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Working Together

UK National Action Plan on
Social Inclusion

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Ministerial foreword



James Purnell

In recent years we have made real progress in tackling poverty and social exclusion, helping individuals and communities improve their lives and achieve their potential. This document focuses on the UK Government's efforts to tackle poverty, but it also reports on work to combat the wider causes of social exclusion, an approach which is at the heart of the Government's agenda.

Over the last decade the Government has transformed work and opportunity in Britain, with over three million more people in work. A well run economy and labour market flexibility, underpinned by clear minimum standards and active welfare to work programmes, have combined to produce the highest employment in our country's history. The numbers of people on key out-of-work benefits has fallen by over one million. The situation has improved particularly for those who started off in the worst position. Employment has grown faster than average for lone parents, disabled people, older workers and people in deprived areas. The number of people claiming unemployment benefits has almost halved, with especially large falls in the long-term unemployed. The number of lone parents claiming Income Support has fallen by around 250,000 since 1997.



Ed Milliband

Despite these successes, we still have further to go to achieve our aim of an 80 per cent employment rate, to eradicate child poverty, to reduce the numbers of working age who are dependent on benefit and to continue to close the employment gaps for more disadvantaged groups. In today's world, our economy cannot afford for people to remain cut off from the opportunities most people in society enjoy. We need to build a more prosperous and fairer Britain with a new drive against social exclusion.

To achieve our aims we need to further develop the support we offer those who face disadvantage. It is particularly important that the most disadvantaged receive services tailored to their particular needs. This is an essential part of our drive to reduce social exclusion. It is also vital that we support those who are at risk of a lifetime of poverty or exclusion before their problems become entrenched. A number of cross-government initiatives are now underway to identify causes of exclusion and better methods of early intervention. For instance, we are building on the lessons of Surestart and have introduced the Family Nurse Partnership programme to support at-risk mothers and their families.

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The drive against poverty and exclusion is benefitting from the Government setting clearly defined targets through its new round of Public Service Agreements (PSAs) many of which have a focus on these issues. The Government has also introduced for the first time a Socially Excluded Adults PSA, which will support excluded adults into a job and a home. This PSA is aimed at four groups who are particularly vulnerable to multiple forms of disadvantage: care leavers, ex-offenders, adults with learning disabilities and adults with mental health problems. This PSA will clearly support our drive to tackle poverty and exclusion, and will extend to these groups the opportunity to raise aspirations and to participate more fully in their communities.


To help us build that fairer Britain we have also published the Welfare Reform Green Paper for public consultation: *No one written off: reforming welfare to reward responsibility*. The proposals outlined in the consultation are underpinned by the principle that people should:

- be in control of their own lives and take personal responsibility for making the most of opportunities available to them;
- be supported by an active and enabling welfare state to build their capability; and
- be aware of the contribution expected from them in return for help and support through the welfare system.

We will continue the radical changes to our welfare system to ensure that it is world-class, one that maximises the numbers in employment and minimises the numbers on benefit experiencing poverty and social exclusion. The Government is determined to make these and other changes because it is an essential part of creating the fairer and more prosperous society that is our driving mission.



James Purnell



Ed Milliband

Executive summary

1. In the year 2000, the member states of the European Union (EU) set out a strategy aimed at making the Union the most dynamic, knowledge-based economy in the world by 2010. To this end, the Member States committed themselves to economic modernisation, to creating more and better jobs, to greater social cohesion and to making a decisive impact on poverty.

2. This National Action Plan (NAP) outlines the current position in the United Kingdom (UK) and the action that the UK will take in the years 2008 to 2010 to tackle poverty and increase social inclusion. The document has been produced with reference to the EU common objectivesⁱ is informed by a range of indicatorsⁱⁱ and follows a format agreed between the EU Member States and the European Commission. The report reflects in-depth engagement with a wide range of stakeholders, including people experiencing poverty, the voluntary and community sector, and devolved and local government.

3. The UK Government is committed to building an inclusive, cohesive and prosperous society with fairness and social justice at its core, in which child poverty has been eradicated, everyone who can work is expected to contribute to national prosperity and share in it, and those who can't work are supported. With 29 million people in employment, the UK today has one of the strongest labour markets in the world, three million more than in 1997.

4. Both European and national indicators of poverty and social exclusion show that the UK continues to make significant progress. We have better education in schools and colleges and have more people in work than ever before. The New Deal for Lone Parents has helped more than half a million lone parents in to work since October 1998. There are more people above State Pension age in work than ever before, with an increase of half a million to 1.3 million. We have lifted 600,000 children out of poverty, and up to 300,000 more will follow as a result of policies announced in July. The number of people reliant on key out-of-work benefits is down by one million since 1997 and, for the first time in a generation, the numbers on Incapacity Benefit have been falling since the 2003 peak.

ⁱ See http://ec.europa.eu/employment_social/social_inclusion/objectives_en.htm

ⁱⁱ The indicators that inform the NAP are: context indicators to highlight past and future trends; commonly agreed indicators to monitor change over time, and differences between demographic and socio-economic groups; and tertiary indicators to highlight national specificities and particular areas of social exclusion and poverty not covered by the common indicators.

5. Guaranteeing that no one is written off, while making sure our welfare system has the correct balance between rights and responsibilities, is an important part of developing support in the 21st century. The goals of the UK Government described in this NAP are simple: full employment to ensure an inclusive, cohesive and prosperous society with fairness and justice at its core. The commitment is to build a society in which social exclusion is reduced by improving employment prospects for people facing the greatest disadvantage, such as ex-offenders, the homeless and drug users, providing equality for ethnic minorities, disabled people and older people and eradicating child poverty.

6. In 2006, the UK Government set up the Social Exclusion Task Force to focus more closely on the problems of severe deprivation and those who are most at risk of social exclusion. Key work of the Task Force has been on delivery of the Socially Excluded Adults Public Service Agreement (PSA), which aims to support socially excluded adults into a job and a home, and cross-Government work to improve services and systems for families at risk of exclusion. Progress made in these areas is outlined in this report.

7. Child poverty is a social, economic and moral imperative. Growing up in poverty affects children's childhood and limits life chances. That is why the UK Government has committed, from 2010, to change the benefit rules so parents who get child maintenance will keep it; and to eradicate child poverty by 2020. Substantial progress has been made since the Government's pledge in 1999 to eradicate child poverty in the UK. For example, some 600,000 children have been lifted out of relative poverty between 1998 and 2007, and the risk of children living in poverty fell from 26 to 22 per cent. The aim of our strategy is to ensure that every child gets the best possible start in life and the opportunity to fulfil their potential. The key elements of the child poverty strategy are:

- Increasing employment and raising incomes: helping people who can work to move into employment and progress in work.
- Financial and material support: providing additional resources for when work does not pay, or when families cannot work.
- Ensuring that communities are safe, sustainable places where families can thrive.
- Improving poor children's life chances: improving opportunities and outcomes for children from low-income families.

8. Full employment is at the heart of the UK strategy. This really matters for people because the chance to work opens up the chance to progress, to develop and to participate fully in society. We know that people in work are often healthier, and more fulfilled, than people who are not. It matters for society because the poverty linked to worklessness divides our communities and deprives too many children of a fair chance in life. It matters for the economy because sustained economic growth depends on an active growing workforce. While we have been successful in moving towards our goal of full employment, we need to go further. This is why we have introduced measures to further increase the opportunities for those in key target groups: disabled people; older people; lone parents; people from ethnic minorities; those living in the most deprived areas; and people with low or no qualifications.

9. To achieve our ambition of an 80 per cent employment rate we need to:

- move more people on inactive benefits into work;
- increase employment among ethnic minority groups;
- increase the employment rate in cities and in particular London;
- equip individuals with the skills which they and employers need; and
- work in partnership with employers.

This NAP outlines our strategy to provide more help for people who have previously been excluded from the labour market.

10. The UK Government strongly believes that people should be treated equally and has taken action to tackle discrimination. This was demonstrated in 2007 with the establishment of the Government Equalities Office (GEO) to strengthen further the Government's ability to deliver across the entire equalities agenda. The GEO is responsible for the Government's overall strategy on equality, (including a new Equality Bill and PSA) as well as leading on women's issues across Government, and sponsoring the Equality and Human Rights Commission and Women's National Commission. This NAP reports on actions taken and progress made so far to promote social inclusion for individuals experiencing disadvantage because of their gender, race, disability, age, sexual orientation, religion or belief.

11. Efficient and effective public services play a key role in tackling social exclusion. This NAP sets out how policies and services are being integrated more effectively at national and local level and how investment in public services has produced significant improvements in education, health and other areas. Longstanding inequalities have meant that the most disadvantaged often receive a less effective service than everyone else, so a number of improvements have been introduced focusing on personalised support and services tailored to individual need. These include: education, transport, the health service and services for ex-offenders, the homeless and older people. It also portrays strategies to: tackle fuel poverty, reduce re-offending and increase financial inclusion and access to computers and other digital technology.

12. The social and economic cost of drug misuse in the UK is unacceptably high. Drug addiction is not, in itself, grounds for claiming benefit, but research indicatesⁱⁱⁱ many people who are dependent on benefit are also dependent on drugs. The Drug Strategy introduced in February this year sets out a number of key objectives to encourage social inclusion including a radical new focus on services to help problem drug users to re-establish their lives.

13. In publishing this NAP the UK Government hopes that it will form the basis for continuing this very important work to tackle the causes of poverty and social exclusion in the UK and contribute to the development of social inclusion strategies across Europe. In particular, the aim of this NAP is to promote equality of life chances for all and to deliver personalised services tailored to suit individual needs.

ⁱⁱⁱ Hay, G. and Bauld, L., *Population estimates of problematic drug users in England who access DWP benefits: A feasibility study*. Department for Work and Pensions Working Paper No. 46.

1

Progress since 2006 and challenges

1. The United Kingdom (UK) Government is committed to building a society in which: child poverty has been eradicated; everyone who can work is expected to contribute to the national prosperity and share in it; and those who can't work are supported. It is also committed to a society in which as many people as possible can share in the rewards of work that go beyond financial independence, because work is good for people of all ages, good for their health, good for their families and good for their communities.

2. Significant progress has been made in moving towards this goal. We have one of the strongest labour markets in the world. The number of people in work in the UK is close to a record level of over 29 million, 3 million more than in 1997. The employment rate is almost 75 per cent. Employment has increased in every region and country in the UK. There are 335,000 more lone parents in work since 1997. The New Deal for Lone Parents has helped more than half a million lone parents into work since October 1998, with 60 per cent of them recorded as entering sustained employment. There are more people above State Pension age in work than ever before, with an increase of half a million to 1.3 million. We have lifted 600,000 children out of poverty since 1998. Taken together, reforms announced in the 2007 Budget, the 2007 Pre-Budget Report, the Comprehensive Spending Review, and the 2008 Budget will lift around 500,000 more children out of poverty. The number of people reliant on key out-of-work benefits is down by one million since 1997 and, for the first time in a generation, the numbers on incapacity benefit have been falling since the 2003 peak.



3. Yet despite these successes, there are still those in our society who are not enjoying a fair share of the country's overall economic success. As the Prime Minister said in June 2007, "In the fourth richest country in the world it is simply wrong – wrong that any child should grow up in poverty". That is why the Government is embarking on the next phase of welfare reform and is moving to a new system of active support rather than passive receipt of benefits.

4. The strategy outlined in this report largely reflects the approach which is being pursued across the four countries which constitute the UK: England, Northern Ireland, Scotland and Wales. There are, however, some significant differences in the problems present in the four countries, and in the approaches being taken to tackling key aspects of this agenda. These are outlined in Annex 4 of the report.

1.1 Challenges identified in the 2007 Joint Report

5. The 2007 Joint Report on Social Protection and Social Exclusion identified the need for the UK Government to continue its efforts to reduce persistent inequalities, such as those in income, health, skills and life chances. Tackling levels of economic activity by improving engagement with vulnerable groups, while adequately supporting the transition to quality and sustainable work was also highlighted.

1.2 Challenges identified by UK stakeholders

'For a future worth having, government must take the lead in telling the public the social costs of widening gaps in income and wealth, and persistent discrimination against minority groups. They must come out of the corner and explain why stronger strategies and policies to counteract poverty and inequality must be implemented. More people are beginning to recognise the extent and depth of poverty and inequality in the UK; many are ready to listen now to what must be done.'

Social Policy Task Force¹

'Severe social exclusion among older people is a significant and pressing problem which cuts across common boundaries, such as income, social class, ethnicity or gender. Being severely excluded is not just about being poor, feeling lonely or lacking mobility. It is a complex issue which involves facing multiple hardships and being cut off from the things the rest of society takes for granted.'

Age Concern

'There are 770,000 disabled children living in the UK. There is strong evidence to suggest that families with disabled children remain disproportionately likely to live in poverty.² Many families with disabled children face significant extra costs associated with managing their child's impairment, including specialist equipment and child care. These additional costs can mean that even if a family's income is above the poverty line they may still slip into poverty.'

Leonard Cheshire

¹ Group of NGO stakeholders working with the UK Government in conjunction with the National Action Plan (NAP).

² Kemp, P. *et al.*, (2004). *Routes out of poverty*. York: JRF.

'Mothers are at greater risk of poverty in the UK than in any other western European country. Women's inequality and the disadvantages they face in the workplace are key causes of this risk, with ethnic minority women facing particular challenges. The Government must therefore address the disadvantage faced by mothers in the workplace as part of any anti-poverty initiative and its strategy to end child poverty in particular.'

Fawcett Society

'We welcome the focus of the NAP on equalities as one of its priority objectives. It is both timely and important to highlight the progress and remaining challenges faced by people because of a particular ground, such as their race or ethnic origin, religion or belief, sexual orientation, disability or age. In the case of black and minority ethnic communities, it is all the more important, as recent research into poverty and ethnicity shows, that black and minority ethnic communities experience higher rates of poverty than their white counterparts.'

UK Race and Europe Network

2

Progress on specific policy objectives identified in the National Action Plan 2006

through the creation of Jobcentre Plus, a world leading welfare-to-work organisation, we have transformed the delivery of employment support

2.1 Increasing labour market participation

6. Full employment is at the heart of the United Kingdom (UK) strategy to ensure an inclusive, cohesive and prosperous society with fairness and social justice. Work is good for people of all ages, their families and society, and vital in the fight against child poverty. Not only are people who work better off financially, they are better off in terms of their health and well-being, their self-esteem and their independence.

7. Over the last decade, the UK has had an enviable employment record. Since 1997, employment has risen by over three million and now stands close to record levels. The numbers of people on key out-of work benefits has fallen by one million. The situation has improved particularly for those who started off in the worst position. Employment has grown faster than average for lone parents, disabled people, older workers and people in deprived areas. The number of people claiming unemployment benefits has almost halved, with especially large falls in the long-term unemployed. The number of lone parents claiming Income Support has fallen by almost 250,000 since 1997. This success has been based on the foundation of a well-run economy and a flexible labour market, coupled with employee rights and active labour market programmes, to support people to take up work. Through the creation of Jobcentre Plus, a world leading welfare-to-work organisation, we have transformed the delivery of employment support. The introduction of New Deal, which has so far helped almost two million people move into work, combined active support with increased obligations on the individual to find work.

What people have told us about employment schemes

Long-term planning is essential and funding needs to be sustained to ensure that projects continue to deliver and to be around for customers in the long term. Placements on employment programmes should only be offered where there is a certainty of them becoming available. Withdrawal can lead to great disappointment and confusion. There is often a lack of good and flexible child care, which is essential to parental involvement in the labour market.³

³ UK National Action Plan National Event – 17 March 2008.

8. To help and incentivise parents to find and stay in work, the Government has, since 1997: introduced a national minimum wage, provided greater support through the tax credits system, doubled the level of maternity pay and substantially increased childcare provision, which has doubled with 1.29 million childcare places in England and over 2,900 Sure Start Children's Centres now open. In addition to these measures, which predominantly benefit women, the Government has given parents of young or disabled children and carers of adults the right to request flexible working.

2.2 Child poverty

9. In March 1999, the Government made a pledge to eradicate child poverty in the UK within a generation. Since then, substantial progress has been made⁴:

- some 600,000 children have been lifted out of relative poverty between 1998 and 2007, and the risk of children living in poverty fell from 26 to 22 per cent;
- between 1998 and 2007 the number of children living in absolute poverty has halved from 3.4 million to 1.7 million;
- between 2004 and 2007 the number of children in the UK defined as poor, using the combined indicator of relative low income and material deprivation, fell by 200,000 from 2.2 to 2 million children;
- persistent poverty has also fallen. In Great Britain, the proportion of children in poverty in at least three out of four years has declined from 17 per cent in 1997-2000 to 11 per cent in 2002-2005.

10. Particular progress has been seen among those children who faced a high risk of living in poverty.

⁴ Households Below Average Income, Department for Work and Pensions, 2008.

Table 1: Changes in the relative low-income indicator, 1998 to 2007		
Family type	Reduction in the number of children in poverty	Reduction in risk of poverty
Lone parent families	200,000	46% to 37%
Families with three or more children	400,000	40% to 33%
Families with children under five	300,000	31% to 26%

11. Between 2004 and 2007 the number of children in relative poverty, before housing costs, increased by 100,000, because not all families have been able to keep pace with typical household incomes. Since then a range of measures have been announced that will increase families' incomes, and parental employment.

2.3 Access to quality services

Education: Narrowing school attainment gaps

12. The Children's Plan, published in December 2007, sets out an ambition to make Britain the best place in the world to grow up for every child – regardless of their background. The 2007 school results show continuing improvement, both in attainment and progress across the whole cohort, and in narrowing gaps between disadvantaged pupils and their peers. Both the long-term (1997-2007) and short-term (2006-2007) trends are positive on both these indicators. The gap for disadvantaged pupils is large, but narrowing.

13. The performance of most ethnic minority groups has been rising faster than the majority population. Hence, even though gaps remain, these too are narrowing. For example, the General Certificate for Secondary Education (GCSE) gap for black pupils was some 10 percentage points in 2007, down from 20 percentage points four years earlier. The GCSE gap for Bangladeshi pupils, which stood at over 20 percentage points fifteen years ago, has now closed.

the Children's Plan sets out an ambition to make Britain the best place in the world to grow up for every child...

Tackling health inequalities

14. Health inequalities is a national priority for the National Health Service (NHS) and the recent World Health Organisation (WHO) report on the Social Determinants of Health⁵ emphasises the importance of the wider determinants of health, such as poverty, education and employment, in framing a long-term approach to reducing health inequalities. *Progress and Next Steps*, published in June 2008, reviews progress against the national strategy. It identifies further action to support the 2010 health inequalities target on infant mortality and life expectancy, and looks forward to developing a post-2010 strategic objective. A new health inequalities intervention tool has been developed to help local areas assess their local health gap and to show the impact of key interventions on reducing this gap. This tool is providing a new and valuable focus on health inequalities by taking account of local differences and contributing to the 2010 target on infant mortality and life expectancy.

Reducing re-offending

15. The National Offender Management Service (NOMS) is working with Jobcentre Plus, the Learning and Skills Council, prisons and probation areas to engage employers and get offenders into employment. The programme of activity was set out in the document *Reducing Re-offending Through Skills and Employment: Next Steps* (December 2006), following consultation on the earlier Green Paper. The Corporate Alliance was announced in 2005 to demonstrate the partnership between government and employers, to increase the numbers of offenders improving their skills and going into jobs. Many employers are working with offenders across the country and over 100 have signed up to the Alliance to promote this work to other employers.

16. Work on this and other pathways to reducing re-offending is starting to show positive results and we are on track to hit the target of a five per cent reduction set in the 2002 spending review.

⁵ Final report of the Commission on Social Determinants of Health (CSDH) August 2008 – Geneva, World Health Organisation.

Services for older people

17. In 2006 we reported on the Link Age Plus pilots, which have been developed to expand the principles of joined up working by providing access to a wide range of services for older people, beyond the traditional benefits and care agendas. Each pilot is focused on local needs and how best to integrate services within these locations. The pilot sites are Devon, Gateshead, Gloucestershire, Lancaster, Leeds, Nottinghamshire, Salford and Tower Hamlets. The current Linkage Plus pilots will end their funded activity by October 2008 and a final evaluation report, drafted by Warwick Business School, will be delivered by March 2009. They are demonstrating the value of solid consultation with local older people to determine their local priorities and aspirations, using older people to deliver services, and making more effective use of local authority infrastructures and partnerships.



Access to decent and affordable housing

18. Since 1997 we have reduced the number of non-decent social sector homes by over one million, with over £23 billion invested in the stock. By 2010 we expect 95 per cent of social housing to meet the decent homes standard. Over £40 billion will have been invested in repairs and improvements to social housing by the end of the programme. Government policy is to increase the number of vulnerable private sector households in decent homes. Great progress has been made to date with the proportion of vulnerable households living in decent homes increasing from 42.9 per cent in 1996 to 68 per cent currently.

19. The 2007 English House Condition Survey showed that there are 1.4 million vulnerable households in the private sector living in non-decent homes. Maintaining privately-owned homes is primarily the responsibility of the owner. Nevertheless, local authorities have powers to assist vulnerable households living in the very worst conditions. Resources and a regulatory framework are in place to enable local authorities to deliver these improvements. Over £1 billion over the period of 2008-2011, is available to local authorities from the Regional Housing Pot to help. Guidance issued to Regional Assemblies asks them to continue to prioritise those most in need with the expectation that packages of assistance are made available to individual homeowners.

20. The Housing Green Paper *Homes for the future: more affordable, more sustainable* set out our plans to deliver our ambitious targets to increase housing supply to 240,000 additional homes by 2016. Alongside this we have set a target of providing 70,000 affordable homes a year by 2010-2011, of these 45,000 will be social rented homes. We are also planning to deliver 75,000 homes for shared equity or shared ownership over the next three years. To back this we are investing over £8 billion in affordable housing over the three years (2008-2011) initially through the Housing Corporation and then through the new Homes and Communities Agency.

Preventing homelessness

21. The number of statutory homelessness acceptances in England between January 2008 and March 2008 was 10 per cent lower than for the same period in 2007. Statutory homelessness acceptances have reduced by more than half since the peak in 2003-2004. In addition, the number of households living in temporary accommodation on 31 March 2008 had fallen by 11 per cent compared to 31 March 2007. This is 23 per cent lower than the peak in temporary accommodation use during 2004.

Eighty-seven per cent of households in temporary accommodation were in self-contained accommodation. Since April 2004 local authorities can no longer discharge their duty to families with children accepted as homeless by placing them in bed and breakfast accommodation for longer than six weeks.

22. The National Rough Sleeping Estimate for 2007⁶ published in September 2007 shows there are 498 people sleeping rough. The estimate is based on the results of local authority street counts in England in those areas where a known, or suspected, rough sleeping problem has been identified. This represents a 73 per cent reduction in rough sleeping since 1998. The Government is committed to reducing rough sleeping further and driving down rough sleeping to as near to zero as possible.

Transport

What people told us about transport

A poor public transport infrastructure can make it difficult to access work and public services and to participate fully in society. It is important to ensure that information is widely available on concessions that are available to ensure take-up.⁷

since April 2008, people aged 60 and over and eligible disabled people in England have been able to get free off-peak travel on all local buses anywhere in England

23. Accessibility planning encourages local authorities and other agencies to systematically assess whether people can get to places of work, healthcare facilities, educational establishments, food shops and other destinations that are important to local residents. This is particularly important for the sustainability of communities in the most rural and isolated areas. Solutions might include changes to: the location, design and delivery of non-transport services; public transport available to pupils, patients and social services; and walking and cycling networks.

24. Since April 2008, people aged 60 and over and eligible disabled people in England have been able to get free off-peak travel on all local buses anywhere in England (rather than just within their local authority area of residence). There was a national publicity campaign earlier this year to publicise the concession.

25. In England, between 2002 and 2007, the Neighbourhood Road Safety Initiative funded 15 councils with high child pedestrian casualty rates to deliver improvements across the deprived communities. Projects aimed at tackling child pedestrian accidents include the provision of, and improvements to, safe play areas and child pedestrian training and education. The findings of the final evaluation of the Initiative will be available in 2009.

⁶ <http://www.communities.gov.uk/housing/homelessness/publicationsabout/homelessness/roughsleepingstatistics/>

⁷ UK National Action Plan National event – 17 March 2008.

Fuel poverty

26. An update on investment in tackling fuel poverty across the UK is summarised in Table 2.

Table 2: Investment in tackling fuel poverty

Country	Scheme	Year	Services	Households helped	Investment
England	Warm Front	2000-2008	Heating and insulation	1.6m	£1.6bn
Northern Ireland	Warm Homes	2001-2008	Heating and insulation	60,000	£98m
Scotland	Central Heating Programme	2001-2008	Heating and insulation	97,834	£300m
	Warm Deal	1999-2008	Insulation	283,842	£81.5m
Wales	Home Energy Efficiency Scheme	2001-2008	Heating and insulation	93,000	£95m

Financial inclusion

27. In 2004 the Government agreed a shared goal with the banks to halve the number of adults living in households without access to a bank account, and to make significant progress within two years. The latest data, published in March 2007, shows that the number of adults in households without a bank account has fallen to two million in 1.3 million households – showing that 800,000 people have been brought into banking.

28. In June 2006, the Government announced the first successful bids to the £36 million Growth Fund to increase access to affordable credit for those at risk of financial exclusion. By March 2008, Growth Fund lenders had made around 74,000 loans with a total value exceeding 33 million. The Fund was increased to £42 million in spring 2007 and its objectives expanded to include the introduction of banking services at suitable Credit Unions and Community Development Financial Institutions. The Government is also working to ensure that, where appropriate, victims of loan sharks have access to affordable credit.

29. The ‘now let’s talk money’⁸ campaign, launched in January 2007, is raising awareness of free face-to-face money and debt advice and is aimed at those who do not normally have access to affordable credit and loans, credit union or basic bank accounts.

the ‘now let’s talk money’ campaign is raising awareness of free face-to-face money and debt advice...

⁸ www.nowletstalkmoney.com

Digital inclusion

30. One of the actions to come out of the Government's Digital Strategy 'Connecting the UK' was the Digital Challenge. The aim of the competition was to encourage regions, cities or similar sized areas to drive forward the use of technologies to better meet the needs of their local community and individual citizens. The winner would become an exemplar digital community.

31. Overall, 79 proposals from local authorities were received, but Sunderland won because their proposal was driven by the needs of their communities and powered by real consultation. Sunderland will now develop and implement their proposal over the next three years. Lessons from the development and implementation of the programme will be disseminated to other local authorities. The Digital Challenge 10+ is a partnership which comprises the ten local authority finalists of the Digital Challenge competition. Their collective purpose is to drive forward some of the initiatives which were proposed within their bids and their remit is to act as a unique and national exemplar in working towards social inclusion through the use of technology.

Homeshoring project – Nottingham

One of the key aspects of the Digital Challenge bid was to bring the economically inactive into work. The 'Homeshoring' project in Nottingham enables call centre staff to work from home using VoIP (Voice over Internet Protocol) and broadband. The project partnered with Cisco, UK Virtual Call Centres and a local community centre to pilot a Homeshoring scheme with Boots. The project was particularly suited to people whose lifestyles tended to be more home-based, including the over 50s, women returners, people on Incapacity Benefit and those living in rural areas of Nottinghamshire. It also aimed to solve many of the problems experienced by traditional call centres such as high turnover of employees, recruitment costs and health problems associated with high density office environments.

Tackling Social Exclusion

32. In 2006, the UK Government set up the Social Exclusion Task Force (SETF) to focus more closely on the problems of severe deprivation and those who are most at risk of social exclusion. Two key workstreams of the Task Force are delivery of the Socially Excluded Adults Public Service Agreement and the Families at Risk Review.

the Socially Excluded Adults Public Service Agreement is aimed at tackling the multiple issues facing the most excluded adults

33. The Socially Excluded Adults Public Service Agreement⁹ is aimed at tackling the multiple issues facing the most excluded adults. It aims to increase the proportion of socially excluded adults in settled accommodation and in employment, education or training. It focuses on four client groups vulnerable to experiencing social exclusion, these are: former care leavers at age 19; offenders under probation supervision; adults receiving secondary mental health services; and adults with moderate to severe learning disabilities. It is jointly led within central government by seven departments¹⁰. The Government is working with stakeholders to identify and address the key barriers to improving employment and housing outcomes for excluded groups, and to support the more effective spread of good practice. At local level, delivery will be led by local authorities and key delivery partners.

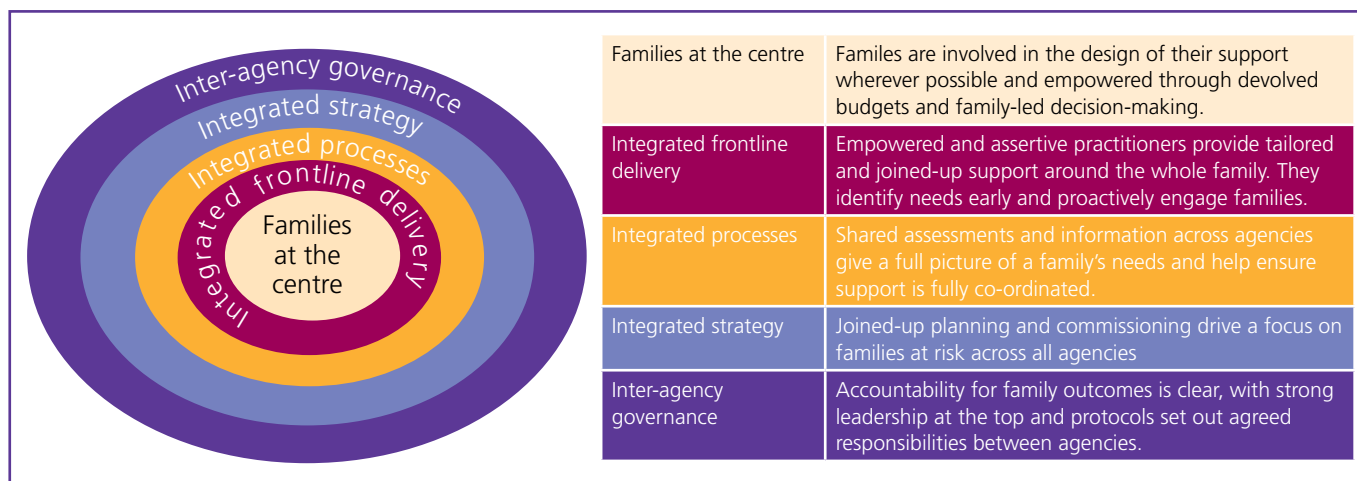
34. The Families at Risk Review¹¹ analyses ways in which families with multiple and complex problems are currently supported and examines the potential for services and systems reform to better meet the needs of the most excluded. The report *Think Family: Improving the life chances of families at risk*, published in January 2008, sets out a vision of a system to improve the life chances of families at risk. Such a system would ensure that contact with any service offers an open door to joined up support from a range of agencies; services that work with both adults and children, take into account family circumstances and responsibilities; practitioners work in partnership with families recognising and promoting resilience and helping them to build their capabilities; and support is tailored to need. The report argues that this vision for services can be achieved by building on the model of Every Child Matters¹², to develop stronger collaboration between adults' and children's services, and by putting families firmly at the centre of a system that ensures all agencies at all levels work together.

⁹ http://www.cabinetoffice.gov.uk/social_exclusion_task_force/psa.aspx

¹⁰ The Departments are: Cabinet Office, Ministry of Justice, Department of Health, Department for Children, Schools and Families, Communities and Local Government, Department for Work and Pensions and Department for Innovation, Universities and Skills.

¹¹ http://www.cabinetoffice.gov.uk/social_exclusion_task_force/families_at_risk.aspx

¹² <http://www.everychildmatters.gov.uk/publications/>



Family Pathfinders: Testing systems change to improve the life chances of families at risk

35. The SETF has also helped initiate a number of other pilot projects aimed at testing innovative ways to tackle social exclusion. The Adults facing Chronic Exclusion programme is a three year, £6 million fund¹³ designed to test new approaches to tackling chronic social exclusion among the most marginalised people in society. Twelve pilots have been funded across England. They are testing ways to improve outcomes for adults with chaotic lifestyles and multiple needs through changing local service provision. Led by voluntary and public sector organisations, they try out innovative approaches, focusing on: (i) system change by simplifying the complexities associated with several services working collaboratively; (ii) transition points by helping people negotiate difficult times in their lives such as leaving prison, leaving care and fleeing domestic violence; and (iii) system navigation by offering practical help to people to access several services at one time.

36. The SETF helped establish a number of Family Nurse Partnership (FNP) pilots that are testing a model of intensive, nurse-led home visiting for vulnerable, first time, young parents. FNP nurses visit parents from early pregnancy until the child is two years old, building a close, supportive relationship with the whole family and guiding mothers and fathers to adopt healthier lifestyles, improve their parenting skills, and become self-sufficient. The pilots have helped over 1,000 families, with 400 babies born to date. The programme focuses on improved outcomes across three areas: improving antenatal health;

¹³ The Sponsoring Government Departments are the Home Office, Communities and Local Government, Department of Health and Department for Work and Pensions. Each has pledged £1.5million over the three years for the pilots.

enhancing child development and school readiness; and linking the family to wider social networks and employment. In addition to the ten initial pilot sites, another £30 million was announced to extend the scheme to a further 20 sites in March 2008.

37. Multi-systemic therapy (MST) is a family and community-based treatment for young people with complex clinical, social and educational problems, including violence, anti-social behaviour, drug abuse and school expulsion. The primary goals of MST programmes are to: decrease the rates of anti-social behaviour and other clinical problems; improve functioning (family relations, school performance); and achieve outcomes at a cost saving by reducing out-of-home placements.

2.4 Equalities

38. The Government is committed to reducing inequality. It believes that people should be treated equally and has taken action to tackle discrimination. In 2007 it established the Government Equalities Office to strengthen further the Government's ability to deliver across the entire equalities agenda. It also established the Equality and Human Rights Commission to bring a new, inclusive approach to promoting equality and human rights and to provide more effective support for our anti-discrimination legislation. The creation of the Commission is a significant development in the history of equalities and human rights in Britain. It will bring about a shift in focus from single equality issues to a powerful integrated mandate, working to promote a society that offers real freedom, fairness and respect for all. A Green Paper *A Framework for Fairness: Proposals for a Single Equality Bill for Great Britain*¹⁴ was published in June 2007 and was consulted on extensively. The consultation will form the basis of a major overhaul of our anti-discrimination legislation. The Government also published its Priorities for Women and the first Equalities Public Service Agreement.

the gender pay gap has reduced from 17.4 per cent in 1997 to 12.6 per cent in 2007

39. The gender pay gap has reduced from 17.4 per cent in 1997 to 12.6 per cent in 2007. The Gender Equality Duty introduced in April 2007 requires public sector bodies to proactively promote gender equality of opportunity. Carers of adults and parents of young or disabled children have the right to request flexible working, and paid maternity leave was extended from 26 to 39 weeks, with the flat rate increasing to £117.18 a week from April 2008. All employed women can choose to take up to one year off work.

¹⁴ <http://www.communities.gov.uk/publications/communities/frameworkforfairnesssummary>

40. The UK Advisory Network for Disability Equality was launched in December 2006, to advise government on the issues affecting disabled people, and to help in the design of policies and services for disabled people. We have introduced legislation that placed a duty on public authorities to promote equality of opportunity for disabled people, and key public bodies are required to publish disability equality schemes setting out the actions they will take to meet the duty. Disabled people must be involved in the development of schemes. The Independent Living Strategy (ILS) was published in March 2008 (see page 39 for more detail).

41. Anti-age discrimination legislation became law in the UK from 1 October 2006. This gives rights to every working person in the UK to tackle the need for age-related employment equality in the same way as that for equality, sex, race, disability, sexual orientation and religion or belief. The Equality Bill will contain powers to outlaw unjustifiable age discrimination when providing goods, facilities and services in the future. To allow businesses and public authorities to prepare, and to make sure the law does not prevent justified age differences, there will be further consultation on the design of the legislation and a transition period before the new legal protections from age discrimination are implemented.

42. Improving Opportunity, Strengthening Society; the Government's strategy for race equality and community cohesion was a three year strategy published in January 2005. This year the third and final progress report will be published, which will outline the work done across government to tackle race inequalities. This will include a statistical annex, Race Equality in Public Services, which brings together race equality performance data for the key public service areas: the labour market, education, housing, health and the Criminal Justice System¹⁵.

the ethnic minority employment rate has increased to 60.5 per cent...

43. Much progress has been made in this area. The ethnic minority employment rate has increased to 60.5 per cent, with an increase of 2.3 percentage points since the quarter ending June 2005. And the ethnic minority employment gap has fallen, and remained, below 15 percentage points, even as the white employment rate has risen. Across most ethnic groups there was an increase between 2003 and 2006 in the proportion of pupils who gained five or more A*-C grade GCSEs or equivalent (in any subject). Between 2001 and 2008 the proportions of people from ethnic groups thinking the police, the prison service the courts, the Crown Prosecution Service, and housing departments would treat them worse than other races have decreased.

¹⁵ Last years report can be found at <http://www.communities.gov.uk/publications/communities/opportunity-progress-report>

3

Key challenges and strategy for moving forward

44. In 2006, in considering the challenges faced by the UK in meeting the challenges outlined in the *Joint Report on Social Protection and Social Inclusion* we identified four key policy areas which reflected the Government's strategy for jobs and growth. These strategies link with the common social inclusion objectives as follows:

- Objective (d) access for all to the resources, rights and services needed for participation in society, preventing and addressing exclusion, and fighting all forms of discrimination leading to exclusion (**improving access to quality services** and **tackling discrimination**); and
- Objective (e) the active inclusion of all, both by promoting participation in the labour market and by fighting poverty and exclusion (**increasing labour market participation** and **eliminating child poverty**).

45. These four policy areas continue to be the focus of our strategy to tackle poverty and social exclusion in the UK. This section explains why these policy areas remain a challenge, why they will continue to be the focus of our attention, and outlines our strategy for moving towards our goals.

3.1 Objective 1 – Increasing labour market participation

46. While we have been successful in moving towards our goal of full employment, we need to go further. There are still too many people living on benefits who would like to work if they were given the right support. We know that some people in society face greater employment challenges and we want to support them to overcome these. This means increasing the opportunities for those in key target groups: disabled people and those with learning disabilities; older people; lone parents; people from ethnic minorities; young people leaving care; people leaving prison; those living in the most deprived areas; and people with low or no qualifications. The projections for the coming years suggest that the number of older people in work will continue to increase with one million extra older workers by 2030.

47. We want to ensure that no one is written off or misses out on the benefits of economic progress and the social, financial and health benefits of being in work. Our long-term aim is an employment rate of 80 per cent with employment opportunity open to all. To help achieve this we will: reduce the number on incapacity benefits by one million by 2015; increase employment for lone parents by 300,000; and for older people by one million. We will also reduce the number of young people, particularly 16-17 year olds, who are not in work, study or training.

we know that some people in society face greater employment challenges and we want to support them to overcome these

our goal is sustainable employment and progression, not just job entry

48. Our goal is sustainable employment and progression, not just job entry. This means helping people gain the skills they need to move into work and then support to help them continue with training. This will be particularly important in areas experiencing higher levels of in-work poverty, often linked to a prevalence of seasonal working, self-employment and low skilled, low paid jobs. Ensuring that the employment and skills systems are integrated and support the needs of individuals and employers will give people the opportunity to move into, remain and progress in work. We will improve individual's skills to ensure we have a skilled workforce to meet the needs of the 21st century.

49. The Government is therefore consulting on proposals which build on the lessons of the last decade by increasing support for those who have been excluded for too long and raising their expectations¹⁶.

50. The focus of the next stage of our reforms will be to move people from being spectators on the margins – as recipients of passive benefits – to becoming participants, actively seeking and preparing for work. The strategy is based on five key principles:

- a stronger framework of rights and responsibilities to move benefit claimants from being passive recipients to being active jobseekers;
- an enhancement of the role of Jobcentre Plus through effective partnerships between public, private and third sector providers in programme delivery;
- the public, private and third sectors working together;
- targeting areas of high worklessness by devolving decision making and empowering communities; and
- jobs that pay and offer opportunities of progression.

How the strategy will be achieved

51. The modernisation of the New Deals through the introduction of the flexible New Deal is providing tailored support matched by increased obligations. Increased discretion for Advisers and Jobcentre Plus staff, public, private and third sector providers and the tailoring of employment and skills support will better meet the needs of individuals and employers.

¹⁶ DWP, 2008. *No one written off: reforming welfare to reward responsibility*. TSO.

Key challenges and strategy for moving forward

52. The introduction of the Employment and Support Allowance (ESA) will replace, for new customers, Incapacity Benefit (IB) and Income Support paid on incapacity grounds. For ESA, the Personal Capability Assessment will be replaced by the new Work Capability Assessment (WCA). This will focus on what people can do rather than what they cannot. Those with the severest disabilities would be assigned to the support group, with a higher level of benefit. The poorest and most vulnerable will be nearly £16 a week better off. Everyone else will be placed in the Work-Related Activity group so that they can receive personalised support to help them prepare for a return to work. The Pathways to Work programme has been made available to everyone receiving IB in Great Britain to support the introduction of the new benefit.



53. The Government has substantially increased the employment support available to disabled people. Those helped through employment programmes more than quadrupled over the last five years. We recognise there is more to do. This is why we rolled out Pathways to Work nationally to ensure everyone on IB has access to personalised advice and support. From April this year, Pathways has been available across Great Britain. It is a proven success. Since 2003, over 63,000 people previously on IB have been helped into work through Pathways' support.

54. The Government has announced, as part of the Welfare Reform Green Paper, plans to transfer existing IB recipients to the ESA. As part of this process, from 2010 the WCA will be applied to existing IB customers. Those who remain eligible at the assessment will be migrated to the new ESA over the period up to 2013 and, if in the Work-Related Activity Group, would be required to engage with the back to work services on offer.

55. In addition, a range of specialist disability programmes are available for those disabled people who require more help and support. These specialist employment services are delivered through Jobcentre Plus and providers from the public, private and voluntary sector. They already enable many thousands of disabled people to lead fulfilling working lives. However, to further improve the effectiveness of these services, between December 2007 and March 2008, DWP held a public consultation 'Improving Specialist Disability Employment Services'¹⁷. Our proposals were to move away from the current separate programmes, such as Workstep, Work Preparation and Access to Work, to a new more integrated programme, easier to access and tailored to individual customers' needs. The Government will publish its response to the consultation later in 2008. In the Welfare Reform Green Paper, the Government proposes a substantial increase in funding for these programmes, including doubling the funding for Access to Work.

¹⁷ <http://www.dwp.gov.uk/resourcecentre/des-consultation.asp>

56. There will be an increase in obligations for lone parents in line with other Organisation for Economic Co-operation and Development (OECD) countries. This is consistent with the Government's commitment to the principle that once children are older, lone parents who are able to work and are claiming benefits should be expected to look for paid work. Lone parents who are claiming Income Support based solely on being a lone parent will no longer be eligible for this benefit and may claim Jobseeker's Allowance (JSA) or another appropriate benefit, when their youngest child is: 12 and over from November 2008; 10 and over from October 2009; and 7 and over from October 2010. Those eligible for JSA will be expected to look for, and be available for, suitable paid work in return for personalised help and support.

57. Excellent progress has been made in ensuring that individuals have the skills they need to move into and thrive in a flexible labour market. The proportion of people with skills and qualifications is rising year by year, and our reforms for further education have secured major improvements in success rates. But we cannot afford to stand still. The UK economy, like the rest of Europe, must adapt to increasing global competition, and individuals will need to adapt too, learning new skills and being able to move between firms and sectors. This is why we have published *Work Skills*¹⁸ which sets out what we will do to further help people take control of their skills needs, and how we can work with employers to ensure they get the skilled workforce they need.

What people have told us about developing skills

The need to engage with the community cannot be overstated and capacity building, where skills and expertise are lacking, is essential. It is important that decision making is local and that there is consultation with those who will be affected by initiatives, but often a push from central government is needed. The recognition of informal skills also helps to build confidence both for deliverers and service users (you don't need a degree to teach a skill). An effective dialogue between the community and public services ensures that services are appropriate and essential.¹⁹

¹⁸ <http://publications.dius.gov.uk/workskills/>

Also published, DIUS and DWP, (2008) *Work Skills*.

¹⁹ UK National Action Plan National Event – 17 March 2008.

58. The integration of employment and skills provision will help more people get a job and progress in work. This will include skills screening for new claimants to identify basic numeracy, literacy and language needs and a full Skills Health Check where this has been identified as a major barrier to employment. To move us further forward in this, in June 2008 we published *Work Skills*. This paper sets out the next steps in creating employment and skills services to respond to people's and employer's circumstances, and includes:

- a skills system shaped by employers that puts the individual in charge of their learning with, for example, from 2010, a new government-backed Skills Account for all 18 year olds;
- extending rights and responsibilities to those with skills needs that are preventing them from finding work; and
- making the system less top heavy, by ensuring that delivery systems work more closely together to meet local needs.

59. We are putting in place an integrated system that will increase people's chances of getting into sustained employment with skills progression and through which, in 2010-2011, over 100,000 people will be helped to gain sustainable employment and to achieve a recognised qualification.

60. The Government is encouraging employers to adopt flexible working and retirement practices which give individuals more choice and opportunity to stay in work longer. Its Age Positive initiative is a highly respected, ongoing, government initiative designed to encourage employers, particularly small and medium-sized employers, to change ageist practices and culture and to provide opportunity and choice for their older workers. The Government already has a range of policies designed to increase employment for older people. New Deal 50 Plus has supported over 175,000 older people in their return to work and the Department for Work and Pensions is proposing to extend the back to work help available to the over 50s. In the May 2006 Pensions White Paper, the Department for Work and Pensions announced further proposals to assist and encourage longer working. The State Pension deferral rate has been increased to 10.4 per cent and the option of taking a lump sum instead of an increased weekly pension has been introduced.

the Government is encouraging employers to adopt flexible working and retirement practices which give individuals more choice and opportunity to stay in work longer

the City Strategy is providing an innovative test of an area-based partnership approach to tackling worklessness in our most disadvantaged communities...

61. There are groups and areas that still experience significant labour market disadvantage. The City Strategy is providing an innovative test of an area-based partnership approach to tackling worklessness in our most disadvantaged communities across Great Britain. It encourages the wider government commitment to localism through: empowering areas and providing the focus for them to reach out to the most disadvantaged pockets of worklessness, low skills and poverty; providing the catalyst to raise worklessness up the priority list with all partners; and increasing the sense of local accountability for targets, aligning funding and activity.

62. Through the introduction of Local Employment Partnerships (LEPs) we aim to help 250,000 long-term job seekers move into employment by 2010. These Partnerships are encouraging employers to provide more opportunities for people often overlooked in the labour market. They help to ensure that people are ready to meet employers' needs and have the confidence to succeed in the world of work. Equally important, LEPs help employers to appreciate and make the most of these job seekers' potential. LEPs represent joined up employment and skills in action.

Social Firms

Social Firms UK are creating employment opportunities for severely disadvantaged people within a thriving and successful market-led business. To be a social firm, an organisation should adhere to the values of enterprise, employment and empowerment, while creating paid employment for a minimum of one-quarter of the workforce, who are severely disadvantaged, and at the same time generating a market-led income of less than 50 per cent. This is a growing sector in the UK with 67 existing, and 70 emerging, social firms. In 2006, 1,652 full-time employment posts were created, 52 per cent of which are held by severely disadvantaged (mainly disabled) people. There was an average of 841 trainees benefiting from social firm activity each week. In 2007 the number of firms had increased to 151.

63. The Government is currently consulting on proposals which will further reform the system, so that the longer someone is on benefits, the more help is offered and the more activity will be required. For example, at three months and then six months, job seekers will be expected to intensify their job search activity and comply with a challenging back to work action plan and after 12 months on the benefit, JSA claimants will be transferred to a private, public or voluntary sector provider who will be paid for supporting people into sustained employment by the results they achieve. For those still on the benefit after two years, the

Green Paper sets out a proposal to explore developing and testing a 'work for your benefit' scheme with private and voluntary providers, including requiring claimants to do full-time community work in return for their benefits. There are also proposals for this requirement to apply at any stage in a claim if the claimant is not benefiting from the other support on offer.

64. Other proposals in the Green Paper include: tougher sanctions for those who fail to take steps to get back into work or refuse to take a job; a requirement that those with skills barriers undertake training to help them get into work; and a requirement for those identified as having problems with crack cocaine or opiates, to take action to address these barriers to work in return for receiving benefits.

Making work pay

the UK minimum wage is now around the OECD average and is one of the highest in the OECD in terms of purchasing power

65. The National Minimum Wage is part of an overall strategy to make work pay. Together with the Working and Child Tax Credits, in October 2008, the National Minimum Wage will guarantee that every family with one child and one person working 35 hours per week will receive a minimum income of £292 per week. The bite (National Minimum Wage as a percentage of median earnings) is now 50 per cent of the median wage. The UK minimum wage is now around the OECD average and is one of the highest in the OECD in terms of purchasing power.

66. The Government increased the adult rate of the national minimum wage on 1 October 2007 from £5.35 to £5.52, and from October 2008 it will be raised again to £5.73. The minimum wage plays a part in narrowing the gender pay gap, as women are more likely to work in lower paid and often part-time jobs than men. Therefore more women than men will benefit from raising the minimum wage.

67. We are piloting a Better Off In Work Credit to ensure that all long-term claimants see a significant rise in their incomes when they take a job. We are also introducing a number of measures for lone parents (the majority of whom are women) to make work pay, help sustainability and progression once in work. These include: the national roll out of In-Work Credit, In-Work Advisory Support and an In-Work Emergency Discretion Fund for lone parents. We will also ensure that programmes and policies meet the needs of people who are disadvantaged in the labour market by offering targeted back to work programmes.

the European Social Fund will invest over £3 billion in jobs and skills in the UK in 2007-2013

68. The review of Housing Benefit will look at the fairness of the current system with emphasis on how it promotes work incentives, helps reduce child poverty, and supports sustainable working communities. The Government is also consulting on proposals to simplify the benefits system to help people realise their potential. The Welfare Reform Green Paper sets out significant steps towards this goal. Proposals would abolish Income Support, moving current claimants onto income-based JSA, with appropriate conditions. Proposals would also result in a dual-benefit system, with ESA for sick and disabled people and an expanded JSA for those actively seeking work or with temporary barriers to work, such as caring responsibilities. This would be a significant change in its own right, as well as a major step towards the creation of a single system of working-age benefits.

Links to the European Social Fund

69. The European Social Fund will invest over £3 billion in jobs and skills in the UK in 2007-2013. It will support two main priorities: extending employment opportunities to people who are unemployed or economically inactive – especially groups at a disadvantage in the labour market such as disabled people, lone parents, older workers, people from ethnic minority groups, people with low or no qualifications, and young people not in education, employment or training; and developing a skilled and adaptable workforce, with a particular focus on employees who lack the basic skills and qualifications they need to succeed at work.

70. European Social Fund investment will add value to employment and skills strategies within the UK by supporting additional employment and training provision. By helping disadvantaged and excluded people tackle their barriers to entering jobs and making progress at work, the European Social Fund will contribute to the social inclusion agenda.

71. More information about how the European Social Fund is being used to tackle social exclusion in the UK is provided in Annex 5.

3.2 Objective 2 – Tackling child poverty

72. Since 1998 a total of 600,000 children in the UK have been lifted out of poverty. Despite the substantial progress that has been made since 1997, 2.9 million children are living in poverty.

73. The Government accepts that more needs to be done to meet its extremely challenging ambitions. Research has demonstrated that particular groups are at risk of living in poverty. These include working families and those families where no family member is employed.

Key challenges and strategy for moving forward

74. Children in households with the following characteristics have a higher than average risk of poverty²⁰:

- workless households, where the risk of poverty remains high, at 61 per cent, which is considerably above the average of 22 per cent;
- couple families where one or both adults work part-time have a 47 per cent risk of poverty;
- ethnic minority families – where more than a third live in poverty;
- disabled adult and disabled child in the family results in a 31 per cent risk of poverty;
- families with three or more children have a 33 per cent risk of poverty; and
- children who live in Inner London have a 32 per cent risk of living in poverty.

75. Children in families of working couple parents have a relatively low risk of poverty, at 14 per cent, but because so many children live in working families they account for 1.5 million of the children living in poverty²¹.

76. The Government is committed to offering a route out of poverty for all families. Work is the most sustainable route out of poverty, but in the modern economy people will experience interruptions to their income as a result of life events such as unemployment, family breakdown, the onset of disability and caring responsibilities. The Government recognises that more must be done to further improve employment rates, and support retention and progression in work, but believes that no child should suffer from their parents' capacity to earn. Its aim is to create a stable income bridge to enable them to deal with changes in circumstances.

77. The Government also recognises that it cannot achieve its objective to eradicate child poverty alone. It requires a sustained national, regional and local effort, involving devolved administrations across all agencies, service providers and professionals and including communities, businesses and families. Our strategy for moving forward can be divided into four broad themes:

²⁰ Households Below Average Income, Department for Work and Pensions.

²¹ Households Below Average Income, Department for Work and Pensions.

Working Together: UK National Action Plan on Social Inclusion

1. Increasing employment and raising incomes: helping people who can work to move into employment and progress in work.

- More parents are being supported to move into work: Children living in workless households in Great Britain have reduced by over 400,000, reversing the long-standing increase apparent in the 1990s. Particular improvements have been seen in the number of lone parents in work.
- Active labour market policies have helped many parents move from welfare into work. Since October 1998, the New Deal for Lone Parents has helped over half a million lone parents into work; of these, 60 per cent are recorded as having entered sustained employment.
- There has been a significant improvement in the quality, availability and affordability of childcare.

2. Financial and material support: providing additional resources for when work does not pay, or when families cannot work.

- The tax and benefit system has been substantially reformed to provide help for all, and extra help for those who need it most, while still maintaining incentives to work.
- As a result of reforms since 1997, including those in the 2008 Budget, couples with children in the poorest fifth of the population will be £4,700 a year better off and lone parents £3,350 a year better off by October 2008.
- Tax credits are benefiting around six million families and 10 million children, including those families receiving their child allowances through their benefits.

3. Ensuring that communities are safe, sustainable places where families can thrive.

- Over the past decade the New Deal for Communities (NDC) and the Neighbourhood Renewal Fund (NRF) have tackled the problems faced by some of our most deprived communities.

4. Improving poor children's life chances: improving opportunities and outcomes for children from low-income families.

78. The Every Child Matters reforms are driving system-wide integration across children's services and improving opportunities and outcomes for children from low-income families.

79. Improvements in early education and in school standards are closing the gaps in attainment between poor children and their peers.

80. The child poverty targets cannot be met without addressing poverty in families with disabled members. The number of poor children living in families with at least one disabled member has fallen by around 300,000 between 1998 and 2007. However, there is more to be done, as this still leaves around 900,000 children in poverty living in families with at least one disabled member. This is why our strategy includes improving employment opportunities for disabled people and better support for families with disabled children.

81. *Aiming high for disabled children: better support for families*, announced £35 million of additional resources to fund a childcare accessibility project in which ten pilots will test ways in which local authorities can meet their duty to provide childcare for disabled children, with best practice rolled out more widely. A total of £340 million has already been set aside by the Department for Children, Schools and Families (DCSF) to improve the lives of disabled children and their families²².

Children's play strategy in Wales

The Swansea Bridging the Policy Gap peer review of child play²³ emphasised the central importance of free play to child development. As one participant said "Children need to be happy now". The role of adults was summed up by another participant as Be there; stand back. However, like youth provision, child play is an undervalued, under-resourced and under-provided service and very few local authorities have a well developed strategy or policy. Many play facilities are run on charitable resources and small grants by small voluntary organisations and even very small charges may be too much for poor families. As one mother with two children said "It's 50 pence a day each; I have to choose between bread and play." Social Policy Task Force

82. Children's centres and extended schools have made a significant contribution to the availability and affordability of childcare for all families in England. They also bring together other services – making it easier for families to receive the help they need, and for parents to access the support they need to work. Centres serving the most deprived areas have access to family healthcare, advice and support for parents including drop-in sessions, outreach services, integrated early education and childcare and links through to training and employment. There are currently over 2,500 children's centres offering services to around 1.9 million children under five and their families and the Government is committed to delivering a children's centre for every community by 2010.

²² *Aiming High for Disabled Children: implementation – Every Child Matters.*

²³ Mackenzie, S. (2008). *Report of the Swansea peer review: The children's play strategy for Swansea.* Glasgow: Poverty Alliance.

83. It is fundamental that the roll out of Children's Centres in every community ensures fair and equal access in rural areas. To address this, the Government launched the Mini Sure Start programme to provide services for children living in small communities in scattered rural areas and pockets of deprivation. The programme has been designed to build on existing services to provide Sure Start type services, including improved access to health services, play facilities, learning and childcare services. Local play facilities are important where access to leisure and youth centres is difficult. The Government's commitment to rebuild 3,500 playgrounds will also benefit the most deprived and isolated communities.

84. Measures announced in the 2008 Budget, alongside measures announced in the 2007 Budget and the 2007 Pre Budget Report will make substantial further progress in increasing the incomes of low-income families. Together they will lift around 500,000 children out of poverty than would otherwise have been the case. The 2008 Budget also announced the investment of over £125 million over the next three years in child poverty pilots to draw on new ideas for tackling child poverty in the long term.



85. Published alongside the 2008 Budget, *Ending child poverty: everybody's business*²⁴ sets out the Government's vision for the next decade. It highlights the need for a renewed drive on child poverty that draws on new ideas and approaches to

²⁴ March 2008. *Ending child poverty: everybody's business*. HM Treasury.

Key challenges and strategy for moving forward

ensure sustainable progress is made, improving children's life chances for the longer term. Specifically it focuses on the need for a sustained national, regional and local effort, involving devolved administrations across all agencies, service providers and professionals and including communities and business. It highlights how families themselves will need to be active participants in the process. The Government believes that only through working in partnership can child poverty be eradicated.

86. In July 2008 the Government published the Command Paper *No one written off; reforming welfare to reward responsibility* which proposes new thinking on welfare. It will continue the work the Government is undertaking to overhaul the welfare system ensuring that everyone on out-of-work benefits is subject to an active regime that offers more support, but expects more in return.

87. The Government is embarking on the development of a strategy for the next decade, to reach the 2020 goal to eradicate child poverty. It is working with stakeholders to do this, and will host a series of seminars and debates on the route to 2020. The Government is currently consulting on proposals which will: help lone parents with younger children to begin improving their employment prospects as early as possible; introduce a full disregard for child maintenance payments; and a requirement for both parents to be registered on the birth certificate, except where this would not be in the best interests of the child.

3.3 Objective 3 – Improving access to quality services

88. Efficient and effective public services can play an important part in tackling social exclusion. Since 1997, the UK Government has substantially increased investment in public services. This has produced significant improvements in education, health and other areas, but there is still evidence of inequalities in public service provision in the UK.

89. There has been significant progress in tackling deprivation in recent years. Investment in public services – schools, hospitals and children's centres – in deprived areas has increased significantly. However, concentrations of deprivation remain, despite rapid improvement in some of the most deprived areas.

The right to control

90. We have piloted a model of individual budgets to enable people needing social care and associated services to design that support and decide the nature of the services they need. Key features are:

efficient and effective public services can play an important part in tackling social exclusion

Working Together: UK National Action Plan on Social Inclusion

- A transparent allocation of resources, giving individuals a clear cash or notional sum for them to use on their care or support package.
- A streamlined assessment process across agencies, meaning less time spent giving information.
- Bringing together a variety of streams of support and/or funding, from more than one agency.
- Giving individuals the ability to use the budget in a way that best suits their own particular requirements.
- Support from a broker or advocate, family or friends, as the individual desires.

91. Thirteen local authorities in England piloted individual budgets in order to develop an evidence base for potential national roll out. The evaluation will be important in assisting local authorities to transform their care services and to identify barriers to the successful implementation of the individual budgets concept. The funding streams involved in the pilot are Access to Work, Disabled Facilities Grant, the Independent Living Fund, Integrated Community Equipment Fund, Supporting People Fund as well as social care money.

92. The Government is currently consulting on proposals which will build on the success of the individual budget pilots, disabled people would be given the right to know the value of the support to which they are entitled, and the right to request that support. This will give them the power to shape support to their own needs, or to choose a different provider if they were not getting the help they need.

Education: The Children's Plan and social mobility

93. Education is a major driver of social mobility. It is encouraging that recent research shows the decline of social mobility in the UK in previous decades has stabilised, but is not yet moving upwards intergenerationally. Rising school attainment levels, and the further narrowing of attainment gaps at ages 16 and 19, will deliver improved chances for disadvantaged children to enter higher education and gain higher skills. This should lead to greater intergenerational mobility.

94. The Children's Plan commitments to equalise educational outcomes, set out earlier in this document, are backed by significant investment at all stages of children's education. The Government has:

rising school attainment levels will deliver improved chances for disadvantaged children...

Key challenges and strategy for moving forward

- invested more than £21 billion in child care and the early years since 1997, so that poor children get better chances in early life;
- planned to provide one-to-one tuition and personalised support to help every child starting below the appropriate age level in English and Mathematics to achieve their full potential;
- launched the National Challenge to ensure that by 2011 there is no secondary school in England where fewer than 30 per cent of 16 year olds achieve five higher grade GCSEs including English and Mathematics;
- ensured that in future all young people will stay on in education or training to 18 and beyond so they have the skills they need to prosper.

Health services and health inequalities

95. Sharpening local delivery will be crucial in delivering the national health inequalities target. This target seeks by 2010 to reduce the health gap by 10 per cent in health outcomes in infant mortality and life expectancy. For the life expectancy element of the target, this has meant working with the 70 spearhead local areas covering 28 per cent of the population with the worst health and deprivation outcomes. It has been supported by the development of new national indicators and tools. These include the all-age, all-cause mortality indicator – widely adopted by local authorities as well as the NHS as the basis for the planning and delivery of services. It also includes the national support team on health inequalities. This team visits spearhead areas promoting the systematic adoption of good practice on the scale needed to make a contribution to the target.

96. Most people who live in rural areas experience a high quality of life. On average they live longer, have better physical and mental health and enjoy healthier lifestyles. Beneath these averages, however, is a more complex picture of poverty and disadvantage. The poorest and most disadvantaged rural residents have much poorer health outcomes and experience consistently lower levels of physical and mental health. Targeting and addressing these problems is difficult given that much rural deprivation is hidden and masked by the prevailing affluence of many rural areas. To address these and other issues the Government announced a wide-ranging review of the National Health Service in 2007 to identify the way forward for a 21st century NHS which is clinically-driven, patient-centred and responsive to local communities.

Housing and homelessness

97. The Government has set itself a challenging aim of halving the number of households living in temporary accommodation to 50,500 by 2010. As at 31 March 2008, 77,510 households were in temporary accommodation. Around one-third of local authorities have met the 2010 temporary accommodation target. Local authority temporary accommodation reduction plans indicate that the 2010 target will be met.

98. Our strategy of increased investment in homelessness prevention and increased opportunities for moving out of temporary accommodation and into settled homes will be enhanced by a wider range of effective front-line preventative services, and increasing homelessness grants to local authorities and voluntary sector agencies.

99. The Government is committed to sustaining the reductions in rough sleeping in England. We invested £90 million capital funding in hostels over the three years to 2007-2008 to help more people move away from homelessness and avoid a return to the streets. A further £80 million capital funding is being made available in 2008-2011 to build on the success of improving hostels and day centres to ensure that those who come off the streets will be able to engage in training and employment. We will review what more needs to be done to drive rough sleeping down to as close to zero as possible, and to prevent those most at risk from ending up on the streets in the first place. A discussion paper *Rough sleeping 10 years on: from the streets to independent living and opportunity* published in April 2008 sets out our initial thinking on a future rough sleeping strategy, which we aim to publish in the autumn. Additionally, the Socially Excluded Adults Public Service Agreement (PSA 16) aims to increase the proportion of four at-risk client groups in settled accommodation (see page 12).

...housing has a crucial role to play in successful regeneration and tackling worklessness

100. As set out in *Transforming Places; changing lives: a framework for regeneration* housing has a crucial role to play in successful regeneration and tackling worklessness. A stable home is an important base from which to move into training or employment, but housing policies and providers can and are doing more. Recent Housing Corporation research identified over 300 enterprise and employment projects involving registered social landlords and the Chartered Institute of Housing are producing a good practice guide showing how social landlords and local housing authorities across the country can help tenants into employment.

101. The Government will publish a housing reform green paper towards the end of 2008. This will set out proposals to provide housing services and options which help and encourage people towards greater economic independence and social mobility, and to deliver greater fairness and make best use of our resources.

Tackling the housing crisis in Northern Ireland

A radical new housing agenda will tackle the growing housing crisis in Northern Ireland. Some of the new initiatives announced include plans to increase the supply of social and affordable housing over the next five years to meet the Programme for Government commitment of 10,000 new homes during this period. Other plans announced include the introduction of a developer's contribution in new housing developments to bring Northern Ireland into line with the rest of Great Britain and Ireland; a new code for sustainable housing and a new procurement strategy that will increase the energy efficiency of new social houses while driving costs down; bringing empty homes back into use through the development of an Empty Homes Strategy; an extension of the current House Sales Scheme, making the existing co-ownership scheme more attractive for first time buyers; the first ever eco-village in Northern Ireland as part of a £40m regeneration plan and the introduction of a mortgage rescue scheme to support those home owners who have been encouraged to climb onto the housing ladder.

Employment services and skills

102. The Government's commitment to integrate employment and skills was set out in *World Class Skills* in July 2007 and expanded *Work Skills* (June 2008). The commitment is to improve personalised services for those out work including better initial skills screening when people first sign on for benefits, access to improved advice and guidance through the development of the adult advancement and careers service including a comprehensive skills health check and access to appropriate Learning and Skills Council (LSC) funded training flexibly and responsively. Balancing the Government's commitment is an expectation that the individual will take action where lack of skills is a barrier to obtaining and retaining work. The aim is to help people into sustainable employment and to progress both in employment and in skills contributing to the Government's ambition of an 80 per cent employment rate. These services will be tailored to the needs of individuals and employers and will include much earlier and more thorough identification of skills needs, help with access to training and finance and support to address any other barriers.

103. Service provision will be tailored to local circumstances and will build on existing initiatives. For example, the City Strategy has created local partnerships to try out new ideas and tailor services to tackle worklessness in some of the most disadvantaged urban communities. Similarly in rural areas, where there are issues about the ability of customers to access employment and skills services, Jobcentre Plus is developing innovative outreach strategies including the installation of jobpoints in libraries, surgeries in third party premises, partnering in local authority outlets and, where practical, mobile services.

Staffordshire JobsBus

Vital job and training information is being taken out to town centres and workplaces in Staffordshire on board an innovative JobsBus. This unique service, which is a partnership initiative between Staffordshire County Council, Jobcentre Plus and nextstep Staffordshire, is helping thousands of people back into work and learning. The eye-catching blue bus is on the road five days a week to bring people friendly advice to their own doorsteps. Residents can board the bus without needing any appointment to take advantage of employment advice and use computers free of charge to check out the latest vacancies. Since it first took to the road seven years ago, the JobsBus has helped many people take that important first step in returning to learning, a job and a future. Nextstep, which is funded by the Learning and Skills Council and managed by Connexions Staffordshire, provides impartial advice and guidance on learning, training and the world of work to adults with few qualifications. Jobcentre Plus provide advice on the latest vacancies as well updates on programmes and services targeted at lone parents and people on IB who want help to get a job.

Transport

104. During 2007, the Department for Transport commissioned a review of travel training schemes in England. The majority of the current schemes are directed at people with learning difficulties to help them access education or work. The review showed that significant benefits have resulted from the schemes – for the learners, trainers, carers, statutory agencies, and the community. The Department is committed to increasing awareness of, and the number of, travel training schemes, and has developed a strategy to achieve this commitment.

since the first parking scheme for disabled people was created in 1971 there has been great success in promoting disabled people's independent mobility and social inclusion

The Blue Badge Scheme

Providing greater accessibility for disabled people is a key government aim. Since the first parking scheme for disabled people was created in 1971 there has been great success in promoting disabled people's independent mobility and social inclusion. The number of people in England benefiting from the Scheme is currently over 2.3 million. In light of increased usage and recent changes, such as growth in the elderly population, increased car use and technological developments, an independent strategic review of the Scheme was commissioned, and presented to Ministers in September 2007. The review has directly informed an extensive consultation process which will be followed with a Reform Strategy later this year. The Strategy will highlight our plans to ensure the Scheme is more inclusive in terms of eligibility, tougher on fraud, and operating with improved administration to ensure we build upon the successes we have already achieved.

105. Local transport authorities are expected to work with partner organisations, such as Primary Care Trusts, to identify and address accessibility opportunities and problems. Local authorities set at least one accessibility indicator and target, in the second Local Transport Plan, relating to their local priorities. Delivery against these targets will help demonstrate improvements in accessibility over time, and progress is regularly reported to the Department for Transport. Some local authorities are also choosing to include a target on accessibility within their Local Area Agreements.

Fuel poverty

106. The UK Government and devolved administrations have shared objectives to eradicate fuel poverty, as far as reasonably practicable, in England, Scotland and Northern Ireland by 2016, and in Wales by 2018. Additionally there is an interim objective in England and Wales to eradicate fuel poverty, as far as reasonably practicable, in all vulnerable households, by 2010. Fuel poverty is defined as where a household has to spend more than 10 per cent of its income on fuel to maintain an adequate standard of warmth. The Warm Front Scheme is the main tool for tackling fuel poverty in England and provides a package of heating and insulation measures to private sector households in receipt of certain benefits, and offers benefit entitlement checks to help maximise income. Similar schemes exist in the devolved administrations and are described further in Annex 4.

107. Also, the Energy Efficiency Commitment, known as the Carbon Emissions Reduction Target (CERT) from April 2008, requires energy companies to achieve 40 per cent of their energy savings by helping vulnerable customers increase the energy efficiency of their homes. It is expected that around £1.5bn will be directed to vulnerable groups over the three years of the programme. In addition, energy companies voluntarily offer a range of assistance, including social tariffs, provision of energy efficiency advice and assistance, and trust funds.

108. Households finding it difficult to pay their fuel bills are also set to receive significant extra help with the cost of warming their homes over the next three years. This will mean that the collective annual spend on social assistance by Great Britain's six largest energy suppliers will triple to £150 million by 2011. The total extra spend over the next three years will be £225 million. Assistance will be targeted at households on low incomes who are most vulnerable to fuel poverty including the elderly. Although the risks from fuel poverty apply to all householders, families with children and householders who are disabled or suffering from a long-term illness are especially vulnerable.

109. The one-off increase to the Winter Fuel Payment announced in the 2008 Budget will be paid to those aged 60 and over as part of a wider package to help pensioners. The Government has also amended the Pensions Bill currently going through Parliament to allow government data to be shared with energy suppliers. This will enable energy suppliers to provide targeted support to poorer pensioners.

Financial inclusion

110. In October 2007, the Government established a new fund of £130 million for 2008-2011 to improve awareness of, and confidence in, basic financial services such as bank accounts, savings and insurance. Ensuring that everyone in the UK can access the financial system and manage their finances is the objective of the *Financial Inclusion: an action plan for 2008 to 2011*²⁵ published in December 2007 which sets out in detail how this money is to be used.

²⁵ http://www.hm-treasury.gov.uk/documents/financial_services/financial_inclusion/financial_inclusion_actionplan.cfm

the Government is working with third sector partners to develop a range of effective solutions to meet rural needs, including basic banking, affordable loans and advice services

111. Through the Growth Fund the Government is increasing access to affordable credit for those at risk of financial exclusion. A further £38 million, allocated from the Financial Inclusion Fund for the period 2008 to 2011, will be used to maintain and increase coverage in existing Growth Fund areas, and extend coverage to the highest priority, under-served areas. The Government will extend its successful financial inclusion partnership with the banking sector, working together to extend the coverage and capacity of the third sector in providing affordable credit to the financially excluded.

112. Twelve million pounds has been allocated to the establishment of a Financial Inclusion Champions initiative. We will continue to use the successful 'now lets talk money' branding with dedicated champions working with local authorities, social landlords, and other key partners to promote financial inclusion locally. Champions will push to further reduce the number of people who lack access to basic financial services – no bank account, no access to affordable credit, no savings, no house contents insurance and no access to money advice. Seventy-six million pounds will fund more free face-to-face money advice to financially excluded people as part of the money advice initiative.

113. Financial exclusion in rural areas is largely unrecognised. Yet more than one in five people (some two million people) in rural areas live below the poverty line. The Government is working with third sector partners to develop a range of effective solutions to meet rural needs, including basic banking, affordable loans and advice services.

Digital inclusion

114. A review of the Digital Strategy 'Connecting the UK' in 2007 defined digital inclusion as improving connectivity, capability and confidence with digital technology. The review concluded that there was insufficient evidence to suggest that there is a macro economic case for addressing the digital inclusion of all citizens, but that there was a case for addressing the digital inclusion for those without a choice, e.g. socially excluded people.

115. The review also called for a digital champion, preferably a Cabinet Minister, who will provide leadership and act as a focal point within government. Paul Murphy, Secretary of State for Wales, was appointed as the Minister for Digital Inclusion in February 2008. The Minister is responsible for overseeing the effective coordination of digital inclusion policy interventions rather than being accountable for the delivery of other government departments' IT projects. A new Cabinet Committee has been established to support him, to coordinate policies and develop a coherent strategy to ensure that all citizens, especially the disadvantaged, benefit from the use of digital technologies. The publication of a Digital Strategy Action plan including actions to address digital inclusion and the digital divide by 2010 and beyond will be the first output from this work.

Older people

116. The population of the UK is ageing. In common with most developed nations, the UK is seeing a major increase in the number and proportion of people aged over 50. Many rural areas are already experiencing the implications of an increasingly ageing population, with some striking concentrations of older people in certain areas such as the south west of England, and in particular East Devon, which has a median age of 62.9. During 2008 there will, for the first time, be more pensioners than children in Britain. By 2050, it is expected that a person aged 65 will be able to expect to live for another 24 years. This change will have major effects on UK citizens, and will raise major opportunities and challenges for the UK Government at every level.



117. In March 2005, the Government set out its strategy for older people and the ageing society in *Opportunity Age*²⁶ – *meeting the challenges of ageing in the 21st century* including specific commitments for legislative change and innovation in service delivery. The strategy set out how all parts of government, central and local, are organising themselves more effectively to deliver a wide range of initiatives – not only to improve financial security and extend working life, but also to combat discrimination, promote active ageing, and improve services to promote the well-being and independence of older people. The Government has announced a review of this strategy to take into account achievements since March 2005, but also to outline the challenges that still lie ahead.

118. Lifetime Homes, Lifetime Neighbourhoods outlines the Government's housing strategy for an ageing society including ambitions to build homes to Lifetime Homes standards and a vision of Lifetime Neighbourhoods that are fit for all.

²⁶ Available at: www.dwp.gov.uk/opportunity_age/

how we live together is one of the big challenges of the twenty-first century

119. Since it last reported, the Government has, for the first time, implemented a specific Public Service Agreement to 'tackle poverty and promote greater independence and well-being in later life' – aimed at ensuring that the needs of the older population are given due priority. This Public Service Agreement reflects the Government's high level priorities. It sets out the specific improvements that the UK Government wants to achieve and identifies performance indicators that will be used to measure progress.

120. Chapter 3 of the National Strategy Report outlines the UK Government's strategy on pensions. Full details of our strategy to meet the needs of today's older people is contained in Annex 9 of this document.

3.4 Objective 4 – Tackling inequality

121. How we live together is one of the big challenges of the twenty-first century. The Government is committed to tackling inequality and promoting social justice and, for the first time, includes a dedicated Equality Public Service Agreement (PSA) to 'Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief'. The Equality PSA reflects the Government's determination to fight discrimination and ensure everybody in Britain can make the most of their talents. It will specifically focus on:

- Reducing the pay gap between men and women which currently stands at 12.6 per cent. This is the first time that a PSA has committed to reducing the gender pay gap.
- Understanding and taking action to reduce unfair treatment.
- Addressing under-representation in public life.
- Tackling barriers that limit disabled people's ability to live independently and have choice and control over their lives.
- Monitoring the number of trains and buses with access for disabled people.

122. The Ministers for Women's priorities are:

- Supporting families, particularly as they bring up children and care for older and disabled relatives.
- Tackling violence against women and improving the way we deal with women who commit crimes.
- Empowering black and minority ethnic women to build cohesion within their communities and as a bridge between communities.

Gender

123. In *Women's Changing Lives: Priorities for the Ministers for Women One Year On* progress report²⁷, the Minister for Women has re-affirmed her commitment to unlocking the potential of women by tackling discrimination and overcoming wider inequalities in our society. Building on measures introduced in the last decade the Government:

- will extend the right to request flexible working to parents of children up to the age of 16 – helping an additional 4.5 million parents;
- intends to extend Statutory Maternity Pay, Maternity Allowance and Statutory Adoption Pay from 39 weeks to 52 weeks;
- intends to give a new right to fathers to take up to 26 weeks Additional Paternity Leave before their child's first birthday to allow mothers to return to work earlier should they wish;
- will lead a campaign to ensure parents, carers and employers are aware of the right to request flexible working;
- will introduce an Equality Bill to strengthen protection against discrimination as well as simplify existing laws.

Tackling the gender pay gap

The Government has committed to narrowing the gender pay gap in a Public Service Agreement. This is the first time a government has made such a commitment. It means that over the next three years (2008-2011) we aim to reduce further the gender pay gap between men and women through a broad programme of work involving departments across government. By 2010 we will have: introduced measures through the Equality Bill which ensure greater transparency and encourage equal pay; and built upon the success of the Women and Work Commission by reconvening the Commission to review the implementation of their recommendations and identify where future progress can be made.

²⁷ [http://www.equalities.gov.uk/publications/7783-TSO-ChangeWomensLives\(P\).pdf](http://www.equalities.gov.uk/publications/7783-TSO-ChangeWomensLives(P).pdf)

Disability

124. In March 2008, the Government published its Independent Living Strategy. The Strategy sets out a five year plan that seeks to realise the Government's aim that all disabled people (including older disabled people) should be able to live autonomous lives, and to have the same choice, freedom, dignity and control over their lives as non-disabled people. Work to produce the Strategy was led by the Office for Disability Issues (ODI) and disabled people were involved at all stages of the development. The Strategy is jointly owned by six government departments. The Strategy sets out over 50 policy commitments which will be driven forward over the next five years. The aim of the five year Independent Living Strategy is that disabled people who need support to go about their daily lives will have greater choice and control over how support is provided and greater access to housing, transport, health, employment, education and leisure opportunities and to participation in family and community life.

125. Some of the changes we would expect to see by 2010 include:

- greater choice and control over non-acute and continuing healthcare;
- user-led organisations in all local areas;
- increased housing advice and information for all older disabled people.

126. The UK signed the UN Convention on the Rights of Disabled People in New York in March 2007. Signing the Convention demonstrates the UK's continued commitment to human rights for disabled people at home and abroad. We aim to ratify the Convention by the end of 2008. We have and will continue to work closely with disability organisations and Equality 2025, the UK Advisory Network on Disability Equality, to ensure that disabled people are aware of the Convention and its meaning to them in day-to-day terms.

Race

127. Many members of ethnic communities are thriving in Britain today, but the picture is not uniform: despite many encouraging trends certain communities still suffer poorer outcomes in education, health, employment, housing and the criminal justice system. The Government aims to create strong, cohesive communities in which every individual, whatever their racial or ethnic origin, is able to fulfil his or her full potential through the enjoyment of equal opportunities, rights and responsibilities. Tackling race equality has been integrated across a number of new PSAs. This suite of measures includes: narrowing educational gaps; reducing health inequalities; reducing worklessness; reducing hate crime; improving public confidence in the fairness and effectiveness of the criminal justice system; and understanding and addressing race disproportionality at key stages of the criminal justice system.

128. The three Criminal Justice Departments (Ministry of Justice, Home Office and Attorney General's Office) are working to improve the efficiency of the Criminal Justice System through the simplification of processes and better use of technology in order that more resources can be committed to bringing to justice the most serious violent, sexual and acquisitive crimes. Following the roll-out of the Minimum Dataset specification on the collection and analysis of ethnicity data in England and Wales, local Criminal Justice Boards will be required to collate relevant data by ethnicity on key stages of the criminal justice process and to develop action plans to address any disproportionality which cannot be objectively justified. Local Criminal Justice Boards are developing plans setting out how they will go about improving their performance in bringing serious offences to justice.

Ethnic minority employment

129. The strategy for tackling the ethnic minority employment challenge is threefold:

- A flexible approach. The vast majority of ethnic minorities entering employment each year do so through Jobcentre Plus. But mainstream services do not always work for ethnic minorities. The Flexible New Deal will establish a new approach to job seekers, whatever barriers to work they face. It will give longer-term job seekers up to 12 months of intensive support from a back to work service provider who will be paid for placing customers into sustainable jobs.

Key challenges and strategy for moving forward

- A localised and tailored service. Ethnic Minorities live disproportionately in the most deprived areas, and location can be a barrier to anyone, irrespective of ethnicity. By establishing the City Strategy and having flexible pots of funds through the Deprived Areas Fund, we have brought together various public sector bodies to identify shared priorities and align budgets across government to increase employment opportunities for the most disadvantaged groups. The Government will work with local authorities to ensure that ethnic minorities benefit from the new £1.5 billion Working Neighbourhoods Fund, which covers half of all working age ethnic minorities in the UK.
- Developing ways to strengthen our current discrimination laws and tackle employer discrimination which is estimated to account for between 25 per cent and 50 per cent of the ethnic minority employment gap. The public sector will lead by example by including equality conditions within all its public contracts.

Gypsies, Roma and Travellers

we have established a new housing and planning framework to increase site provision for Gypsies and Travellers...

130. We have established a new housing and planning framework to increase site provision for Gypsies and Travellers and have backed this up with additional resources. A statutory duty for local authorities to assess Gypsy and Traveller accommodation needs came into force on 2 January 2007. Guidance on conducting these assessments has been published, which encourages local authority consultation with the Gypsy and Traveller communities. The vast majority of local authorities have now completed these assessments and have advised their regional assemblies on the number of Gypsy and Traveller site pitches needed in their area.

131. The Government has made up to £56 million available between 2006-2008 through the Gypsy and Traveller Sites Grant, for the provision of new sites and the refurbishment of existing sites in England. This has delivered around 400 additional pitches and refurbished around 120 sites. A further £97 million will be available for the grant from 2008 to 2011. New good practice guidance on site design has been published, following extensive consultation with community groups and local authorities, to ensure that the grant delivers sites which work best.

132. The cross Government group on Gypsy, Roma and Traveller (GRT) issues encourages joint working across Government and highlights specific issues which could best be addressed by that approach. Initiatives include:

- a seminar attended by representatives of the GRT, the voluntary and community sector and key government departments to look at issues preventing the economic inclusion of GRT;
- work with Government Offices for the Regions to ensure that GRT issues are included in Local Area Agreements where necessary;
- in 2008, the Government endorsed the plan to hold a national Gypsy, Roma and Traveller History Month. The first took place in June 2008. The aim of the month is to: explain the history, culture and language of the communities and try to encourage schools to include GRT issues in the curriculum for all pupils; challenge the myths and stereotypes and break down barriers; and celebrate the richness that these communities bring to everyday life.

4

Better governance

133. In this section we highlight the extent to which common objective (f) of the National Action Plan (NAP) process provides an important means of linking action across government at all levels and with a wide range of actors across the United Kingdom (UK) who are concerned with social exclusion.

Preparing the NAP

134. The UK has a complex system of government with different approaches being taken to tackling some key aspects of the social inclusion agenda across the four nations, as outlined in Table 3. Annex 4 of this report gives a fuller account of the strategies that the devolved administrations are employing to tackle poverty and exclusion.

Scotland	Northern Ireland	Wales
Health	Health	Agriculture
Local government	Education	Economic development
Housing	Housing	Education and training
Transport (part devolved)	Public service reform	Health and health services
Education	Employment support	Highways
Economic development	Investment	Housing
Environment	Regeneration	Industry
Agriculture, forestry and fishing	Transport	Local government
	Economic development	Social services
	Agriculture	Transport
	Local government	Welsh language

135. To strengthen the NAP process and form a stronger link between action at central government level and relevant actors across the UK the Government is working with a stakeholder group. Membership of the group consists of representatives from key government departments, the devolved administrations, local government, the voluntary and community sector and people experiencing poverty. Since 2006, the group has worked together to bring forward a range of events and products to raise awareness of the NAP at grass roots level at the same time as feeding back key issues and concerns to government Ministers and officials.

136. The European Union (EU) funded Bridging the Policy Gap project was developed by key stakeholders from local and central government and the voluntary sector to look at how national policies are being implemented locally, what role is played by local conditions, and what transferable lessons can be fed back to the National Action Plan. A core dimension of the project was the

enhancement of governance by involving those directly affected by anti-poverty and social inclusion policies in the dialogue of policy development, implementation and evaluation. The project adapted the European 'peer review' model, and assessed projects in three locations: the City and County of Swansea's Play Strategy, the London Borough of Newham's approach to improving employment opportunities for disabled people and Glasgow City Council's implementation of the Working for Families Fund. A full report of the Bridging the Policy Gap project can be found in Annex 8 of this report.

Working for families in Scotland

The peer review of Scotland's Working for Families programme, as part of the Bridging the Policy Gap project showed the potential that comes from local partners working together to support people to return to work or undertake training. A number of key lessons emerged from the review, including: the importance of flexibility to tailor support to the needs of the individual; the significant role of the 'key workers' who provided long-term and intensive support; and the importance of going at the client's pace ensured that outcomes were more likely to be sustained.

137. The UK Government has been breaking new territory in its engagement with stakeholders. In August 2006, the Government hosted a Child Poverty Matters event to enable young people from deprived communities in England, Scotland, Northern Ireland and Wales to influence the Government's strategy. The young people who took part acted as ambassadors for their neighbourhoods and told the Government their views about what it is like to live and grow up in their area and what they thought should be done to improve opportunities for young people where they live, and achieve the Government's ambitious target of eradicating child poverty by 2020²⁸.

138. In July 2007 a conference titled Working Together to Reduce Poverty and Inequality was held at the University of Warwick. It was hosted by the Department for Work and Pensions and run in conjunction with the Cabinet Office's Social Exclusion Task Force and the Social Policy Task Force, a group of non-governmental organisations. The conference brought together people who have experience of poverty and social exclusion with government Ministers and policy makers to discuss how to reduce poverty and inequality in the UK.

²⁸ <http://www.thecampaigncompany.co.uk/dwp.html>

Mobilisation and involvement of all

139. The Government announced in May 2008, that over the coming months there will be an examination of the current arrangements for the engagement of older people and the ability of those arrangements to inform the policy and actions of government at all levels. Specifically, it will include an examination of Better Government for Older People.²⁹ We want to ensure that future engagement with older people at national, regional and local government levels best informs the improvement of independence and well-being in later life. The review will explore options for the improvement of engagement with older people in respect of the new government performance framework and in relation to the roles of other organisations. We want to ensure that the findings of the review:

- take full account of the expectations of older people;
- best support the independence and well-being of people in later life; and
- ensure an effective and efficient process to serve these needs.

We will consult widely on the draft findings before final recommendations are published.



140. The Ethnic Minority Employment Task Force was set up in response to a 2003 Strategy Unit Report on ethnic minorities in the labour market, and delivers the first coherent cross-government ethnic minority strategy. It is made up of Ministers from across Whitehall; and a small group of key stakeholders from organisations such as the Local Government Association, the Equalities and Human Rights Commission and the Trades Union Congress. The Task Force is supported by an Ethnic Minority Advisory Group (EMAG), composed of external stakeholders from the third sector, faith groups, academia, and business. The Task Force and EMAG have four key areas of focus: employer engagement, procurement, the 2012 Olympics, and local area initiatives. Each of these areas is monitored by the Task Force; with EMAG delivering key pieces of advice and research in each area to the Task Force.

141. The Government has recently announced an Expert Task Force on Equality to be composed of leading academics with established reputations and cutting edge research backgrounds which will bring the latest research and thinking on equality matters to inform government policy and investigate the

²⁹ Better Government for Older People (BGOP) was set up in 1998 as a unique UK-wide partnership of central and local government, the voluntary sector, the academic world and older people. BGOP aims to engage older people in the decision-making processes that affect their lives, to change attitudes and services, in order to achieve an improved society for older people across the UK.

relationship between gender, race and disability, and other key aspects of inequality, such as income and geographical location, to see how these inter-relate and reinforce one another and to set out policy implications for government to consider. The group will also investigate the relevance of equality in a modern global society and explore the economic case for equality within that setting.

142. The UK Commission for Employment and Skills which puts employers at the centre of employment and skills policy development across the UK began business in April 2008. It will develop an independent view of how successful and well-integrated our employment and skills systems are in meeting the competitive challenges faced by business and in supporting changing employment trends. Work will include recommendations on key targets, such as the 80 per cent employment rate and how they can be achieved.

Partnership in local delivery

143. The Government is looking at where it can draw on the experience of others and is working increasingly in partnership with public, private and third sector providers to deliver its welfare reform strategy.

What people have told us about service delivery

The Government needs to own the national picture, but solutions should be delivered by local experts and it is important that funding is available for this at street level, particularly in the most deprived areas. Central government departments should share intelligence and data in a more constructive way and more pressure should be brought to bear on departments which are not delivering.³⁰

Local Employment Partnerships are a new collaborative way of working

144. Local Employment Partnerships are a new collaborative way of working. They provide for a simple deal between government and employers. The Government gets long-term job seekers ready for work, and employers with vacancies agree to give them a fair shot at the jobs by agreeing measures that can include reviewing their recruitment processes to make them more inclusive, guaranteeing job interviews, providing work placements, offering work trials and mentoring.

145. The Government is currently consulting on proposals which will devolve more power to local partnerships and to new and existing providers. They would give local partnerships more influence in drawing up contracts, monitoring their performance,

³⁰ UK National Action Plan National Event – 17 March 2008.

and make the best use of their local knowledge. It is hoped that the proposals will encourage more providers from the private and voluntary sectors to help people overcome the barriers that are preventing them from returning to work.

146. Local authorities in England are working with their Local Strategic Partnerships to create a shared vision and priorities for a local area. These partnerships seek to fully engage local communities in planning for the future of their area. Local Strategic Partnerships therefore have oversight of, and coordinate, community consultation and engagement activities of partners and where appropriate combine them.

147. Working within the local performance framework Local Strategic Partnerships provide the forum for collectively reviewing and steering public resources, through identifying priorities in Sustainable Community Strategies and Local Area Agreements. An important part of this is to strengthen the relationship between local authorities, their partner authorities and the citizens they serve. This is covered in the Government's *Statutory Guidance: Creating Strong, Safe and Prosperous Communities* (applying to England only).

The City Strategy and the importance of local involvement

The City Strategy aims to tackle worklessness in our most disadvantaged communities across the UK – many of which are in major cities and other urban areas. The Strategy is based on the idea that local partners can deliver more if they combine and align their efforts behind shared priorities, and are given more freedom to try out new ideas and to tailor services in response to local need. It will aim to:

- ensure provision is more attuned to the needs of local employers so individuals gain the skills and attributes they need to access the particular jobs that employers need to fill;
- play a significant role in increasing local employment rates, ensuring those most disadvantaged in the labour market can receive the help and guidance they need.

The strategy will test how best to combine the work of government agencies, local government and the private and voluntary sectors in a concerted local partnership to provide the support jobless people need to find and progress in work and whether local stakeholders can deliver more by combining and aligning their efforts behind shared priorities, alongside more freedom to innovate, and tailor services in response to local needs. It is initially focused on 15 Pathfinder areas that are currently furthest from the Government's aim of 80 per cent employment, most of which are in major cities and other urban areas.

Policy co-ordination and mainstreaming and monitoring arrangements

148. The British-Irish Council was established in 1998 under the Good Friday (or Belfast) agreement. It consists of representatives of the governments of Ireland, the United Kingdom, Northern Ireland, Scotland, Wales, Jersey, Guernsey and the Isle of Man, and was established to promote positive, practical relationships among the people of the islands, and to provide a forum for consultation and co-operation. It takes forward work on issues of mutual interest including: the misuse of drugs, environment, knowledge economy, e-health, tourism, transport, minority and lesser-used languages, and demography, as well as social inclusion.

149. Central government departments in the UK are committed to meeting clearly defined targets, known as Public Service Agreements (PSAs). Since their introduction in the 1998 Comprehensive Spending Review (CSR) they have played a vital role in galvanising public service delivery and driving major improvements in outcomes. The 2007 Comprehensive Spending Review announced 30 new PSAs setting a vision for continuous and accelerated improvement in the Government's priority outcomes for the spending period 2008-2011.

150. Each PSA is underpinned by a single delivery agreement shared across all contributing departments and developed in consultation with delivery partners and frontline workers. Delivery agreements set out plans for delivery and the role of key delivery partners. They also describe the small basket of national outcome-focused performance indicators that will be used to measure progress towards each PSA. A subset of indicators also have specific national targets or minimum standards attached, and details are set out in the relevant delivery agreement. All other national indicators are expected to improve against baseline trends over the course of the spending period.

151. A government-wide commitment to build services around the needs of citizens and businesses will be integral to the achievement of each of the PSA outcomes set out above. The Government has also published a Service Transformation Agreement, which underpins delivery of the new PSA framework, setting out the Government's vision for building services around the citizen and specific actions for each department in taking forward this challenging agenda. See Annex 2 for more information on the PSAs.

152. Local authorities in England are under a duty to address economic development, including skills and training at the local level. To support this process the Government has put in place a number of mechanisms to help local authorities identify and deliver against their own local priorities. The local government White Paper *Strong and Prosperous Communities* set Local Area Agreements (LAAs) at the heart of local partnership business and as a key way that the performance of a local area will be assessed. This is a very different emphasis than in the past, moving the LAA from the sidelines to the mainstream agenda. The new arrangements are based on a stronger role for local authorities to lead their communities, shape their areas and with other local service providers to innovate and respond to local needs. LAAs are three-year agreements and are the only place where central government agrees targets with local authorities and their partners on outcomes delivered by local government on its own or in partnership with others. These are drawn from the national indicator set of 198 indicators. The 198 indicators were developed as part of the 2007 Comprehensive Spending Review and reflect the Government's priorities, as set out in their Public Service Agreements, including:

- maximise employment opportunity for all;
- eradicate child poverty by 2020;
- narrow the gap in educational achievement between children from low income and disadvantaged backgrounds and their peers;
- increase the proportion of certain groups of socially excluded adults in settled accommodation and employment, education and training;
- tackle poverty and promote greater independence and well-being in later life.

153. The Government believes that parish and town councils, as the tier of government that is closest to local communities, have a central role to play in improving the local quality of life and supporting social inclusion. As a result, the Quality Parish and Town Council Scheme was launched in 2003 following the Government's Rural White Paper, 2000. The Scheme provides benchmark minimum standards and equips parish councils to take on a stronger role in their communities. Through this scheme, 542 parish and town councils had achieved quality status by early 2008, demonstrating their position as the local representatives of their communities.

This report can be accessed
online at

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