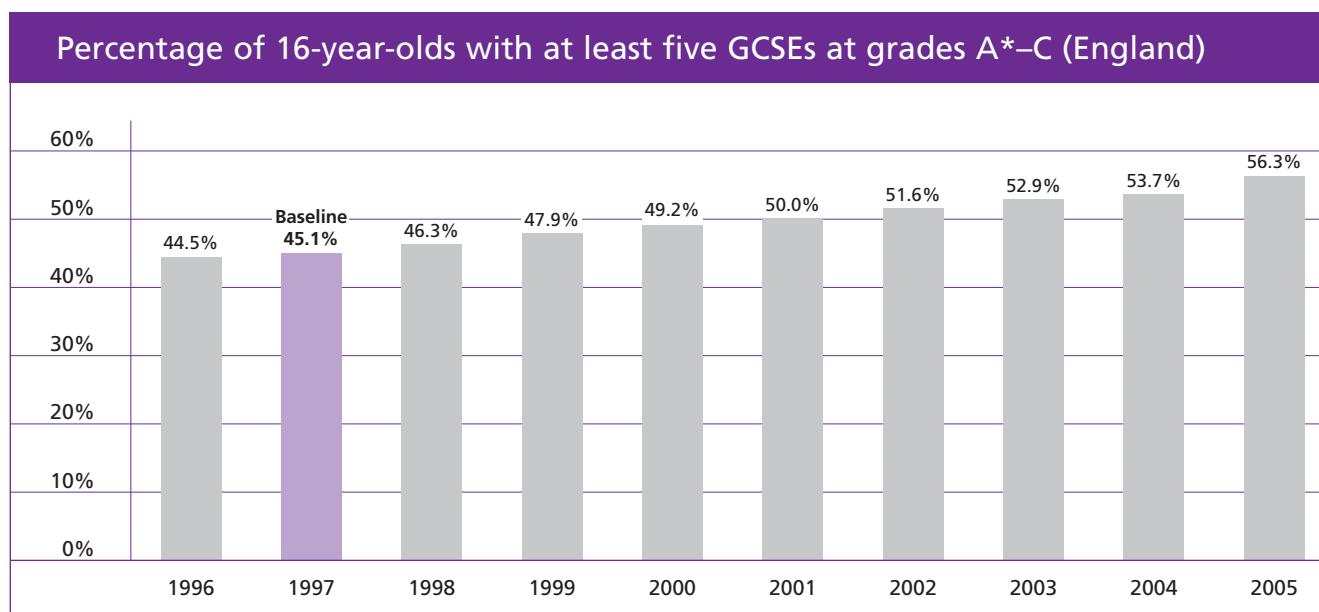
Definition: Percentage of 11-year-olds achieving Level 4 or above in Key Stage 2 English and mathematics tests. The 2006 data are provisional and the final data will be provided on the Opportunity for all website when it becomes available.

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 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 56.3 per cent in 2005. 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 or equivalent* (England)

	Baseline 1997	1998	1999	2000	2001	2002	2003	2004	2005
Below 20%	361	325	277	241	196	157	112	72	42
Below 25%	616	553	487	436	369	294	224	186	112

* For 2004 and 2005 only, results incorporate GCSEs, GNVQs and a wide range of other qualifications approved pre-16. Prior to 2004, results are based on GCSEs and GNVQs only.

Definition: Percentage of 16-year-olds (at the end of the academic year) with at least five GCSEs at grades A*–C or equivalent 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 76.6 per cent in 2003. Data from 2004 onwards are not comparable with earlier years: 66.8 per cent of 19-year-olds had at least a Level 2 qualification in 2004, which increased to 69.8 per cent in 2005.

Percentage of 19-year-olds with at least a Level 2 qualification (England)									
Baseline									
1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
69.8%	72.5%	74.1%	75.2%	75.6%	75.0%	75.2%	76.6%	66.8%	69.8%

Note: Data from 2004 onwards are not comparable with earlier years. Data up to 2003 are based on the *Labour Force Survey* and data from 2004 onwards are based on administrative data.

Definition: Until 2004, the related Department for Education and Skills PSA target was monitored using the *Labour Force Survey*, but this source is no longer used for that purpose. Since 2004, the PSA target has instead been monitored using a new methodology based on matched administrative data. The move to this new method was implemented following a National Statistics Quality Review.

Up to 2003, people were counted as being qualified to Level 2 or above if they achieved at least five GCSEs at grades A*–C, an Intermediate GNVQ, two or three AS levels, or an NVQ Level 2 or equivalent vocational qualification.

From 2004 onwards, people have been counted as being qualified to Level 2 or above if they have achieved at least five GCSEs at grades A*–C, an Intermediate GNVQ (though only in combination with other Intermediate GNVQs or GCSEs at A*–C), two or more AS levels, an NVQ Level 2 or higher or a full VRQ at Level 2 or higher.

Data source: *Labour Force Survey*, autumn quarters, up to 2003. Matched administrative data, 2004 onwards, taken from *Pupil Level Annual Schools Census*, Schools Examination Results Analysis Project, National Information System for Vocational Qualifications and Individualised Learner Record.

Linked to Department for Education and Skills PSA targets: To increase the proportion of 19-year-olds who achieve at least Level 2 by three percentage points between 2004 and 2006, and a further two percentage points between 2006 and 2008, and increase the proportion of young people who achieve Level 3.

This is one of the UK Government's 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 2004/05, although with some fluctuation in the intervening years.

Percentage of attendance in schools (England)									
Baseline									
1995/96	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05
92.4%	92.8%	92.7%	92.9%	93.2%	92.7%	93.0%	93.2%	93.4%	93.6%

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.

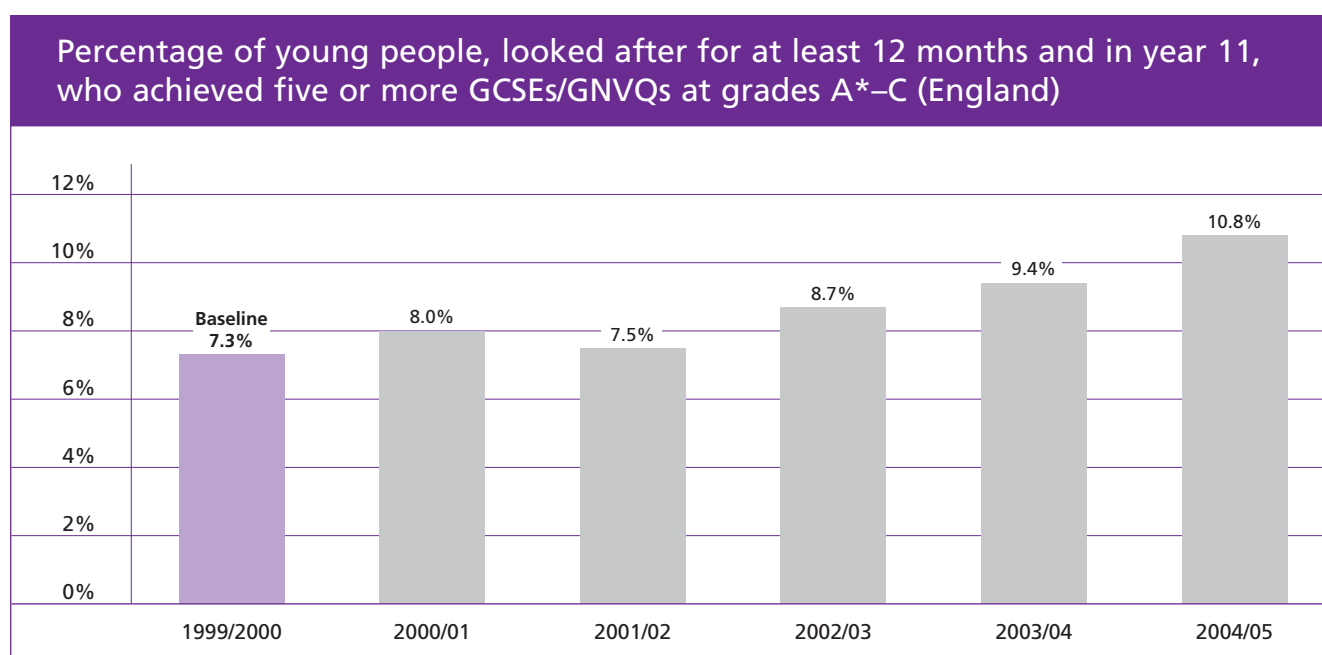
Linked to Department for Education and Skills PSA target: To improve levels of school attendance so that by 2008, school absence is reduced by 8 per cent compared with 2003.

9 An improvement in outcomes for children looked after by local authorities, and care-leavers through (England):

- a) a 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 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/GNVQs at grades A*–C in England increased from the baseline of 7.3 per cent in 1999/2000 to 10.8 per cent in 2004/05. The gap between the proportion of looked-after children achieving five GCSEs/GNVQs at grades A*–C and the proportion of all children achieving five GCSEs and equivalent at grades A*–C has changed from 41.9 percentage points in 1999/2000 to 45.5 percentage points in 2004/05.



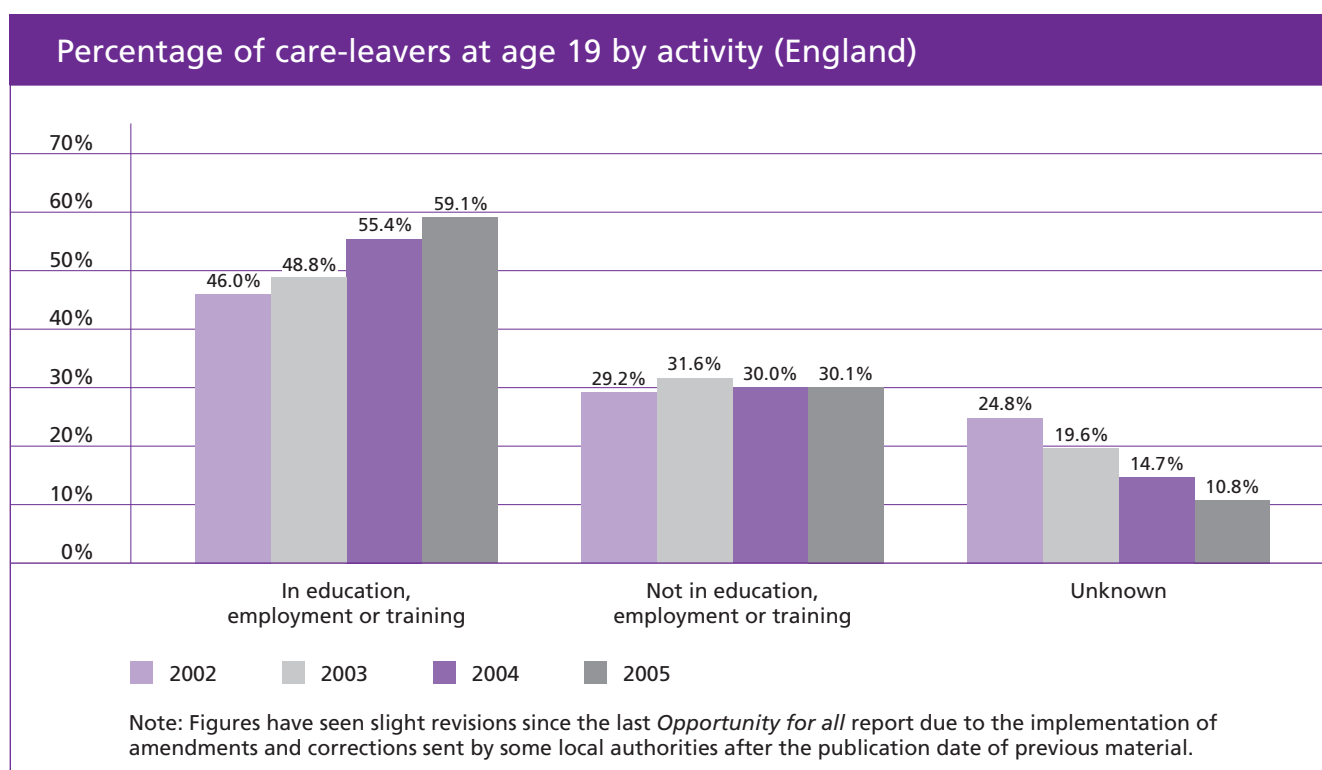
Definition: Percentage of young people in care for at least one year (year ending 30 September) with at least five GCSEs/GNVQs at grades A*–C or equivalent.

Data source: Outcome Indicator returns (OC2): returns completed annually at the request of the Department for Education and Skills, based on year ending 30 September.

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 at least two and a half 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 30 per cent between 2002 and 2005. However, there has been an increase in the number of care-leavers in education, employment or training owing 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: Children Looked After 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 two 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 65 per cent in 2005.

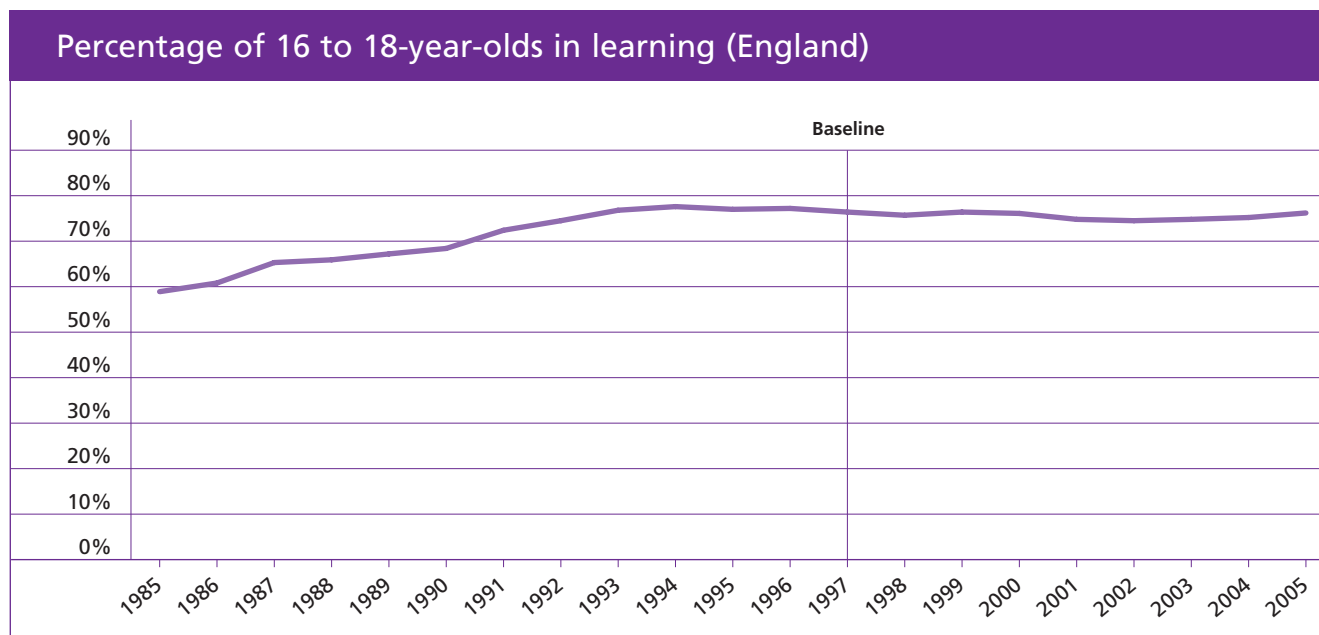
Definition: Children aged under 16 who have been looked after continuously for at least two and a half years and, of those, the number and percentage who had been in the same placement for at least two years, or placed for adoption, between 31 March 2002 and 31 March 2005.

Data source: Children Looked After 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 at least two and a half 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 to 18-year-olds in learning (England).

Baseline and trends: Baseline year – 1997. The proportion of 16 to 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 76.2 per cent in 2005.



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

1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
58.9%	60.8%	65.3%	65.9%	67.2%	68.4%	72.4%	74.5%	76.8%	77.6%	77.0%
Baseline										
1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
77.2%	76.4%	75.7%	76.4%	76.1%	74.8%	74.5%	74.8%	75.2%	76.2%	

Note: The figure for 2005 is published on a provisional basis and will be revised and finalised when the complete data are available next year.

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

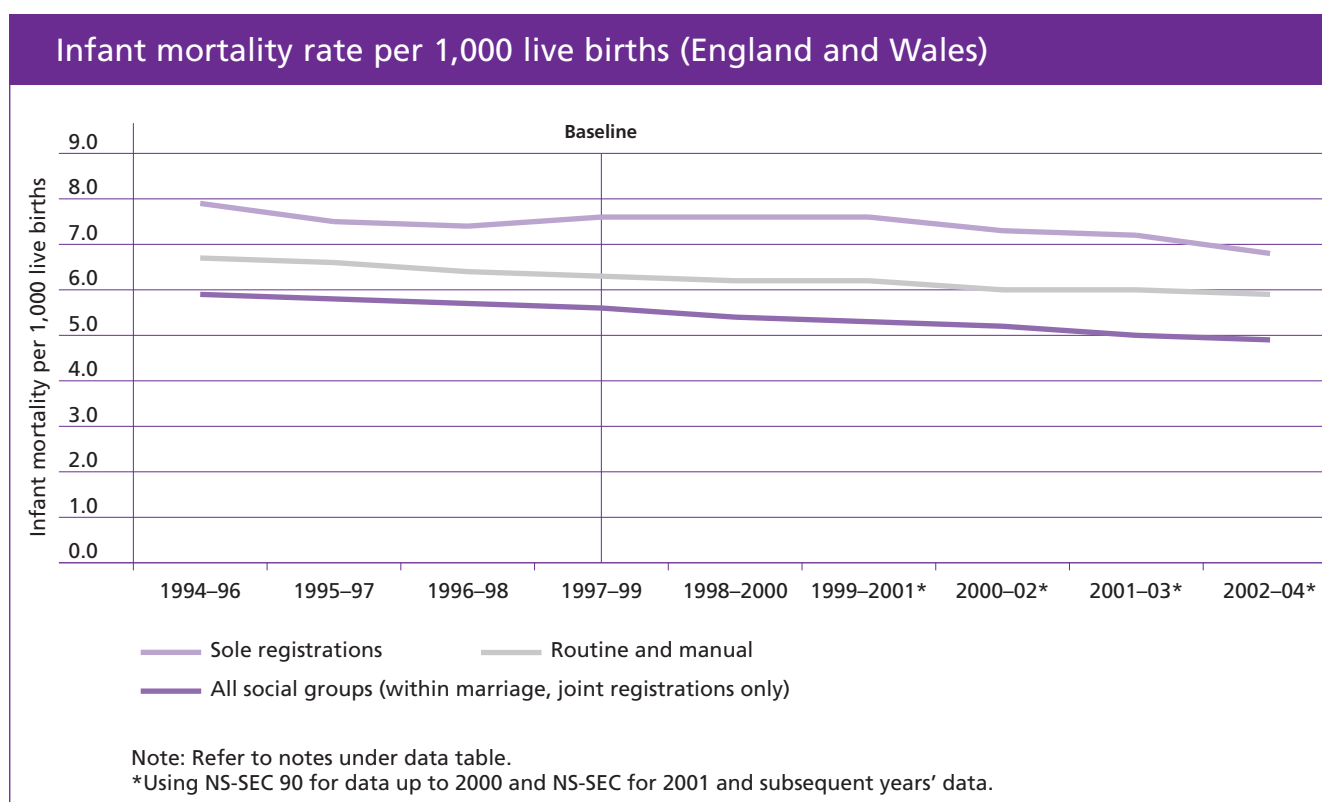
Participation estimates may be slightly underestimated for 16-year-olds between 1999 and 2000; 17-year-olds between 2000 and 2001; and 18-year-olds between 2001 and 2002. For further information, see paragraphs 9–11 of the *Statistical First Release 03/2005* (available at: www.dfes.gov.uk/rsgateway/DB/SFR/s000551/index.shtml).

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 three percentage points between 2004 and 2006, and a further two percentage points between 2006 and 2008, and 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 1,000 live births* (England and Wales)

	NS-SEC 90					NS-SEC [†]			
	Baseline					1999 –2001	2000 –02	2001 –03	2002 –04
	1994 –96	1995 –97	1996 –98	1997 –99	1998 –2000				
Sole registrations	7.9	7.5	7.4	7.6	7.6	7.6	7.3	7.2	6.8
All social groups (within marriage, joint registrations only)**	5.9	5.8	5.7	5.6	5.4	5.3	5.2	5.0	4.9
Routine and manual***	6.7	6.6	6.4	6.3	6.2	6.2	6.0	6.0	5.9
Ratio: routine and manual/all	1.15	1.14	1.12	1.13	1.14	1.17	1.16	1.19	1.19

Notes:

- * Figures for live births are a 10 per cent sample coded for father's occupation.
- ** Infants born inside marriage or outside marriage jointly registered by both parents. Information on the father's occupation is not collected for births outside marriage if the father does not attend the registration of the baby's birth.
- *** Routine and manual group includes lower supervisory and technical, semi-routine and routine occupations.
- † Using NS-SEC 90 for data up to 2000 and NS-SEC for 2001 and subsequent years' data.

Definition: Infant deaths (deaths at age under 1) per 1,000 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.

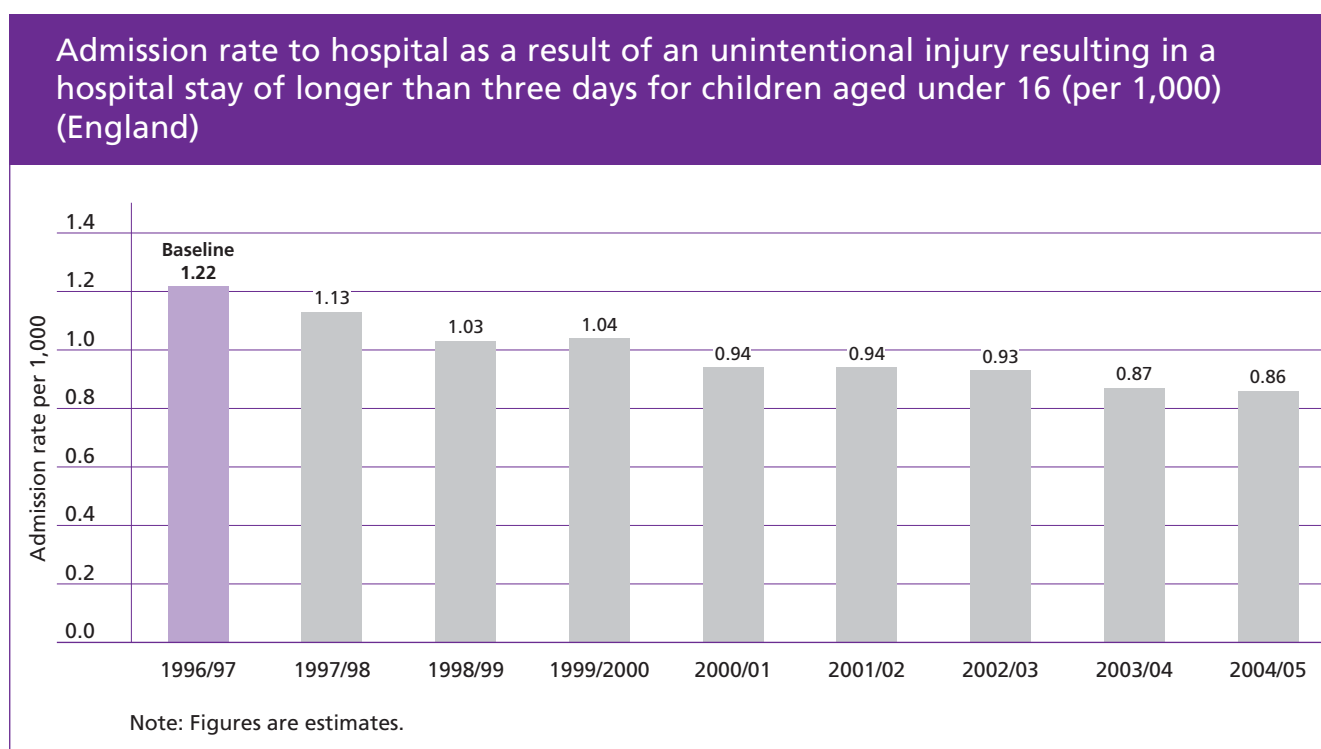
The indicator was originally set using manual and non-manual social classes. It has now been re-set using the new National Statistics Socio-economic Classification (NS-SEC). The National Statistics Socio-economic Classification was introduced in 2001, but comparable data for previous years have been 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.

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: Reduce health inequalities by 10 per cent by 2010 as measured by infant mortality and life expectancy at birth. The detailed objective for infant mortality underpinning the target is: 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 1,000 population. The decline has continued in recent years with a fall in the admission rate from 1.22 per 1,000 in 1996/97 to 0.94 per 1,000 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 1,000 children, remaining at a similar level in 2004/05.



Definition: Hospital admission rate for children aged under 16 with unintentional injury sufficiently serious to require a hospital stay exceeding three days ('serious injury').

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 2005, 17 per cent of women continued to smoke throughout pregnancy in England (down from 19 per cent in 2000).

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 based on the *Infant Feeding Survey* (2005), 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 and 2005.

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 13 per cent and 9 per cent since 1992, with no clear trend over time. The most recent estimate is 9 per cent in 2005.

Prevalence of smoking cigarettes among children aged 11–15 (England)													
	Baseline												
1984	1992	1993	1994	1996	1998	1999	2000	2001	2002	2003	2004	2005	
13%	10%	10%	12%	13%	11%	9%	10%	10%	10%	9%	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 2005: 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 year – 1997. Since the baseline there has been a clear upward trend in the prevalence of obesity among all children aged 2 to 10. Overall, levels of obesity were similar for both boys and girls aged 2 to 10 when the baseline was set. Since then, for boys, obesity has risen to 16.2 per cent in 2004. For girls, obesity rose to 15.8 per cent in 2002 and has since decreased to 11.9 per cent in 2004.

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	2004
Boys	9.6%	11.0%	11.1%	11.4%	14.3%	13.5%	15.2%	14.9%	16.2%
Girls	10.3%	10.2%	10.7%	11.8%	12.4%	12.7%	15.8%	12.5%	11.9%
All	9.9%	10.6%	10.9%	11.6%	13.4%	13.1%	15.5%	13.7%	14.3%

Note: The 1998 figures have seen slight revisions since the last *Opportunity for all* report.

Definition: Children aged 2 to 10 are classified as obese if their body mass index score lies above the 95th percentile of the UK reference curves (referred to as the national body mass index classification). Further details on the classification are available in the technical annex of the *Obesity among children under 11* report at:

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 UK 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.

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, Department for Education and Skills 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 2004/05.

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	2004/05
20%	15%	14%	14%	14%	13%	13%	13%

Definition: The percentage of children (defined as under 18 years old) registered during the year on the Child Protection Register, who had been previously registered.

Data source: Department for Education and Skills, *Child Protection Register (CPR3) Survey*. This is one of the Personal Social Services Performance Assessment Framework Indicators 2004/05.

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, 27 per cent in 2003 and 25 per cent in 2004.

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.

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 2004 were published in March 2006.

Linked to Department for Communities and Local Government 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 fell by 2 per cent between March 2005 and March 2006, compared with a 3 per cent increase between 2004 and 2005. Compared with the baseline, the increase between March 2002 and March 2006 was 31 per cent.

Number of homeless families with dependent children in temporary accommodation (England)			
		Number of 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%
	March 2006	71,560	–2%

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 2006, 92 per cent of homeless households with dependent children were housed in self-contained accommodation – that is, with sole use of kitchen and bathroom facilities. Over half (59 per cent) were in private sector houses and flats leased by local authorities and registered social landlords (also known as housing associations), while almost one-quarter (22 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, 8 per cent were in accommodation where facilities were shared with other households – this was usually a hostel or women's refuge (7 per cent), with the remaining 1 per cent in bed and breakfast-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 Communities Analysis Division of the Department for Communities and Local Government. Data on families in temporary accommodation with dependent children have only been collected since March 2002.

Linked to Department for Communities and Local Government PSA target: The number of families with children in temporary accommodation is a key indicator for the Department for Communities and Local Government'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 bed and breakfast 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 bed and breakfast hotels for longer than six weeks.

Linked to Department for Communities and Local Government *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 target on health inequalities: Reduce health inequalities by 10 per cent by 2010 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. We know that those people who are poorer have worse life chances. They are likely to be poorly educated, poorly paid and have worse health than others. They are also likely to pass on these attributes to their children.

Employment

26. The 2006 working-age employment rate for Great Britain remains at a historically high level at 74.6 per cent, up nearly two percentage points since 1997 (indicator 18).
27. Some groups face particular barriers to 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 those 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 disadvantages are being eroded.
28. The ethnic minority population is varied in terms of both labour market participation and employment rates. The ethnic minority employment rate has risen by 3.5 percentage points since 2001 to 60.6 per cent in 2006.
29. Ethnic minority groups on average have a much lower employment rate than that for Great Britain as a whole. Pakistani and Bangladeshi groups have the lowest rates of all ethnic groups. The highest employment rates among ethnic minority groups are held by the Indian, Black Caribbean and Mixed groups.
30. The employment rate of disabled people has increased from 38.1 per cent in 1998 to 47.4 per cent in 2006. The gap between the employment rate for people with disabilities and the national employment rate has narrowed since the baseline from 35.1 to 27 percentage points.
31. While employment rates for the majority of disadvantaged groups has improved since the baseline, this is not the case for those with low or no qualifications. In 1997, 51.7 per cent of those with low or no qualifications were in employment compared with 49.4 per cent in 2006.
32. The UK employment rate of working-age men fell from 92 per cent in 1971, to 79 per cent in spring 2005, having reached a low of 75 per cent in 1993. Over the same period, the employment rate for working-age women rose from 56 per cent to 70 per cent.³⁷

Worklessness

33. The proportion of working-age people living in workless households (indicator 20) has decreased since 1997 (the baseline year). The *Labour Force Survey* household data³⁸ for spring 2006 show that the number of households in the UK without a paid working adult was down compared with the previous year. This amounted to 15.8 per cent of all working-age households, down from 16.3 per cent a year earlier. Despite the UK having a relatively high overall employment rate, it also has high relative levels of people living in workless households.³⁹

34. In spring 2006, the rate of worklessness for all households without dependent children in the UK was 17.4 per cent, compared with 13.3 per cent for all households with dependent children. The rate of worklessness for lone-parent households with dependent children was 39.4 per cent, down 1.4 percentage points from the previous year and down 5.0 percentage points from five years earlier.

35. The rate of worklessness for couple households with dependent children was 4.9 per cent, down 0.1 percentage points from the previous year and down 0.6 percentage points from five years earlier.

36. Lone-parent households were much more likely to be workless than couple households. The number of workless lone-parent households with dependent children was 699,000, down 29,000 from the previous year and down 35,000 from five years earlier.

Education

37. The proportion of working-age people with no qualifications is falling. There has been a 2.6 per cent decrease since 1999, which is equivalent to 656,000 fewer people with no qualifications.⁴⁰

38. Working-age individuals classified as disabled are more likely to have no qualifications than non-disabled people (25 per cent compared with about 10 per cent); 18 per cent of non-White adults (including 21 per cent of those who are Asian or Asian British adults of working age) had no qualifications compared with only 12 per cent of White adults.⁴¹

Low income

39. Over the period 1996/97 to 2004/05, there was little change in the percentage of working-age adults below various low-income thresholds linked to contemporary 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).

40. Inner London has the highest proportion of individuals living in households in relative low income (19 per cent on the before housing costs measure), while the South East region has the lowest (13 per cent).⁴²

41. There is also evidence of a decrease in the rates of persistent poverty (after housing costs) since the baseline.⁴³

42. Over half of all adults of working age who are in poverty – 2.6 million people – live in households where at least one person is working.⁴⁴ Only 6 per cent of couple households where both adults work are in poverty.

43. Since the mid-1990s, poverty rates for children and pensioners have reduced significantly. However, the poverty rate for working-age adults without dependent children has remained constant (around 17 per cent). Working-age adults without dependent children make up a third of all people living in low-income households. The working-age group, however, remains at the lowest risk of poverty.

Health

44. Overall, people from lower socio-economic groups have a shorter life expectancy, higher infant mortality rates, and are more likely to smoke than those from other groups.⁴⁵ 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, and there is no sign that the gap is narrowing. In England in 2004, 31 per cent of those in routine and manual groups smoked compared with 23 per cent of those in intermediate groups and 18 per cent of those in managerial and professional groups.⁴⁶ However, smoking rates overall have declined slightly since the baseline of 1996.

45. The suicide rate among all ages showed a downward trend in the first half of the 1990s, but in the late 1990s there were modest increases. The rate was 9.2 per 100,000 population in 1995–97 and increased in the period immediately following that, but has fallen since 1998–2000 to 8.5 per 100,000 population in 2003–05. Suicide rates among working-age people (ages 15–64) (indicator 25) have shown a similar pattern, with an overall reduction from 12.0 per 100,000 population for the period 1995–97 to 11.1 per 100,000 population in 2003–05, the rate having increased initially following 1995–97.

Homelessness

46. There has been a large 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 2006 were in London.⁴⁷

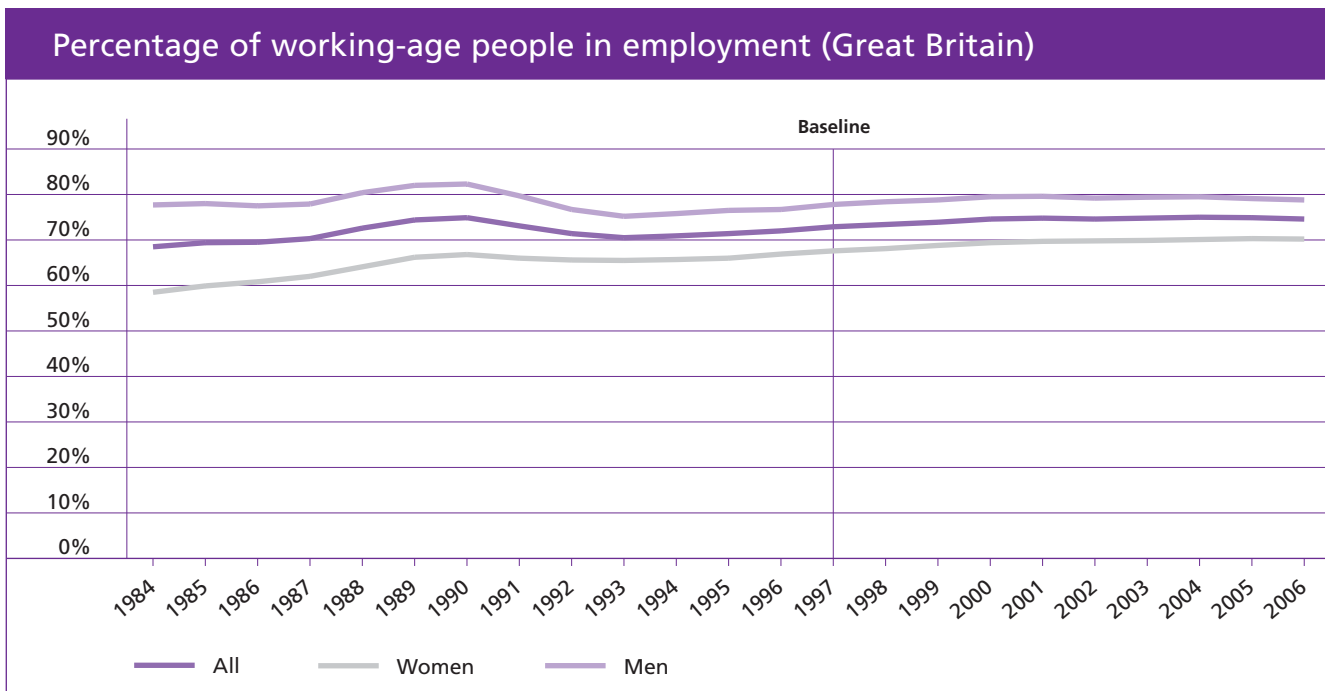
47. The number of households being accepted for homelessness assistance by local authorities ('statutory' homelessness) increased up until 2003/04, in part because the groups given priority need under the legislation were extended. However, the number accepted for homelessness assistance in 2005/06 decreased by almost a third (31 per cent) when compared with 2003/04. Lone parents and ethnic minority groups remained at a much higher risk of statutory homelessness than other groups.⁴⁸

48. 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 74.9 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 75.0 per cent in 2004. In the last two years, there has been a slight decrease in the employment rate to 74.6 per cent in 2006. Employment rates for men were just over ten percentage points higher than for women in 1997, compared with 8.6 percentage points higher in 2006, 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
All	68.5%	69.4%	69.5%	70.3%	72.6%	74.4%	74.9%	73.1%	71.4%	70.5%
Men	77.7%	78.0%	77.5%	77.9%	80.4%	82.0%	82.3%	79.7%	76.7%	75.2%
Women	58.5%	59.9%	60.8%	62.0%	64.1%	66.2%	66.8%	66.0%	65.6%	65.5%
Baseline										
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
All	70.9%	71.4%	72.0%	72.9%	73.4%	73.9%	74.6%	74.8%	74.6%	74.8%
Men	75.8%	76.5%	76.7%	77.8%	78.4%	78.8%	79.5%	79.6%	79.2%	79.4%
Women	65.7%	66.0%	66.9%	67.6%	68.1%	68.8%	69.4%	69.7%	69.8%	69.9%
	2004	2005	2006							
All	75.0%	74.9%	74.6%							
Men	79.5%	79.1%	78.8%							
Women	70.1%	70.3%	70.2%							
<p>Note: The figures for the years up to 1992 have not been seasonally adjusted, while those for 1992 onwards have been seasonally adjusted; the two sets are therefore not directly comparable. The figures for the years up to 1992 are for Great Britain and differ from the last <i>Opportunity for all</i> which contained figures for the UK. Some figures from 1992 onwards differ slightly from the last <i>Opportunity for all</i> report due to population re-weighting and seasonal adjustment by the Office for National Statistics.</p>										

Definition: Proportion of working-age people in employment. Working age is 16–59 for women and 16–64 for men.

Data source: *Labour Force Survey*, spring quarters. 1984–91: seasonally unadjusted data. 1992–2005: seasonally adjusted data. All the data have been revised in line with the results of Census 2001.

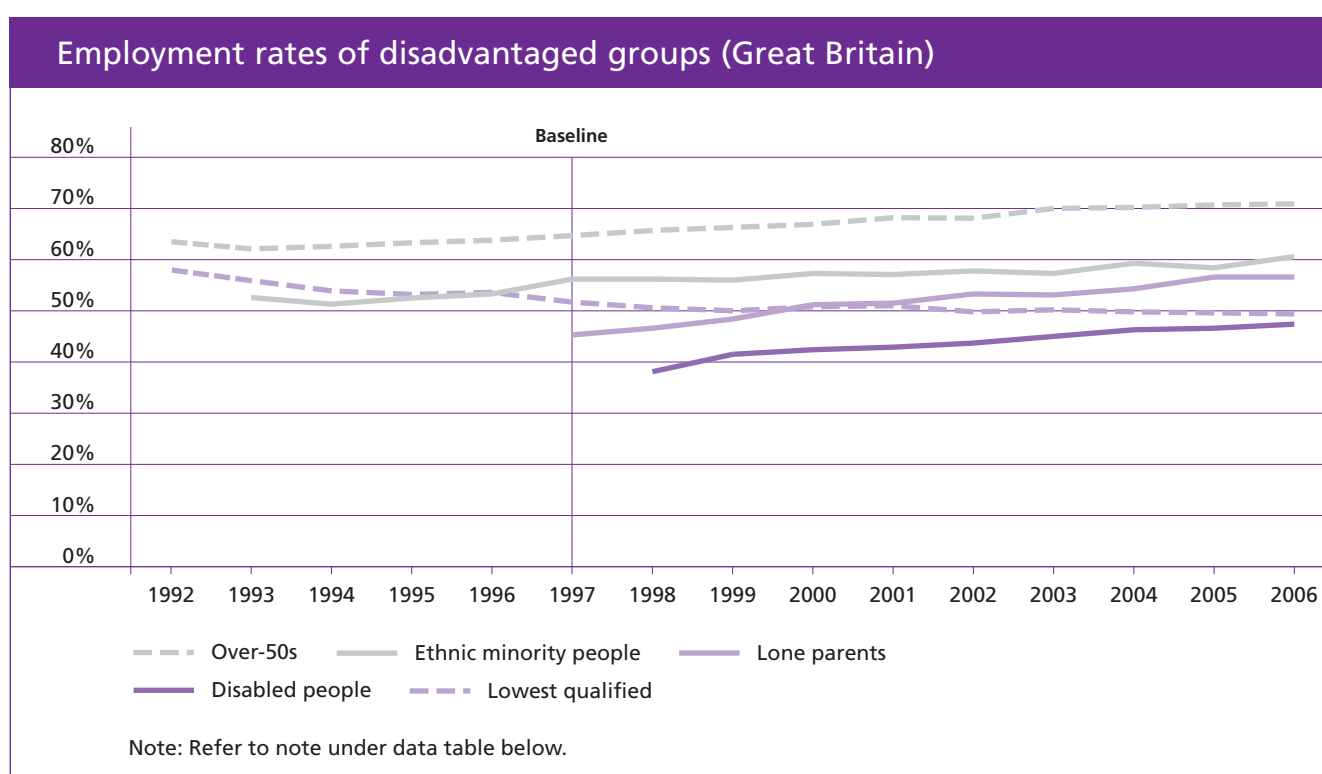
Linked to joint Department for Work and Pensions and HM Treasury PSA targets: As part of Spending Review 2002: To demonstrate progress by 2006 on increasing the employment rate and reducing the unemployment rate over the economic cycle.

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, to demonstrate progress on increasing the employment rate.

This is one of the headline indicators in the UK Sustainable Development Strategy.

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 2006, there has been a rise in the employment rates of the over-50s from 64.7 per cent to 70.9 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 38.1 per cent in 1998 to 47.4 per cent in 2006, and the employment rate of ethnic minority people has increased from 56.2 per cent to 60.6 per cent over the same period. The employment rate of ethnic minority people has increased from 56.2 per cent to 60.6 per cent over the same period. The employment rate for the lowest qualified has fallen from 51.7 per cent in 1997 to 49.4 per cent in 2006.

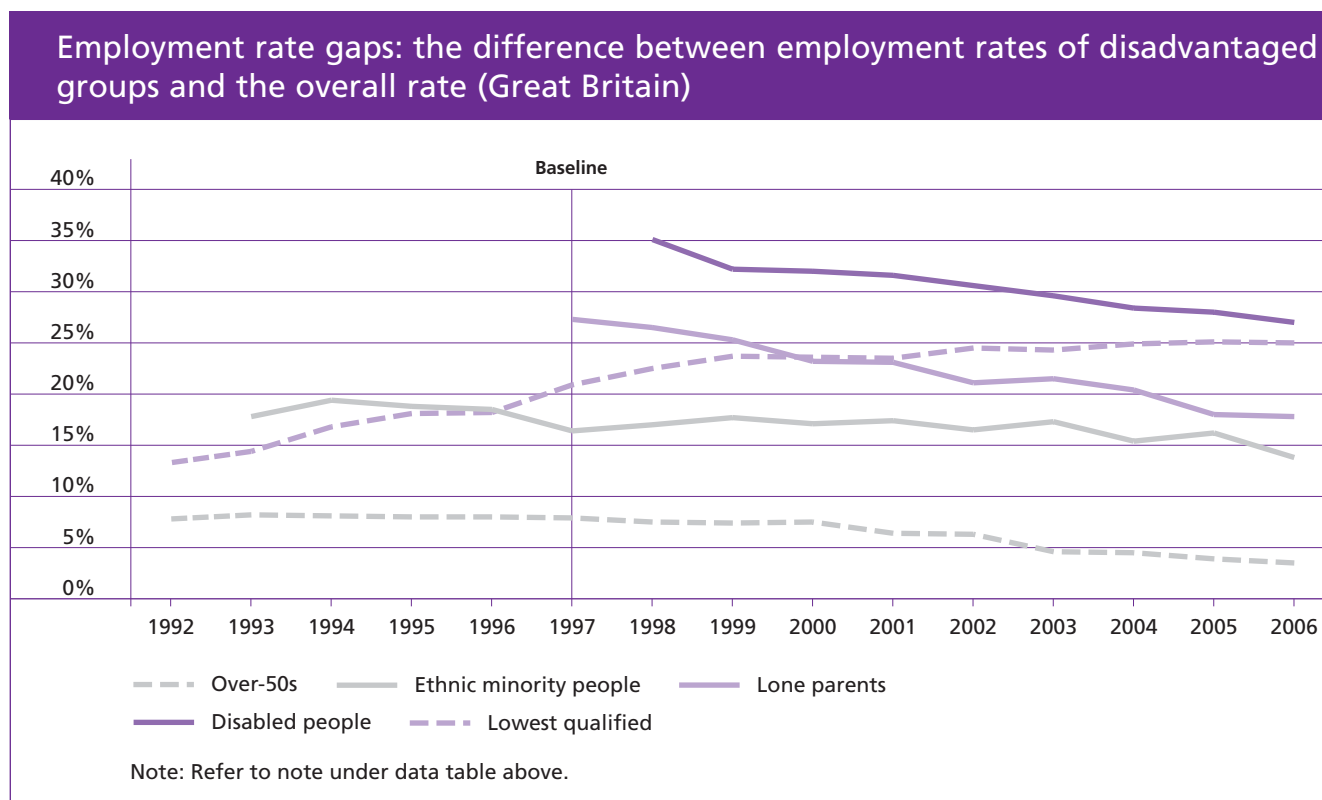


Employment rates of disadvantaged groups (Great Britain)								
	1992	1993	1994	1995	1996	1997	1998	1999
All	71.2%	70.4%	70.7%	71.3%	71.8%	72.6%	73.2%	73.7%
Over-50s	63.5%	62.1%	62.6%	63.3%	63.8%	64.7%	65.7%	66.3%
Ethnic minority people	–	52.6%	51.3%	52.5%	53.3%	56.2%	56.2%	56.0%
Lone parents	–	–	–	–	–	45.3%	46.6%	48.4%
Disabled people	–	–	–	–	–	–	38.1%	41.5%
Lowest qualified	58.0%	55.9%	53.9%	53.2%	53.6%	51.7%	50.6%	50.0%
	2000	2001	2002	2003	2004	2005	2006	
All	74.4%	74.5%	74.3%	74.6%	74.7%	74.6%	74.4%	
Over-50s	66.9%	68.2%	68.1%	70.0%	70.2%	70.7%	70.9%	
Ethnic minority people	57.3%	57.1%	57.8%	57.3%	59.3%	58.4%	60.6%	
Lone parents	51.2%	51.5%	53.3%	53.1%	54.3%	56.6%	56.6%	
Disabled people	42.4%	42.9%	43.7%	45.0%	46.3%	46.6%	47.4%	
Lowest qualified	50.8%	51.0%	49.8%	50.2%	49.8%	49.6%	49.4%	

Employment rate gaps (Great Britain)								
	<i>Percentage points</i>							
	1992	1993	1994	1995	1996	1997	1998	1999
Over-50s	7.8	8.2	8.1	8.0	8.0	7.9	7.5	7.4
Ethnic minority people	–	17.8	19.4	18.8	18.5	16.4	17.0	17.7
Lone parents	–	–	–	–	–	27.3	26.5	25.3
Disabled people	–	–	–	–	–	–	35.1	32.2
Lowest qualified	13.3	14.4	16.8	18.1	18.2	20.9	22.5	23.7
	2000	2001	2002	2003	2004	2005	2006	
Over-50s	7.5	6.4	6.3	4.6	4.5	3.9	3.5	
Ethnic minority people	17.1	17.4	16.5	17.3	15.4	16.2	13.8	
Lone parents	23.2	23.1	21.1	21.5	20.4	18.0	17.8	
Disabled people	32.0	31.6	30.6	29.6	28.4	28.0	27.0	
Lowest qualified	23.6	23.5	24.5	24.3	24.9	25.1	25.0	

Note: Data from 2001 onwards for ethnic minority people are not comparable with earlier years. The *Labour Force Survey* 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. Comparable data for ethnic minorities were not available for 1992.

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 3.5 percentage points for the over-50s, 27.3 to 17.8 percentage points for lone parents, 35.1 to 27.0 percentage points for people with disabilities, and 17.0 to 13.8 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 25.0 percentage points in 2006; however, this is a small reduction since 2005.



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 but 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 only (their day-to-day activities are substantially limited by a long-term current disability). Data for lone parents are 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. It should be noted 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.

Ethnicity data from spring 2001 onwards are based on the new ethnicity variable in the *Labour Force Survey* – **ethcen15** – and are not directly comparable with previous years.

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*. This new definition has been reflected in the charts and data above, and therefore data will differ from the last *Opportunity for all* report.

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. This new definition is 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 – spring quarters from 1993 to 2006 *Labour Force Survey*. Over-50s and the lowest qualified – quarterly *Labour Force Survey* spring quarters 1992 to 2006. Employment rates are for all of working age (except for rates of 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.

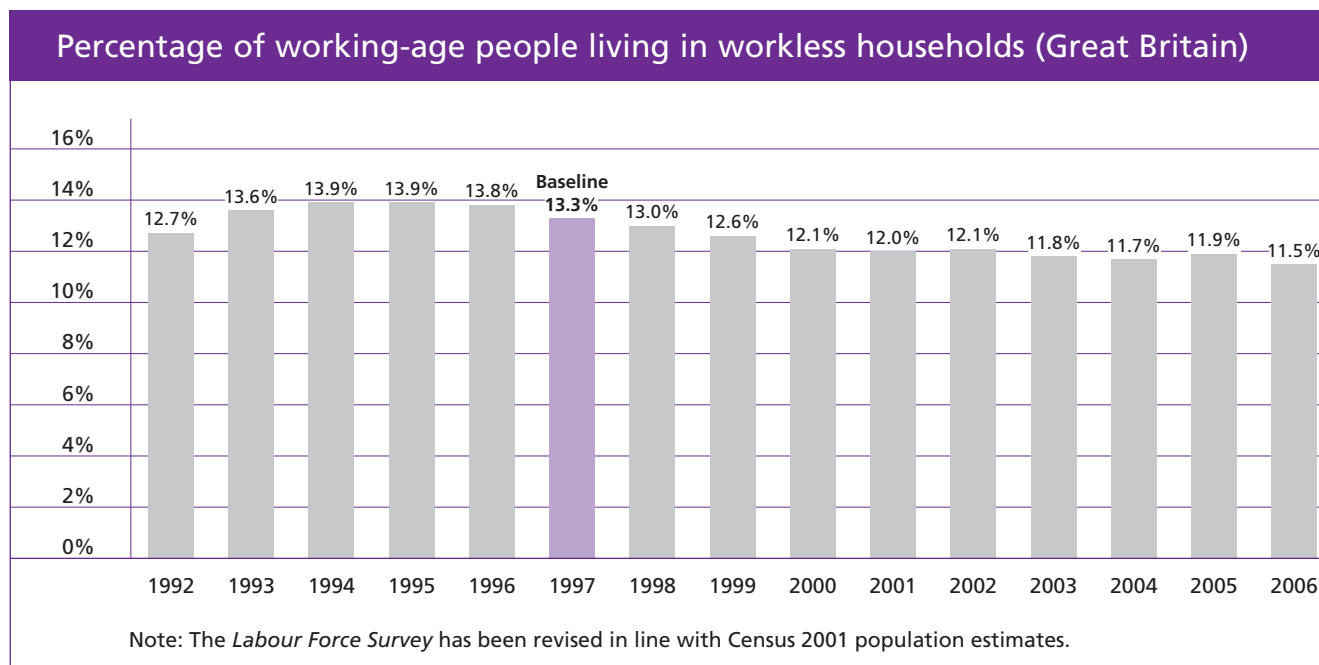
In the three years to 2006, increase the employment rate of people with disabilities, taking account of the economic cycle, and significantly reduce the difference between their employment rate and the overall rate. Work to improve the rights of disabled people and to remove barriers to their participation 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.

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 11.5 per cent in 2006.



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 HM Treasury PSA target:

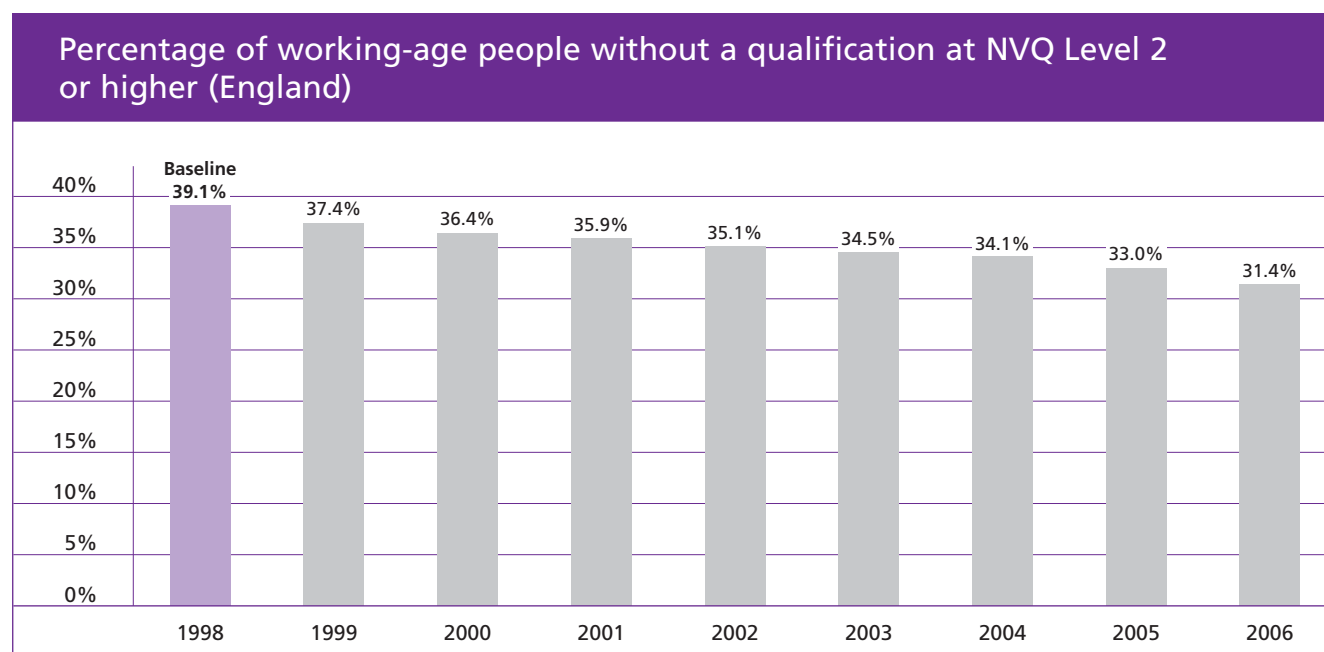
As part of Spending Review 2002: To demonstrate progress by 2006 on increasing the employment rate and reducing the unemployment rate over the economic cycle.

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's 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 fallen from 39.1 per cent in 1998 to 31.4 per cent in 2006.



Definition: Proportion of working-age adults without a qualification at Level 2 or higher (England). Data have been revised following a slight change in methodology. Therefore, figures are slightly different to those presented in previous reports.

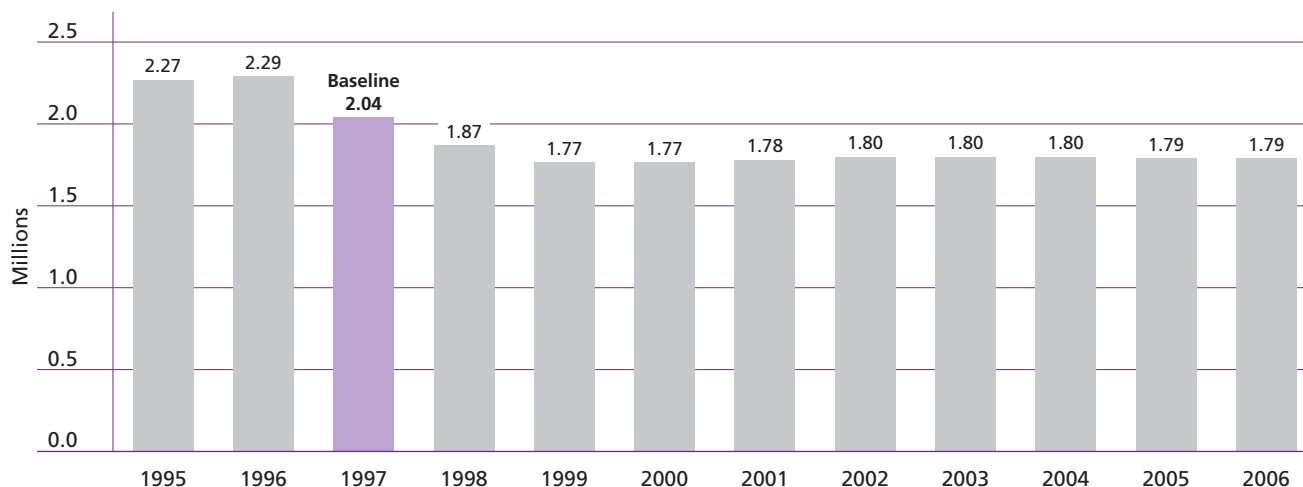
Data source: *Labour Force Survey*, spring quarters.

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 Level 2 or equivalent qualifications by 2010. Working towards this, 1 million adults in the workforce to achieve NVQ 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 2.29 million in early 1996. Since then, the number has fallen to 2.04 million in February 1997 (the baseline), and to around 1.77 million in 1999 and subsequent years.

Adult beneficiaries aged under 60 of Income Support or income-based Jobseeker's Allowance claiming for two years or more (Great Britain)



Notes:

1. All figures are at end February each year. Figures for 2004, 2005 and 2006 also include partners aged under 60 of Pension Credit recipients for consistency – in earlier years, partners aged under 60 of Minimum Income Guarantee recipients have also been included.
2. Income Support for the unemployed was replaced by income-based Jobseeker's Allowance in October 1996. Prior to 1997, figures include Income Support for the unemployed.
3. Figures were previously based on May quarters each year but the whole series has been revised and is now based on February quarters each year. This is because, in October 2005, the Department for Work and Pensions moved from the use of 5 per cent data to 100 per cent data from the *Work and Pensions Longitudinal Study (WPLS)*. The WPLS allows for three months' retrospection which incorporates claims that were added to the computer system after the reference data and which would have previously been missed from the 5 per cent data.

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). Figures are based on 100 per cent data for Income Support claimants from 2000 onwards and 5 per cent sample data rated up to 100 per cent totals for partners and income-based Jobseeker's Allowance claimants and for all figures prior to 2000. Income Support for the unemployed is taken directly from 5 per cent data. The figures are therefore subject to a degree of sampling variation.

The figures include partners aged under 60 of Pension Credit recipients who have been claiming Minimum Income Guarantee/Pension Credit for two years or more, who would previously have been included as Income Support beneficiaries. There were 58,000 partners aged under 60 of Pension Credit recipients at February 2006.

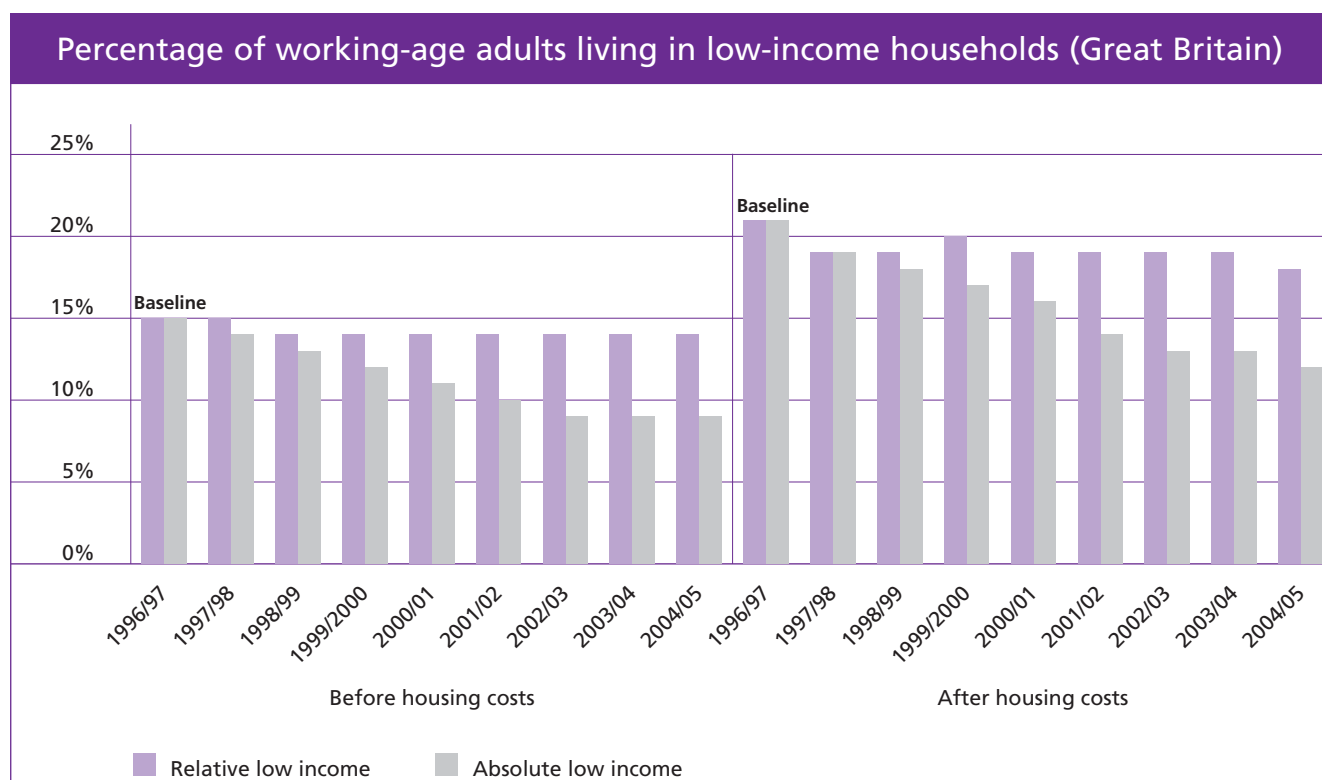
Data source: Income Support 100 per cent data, plus Income Support, Jobseeker's Allowance and Pension Credit 5 per cent *Quarterly Statistical Enquiries*, February quarters.

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 2004/05, 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 12 per cent on the after housing costs measure.



Seven per cent of working-age people lived in a household with a low income in at least three out of four years, on the before housing costs measure, at the baseline (1997–2000) which remained at 7 per cent until 2001–04.

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
Baseline Before housing costs	1996/97	8%	15%	22%	8%	15%	22%
	1997/98	8%	15%	21%	8%	14%	20%
	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%
2004/05	9%	14%	21%	6%	9%	13%	
Baseline After housing costs	1996/97	15%	21%	26%	15%	21%	26%
	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%
2004/05	13%	18%	24%	9%	12%	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.

Persistent low income (low income in three out of four years – Great Britain)												
		1991-94	1992-95	1993-96	1994-97	1995-98	1996-99	1997-2000	1998-2001	1999-2002	2000-03	2001-04
Before housing costs	Below 60% of median	8%	8%	7%	7%	7%	7%	7%	7%	7%	7%	7%
	Below 70% of median	13%	14%	14%	13%	13%	13%	13%	13%	12%	13%	12%
After housing costs	Below 60% of median	11%	11%	11%	11%	10%	10%	9%	9%	9%	8%	8%
	Below 70% of median	15%	16%	16%	15%	15%	15%	14%	15%	14%	14%	14%

Note: Some of the figures have seen small revisions since the last *Households Below Average Income* report (2004/05). 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 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

Data for thresholds of median income and full definitions are available in *Households Below Average Income 1994/95–2004/05*. 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* and *Low-Income Dynamics* 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 groups – 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 2004 (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 (NS-SEC) – see definition below) 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*	2004*
All adults	28%	27%	27%	26%	25%	25%
Non-manual groups	22%	23%	21%	20%	21%	20%
Manual groups	33%	31%	32%	31%	31%	30%
Routine and manual groups (NS-SEC)	–	–	33%	31%	32%	31%

* *General Household Survey* data was 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 for all adults.

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 2004 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.

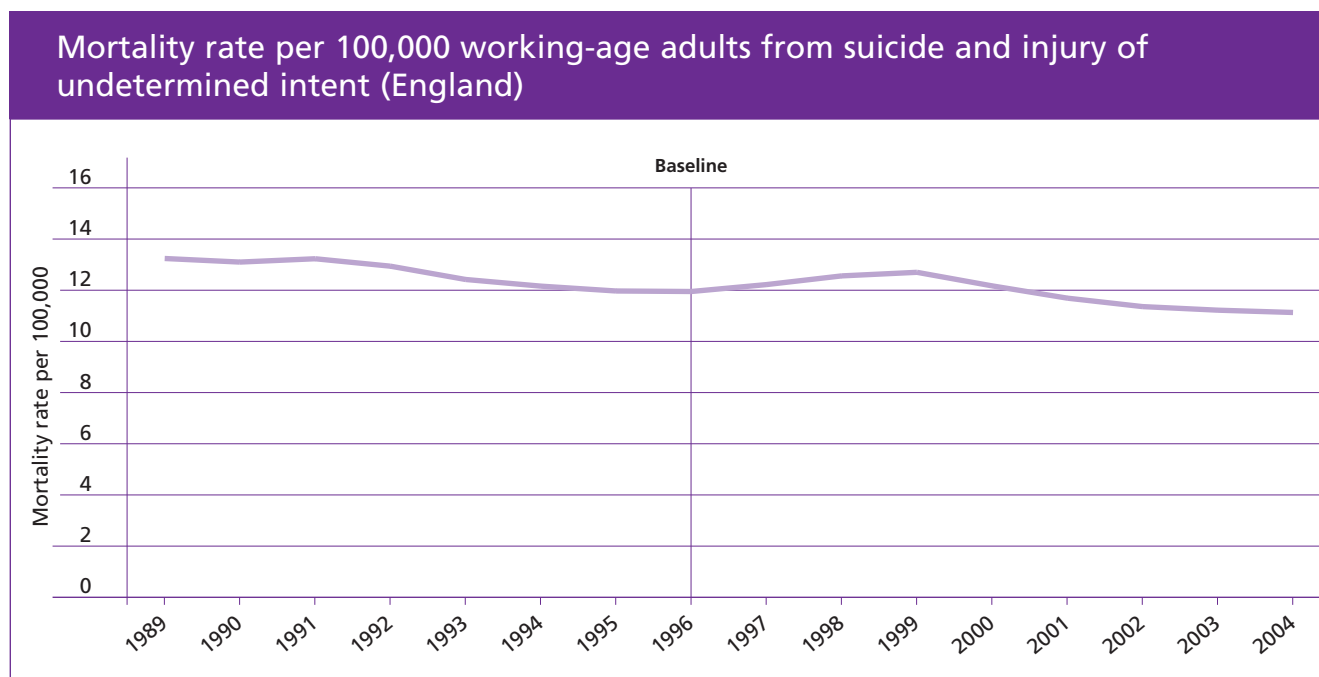
Linked to *Smoking Kills White Paper* target: To reduce adult smoking in all social classes so that the overall rate falls from 28 per cent to 24 per cent or less by 2010, with a fall to 26 per cent by 2005.

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 death 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 1998–2000, rates have fallen, and are now at their lowest for at least 30 years.



Suicide and injury of undetermined intent (England)

Rate per 100,000 adults of working age

							Baseline
1988–90	1989–91	1990–92	1991–93	1992–94	1993–95	1994–96	1995–97
13.2	13.1	13.2	12.9	12.4	12.2	12.0	12.0
1996–98	1997–99	1998–2000	1999–2001	2000–02	2001–03	2002–04	2003–05
12.2	12.6	12.7	12.2	11.7	11.4	11.2	11.1

Note: Due to data limitations, the 15 to 64-year-old age group is used as a proxy for 16 to 64-year-olds. Data from 1993 onwards are not directly comparable with data from 1992 and earlier years due to changes in coding. There is a discontinuity between the years 2000 and 2001 due to a change in coding from International Classification of Diseases (ICD) 9 to ICD10, which may affect the comparability of the data.

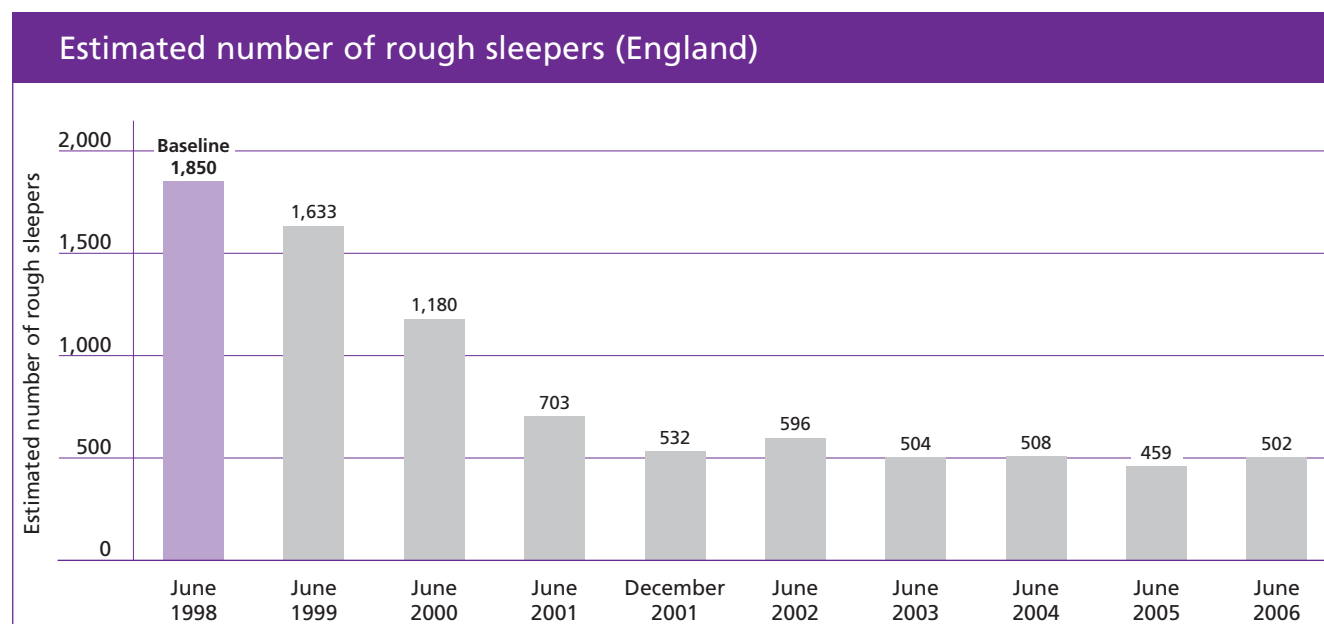
Definition: Three-year average (age-standardised) rate of deaths from intentional self-harm and injury of undetermined intent – excluding cases where a verdict is pending. For original definition, see Appendix 2 of the *Saving Lives: Our Healthier Nation* White Paper. The indicator presented here is for 15 to 64-year-olds, rather than the whole population.

Data source: Office for National Statistics data, calculations by Department of Health.

Linked to Department of Health Spending Review 2004 PSA target: To substantially reduce mortality rates by 2010 from suicide and undetermined injury by at least 20 per cent.

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 2006, local authority returns showed 502 people were estimated to be sleeping rough on any one night. 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 Strategy Statistical Appendix data, supplied by local authorities.

Linked to Department for Communities and Local Government Spending Review 2000 PSA target: To reduce by March 2002 the number of people sleeping rough by two-thirds compared with June 1998, and keep the number at or below this level thereafter. The sustainment of this target remains a priority for the Department for Communities and Local Government and contributes to its current PSA targets on social inclusion and housing.

27 A reduction in the use of drugs by 16 to 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 2004/05 show little change compared with 2003/04 for use in the past year of most Class A drugs, except for slight but significant decreases in the use of crack and opiates. The latest information for 2004/05 shows 8.1 per cent reporting use of any Class A drug during the last year and 3.7 per cent during the last month.

Class A drug use among 16 to 24-year-olds (England and Wales)							
	Baseline						
	1996	1998	2000	2001/02	2002/03	2003/04	2004/05
Use in the last year	9.2%	8.6%	9.7%	8.8%	8.2%	8.3%	8.1%
Use in the last month	4.2%	3.6%	5.0%	4.9%	3.8%	4.3%	3.7%

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, 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 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, 2003/04 and 2004/05. 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 frequent use has remained generally stable since 2002/03. There was a small, but not statistically significant, rise from 11.3 per cent in 2002/03 to 12.0 per cent in 2003/04 followed by a statistically significant decrease to 10.1 per cent in 2004/05.

Frequent drug use in the last year for 16 to 24-year-olds (England and Wales)			
	2002/03	2003/04	2004/05
Use of any drug more than once a month	11.3%	12.0%	10.1%

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 above) and amphetamines, tranquillisers, 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: 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.

Later life

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

49. From 1996/97 to 2004/05, there were pronounced falls in the proportion of older people living in households in absolute low income, both before and after housing costs (indicator 28), although the decline was more marked for income after housing costs. The fall has been more rapid since 1998/99.

50. Between 1996/97 and 2004/05, 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, with a larger drop to 2004/05. On an after housing costs basis, the proportion showed a marked fall from 1998/99.

51. In 2004/05, 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.

52. 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 16 per cent by 2001–04. On the after housing costs basis there was a more pronounced fall over the same period.⁴⁹

53. In 2004/05, there were 1 million fewer pensioners living on income that was below 60 per cent of the median (after housing costs) compared with 1996/97.⁵⁰

54. Recent evidence continues to show low take-up of income-related benefits by pensioners. In 2002/03, between £1.7 billion and £2.9 billion worth of means-tested benefits (including Minimum Income Guarantee, Housing Benefit and Council Tax Benefit) were estimated to have gone unclaimed. This includes between £660 million and £870 million of unclaimed Council Tax Benefit, reflecting between 1.5 and 1.8 million pensioners not claiming.

Pensions

55. There has been a slight decrease in the number of people contributing towards non-state pensions since 1996/97 (indicator 29).

56. The number contributing to a non-state pension in at least three years out of four has remained broadly constant 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.

57. Some 1.2 million pensioners have no income other than the state retirement pension and other benefits.⁵¹

Health

58. In recent years, the increase in healthy life expectancy among older adults (those aged 65 and over) has been dramatic, particularly for men. Between 1981 and 2002, healthy life expectancy at age 65 (indicator 31) increased by three years for men and two years for women. By 2002, women who were aged 65 could expect to live to the age of 84, while men aged 65 could expect to live to the age of 81.

59. Projections suggest that life expectancy at these older ages will increase by a further three years or so by 2020. Life expectancy for people at 70 and 80 has also gone up. At present, there are more older people aged between 70 and 80 than ever before.⁵²

60. Evidence shows that, at all ages, a higher proportion of older carers caring for 50 or more hours a week are in poor general health compared with people of a similar age who are not carers. Older carers are also more likely to have a limiting long-term illness – men and women who provide care (20 or more hours per week) are more likely to have long-term health problems compared with men and women of a similar age who are not carers, especially at ages 60–74.⁵³

61. One in ten older people aged 60–74 living in private households in Great Britain had a common mental disorder like anxiety, depression or phobias.⁵⁴

62. Over 50 per cent of accidental injury deaths, and over 60 per cent of serious accidental injury occurs in people aged 65 and over.⁵⁵

Housing

63. In 1996, 46 per cent of older people (aged 60 and over) lived in a home that did not meet the set standard of decency. This has since fallen to 29 per cent in 2004 (indicator 33). The incidence of non-decency is greater than average for households containing older people, particularly someone aged 75 or over. A high proportion of these households live in energy-inefficient homes which fail the thermal comfort criterion of the Decent Homes standard.⁵⁶

Help to live independently

64. The number of households receiving intensive home care per 1,000 aged 65 and over has continued to increase steadily – 11.5 per 1,000 in 2004/05, up from 7.8 per 1,000 in 1998/99 (indicator 32).

65. People aged 85 and over are the fastest growing age group in Britain. Their numbers in the UK have grown by 84 per cent between 1981 and 2004, to over 1.1 million people. Between 1991 and 2001, the proportion of over-85s living in communal establishments has fallen.⁵⁷

Indicators for older 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 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 pensioners living in households with relative low incomes fluctuated between 1996/97 and 2001/02 with falls since 2002/03 on the before housing costs measure to 19 per cent in 2004/05. There is a clear downward trend however, on the after housing costs measure, from 28 per cent in 1996/97 to 17 per cent in 2004/05. The proportion of pensioners living in households with absolute low incomes showed a large fall from 22 per cent in 1996/97 to 10 per cent in 2004/05 before housing costs, and from 28 per cent to 7 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 16 per cent in 2001–04.

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	
Baseline	1996/97	11%	22%	36%	11%	22%	36%	
	1997/98	12%	23%	37%	11%	22%	35%	
	1998/99	12%	24%	38%	11%	21%	35%	
	Before housing costs	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%
2004/05	9%	19%	32%	4%	10%	18%		
After housing costs	1996/97	12%	28%	39%	12%	28%	39%	
	1997/98	13%	27%	38%	12%	26%	37%	
	1998/99	13%	27%	38%	11%	24%	36%	
	After housing costs	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%
2004/05	8%	17%	30%	4%	7%	13%		

* 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 median. Other higher thresholds are less affected by this.

Persistent low income (low income in three out of four years – Great Britain)												
		1991-94	1992-95	1993-96	1994-97	1995-98	1996-99	1997-2000	1998-2001	1999-2002	2000-03	2001-04
Before housing costs	Below 60% of median	17%	17%	17%	19%	19%	20%	20%	21%	19%	18%	16%
	Below 70% of median	35%	33%	34%	35%	35%	36%	37%	37%	37%	34%	33%
After housing costs	Below 60% of median	18%	17%	17%	19%	21%	21%	22%	22%	18%	15%	14%
	Below 70% of median	35%	34%	34%	34%	33%	33%	34%	34%	33%	31%	29%

Note: Some of the figures have seen small revisions since the last *Households Below Average Income* report (2004/05) 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):

- 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:
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Data for thresholds of median income and full definitions are available in *Households Below Average Income 1994/95–2004/05*. Methodological improvements have led to some amendments to the data for the persistent low-income indicator, though the trend has not changed.

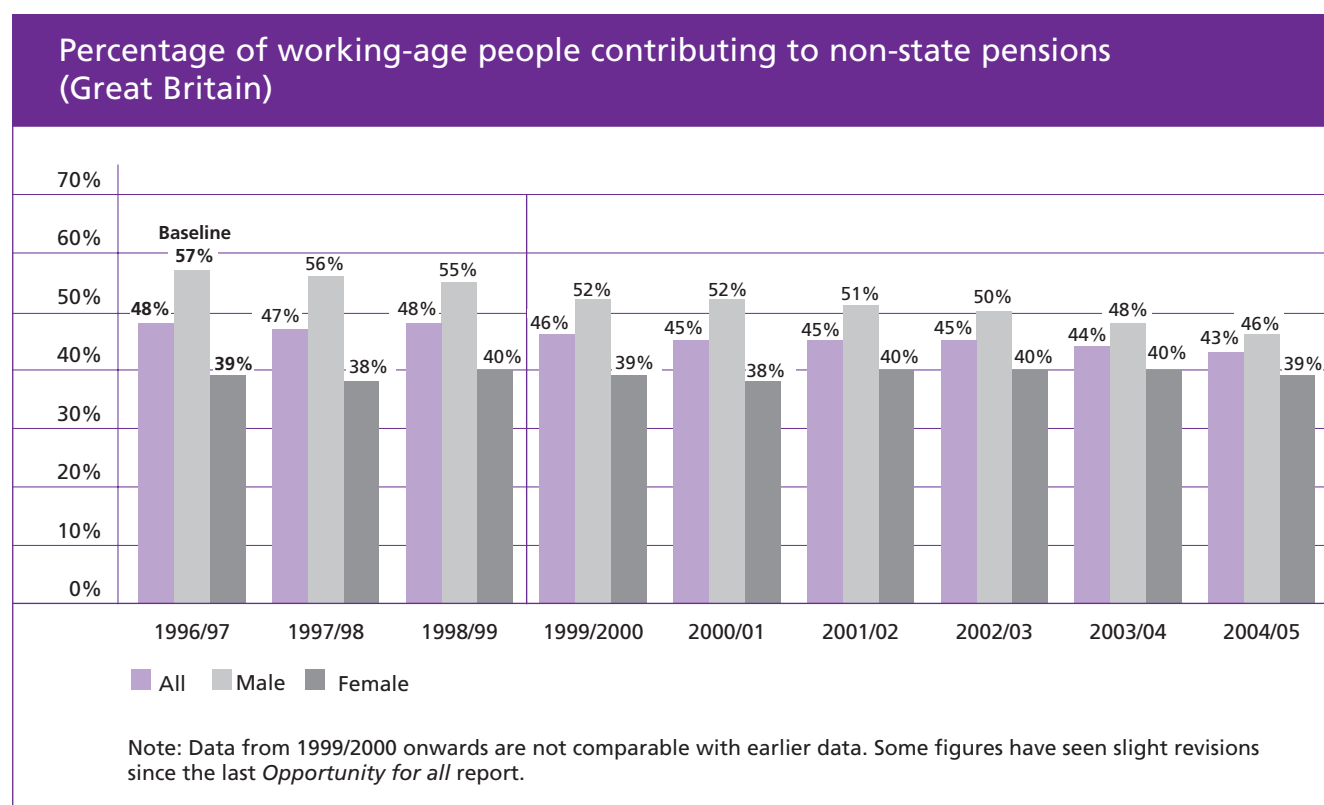
Data source: *Households Below Average Income* information based on *Family Resources Survey* and *British Household Panel Study* data.

Linked to Department for Work and Pensions PSA target: By 2008, to be paying Pension Credit to at least 3.2 million pensioner households, while maintaining a focus on the most disadvantaged by ensuring that at least 2.2 million of these households are in receipt of the Guarantee Credit.

This is part of one of the UK Government's 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 2004/05 are not comparable with earlier data. Between 1999/2000 and 2004/05, the proportion contributing showed a slight decline. More men are contributing than women (46 per cent of men, compared with 39 per cent of women in 2004/05).

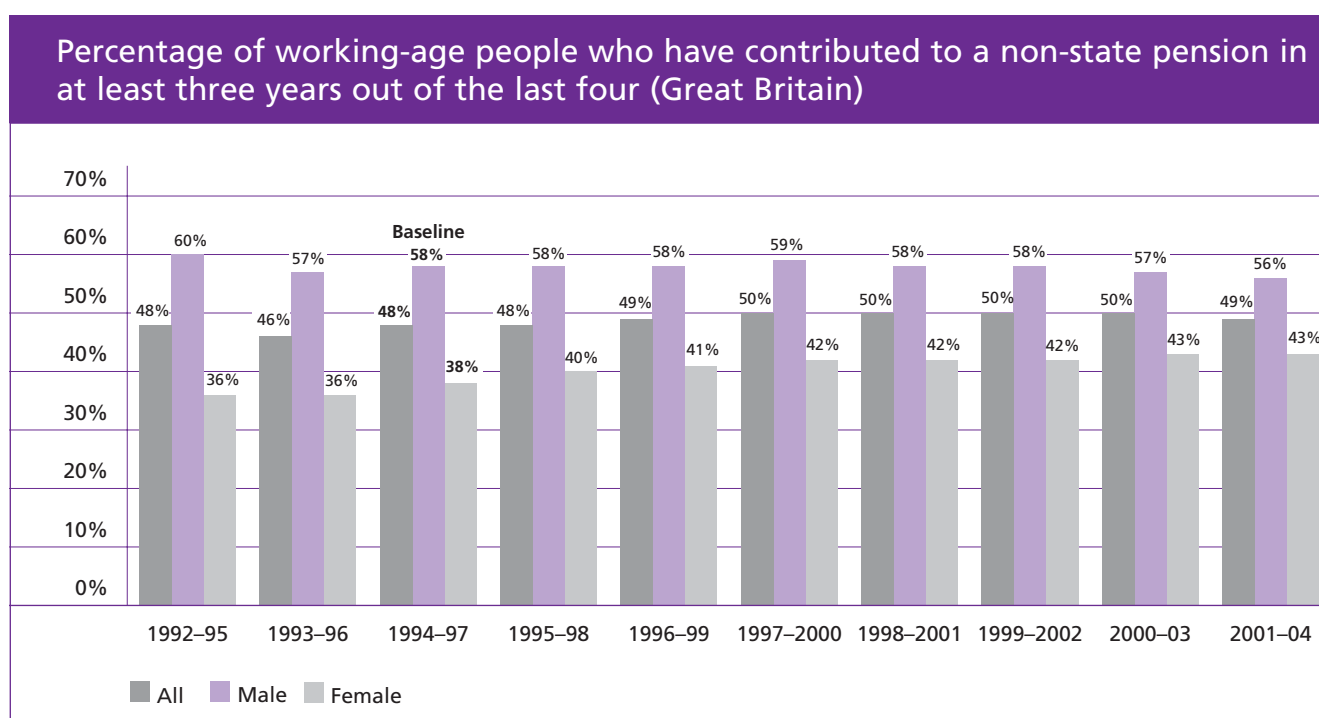


Definition: Includes people in an employees' occupational scheme and/or personal pension scheme. Methodological work conducted by the Office for National Statistics and the National Centre for Social Research in 1996/97 resulted in a number of recommendations for improving pension questions across government 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 of the proportion of people contributing to non-state pensions in at least three years out of the last four show a slight decrease from 50 per cent in the period 2000–03 to 49 per cent in 2001–04. Men were more likely to be consistently contributing than women (56 per cent compared with 43 per cent in the period 2001–04). The proportion of working-age people who have contributed to a non-state pension in at least three out of four years increased slightly from 48 per cent in 1994–97 (the baseline) 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 13 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.

Data source: *British Household Panel Study* (data for Great Britain).

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) is higher for women than for men. In 2002, men at age 65 could expect to live 12.1 years in good or fairly good health while the corresponding estimate for women was 14.1 years. Between 1981 and 1997 (the baseline year), healthy life expectancy at age 65 increased for both sexes – for men from 10.1 to 11.9 years and for women from 12.0 to 13.3 years. However, since 1997 changes have been small, taking into account the updated calculation of healthy life expectancy since 2001.



Healthy life expectancy at age 65 (England)												
	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	
Male	10.1	10.1	10.1	10.2	10.4	10.4	10.5	10.6	10.9	11.0	10.9	
Female	12.0	12.0	12.1	12.1	12.3	12.3	12.4	12.3	12.6	12.8	13.1	
Baseline												
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2001*	2002
Male	10.9	11.0	11.1	11.4	-	11.9	-	11.7	-	11.7	12.0	12.1
Female	13.2	13.2	13.0	13.2	-	13.3	-	13.3	-	13.3	14.2	14.1

* New methodology for calculating healthy life expectancy introduced.

Note: Healthy life expectancy was not calculated for the years 1996, 1998 and 2000 as the *General Household Survey* was not conducted in 1997 and 1999. Furthermore, methodology for the calculation of healthy life expectancy was revised in 2001. Hence, two figures are shown for 2001, based on the 'old' and 'new' series. Some figures have seen small revisions in line with Census 2001 population estimates. Life expectancy estimates can be found on the Government Actuary's Department website and in the 'further information' box on the Opportunity for all website.

Definition: Healthy life expectancy at age 65 is defined as the average number of years people aged 65 can expect to live in good or fairly good health (based on self-assessed general health) if they experienced the current age-specific good or fairly good health rates of older age groups during their life span. In other words, today's 65-year-olds having the good or fairly good health rates, in the future, of those aged above 65 today.

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). There are no data for 1996, 1998 and 2000 as the *General Household Survey* was not undertaken in 1997 and 1999. Furthermore, healthy life expectancy estimates for 2001 and 2002 were calculated using revised methodology to incorporate improved 2001 Census population estimates and changes in the weighting methodology in the *General Household Survey*. They are therefore not directly comparable with previous years – suitable adjustment needs to be made when comparing healthy life expectancy data for 1997 and 2002.

The latest data (2003) will be available at the end of 2006 and will be provided on the *Opportunity for all* website at that time.

Data source: Health status and population estimates from the Office for National Statistics; historical interim life tables for the period 1980–82 to 2001–03 from the Government Actuary's Department.

Linked to Department of Health PSA target: Substantially reduce the mortality rates by 2010: from heart disease and stroke and related diseases 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 1,000 aged 65 and over has increased steadily since the baseline – 11.5 per 1,000 in 2004/05, up from 7.8 per 1,000 in 1998/99.

Proportion of older people being helped to live independently (England): Receiving intensive home care		
		Number of households per 1,000 population aged 65 and over
Baseline	1998/99	7.8
	1999/2000	8.9
	2000/01	9.3
	2001/02	9.9
	2002/03	10.3
	2003/04	11.0
	2004/05	11.5

Note: Some figures have seen slight revisions since the last *Opportunity for all* report, in line with revisions to Census 2001 population estimates and the availability of final data for 2003/04.

Definition: The number of households receiving more than ten hours of contact and six or more visits during the survey week per 1,000 population aged 65 or over.

Data source: *Social Services Assessment Framework Indicators 2004/05* (indicator AO/C28).

b) Receiving any community-based service

Baseline and trends: Baseline year – 1998/99. The number of people aged 65 and over receiving any community-based service was 80 per 1,000 in 2004/05. Data for 2004/05 are not comparable with data for previous years. Previous data showed the number of people receiving any community-based service per 1,000 population aged 65 and over was 83 per 1,000 in 2003/04, slightly higher than the baseline of 82 per 1,000 in 1998/99. However, data for years prior to 2004/05 need to be interpreted with caution.

Proportion of older people being helped to live independently (England): Receiving any community-based service			
People per 1,000 population aged 65 and over			
		Old basis	New basis
Baseline	1996/97	83	
	1997/98	81	
	1998/99	71	82
	1999/2000		86
	2000/01		84
	2001/02		84
	2002/03		84
	2003/04		83
2004/05			80

Note: Data for 2004/05 are not comparable with data for previous years. In 2004/05, restated guidance was issued to exclude people receiving services from grant-funded organisations who had not had a community care assessment. Data for 1998/99 and 1999/2000 on the new basis are estimates. The previously published data for 2003/04 were provisional, and have been replaced by final data.

Definition: The number of people receiving any community-based service per 1,000 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 who are registered, whereas previously it included only those actually in receipt of such services during a sample week.

Data for 2004/05 are not comparable to data for previous years. In 2004/05, restated guidance was issued to exclude people receiving services from grant-funded organisations who had not had a community care assessment. Some councils will have reported lower values as a result. Data for years prior to 2004/05 need to be interpreted with caution as there is evidence that the indicator definition was interpreted differently by councils supplying the data. For further information, see *Social Services Performance Assessment Framework Indicators 2004/05*.

Data source: *Social Services Performance Assessment Framework Indicators 2004/05* (indicator 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, 32 per cent in 2003 and 29 per cent in 2004.

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.

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 2004 were published in March 2006.

Linked to Department for Communities and Local Government 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).

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 2005/06 this figure was 6 per cent, stable from the previous year (7 per cent). Trends further back in time are not available. In 2005/06, 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 8 per cent of women.

Percentage of older people reporting fear of crime (England and Wales)								
	Baseline 1998	2000	2001	2001/02	2002/03	2003/04	2004/05	2005/06
All	10%	10%	8%	8%	8%	6%	7%	6%
Male	5%	7%	3%	6%	6%	6%	4%	4%
Female	14%	12%	12%	9%	9%	6%	9%	8%

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. Therefore, data prior to 2001/02 are not comparable with later years.

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. Our policies are designed to ensure that those living in deprived areas share in the quality of life enjoyed by those in more prosperous areas.

Employment

66. A rise in employment of about 1.9 million since 1997 has increased the UK employment rate to an historically high level of over 28 million. Employment is high across the UK: every region and country has an employment rate above the EU average.

67. The average employment rate for the 25 local authority districts that 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 35).

Housing

68. The number of households in fuel poverty in 2004 remained the same as 2003, down from 3.4 million in 1998 to 1.2 million households in England, with 1.0 million of those being vulnerable households (indicator 38).

69. Nationally, the condition of homes continues to improve. The number of homes failing to meet the Government standard for decent housing fell between 2001 and 2004 – from 7.1 million to 6.3 million (from 33 per cent to 28 per cent of the housing stock). In 2004, 5.1 million private sector homes were non-decent as were 1.3 million social sector homes (making up 29 per cent and 31 per cent of their stock respectively) (indicator 37).

70. 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.⁵⁸ The proportion of vulnerable households in non-decent private sector homes fell from 43 per cent in 2001 to 34 per cent in 2004.⁵⁹

71. Large differences in the housing situation of different socio-economic and ethnic groups remain. For example, 55 per cent of households headed by someone from the Bangladeshi community live in socially rented accommodation, nearly seven times the proportion of households headed by someone of Indian origin.⁶⁰

Health

72. While life expectancy improved for England as a whole and the 'Spearhead' group of local authorities between the baseline of 1995–97 and 2002–04, it improved more slowly in the Spearhead group. In 2002–04, the gap in life expectancy between England and the Spearhead group (in absolute and relative terms) was wider than at the baseline for both males and females (indicator 39). This is a long-term trend, driven by a complex and wide-ranging network of factors and it is expected to take time to turn around. However, this overall picture masks variation within the Spearhead group. Life expectancy in many individual local authorities in the Spearhead group has improved faster than the England average. About a fifth of Spearhead local authorities are on track to reduce their life expectancy gap with the England average by 10 per cent by 2010 for men and women, with a further two-fifths on track for either men or women (but not both). Two-fifths are not on track to close the gap for both male and female life expectancy.

73. There are also inequalities in life expectancy between social classes. For example, during 1997–2001 life expectancy at birth for males was over eight years longer in professional social classes than in unskilled manual social classes. Men aged 50–59 in routine and manual occupations were twice as likely to have a limiting long-term illness as men in professional/managerial occupations.⁶¹

Road accidents

74. The number of casualties in road accidents in disadvantaged districts (indicator 41) has fallen by 15.8 per cent since the baseline (an average of 1999–2001), compared with a fall of 9.3 per cent for local authorities outside the 88 Neighbourhood Renewal Fund areas, and 12.3 per cent in England as a whole.⁶²

75. Children in social class V (unskilled) are five times more likely to suffer accidental death than their peers in social class I (professional).⁶³

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 65.7 per cent in 2006. The overall employment rate was relatively stable over this period and consequently the employment rate gap narrowed from 12.8 to 9.0 percentage points.

Employment rates for the 25 deprived local authority districts in target since 2001 compared with 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)
Baseline 2000	61.6%	74.4%	12.8
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
2006	65.7%	74.7%	9.0

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 Department for Work and Pensions Welfare to Work PSA target: 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.

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 17.8 in 2005/06.

Crime rates in the highest crime quartile compared with the remaining three quartiles (England and Wales)				
Rate per 1,000 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
	2005/06	31.4	13.6	17.8

Definition: Crime defined as domestic burglary, vehicle crime and robbery per 1,000 population. Crime and Disorder Reduction Partnerships with the highest levels of crime are those 94 partnerships with the highest rate of combined domestic burglary, vehicle crime and robbery in the baseline year. In most cases, these are 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 Crime and Disorder Reduction Partnership areas with the highest crime 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, 30 per cent in 2003 and 28 per cent in 2004.

Definition: The proportion of households that live in a home which 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.

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 2004 were published in March 2006.

Linked to Department for Communities and Local Government 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 number 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 2004. 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, between 1996 and 2003, 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. Indications for 2004 figures are that the positive effect of energy price movements has lessened because of the increases in energy prices.

Number and percentage of households in fuel poverty (England)					
		All households		Vulnerable households	
		Number (million)	Percentage	Number (million)	Percentage
Baseline	1996	5.1	26%	4.0	30%
	1998	3.4	17%	2.8	20%
	2001	1.7	8%	1.4	10%
	2002	1.4	7%	1.2	8%
	2003	1.2	6%	1.0	7%
	2004	1.2	6%	1.0	6%

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, 4th Annual Progress Report*.⁶⁴ The figures for England in 2003 have used the new rolling *English House Condition Survey*, which covers combined datasets for two-year periods.

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,⁶⁵ 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 2002–04 show that while life expectancy has improved for England as a whole and the Spearhead group, it has improved more slowly in the Spearhead group. The gap in life expectancy between England and the Spearhead group (in absolute and relative terms) is wider than at the baseline for both males and females.

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) (England)

	Baseline											
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
	-93	-94	-95	-96	-97	-98	-99	-2000	-2001	-02	-03	-04
Males												
Spearhead group	71.89	72.20	72.32	72.56	72.69	72.90	73.09	73.40	73.73	74.06	74.25	74.56
Total population in England	73.69	74.02	74.18	74.44	74.61	74.84	75.09	75.38	75.71	76.01	76.24	76.55
Difference	1.80	1.82	1.86	1.88	1.92	1.94	2.00	1.98	1.98	1.95	1.99	1.99
% difference*	2.44%	2.46%	2.51%	2.53%	2.57%	2.59%	2.66%	2.63%	2.62%	2.57%	2.61%	2.60%
Females												
Spearhead group	77.70	77.94	78.04	78.23	78.28	78.38	78.49	78.69	78.93	79.16	79.21	79.37
Total population in England	79.12	79.37	79.44	79.64	79.69	79.84	79.97	80.19	80.42	80.66	80.72	80.91
Difference	1.42	1.43	1.40	1.41	1.41	1.46	1.48	1.50	1.49	1.50	1.51	1.54
% difference*	1.79%	1.80%	1.76%	1.77%	1.77%	1.83%	1.85%	1.87%	1.85%	1.86%	1.87%	1.90%

* % difference = difference as a percentage of England life expectancy.

Definition: Life expectancy at birth for an area in each time period is an estimate of the average number of years a newborn baby would survive if he or she experienced the particular area's age-specific mortality rates for that time period throughout his or her life. (It is not a forecast of how long babies born could actually expect to live because the death rates of the area are likely to change in the future and many of those born in the area will live elsewhere for at least some part of their lives.) The 'fifth of local authorities with the worst health and deprivation indicators', known as the Spearhead group, was identified to support the Department of Health PSA health inequalities target in the 2004 Spending Review. It 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 life expectancy gap is presented in both absolute terms (the difference in life expectancy) and relative terms (the percentage difference in life expectancy).

Data source: Office for National Statistics (life expectancy data based on population estimates and mortality statistics from death registrations).

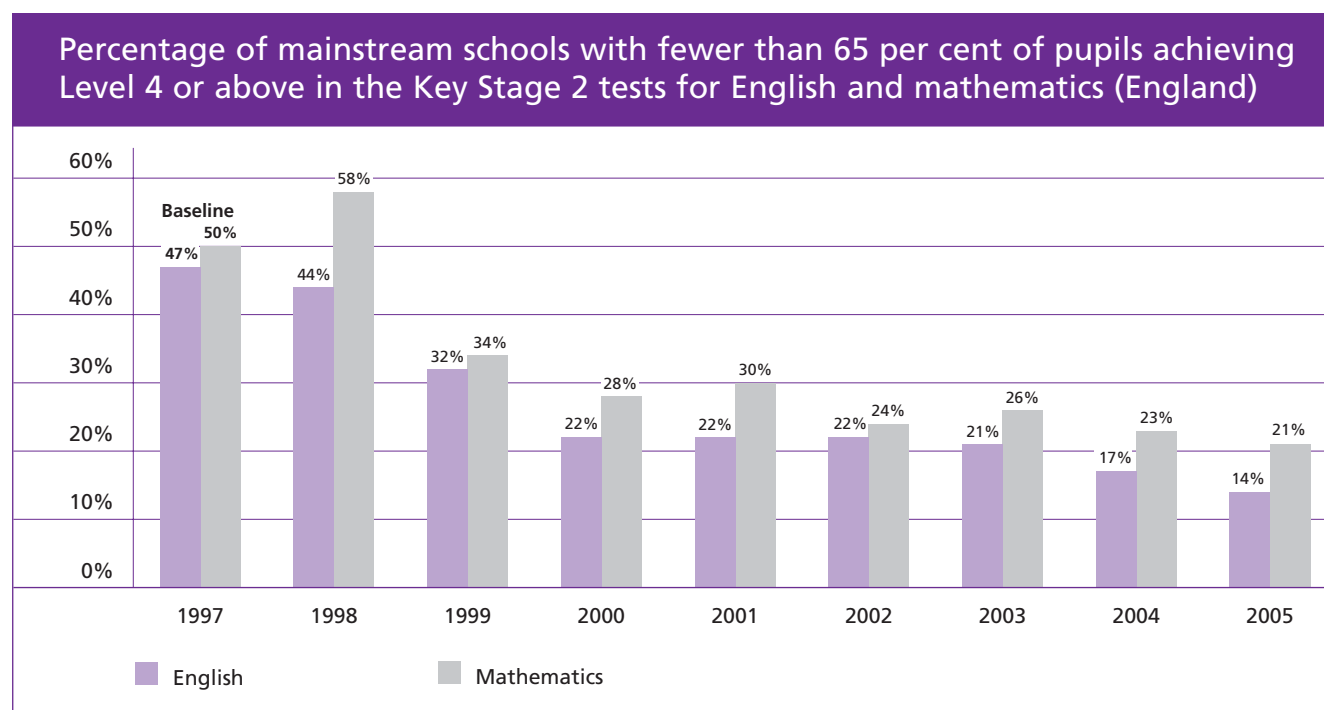
Linked to Department of Health PSA target: Reduce health inequalities by 10 per cent by 2010 as measured by infant mortality and life expectancy at birth.

*Tackling Health Inequalities – A programme for action*⁶⁶ 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 NHS. 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 2005, 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.

The 2005 figures show a decrease of three percentage points in English to 14 per cent and a decrease of two percentage points in mathematics to 21 per cent compared with the equivalent 2004 figures.



Definition: The 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. The data are based on maintained schools only and do not include schools with ten or fewer eligible pupils or special schools.

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 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 data – 1999–2001 (average of figures for 1999, 2000 and 2001). There has been a greater reduction in the proportion of all road accident casualties in disadvantaged districts than in England as a whole. The number of casualties in road accidents in disadvantaged districts in 2004 has fallen by 15.8 per cent since the baseline, compared with a 12.3 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 2006 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: Reduce the number of people killed or seriously injured in Great Britain in road accidents by 40 per cent and the number of children killed or seriously injured by 50 per cent, by 2010 compared with the average for 1994–98, tackling the significantly higher incidence in disadvantaged communities. To reduce road accident casualty numbers in deprived areas by more than the percentage decline across the country.

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