Monitoring poverty and social exclusion 2000

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Contents

The scope of the report

This report provides updated statistics for 50 indicators which between them are intended to portray the key features of poverty and social exclusion today in Great Britain. Whilst income is the focus of many of the indicators, they also cover a wide range of other subjects including health, education, work, and engagement in community activities.

The report is the third in the series entitled *Monitoring poverty and social exclusion*, with the indicators updated for an extra year's data. In most cases, the latest data is from either 2000 or late 1999, the main exceptions being the data on income distribution (for which the latest official statistics are 1998/99) and crime, which relies on the two-yearly British Crime Survey (for which the latest statistics are 1998).

Each indicator is presented on a single page, and comprises two graphs: one showing how the indicator has changed over time and the other typically showing how the indicator varies between different groups within the population. Many of the second graphs are new compared with last year.

As in previous years, the indicators are grouped into six chapters, with the four central chapters dividing the population by age (children, young adults, adults and older people), with an initial chapter on income and a final chapter on communities. Within each chapter, the indicators are grouped by theme, as summarised in the table below.

	Income	Children	Young adults	Adults	Older people	Community
Income levels	✓					
Income dynamics	✓					
Economic circumstances		✓	✓		✓	
Health and well-being		✓	✓	✓		
Education		✓				
Social stability		✓				
Barriers to work			✓			
Exclusion from work				✓		
Disadvantage at work				✓		
Vulnerability					✓	
Access to services					✓	
Social cohesion						✓
Crime and its costs						✓
Housing						✓

This report does not attempt to evaluate the practical effectiveness of this government's policies to tackle poverty and social exclusion. Many of these policies have only just begun to move into implementation and most are still in their early days. The commentaries in each chapter have, however, been enhanced to include a discussion of the key issues that any future evaluation will need to address. They also provide a succinct list of the major initiatives that should impact the indicators and which are currently in their implementation phase.

Executive summary

In 1998/99, numbers on a low income remained at an historic high

According to the latest official statistics – for the year April 1998 to March 1999, released in July 2000 – the number of people living in households with below half-average income, after housing costs, was $14^{1/4}$ million in 1998/99. Although only slightly up since 1996/97, this number is a million more than in the early 1990s, and more than double the number of the early 1980s.

Looking at the very poorest, $8^{3/4}$ million people were in households with less than 40 per cent of average income. This is half a million higher than 1996/97, and four times the level of the early 1980s.

There were $4^{1/2}$ million children – a third of all children - in households with below half-average income after housing costs. This is as high as at any other time in the 1990s and represents a threefold rise over the last twenty years.

Whilst all these figures are before the national minimum wage, the working families tax credit and the minimum income guarantee for pensioners came into effect, they clearly re-emphasise the scale of the challenge facing the Government in developing its strategy to tackle poverty in at least two respects. First, the numbers are very substantial – whichever threshold is taken – and will require a transformation of society if the Government's commitment to end child poverty is to be achieved. Second, the numbers have not been falling, despite a buoyant economy and lower unemployment.

Low income is particularly prevalent for lone parents and young adults

Half of all lone parents do not have paid work and 4 in 10 were on incomes below 40 per cent of the average in 1998/99.

Official statistics suggest that around half a million young adults aged 16 to 24 are unemployed, which is more than double the unemployment rate for all ages, and that around a million are paid at a rate less than half of male median hourly earnings.[1] It appears therefore that more than a third of economically active 16- to 24-year-olds are either unemployed or on low pay. In 1999, around 150,000 young adults aged 16 to 18 were not in education, in training or in work at any one point in time.

Many of the $2^{1/2}$ million adults without children who are below 40 per cent of average income rely on income support, which is now down to around 20 per cent of average earnings, compared to 30 per cent in the early 1980s.

There have been improvements in our education indicators…

The proportion of 11-year-olds failing to achieve level 4 or above at key stage 2 in English and maths has fallen by a quarter since 1996, and these improvements have been shared across all types of school. GCSEs show a similar pattern, as do the proportion of 19-year-olds not qualified to NVQ level 2. School exclusions also fell sharply in 1998/99, by 15 per cent, with proportionally greater falls amongst children from minority ethnic groups. Serious problems do, however, still remain: 150,000 pupils each year still fail to obtain any GCSEs above grade D, 30,000 still get no grades at all, and exclusion is still over four times as common for Black Caribbean pupils as for white pupils in English schools.

…and in our housing indicators…

Levels of overcrowding have almost halved in the last decade, the numbers of low income households without central heating has reduced by a third over the last five years, and the number of mortgage holders in serious arrears continues to fall. But these overall improvements mask some growing differences between different types of tenure: overcrowding in the social rented sector is not reducing and is now three times the level of those with a mortgage; the number of households in the private rented sector without central heating is also not reducing and is now three times that of the other sectors; the number of households in temporary accommodation continues to rise sharply; and the poorest pensioners are twice as likely to live in badly insulated housing as the best off pensioners.

…but there remain significant and persistent inequalities in health…

Mortality rates amongst the under-65s continue to fall in general, but at a lesser rate in some areas: the number of local authority areas with mortality rates which are significantly above average has grown by a half since 1995, with a quarter of all of these authorities being in Scotland. Similarly, whilst the numbers of accidental deaths of children have fallen continually over the last decade, children in the manual social classes are now twice as likely to die in an accident as those in the non-manual classes.

Young men are four times as likely as young women to take their lives, and young men in the manual social classes are twice as likely to commit suicide as those in the non-manual classes. Girls in the manual social classes are five times as likely to become mothers in their teens as those in the non-manual classes. Women from the manual social classes are $1^1/2$ times as likely to be obese as women from the non-manual classes. Unskilled manual workers are $1^1/2$ times as likely to have a longstanding illness or disability as professional classes. And the poorest two-fifths of the population are $1^1/2$ times as likely to be at risk of a mental illness than the richest two-fifths.

…in access to essential services…

The six years up to 1999 saw a significant reduction, of 30 per cent, in the number of pensioner households getting any help from their local authority to live independently at home, and county councils and unitary authorities support a much smaller proportion of their pensioner populations than either urban or Welsh authorities. Whilst the proportion of pensioners without a telephone at home has improved markedly in recent years, and now stands at 4 per cent overall, 10 per cent of single pensioners who rely mainly on the state pension still have no telephone. One in 6 of the poorest households do not have any type of bank or building society account, compared with 1 in 20 households on average incomes.

…and between different sections of society

Throughout the 1990s, around two-thirds of heads of households in social housing did not have paid work at any point in time, compared with one-third in other tenures. Three-quarters are on weekly incomes of less than £200 compared with one-quarter of residents in other tenures. Finally, lone parents and households with an unemployed head are twice as likely to get burgled as the average, and much less likely to have any household insurance.

Issues for future evaluation

From the summary above, it is clear that – on the latest statistics – many of the problems of poverty and social exclusion continue unabated. But it is equally clear that the government has introduced a range of important initiatives to tackle the problems. The key question is whether these initiatives are collectively sufficient to address the depth and scale of the problems. This is a matter which can only be resolved through quantitative monitoring. The government's endorsement of this approach, through its annual Opportunity For All publications, is warmly welcomed.

Whilst we, the government and others can monitor the changes each year, a fair evaluation of the government's strategy requires that the policies have had adequate time to take effect. This is not yet the case: the most recent income statistics do not reflect any impact of the national minimum wage, the working families tax credit, and the minimum income guarantee for pensioners; and such initiatives as the Health Action Zones and the New Deal for Communities are still in their early days. It is for this reason that this year's report does not attempt to undertake such an evaluation.

In this context, the material below summarises some of the issues that will be key to a full evaluation in future years.

Monitoring of the overall changes based on authoritative and timely data

In assessing the speed of progress, it is important to look at the *net* numbers raised above any low income or other thresholds, rather than the *gross* numbers lifted above by particular government measures. This is because the net numbers reflect what is actually happening, whereas government announcements about the numbers lifted out of poverty by particular policies typically assume that all factors other than their particular policy announcements are held constant.

This has a number of implications. First, any evaluation must cover the aggregate changes in the levels of poverty and social exclusion, and not just the effects of particular government policies. It is, for example, at least arguable that the current dynamics of the British economy leave more and more people on relative low incomes and thus that the government has to 'run in order to stand still'.

Second, it requires authoritative and accurate data to be available in a timely manner. The 18-month lag in the official data on income currently makes it difficult for any commentator – or indeed the government itself – to monitor trends in income poverty in a contemporaneous manner. A key issue for future monitoring is whether this lag can be reduced. The fact that, at the time of going to publication, there is not yet official data which is considered reliable on the number of people being paid below the minimum wage is another major gap.

Third, future monitoring will need to cover the rate of progress as well as its direction. For example, reducing the number of children in households below half-average income to zero by 2020 would require an average net reduction of more than 200,000 children each year.

Fourth, future monitoring will need to take into account administrative adjustments which can affect the statistics, such as changes in eligibility or accounting methodology. This relates particularly to benefit rules where, for example, the government considers the working families tax credit to be a tax credit rather than a benefit, whereas its predecessor (family credit) was included in all the benefit statistics.

Finally, future monitoring will need to cover wider aspects of poverty and social exclusion, and not just those within the direct remit of the government. Access to, and affordability of, essential private sector services is one obvious example of this.

Monitoring of the differential impact on different groups

Our analysis shows that, whilst people who are disadvantaged have generally shared in the overall improvements in education, this does not yet appear to be the case in income, health and other areas. This reinforces the need to continue to monitor the extent to which any overall improvements also reflect an improved situation for more disadvantaged groups. At worst, inequalities in areas such as health should get no worse and, at best, they should be eliminated altogether.

One implication of this is the need for any evaluation of policy to cover the broad spread of government policies as well as those specifically focused on tackling poverty and social exclusion.

A second implication is the need to monitor changes beyond the immediate target of any initiative; for example, changes outside the various action zones as well as those within, and the numbers on pay which is above the national minimum wage but still low.

Summary of the poverty and social exclusion indicators

The table lists each indicator, together with the numbers of people affected, the variation across groups, and the trends over time

Indicator	Trend		Approximate numbers affected in latest years	Variation across groups
	Over the medium term	*Over latest year of available data*		
Poverty and low income				
1 Gap between low and median income	Steady	Steady	N/A	
2 Individuals with low income (below 50% of average income)	Worsened	Steady	14 million (after housing costs)	In two-fifths of households the head is of working age but not in paid work; in two-fifths the head is in paid work; and in one-fifth the head of the household is over 60
3 Intensity of low income (below 40% of average income)	Worsened	Worsened	8½ million (after housing costs)	Lone parents are twice as likely as couples with children to live on less than 40% of average income, and three times as likely as adults with no children
4 In receipt of means-tested benefit (working age only)	Improved	Improved	4 million	Sick and disabled people are the largest single group of working age on means-tested benefits
5 Long term recipients of benefits (all ages)	Improved	Improved	Nearly 3 million	Pensioners make up almost half of those on income support for two years or longer, followed by sick and disabled people who make up a quarter, and lone parents who make up a fifth
6 Periods of low income (at least 2 years in 3 on a low income)	Steady	Steady	A fifth of the population	
7 The location of low income	N/A	N/A		Twice the proportion are on benefits in North East as in South East of England. A higher proportion are on relative low incomes in the UK than in any other EU country except for Greece, Ireland and Portugal
Children				
8 Living in workless households	Improved	Improved	2 million	
9 Living in households with below half-average income	Worsened	Steady	4½ million (after housing costs)	Children are 40% more likely than people on average to be in a low income household. The concentration of poor children within particular primary schools is continuing to rise
10 Low birth-weight babies (%)	Steady	Worsened	N/A	30% higher rate among mothers in social classes IIIM to V than in social classes I to IIINM
11 Accidental deaths	Improved	Improved	550 per year	Double the rate among children in social classes IIIM and V compared with social classes I to IIINM
12 Low attainment at school: pupils gaining no GCSE above grade D	Improved	Improved	150,000 in England and Wales	At key stage 2 (11 years old), children in schools with at least one-third of pupils on free school meals are around 20 to 25% less likely to reach level 4 than pupils in other schools
13 Permanently excluded from school	Worsened	Improved	11,000 per year	Four times the rate among Black Caribbean children compared with white children
14 Children whose parents divorce	Improved	Steady	150,000 per year	Double the rate for unskilled husbands compared with the average

Indicator	Trend		Approximate numbers affected in latest years	Variation across groups
	Over the medium term	Over latest year of available data		
15 Births to girls conceiving under age 16	Steady	Improved	4,500 per year	Girls in social classes IV and V are seven times as likely to become mothers in their teens as girls in social classes I and II
16 In young offender institutions (age 10 to 16)	Worsened	Worsened	4,000 per year in England and Wales	
Young adults				
17 Unemployed (age 16 to 24)	Improved	Steady	540,000	The unemployment rate among 18- to 24-year-olds is double that for the whole population
18 On low rates of pay (age 16 to 24)	Steady	Steady	1.3 million	More than half of low-paid adults work in the hotel, catering and distribution trades
19 Not in education, training or work (age 16 to 18)	Steady	Improved	150,000	A quarter of those not in education, training or work live independently
20 Problem drug use (age 15 to 24)	Worsened	Worsened	16,000 treatment episodes in six months	
21 Suicide (age 15 to 24)	Steady	Steady	700 per year	Double the rate for social classes IIIM to V than for social classes I to IIINM
22 Without a basic qualification (age 19)	Improved	Steady	200,000	N/A
23 With a criminal record (age 18 to 20)	Steady	Steady	60,000 convictions per year	Black young adults are seven times as likely to be in prisons than white young adults, and ten times as likely as Asian young adults
Adults (age 25 to retirement)				
24 Individuals wanting paid work	Improved	Improved	4 million	Twice the rate among black and Bangladeshi adults compared with the rest of the population
25 Households without work for two years or more	Steady	Steady	2 million	Nearly half of all lone parents do not have paid work
26 On low rates of pay	Steady	Steady	2 million	Three times the rate for women as men
27 Insecure at work	Steady	Improved	N/A	
28 Without access to training	Steady	Steady	N/A	Three times less likely for those without qualifications than for those with qualifications
29 Premature death	Worsened	Steady	N/A	Significantly worse in Scotland, the North of England and London
30 Obesity	Worsened	Worsened	20% classified as obese	1¹/₂ times more prevalent amongst women in social classes IIIM to V than in social classes I to IIINM
31 Limiting long-standing illness or disability	Steady	Improved	3.8 million	1¹/₂ times more prevalent among unskilled and junior workers compared with professional and managerial
32 Mental health	Steady	Steady	N/A	1¹/₂ times more prevalent in the poorest two-fifths of the population compared with the richest two-fifths

Indicator	Trend		Approximate numbers affected in latest years	Variation across groups
	Over the medium term	*Over latest year of available data*		
Older people				
33 No private income	Worsened	Worsened	1.4 million	Single pensioners and pensioners aged over 75 are $1^1/_2$ times more likely to be in the poorest fifth of the population than pensioner couples aged 75 and under
34 Spending on 'essentials'	Steady	Steady	N/A	Those mainly dependent on the state pension spend 25% less on food than other pensioners
35 Excess winter deaths	Steady	Worsened	20,000-45,000 each year	The poorest pensioners are twice as likely to live in poorly insulated homes as the best off pensioners
36 Limiting long-standing illness or disability	Steady	Improved	3.8 million	For men, 35% higher rate among the unskilled compared with the average
37 Anxiety (feeling unsafe out at night)	Steady	Steady		
38 Help from social services to live at home (%)	Worsened	Worsened	N/A	County councils and unitary authorities support far fewer pensioners in living independently at home than urban or Welsh authorities
39 Without a telephone	Improved	Improved	300,000	Those without a private income are five times as likely as other pensioners not to have a phone
Communities				
40 Non-participation in civic organisations	Improved	Steady	9 million	The poorest fifth of the population is $1^1/_2$ times less likely to participate than the richest fifth
41 Polarisation of work (%)	Steady	Steady	N/A	In two-thirds of households in social housing, the head of household is not in paid work compared to one-third of heads of households in other tenures
42 Spending on travel	Steady	Steady	N/A	The poorest fifth of the population spends one-quarter of what those with average incomes spend
43 Without a bank or building society account	Steady	Steady	N/A	The poorest fifth of the population is three times as likely not to have an account as those with average incomes
44 Burglaries	Improved	Improved	1.6 million	Lone parent, unemployed and young households are twice as likely as average to be burgled
45 Without household insurance	N/A	Steady	N/A	Households without insurance are almost twice as likely to be burgled as those with insurance. More than a half of the poorest households are uninsured compared with less than a quarter of those on average incomes
46 Dissatisfaction with local area (%)	Steady	Steady	N/A	Poor households are twice as likely to be dissatisfied as the average
47 Without central heating	Improved	Improved	N/A	Twice as prevalent in the private rented sector as in other tenures
48 Overcrowding	Improved	Improved	N/A	Three times as prevalent in rented housing as in owner occupation
49 Households in temporary accommodation	Worsened	Worsened	70,000	More than half have dependent children
50 Mortgage arrears	Improved	Improved	30,000	N/A

1 Poverty and low income

Why the indicators were chosen

This chapter looks at a range of indicators of income poverty, picking up on both long-term and shorter term trends, and covering both income inequality and what is happening to the incomes of the poorest in real terms. It also provides indicators on persistent low income, and on some of the geographical patterns in the distribution of people on low incomes.

In discussing poverty, the most common approach is to use the numbers below half-average (mean) income after housing costs. This chapter generally follows this approach, but also analyses the numbers at other thresholds and in terms of 'before housing cost' income. Where European comparisons are made, these are in terms of median income (the midpoint of the income distribution), as this is the preferred EU approach.[1]

Note that these various measures can give very different answers. For example:

Measure	*Number of people in households below the threshold*
Half-average income after housing costs	14 million
60 per cent of median income after housing costs	13$^1/_2$ million
Half-average income before housing costs	11 million
Half-median income after housing costs	9 million
40 per cent of average income after housing costs	8$^1/_2$ million

Income levels

The first indicator is the **'gap between low and median income'**, comparing the incomes before housing costs of someone a tenth of the way up the income distribution with someone halfway up. The movement between these two points is a good indicator of relative poverty and social exclusion, demonstrating the extent to which the poorest are keeping up or falling behind society's norm.

The second indicator, the **'number of individuals in households with less than half-average income'**, looks at the numbers of people who are living on low incomes, using a relative threshold. Since it is also important to know the extent to which the incomes of the poorest are falling or rising in real terms, the indicator also shows the number of people below a fixed threshold that rises with inflation.

The third indicator, the **'intensity of low income'**, shows what has been happening over a longer time-frame, since 1979, in the numbers with less than 40 per cent, 50 per cent and 60 per cent of average income.

The fourth indicator, **'in receipt of means-tested benefit'**, shows the trends in the total number of working age people in Britain whose incomes depend, at least in part, on a means-tested benefit. With the introduction of tax credits to replace some of these benefits, this indicator will be adjusted to reflect this in future years.

In each case, the second graph shows how the indicator varies between different groups of the population, demonstrating which groups are at a particularly high risk of poverty.

Income dynamics

The duration of time spent on a very low income can have a considerable effect on the deprivation of a person or family. The majority of individuals who experience persistent low income are claiming either income support or jobseeker's allowance. The first indicator in this section is the **'number of recipients claiming IS or JSA for two years or more'**.

In addition to those who spend long periods on the same very low income level, there is a substantial group whose incomes fluctuate into and out of low income. The second indicator of income dynamics is the **'number of individuals who have spells on low income in at least two years in three'**. Note that many of those whose incomes fluctuate on and off low income, do not actually experience periods of above average incomes since the fluctuations occur around the lower half of the income distribution.[2]

The final indicator is the **'location of low income'**, showing how the British regions vary in the proportion of their working age populations who claim benefit. The second graph compares the proportion of the population on low income across all of the EU countries.

What the indicators show

In all cases, the statistics use the latest data available. In some cases, however, the substantial lag in which official data becomes available means that they do not yet reflect the impact of some of the government's recent policies. For example:

Subject	Timing
Latest data on the distribution of income	1998/99 (in practice, late 1998)
Introduction of national minimum wage	April 1999
Introduction of minimum income guarantee for pensioners	April 1999
Latest data on numbers receiving benefits (typical)	August 1999
Introduction of working families tax credit	October 1999

Numbers below half-average income remained at an historic high in 1998/99

The number of people living in households with less than half-average income, after housing costs, was 14$\frac{1}{4}$ million in 1998/99. This is a million more than the early 1990s, and more than double the number of the early 1980s. The equivalent figure before housing costs is 11 million, around 6 million of which have been on below half-average income for at least three years.

The numbers of the very poorest have risen even more: 8$\frac{3}{4}$ million people were in households with less than 40 per cent of average income. This is also a million more than in the early 1990s, and four times the level of the early 1980s.

This pattern of rising numbers on low income compared with the rest of the population is supported by the recently published Poverty and Social Exclusion Survey report, which estimates that one in four households lacked three or more basic necessities in 1999, compared to one in seven in 1983.[3]

Whilst all these figures are from the time before the national minimum wage and the working families tax credit came into effect, they clearly re-emphasise the scale of the challenge facing the government in developing its strategy to tackle poverty in at least two respects. First, the numbers are very substantial – whichever threshold is taken – and will require a transformation of society if the government's commitment to end child poverty is to be achieved. Second, the numbers have not been falling, despite a buoyant economy and lower unemployment.

If government policies are effective, one would expect to see a drop in the numbers on low income in future years. The 18-month lag in the data does, however, make it difficult for any commentator – or indeed the government itself – to monitor trends in income poverty in a contemporaneous manner. A key issue for future monitoring is whether this lag can be reduced.

Other statistics show that:

● Between 1995/96 and 1998/99, the numbers of people below 60 per cent of median income after housing costs rose by 0.5 million, from 12.9 to 13.4 million.[4] This is less of a rise than the numbers below half average income. One reason for this could be that the incomes of the more wealthy in society are rising faster than the incomes of the less wealthy (given that the former only changes average income and not median income).

● In terms of geographic variation, a higher proportion of low income households are located in the North of England, Wales and Scotland than other parts of the country. Twenty-one per cent of the working age population in the North East of England receives a key benefit, compared with 9 per cent of working age adults in the South East (excluding London).

● In terms of country variation, 1994 data suggests that the UK had a greater proportion of its population on low incomes relative to the rest of the population than any other country in the European Union except for Greece, Ireland and Portugal.

● Looking at a fixed threshold, the number of people below 1994/95 half-average income, after housing costs and uprated only by inflation, fell by two million in the period to 1998/99. In other words, around 11$1/2$ million people in 1998/99 were below half of the average income in 1994/95.

● 10 per cent of households had an income of £139 or less per week. The weekly income of a person one-tenth of the way up the income distribution has increased by £6 since 1994/95, whilst the weekly income of someone halfway up the income distribution has increased by £24.

Falling numbers of working age recipients of means-tested benefits
In contrast to the trends for low income, the total number of working age claimants of means-tested benefit has been falling since the mid 1990s.[5] In August 1999, there were around 4 million claimants, down by 13 per cent since 1995. The number of working age long-term recipients of means-tested benefits shows a similar pattern, and had fallen to 2$3/4$ million by early 2000.

Around one-third of working age claimants have disabilities or are long-term sick, as are 40 per cent of working age long-term claimants.

The data on benefit claimants in this report includes people who received family credit. Its replacement, the working families tax credit, aims to cover a wider range of people and, from a governmental perspective, is considered to be a tax credit rather than a benefit. Future monitoring will need to analyse the trends both including and excluding government tax credits. To gain a true understanding of the issues, it should also analyse the relationship between changes in the numbers on low income, changes in the numbers receiving means-tested benefits, and changes in eligibility criteria.

In this context, it is interesting to note that the costs of bringing everyone up to half-average income would be around £10 billion per year on the after housing cost basis (1996/97 analysis), if this money were targeted precisely on those who need it most. As discussed in last year's report, one of the practical challenges into the next term of government will be to find ways of achieving sufficient targeting while still diminishing its reliance on means testing and avoiding unduly high marginal tax and/or benefit withdrawal rates.

Some groups face particular hardship

Around one-fifth of those with incomes below half-average are in households where the head of the household is over 60. In April 1999, the government introduced a policy – the minimum income guarantee – to help many of these people.

A further two-fifths are in households where the head is in paid work, be it full time, part time or self-employment. The government has recently introduced a number of policies – the national minimum wage and the working families tax credit – focused on those who are employed and have children.

But the final two-fifths are in households where the head of household is of working age but not in paid work. In 1999, income support was 20 per cent of average earnings – an historic low in recent times – and down from 30 per cent in 1983.

Fifty per cent of lone parents do not have paid work (see indicator 25). In 1998/99, 40 per cent were on incomes below two-fifths of the average, compared with 16 per cent of couples with children, 12 per cent of adults with no children and 12 per cent of pensioners.

One issue in monitoring the future effect of the Government's policies on the extent of low income will be to look at the impact on particular groups as well as the aggregate numbers.

A second issue is what threshold(s) to use, given the continuing lack of any agreement about what would constitute a minimum acceptable income. Exclusive use of any single threshold tends to encourage a concentration of effort on those just below the threshold, to the exclusion of those who are the very poorest; there is, therefore, a continuing need to use a variety of thresholds.

Selected major initiatives under way

Indicators	Policy	Start date	Key department	Key delivery agency	Budget/target/comments
Indicators of low income	National minimum wage (NMW)	April 1999: introduced October 2000: uprated	DTI	Inland Revenue and employers	When introduced, set at £3.60 for those over 22 years, unless in an exempt category or on a registered training scheme – in which case it was only £3.20. For those aged 18 to 21, the rate was £3.00. Increased from £3.60 to £3.70 in October 2000 (adult), and from £3.00 to £3.20 (young adult) in June 2000.
	Pensioners' minimum income guarantee	April 1999: introduced April 2000: uprated	DSS/Treasury	Benefits Agency	From April 2000: for single pensioners, £78.45 a week for those aged 60 to 74, £80.85 for those aged 75 to 79, and £86.05 for those aged 80 and over. For pensioner couples, £121.95 a week for those aged 60 to 74, £125.35 for those aged 75 to 79, and £131.05 for those aged 80 and over.
	Increases in child benefit	April 1999: uprated April 2000: uprated	DSS/Treasury	Benefits Agency	Up to £14.40 per week for the first child from April 1999; up to £15 in April 2000, and £10 for all other children. £17.55 for lone parents from April 2000.
	Increases for income support recipients with children	November 1998: uprated October 1999: uprated April 2000: uprated	DSS	Benefits Agency	An additional £2.50 per week in November 1998, £4.70 in October 1999, and £1.10 in April 2000, with the eligibility criteria differing slightly in the different years. The April 2000 rise aligns it with 11 to 16 child credit.
Indicators of low income *and* **Indicators of numbers on benefit**	Working families tax credit (replacing family credit)	October 1999: introduced October 2000: uprated	Treasury	Inland Revenue and employers	When initially introduced, guaranteed a weekly gross income of £200 for a family with one full-time worker. No tax until £235 per week for families with one full-timer (55p taper, down from 70p under family credit). The level of the credit depends on number of children, how many hours worked (the minimum is 16 hours) and childcare costs. Raised to £208 in October 2000 due to the rise in the national minimum wage. Aims to benefit 1 1/2 million families (twice as many as family credit).
	Disabled person's tax credit (replacing disability working allowance)	October 1999	Treasury	Inland Revenue and employers	Changes broadly follow the working families tax credit. Guarantees a weekly income of £155 (single) and £230 (couple).

Gap between low and median income

After rising in the 1980s, levels of inequality have changed very little during the last decade

Income at the 10th percentile   **Income at the median**

Income in £ per week (Before Housing Costs data, June 2000 prices)

x-axis: 79, 80, 81, 82, 83, 84, 85, 86, 87, 88/89, 90/91, 91/92, 92/93, 93/94, 94/95, 95/96, 96/97, 97/98, 98/99

Source: Households Below Average Income Series, DSS 2000 (1979-93/94 using FES; 1994/95-1998/99 using FRS)
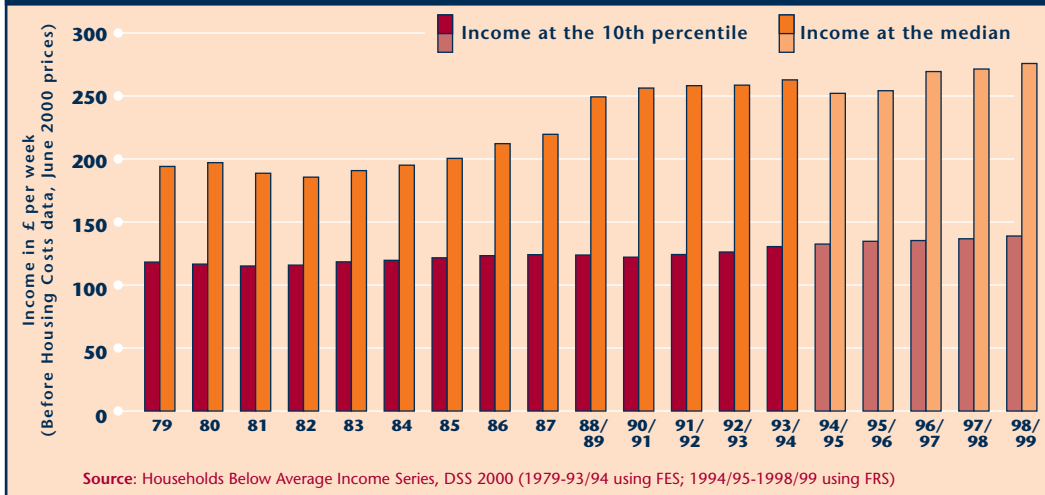
In 1999, income support was only 20 per cent of average earnings, compared with 22 per cent in the mid 1990s and nearly 30 per cent in the early 1980s

Income support (for couples) as a percentage of average earnings

x-axis: 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999

Source: New Earnings Survey, ONS 1999; and Income Support Scale Rates, DSS 1999
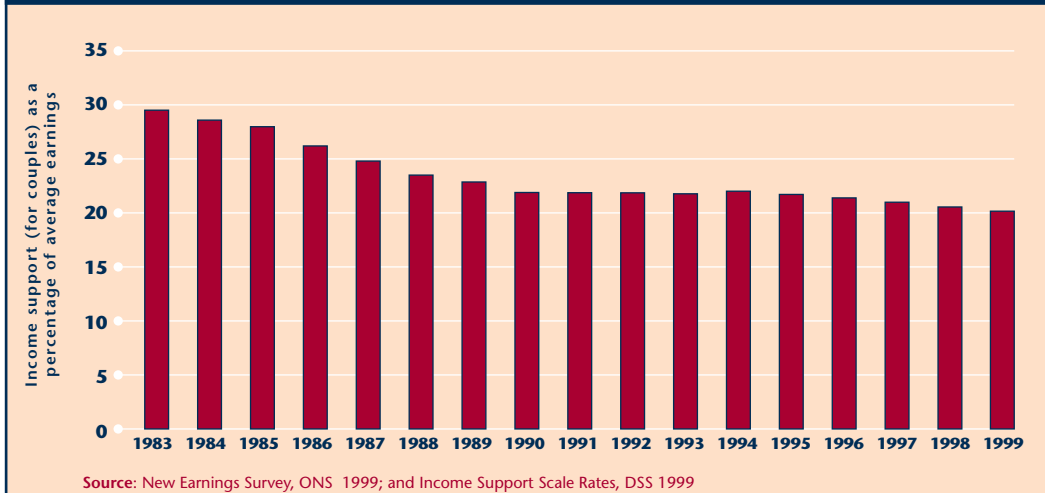
The first graph shows the income of individuals at different points on the income distribution: for a 'poorer' individual at the 10th percentile (i.e. 10 per cent of the population received an income below that value); and for an 'average' individual at the 50th percentile (i.e. the median).

Income is weekly disposable household income, adjusted for the size of the household, before housing costs, measured at June 2000 prices. The data source is the Family Expenditure Survey (FES) to 1993/94 and the Family Resources Survey (FRS) thereafter (shown on the graph in a different shade). The data relates to Great Britain.

The second graph shows the value of income support for a married couple as a percentage of the average gross weekly pay of a full-time employee on adult rates. The data is as at 1999.

Note that the New Earnings Survey (NES) data includes individual employees and not couples. Care should therefore be taken when comparing NES data with income support data.

*Overall adequacy of the indicator: **high.** The FES and FRS are both well-established annual government surveys, designed to be representative of the population as a whole. Note, however, that they only cover people living in private households and do not cover people in residential institutions (such as nursing homes), sleeping rough or in bed and breakfast accommodation.*

Individuals with low income

14 million people live in households below half-average income, measured after housing costs, with no signs of this number falling. The number before housing costs is 11 million

Legend: Below half current year average | Below half 1994/95 average

Y-axis: Millions below half-average income (after housing costs)

X-axis: 1994/95, 1995/96, 1996/97, 1997/98, 1998/99

Source: Households Below Average Income Series, 1994/95-1998/99, DSS 2000
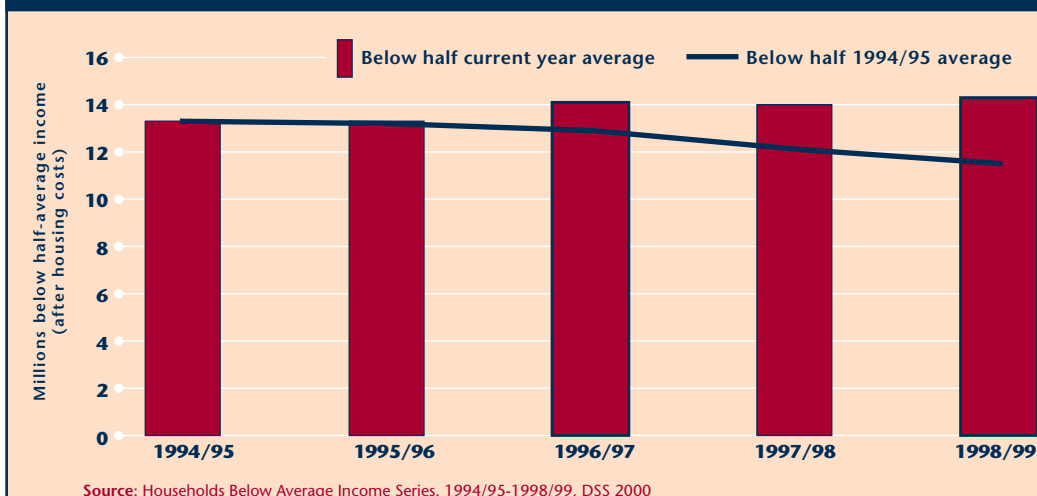
The majority of those with incomes below half-average are in households where the head of household is not in paid work

- Self-employment (9%)
- Other, not in employment (27%)
- Full time (18%)
- One or more part time (11%)
- Unemployed (12%)
- Over 60 (23%)

Source: Households Below Average Income Series, DSS, 2000
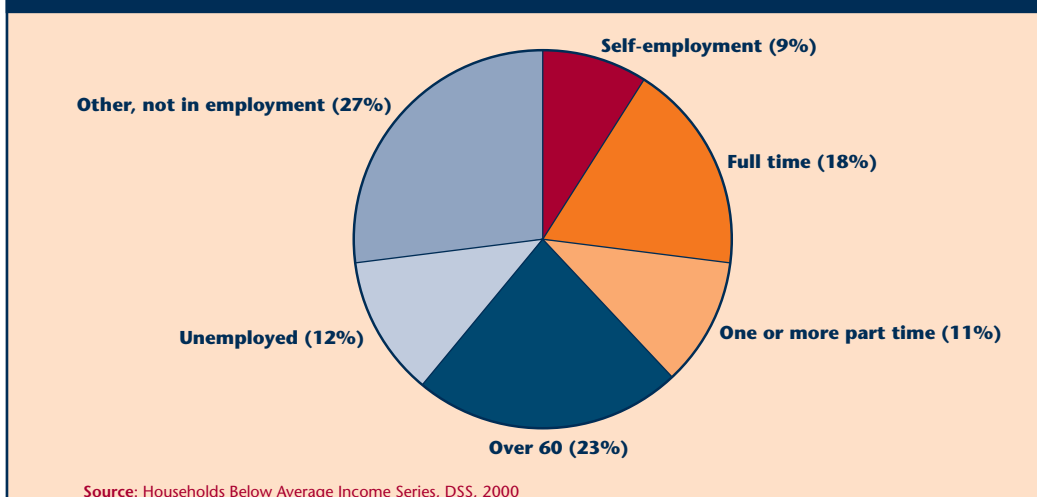
The first graph shows the number of people below half-average income for the years since 1994/95. Two measures are shown, corresponding to two different definitions of low income: 'relative' low income, i.e. half the current year average (mean) income; and 'fixed' low income, i.e. half the 1994/95 average income (adjusted for price inflation).

The second graph classifies those below 'relative' half-average income in 1998/99 according to the economic status of the head of household. 'Other not in employment' includes those without work who are long-term sick, or disabled, or lone parents.

Income is weekly disposable household income equivalised for household membership, after housing costs. The data source is the Family Resources Survey (FRS). The data relates to Great Britain.

*Overall adequacy of the indicator: **high.** The FRS is a well-established annual government survey, designed to be representative of the population as a whole.*

Intensity of low income

In the last few years, the numbers on very low incomes, defined as below 40 per cent of average income, have risen by 1$^{1}/_{2}$ million
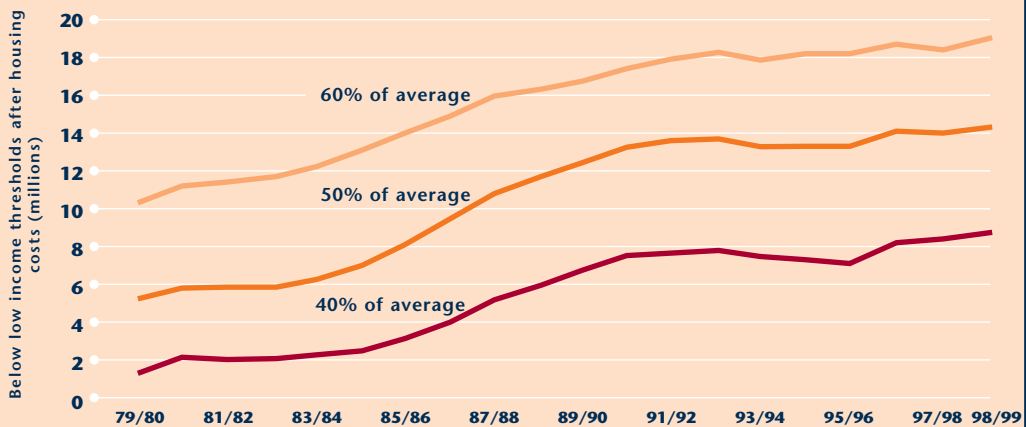
Below low income thresholds after housing costs (millions)

20
18
16 — 60% of average
14
12
10 — 50% of average
8
6
4 — 40% of average
2
0

79/80   81/82   83/84   85/86   87/88   89/90   91/92   93/94   95/96   97/98 98/99

Source: Households Below Average Income Series, DSS 2000 (1979-1993/94 using FES data; 1994/95-1998/99 using FRS data)

Lone-parent families are twice as likely to be on low incomes as couples with children, and three times as likely as adults without children

Individuals in each family type on low incomes (per cent)

80
70
60
50
40
30
20
10
0

■ 50 to 60% of average income
■ 40 to 50% of average income
■ Below 40% average income

Adults, no children   Couples with children   Pensioners   Singles with children
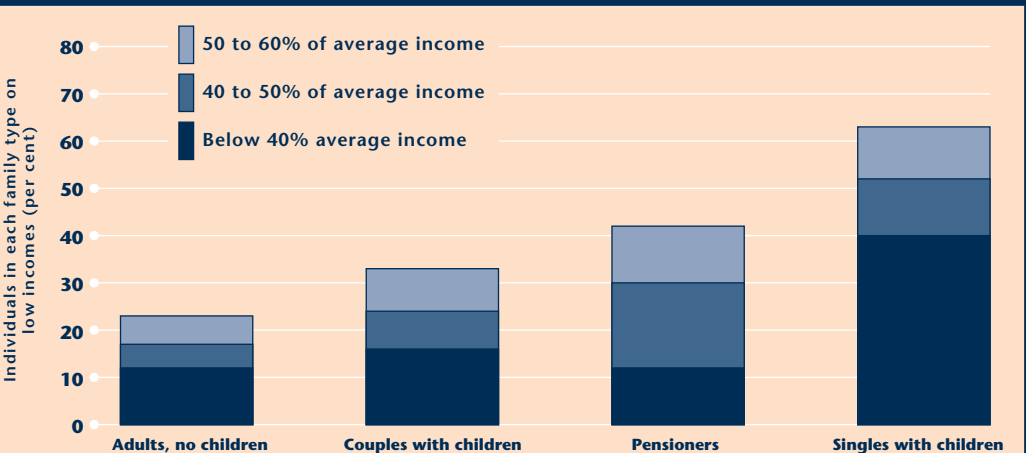
Source: After Housing Costs data from Households Below Average Income Series, 1994/95-1998/99, DSS 2000

The first graph shows the number of people below 40 per cent, 50 per cent and 60 per cent of current year average income from 1979/80 to 1998/99. Family Expenditure Survey (FES) data is used up to 1993/94 and Family Resources Survey (FRS) data is used from 1994/95 onwards.

Income is weekly disposable income, equivalised for household membership, after housing costs. The data relates to Great Britain. This 'after housing cost' measure of income is preferred here because the focus is exclusively on those on low income and their composition.

The second graph, using data for 1998/99, shows the percentages below each of the three thresholds for each family type. The types are: one or more adults without children; couples with children; lone adults with children; and pensioners. The data source is the FRS.

Overall adequacy of the indicator: **high.** *The FRS and FES are both well-established annual government surveys, designed to be representative of the population as a whole. A qualification is that the numbers below 40 per cent are subject to greater uncertainty, particularly when looking at different family types separately: there is some tendency for the data to under-represent young single people on low incomes and to over-represent families with children on low incomes.*

In receipt of means-tested benefit

Although falling, there are still more than four million working-age claimants of means-tested benefits*
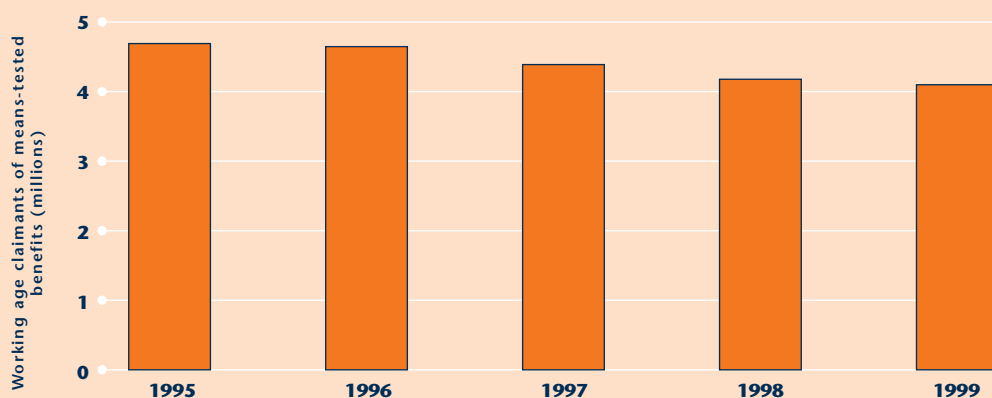
Source: Client Group Analyses, Quarterly Bulletin on Population of Working Age, DSS, August 1999
*excludes council tax and housing benefit; latest year data is before working families tax credit came into force

Sick and disabled people are the largest group of working age who are on means-tested benefits. A fifth are working families
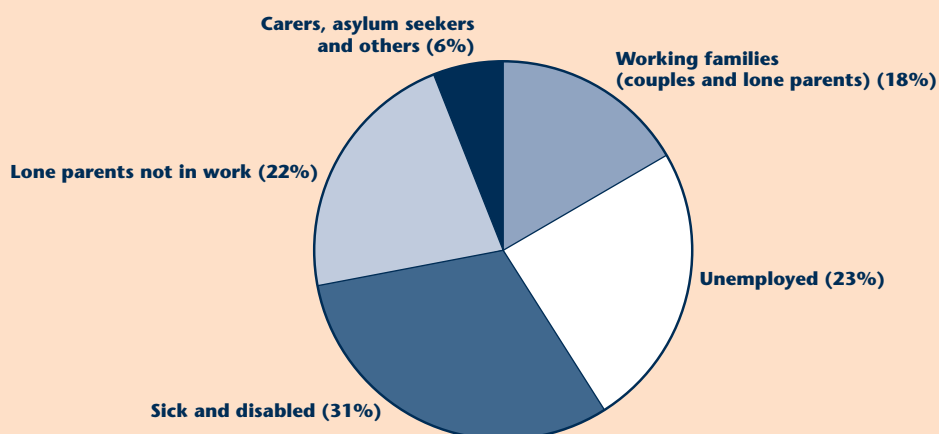
Carers, asylum seekers and others (6%)
Working families (couples and lone parents) (18%)
Lone parents not in work (22%)
Unemployed (23%)
Sick and disabled (31%)

Source: DSS Client Group Analyses, Quarterly Bulletin on Population of Working Age, August 1999

The first graph shows the total number of working age people in August of each year on a means tested benefit – either income support, jobseeker's allowance, family credit, disability working allowance, disability living allowance, and incapacity benefit and severe disablement allowance. Council tax benefit and housing benefit are not included. The working families tax credit is also not included, as the published data pre-dates its introduction by two months.

The second graph shows the relative size of different groups of working age on means-tested benefits.

The data is based on information collected by the DSS for the administration of benefits. By matching data from individual samples, an estimate can be made of the number of people claiming at least one of the key benefits that are available to the working age population. Analysis of such factors as family type and numbers of children are based only on those for whom some additional allowance of benefit is payable. The data does not include those whose income makes them eligible, but nevertheless do not claim benefit to which they are entitled.

*Overall adequacy of the indicator: **high.** The data is thought to be very reliable and this provides an accurate count of those on benefit.*

Long-term recipients of benefit

The number of long-term claimants of means-tested benefit continues to fall, but is still nearly 3 million
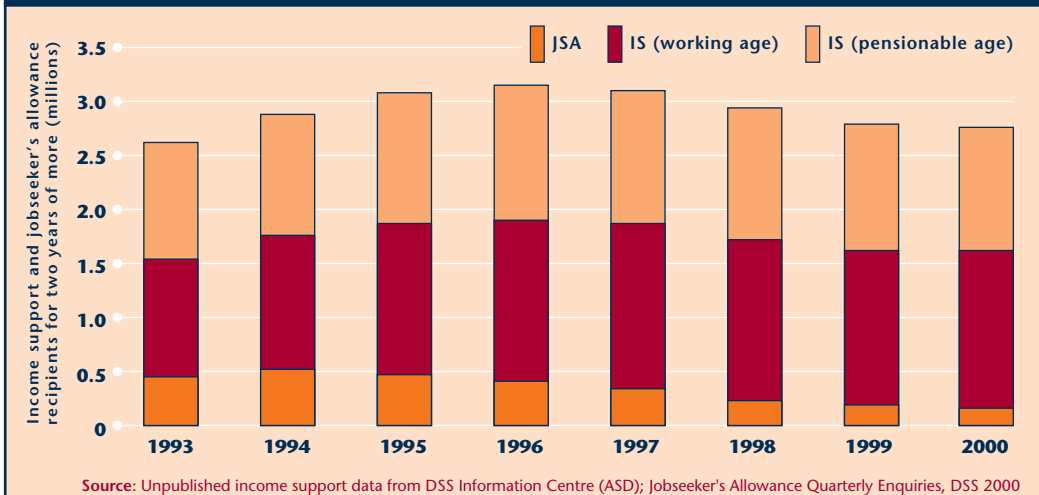
Source: Unpublished income support data from DSS Information Centre (ASD); Jobseeker's Allowance Quarterly Enquiries, DSS 2000

Pensioners make up almost half of those on income support for two years or longer, followed by sick and disabled people who make up a quarter, and lone parents who make up a fifth

Source: Unpublished Income Support data from DSS Information Centre (ASD); Jobseeker's Allowance Quarterly Enquiries, DSS 2000
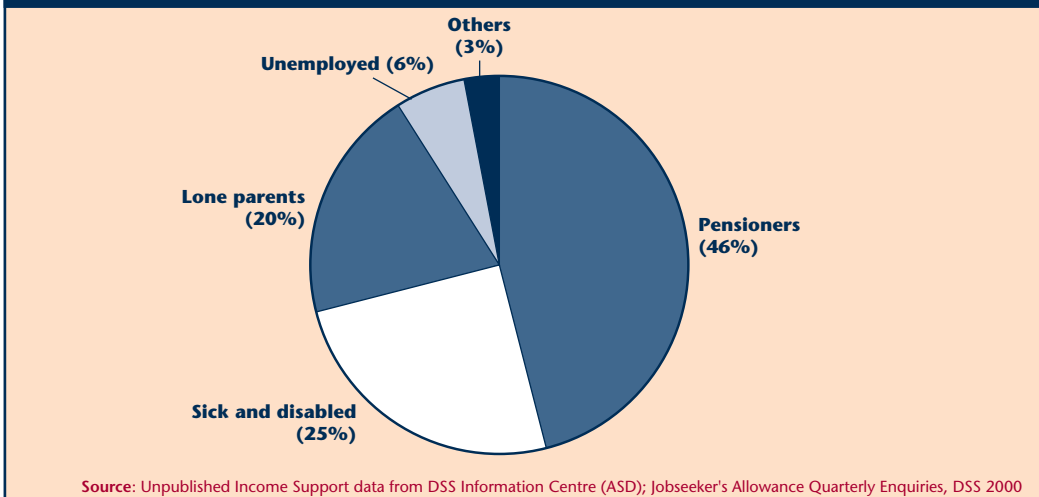
The first graph shows the number of people receiving either income support (IS) or jobseeker's allowance (JSA) in May of each year who had been receiving the benefit for over two years.

The second graph shows what groups people fall into amongst those who have been on benefit for two years or longer.

*Overall adequacy of the indicator: **high.** The data is thought to be very reliable. It is based on information collected by the DSS for the administration of benefits. By matching data from individual samples, a 'best estimate' can be made of the number of people claiming at least one of the key benefits that are available to the working age population in each region.*

Periods of low income

Nearly a fifth of the population – around 10 million people – continues to experience low income at least two years in three

Households on a low income during a three-year period (per cent)

Legend: All 3 years | 2 consecutive years | 2 non-consecutive years

X-axis: 1991-93 | 1992-94 | 1993-95 | 1994-96 | 1995-97 | 1996-98

Source: British Household Panel Survey, Waves 1-8, analysis by John Rigg and Stephen Jenkins, Institute for Social and Economic Research, University of Essex
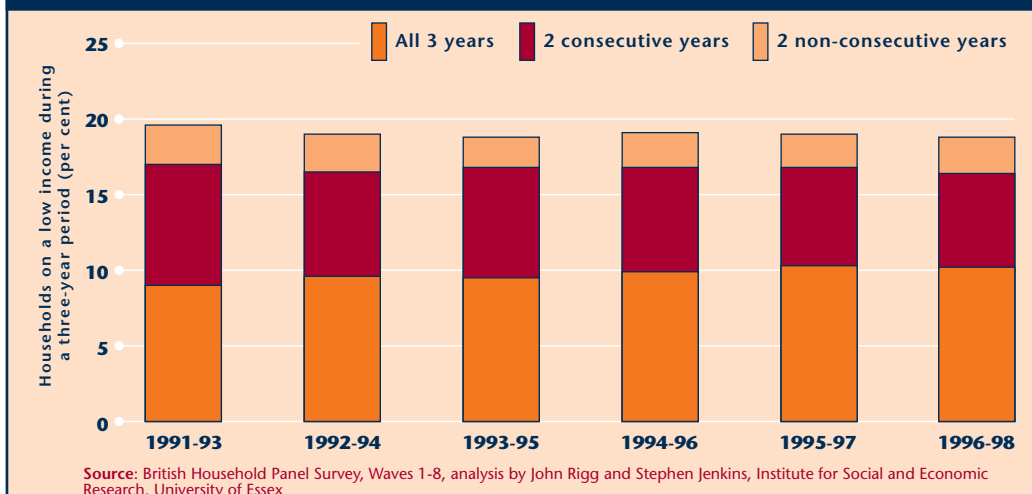
A quarter of households who spend at least some time on low income are persistently on low income

(Number of moves on and off low income over the period 1995-98, amongst those with at least one year of low income)

Three transitions (6%)
Continual low income (no changes) (23%)
Two transitions (28%)
One transition (43%)

Source: British Household Panel Survey, analysis by John Rigg and Stephen Jenkins, Institute for Social and Economic Research, University of Essex
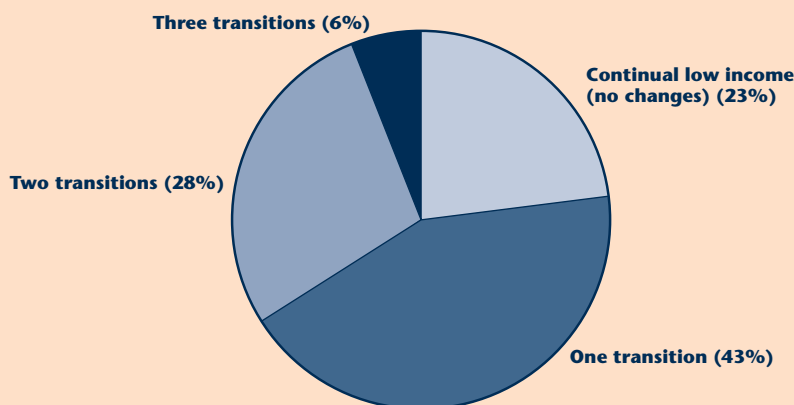
The first graph shows the number of people on low income in at least two years out of three between 1991-93 and 1996-98 (the latest years for which the analysis is available). The bars are split to show those on low income in all three years, those in two consecutive years only, and those in the first and the third year only.

The second graph takes four-year periods and classifies individuals who have some experience of low income in that period according to the number of times that they switch into or out of low income.

Income is net disposable income before housing costs, deflated and equivalised for the size of the household. Individuals have low income in a given year if they are among the poorest fifth of people in that year. This group is similar to, but not the same as or directly comparable with, the people who have an income below half of the average.

Data shown for this indicator last year was unequivalised and undeflated, and is therefore not comparable.

*Overall adequacy of the indicator: **medium.** The British Household Panel Survey is a much smaller survey than the Family Resources Survey and suffers from a loss of members over time. Care is required in interpreting the percentages since all that is recorded is the income of the individual at a point in each year, rather than continuously.*

The location of low income

The proportion of the working age population in receipt of a key government benefit is twice as high in the North East as in the South East

Proportion of the working population on a key benefit (per cent)

South East, East, South West, East Midlands, West Midlands, Yorkshire and Humberside, London, Scotland, North West, Wales, North East

Source: DSS Client Group Analyses, Quarterly Bulletin on Population of Working Age, November 1999

The UK has a greater proportion of its population on low income (relatively defined) than most other EU countries

Proportion of the population with an income less than 60% of the national median (per cent)

EU 15 average (%)

Finland, Netherlands, Denmark, Luxembourg, France, Austria, Belgium, Germany, Spain, Italy, UK, Greece, Ireland, Portugal
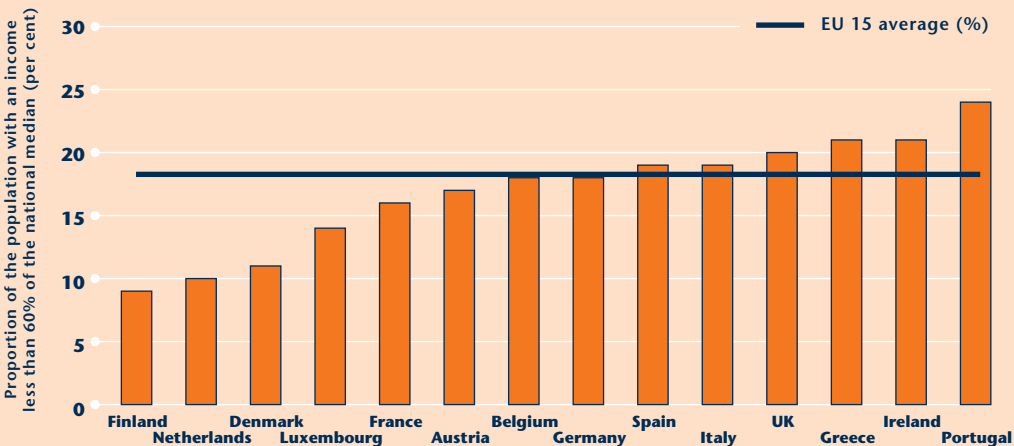
Source: Eurostat - European Community Household Panel (1994 data). Published in *The social situation in the EU 2000* (equivalent to BHC)

The first graph shows the proportion of the working age population in each region claiming a key benefit, which consists of: income support, jobseeker's allawance, family credit, disability working allowance, disability living allowance and incapacity benefit, and severe disablement allowance.

The second graph shows the proportion of people in European Union (EU) countries with an equivalised income that was less than 60 per cent of the median for their country in 1994.

60 per cent of median income is the preferred EU measure of levels of poverty. This measure is broadly similar to the percentage of the population below contemporary 60 per cent median income (18 per cent) before housing costs, as published by the Households Below Average Income Series, DSS. The average is for the 15 EU countries – the 14 shown plus Sweden, for which data was not available.

*Overall adequacy of the indicator: **medium**. Data for the first graph is thought to be very reliable and is based on a sample of DSS administrative data. Data for the second graph is from the European Community Household Panel, which is a smaller survey compared with the Family Resources Survey (which is used to measure poverty in Great Britain) and suffers from a loss of members over time.*

2 Children

Why the indicators were chosen

Economic circumstances

The particular concern with children's economic circumstances arises partly from the high numbers of children in poor households and partly because of the effect of childhood poverty on the likelihood of disadvantage later in life.

Over the last two decades, a split has opened up between 'work rich' and 'work poor' households, with a large number of children living in households where none of the adults have paid work. The first indicator is the **'number of children living in workless households'**.

In Britain, a greater proportion of children live in poverty than adults. The second indicator for children's economic circumstances is the **'number of children living in households with less than half-average income'**.

Health and well-being

Our first indicator of health inequalities is the **'percentage of low birth-weight babies by social class'**, chosen because it is closely correlated with poor health in the first weeks of life, with death before the age of 2 years and with ill health in later years.[1]

Accidents are the commonest cause of hospital admission for children aged 5 to 15 years.[2] They are also the biggest single cause of childhood deaths, causing nearly half of all deaths before the age of 20.[3] The second indicator is the **'number of accidental deaths amongst children aged 0 to 15 years old'**.

Education

Those without qualifications are at a high risk of being unemployed or on low wages as adults.[4] More generally, success in acquiring formal qualifications bolsters self-esteem, and enhances a healthy development of self-identity. The first educational indicator is the **'numbers failing to obtain a qualification above a Grade D at GCSE'**.

Permanent school exclusions have been the focus of public attention in the last few years, with the Government setting new targets to keep levels under control.[5] A high proportion of children excluded from school, particularly those at secondary level, do not return to mainstream education. The second education indicator is the **'number of children permanently excluded from school'**.[6]

Social stability

Successful child development depends in part on stable emotional and physical environments. The first indicator of social stability reflects one aspect of family stability, the **'number of children whose parents divorce'**. Family breakdown is associated with the development of mental health problems in children and young people,[7] and with lower educational attainment and employment prospects.[8]

One economically vulnerable group is girls who give birth as teenagers.[9] The second indicator of social stability is the **'number of births to girls conceiving under age 16'**.

The final indicator is the **'number of children in custodial care'**. High re-conviction rates of those aged under 17 discharged from custody[10] illustrate the heightened risks of young offenders developing criminal careers which may exclude them from mainstream society on a long-term basis.

What the indicators show
No improvements in child poverty thus far
Children continue to be more likely than adults to live in low income households and, as of the latest official statistics (1998/99 for the income statistics and Spring 2000 for the work statistics), there is little sign of any improvement in the numbers of poor children.

In 1998/99, there were $4^1/_2$ million **children in households with below half average income**. This is as high as at any other time in the 1990s and represents a threefold rise over the last twenty years. It means that a third of all children were in households with below half-average income, compared to a quarter of the population as a whole. The disproportionate concentration of children in low income households is also demonstrated by the fact that, in 1998/99, more children were in households in the poorest fifth of income distribution than in the top two-fifths put together.

In Spring 2000, around two million children were in **workless households**. This represents a 20 per cent reduction since numbers peaked in 1994. This rate of reduction does, however, compare unfavourably with the 36 per cent reduction in unemployment over the same period. This apparently differing impact of an improving economy on those with and without children is also illustrated by changes in the numbers claiming key social security benefits: whereas the numbers of households without children claiming such benefits reduced by a third between 1995 and 2000, the number of households with children claiming such benefits remained largely unchanged over the same period.

Over the last year and a half, a range of government initiatives aimed at tackling child poverty have come into effect. These include the working families tax credit (which replaces family credit), rises in child benefit, increased child payments for parents on income support, and different elements of its childcare strategy. The government has also announced a long-term target of eliminating child poverty by 2020.

In the context of the government's long-term target, future monitoring will need to focus on the speed with which these initiatives collectively impact on the number of children in households with below half-average income. An average net reduction in the number of children in households with below half-average income of more than 200,000 each year will be required to reduce the numbers to zero by 2020.

In assessing the speed of progress, it will be important to look at the *net* numbers raised above the half-average income threshold, rather than the *gross* numbers lifted above by particular government measures. This is because the net numbers reflect what is actually happening, whereas government announcements about the numbers lifted out of poverty by particular policies typically assume that all factors other than their particular policy announcements are held constant.

Improving educational outcomes
There has been a 26 per cent reduction in the proportion of 11-year-olds failing to achieve level 4 or above at key stage 2 in English and maths since 1996. Results in schools with a relatively high number of children on free school meals have also improved by more than 30 per cent over the same period. The picture at GCSE level shows similar improvements: a 23 per cent reduction in the proportion of those **finishing school with no GCSE grades or nothing above grade D since 1991/92**.

The number of **school exclusions** also fell sharply in 1998/99, by 15 per cent, with proportionally greater falls amongst children from minority ethnic groups.

These improvements in educational achievement and school exclusions should not, however, be taken to imply that all problems are being fully resolved. Each year, 150,000 pupils still fail to obtain any GCSEs above grade D, and 30,000 still get no grades at all. Exclusion is still over four times as common for Black Caribbean pupils as for white pupils in English schools. Furthermore, the concentration of poor children within particular primary schools appears to be increasing. To tackle these inequalities, the government has established 25 new Education Action Zones, based in areas of deprivation and low educational achievement. One issue for future monitoring will be the extent to which academic results continue to improve in deprived schools as well as overall, and in the areas not covered by the Education Action Zones as well as those which are. Another issue will be whether these improvements in academic results at school really do translate into improved labour market outcomes such as better paid jobs and fewer spells of unemployment.

Persistent health and social inequalities
The various indicators present a mixed picture in terms of trends over time, but in all cases the differences between social classes remain striking.

Whilst the numbers of **accidental deaths** have fallen continually over the last decade, children in social classes IIIM and V are now twice as likely to die in an accident as those in social classes I to IIINM.

There are significant differences in the incidence of **low birth-weight babies** across social classes, and these have not reduced in recent years.

Whilst the number of **births to girls conceiving before age 16** now appears to be falling, having reached a peak in 1996, girls in social classes IIIM to V are around five times as likely to become mothers in their teens as those in social class I to IIINM. Rates of teenage conception in Britain are currently six times as high as in Holland, and three times as high as in France.[11]

The government has initiated a variety of policies and targets to address some of these issues. For example, the Sure Start programme for children up to 4 years of age living in areas of deprivation aims to reduce the incidence of low birth-weight babies by 5 per cent by 2001/02; there is a target to reduce accidental deaths by at least one-fifth by 2010; and there is a target of halving the rates of conception amongst under-18s by 2010 and establishing a 'firm downward trend' in the rates for under-16s.

As with the government's education policies, an issue for future monitoring is whether the inequalities between social classes also diminish, as well as the overall totals.

Finally, the numbers of children aged 10 to 16 **in young offender institutions** or secure units have been on an upward trend since the mid 1990s. Around 4,000 10- to 16-year-olds spent time in custody in 1999. This is despite the fact that the number of children aged 10 to 17 found guilty or cautioned of an indictable offence has fallen over the same period. There are no government policies or targets specifically aimed at reducing the number of children in custody.

Selected major initiatives under way

Indicators	Policy	Start date	Key department	Key delivery agency	Budget/target/comments
8 Children in workless households and **9 Children in low income households**	Working families tax credit (WFTC)	October 1999: introduced October 2000: uprated	Treasury and DSS	Inland Revenue and employers later	When initially introduced, guaranteed a weekly income of £200 for a family with one full time worker. No tax until £235 per week for families with one full-timer (55p taper, down from 70p under family credit). The level of the credit depends on number of children, how many hours worked (the minimum is 16 hours) and childcare costs. Raised to £208 in October 2000 due to the rise in the national minimum wage. Aims to benefit 1 1/2 million families (twice as many as family credit).
	Childcare allowance (part of WFTC)	October 1999	Treasury and DSS	Inland Revenue and employers	Pays up to 70 per cent of childcare costs for working parents, up to a limit of £100 for one child and £150 for two or more children. This is part of a wider package of measures to make childcare more affordable, accessible and of higher quality.
9 Children in low income households	Increases for income support recipients with children	November 1998: uprated October 1999: uprated April 2000: uprated	DSS	Benefits Agency	An additional £2.50 per week for each child under 11 years in November 1998, £4.70 in October 1999, and £1.10 in April 2000, with the eligibility criteria differing slightly in the different years. The April 2000 rise aligns it with 11 to 16 child credit.
	Increases in child benefit	April 1999: uprated April 2000: uprated	Treasury and DSS	Benefits Agency	Up to £14.40 per week for the first child from April 1999; up to £15 in April 2000, and £10 for all other children. £17.55 for lone parents from April 2000.
10 Low birth-weight babies and **11 Accidental deaths**	Sure Start for children aged 0 to 4 and their families in selected areas	June 1999 By end 2002: 250 Sure Start schemes in the UK	DH, DfEE, Treasury, DETR	Local authorities, voluntary sector, NHS, government and regional offices	£450m for 1999/2000 to 2001/02, and a further £580m for the period to 2004. A variety of targets by 2002. (1) A 10 per cent reduction in children being re-registered on child protection registers. (2) A 5 per cent reduction in low birth-weight babies. (3) A 10 per cent reduction in certain categories of children admitted to hospital accident and emergency departments during their first year of life. (4) At least 90 per cent of children to have normal speech and language development at 18 months and at 3 years.
12 Low attainment at schools	Education Action Zones	Successive rounds from September 1998	DfEE	School-led local partnerships	73 zones by early 2000. Approximately £1m per zone per year.
	National literacy and numeracy strategies and summer schools	September 1998: literacy hour September 1999: numeracy period	DfEE	Schools	£120m in 1999/2000 and £190m in 2000/01. By 2002: 80 per cent of 11-year-olds to be at level 4 at key stage 2 in English, and 75 per cent in maths. 2,300 summer schools operative in 2000, of which 1,800 to be devoted to literacy and numeracy.
13 School exclusion	Tackling truancy and exclusion in schools	April 1998: new powers to police September 1999: LEAs set new targets for schools	DfEE and Home Office	Schools, LEAs and police	£500m over 1999/2002. By 2002, to reduce the number of exclusions by a third from their 1997/98 level. Also, to reduce time lost through truancy by a third.
15 Teenage pregnancy	Measures to tackle teenage pregnancy	1999	DH	Schools, clinics, social services, etc.	£760m for 1999-2002. By 2010: to halve the conception rates amongst under 18s in England.

Living in workless households

The number of children in workless households has been falling since 1994, but slowly, and is still around 2 million
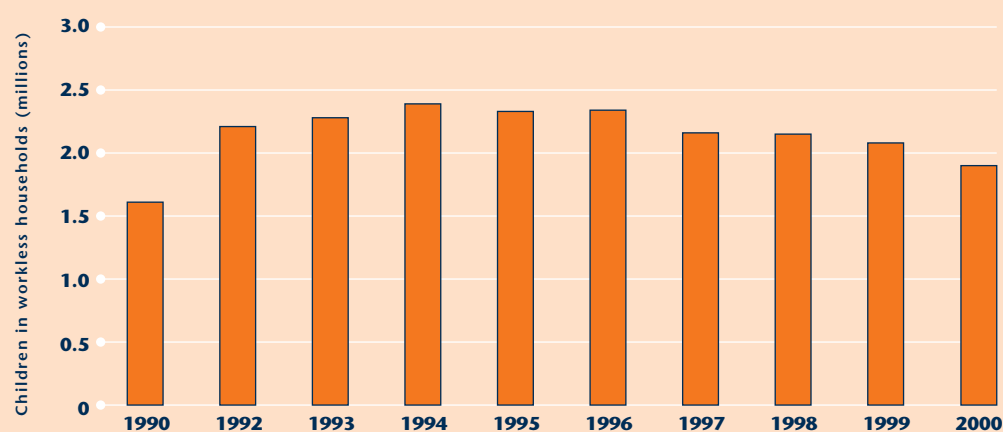
Source: Labour Force Survey, Spring Quarter, ONS 2000

Whilst there has been a sharp fall in the number of benefit claimants of working age without children, the number of claimants with children has remained largely unchanged
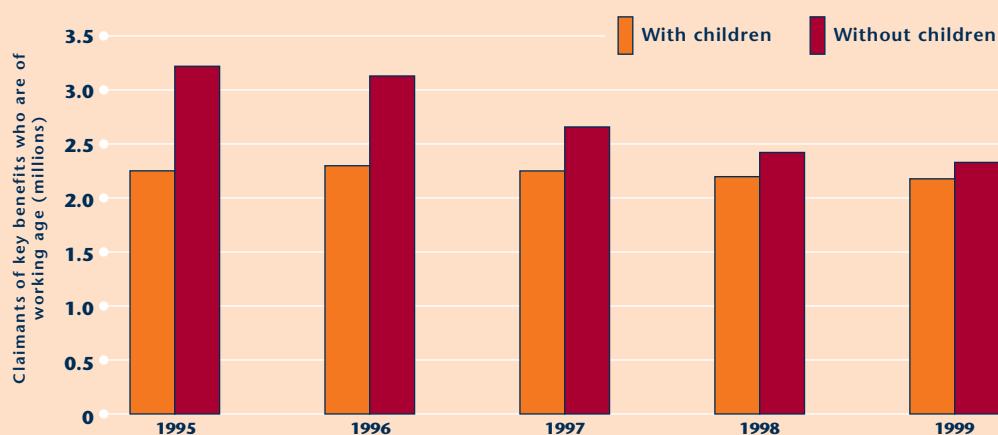
Source: DSS Client Group Analyses, Quarterly Bulletin on population of working age, August 1999

The first graph shows the number of dependent children living in households in which none of the working age adults have paid employment. Working age households are those with at least one person of working age. Households made up of students and those in which the head of household is retired are excluded. Dependent children are aged less than 16. The graph is based on the Labour Force Survey (LFS). The data covers Great Britain.

Note that LFS data from 1993 onwards was re-grossed (revised) in 2000, in line with new population estimates. Comparisons between the graph published this year and in previous years are therefore not possible.

The second graph shows those in receipt of a key benefit (income support, jobseeker's allowance, family credit, disability working allowance, disability living allowance, and incapacity benefit and severe disablement allowance) in August of each year split by those with and without dependent children. Note that the working families tax credit is not included, as the published data pre-dates its introduction by two months.

*Overall adequacy of the indicator: **medium**. The LFS and Family Resources Survey are both well-established government surveys, designed to be representative of the population as a whole. The data for the second graph is thought to be very reliable and this provides an accurate count of those on benefit.*

Living in households with below half-average income

The number of children in low income households shows no sign of decreasing, and children continue to be more likely than adults to live in low income households
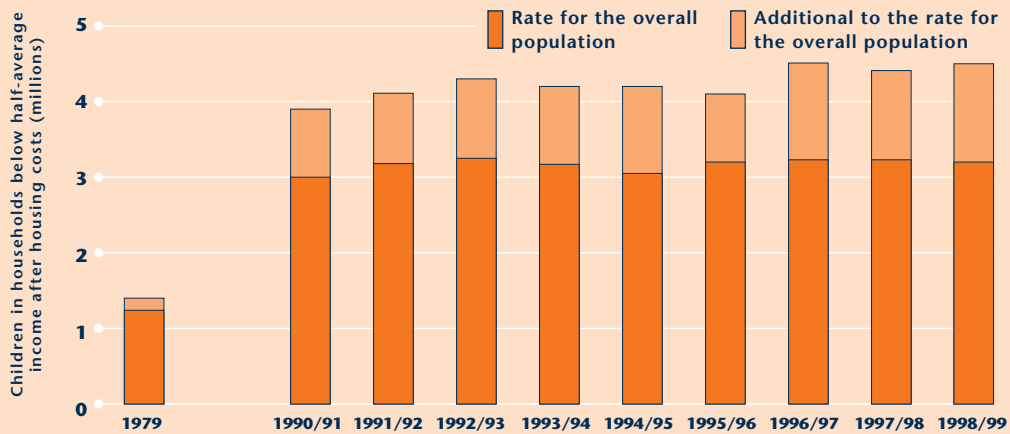
Rate for the overall population

Additional to the rate for the overall population

Y-axis: Children in households below half-average income after housing costs (millions)

X-axis years: 1979, 1990/91, 1991/92, 1992/93, 1993/94, 1994/95, 1995/96, 1996/97, 1997/98, 1998/99

Source: Households Below Average Income Series, DSS 2000 (1979-1993/94 using FES data; 1994/95-1998/99 using FRS)

The concentration of poor children within particular primary schools continues to increase

Concentration reducing (left-hand scale)

Concentration increasing (left-hand scale)

Net balance (right-hand scale)

Left Y-axis: Number of education authorities

Right Y-axis: Balance between authorities with increasing (+) and decreasing (-) concentration

X-axis years: 1994, 1995, 1996, 1997, 1998, 1999
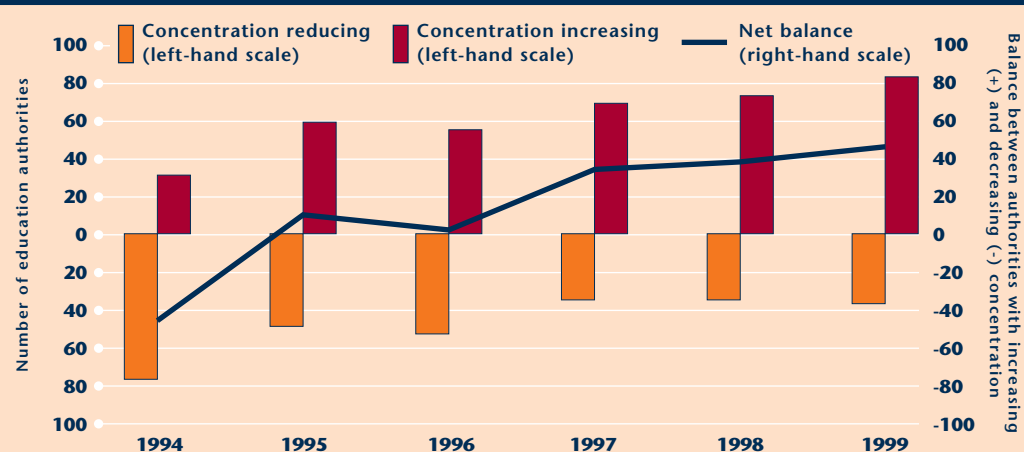
Source: DfEE Statistics and New Policy Institute calculations

The first graph shows the number of children living in households below current year half-average income. The bar is split to show the extent to which children are at a higher risk than adults of being in a household with below half-average income.

Income is weekly disposable household income equivalised for household membership, after housing costs. The source is the Family Expenditure Survey to 1993/4 and the Family Resources Survey thereafter. Note that in previous years this indicator was based on before housing costs figures (this year we use after housing costs).

The second graph is a proxy for the extent to which poorer children are becoming more or less concentrated in particular areas. Using data from English local education authorities, on the proportions of children in each school entitled to free school meals, it is based on a measure of the extent to which the proportions vary between schools and within an authority.

*Overall adequacy of the indicator: **high**. The FES and FRS are well-established government surveys, designed to be representative of the population as a whole. The second graph, based on own calculations, can be regarded as **medium**.*

Low birth-weight babies

Babies in the manual social classes are more likely to have a low birth weight than those in non-manual classes

Social classes I to IIINM **Social classes IIIM to V**

Low birth-weight babies (per cent)

| | 1995 | 1996 | 1997 | 1998 |
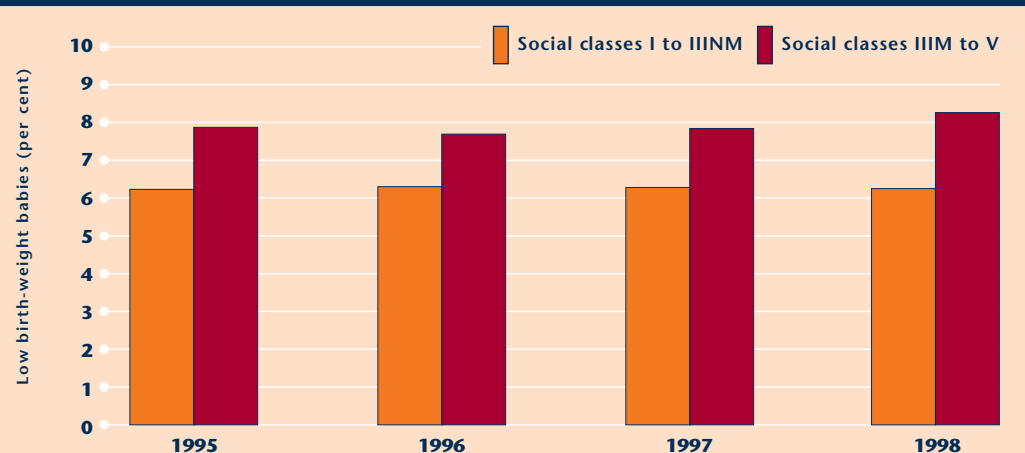
Source: Table 17, Series DH3, Families and Children Division, ONS 2000 (1998 data)

Babies of lone parents are more likely to be of low birth weight than babies of couples

Low birth-weight babies (per cent)

Inside marriage | Outside marriage - joint registration, same address | Outside marriage - joint registration, different addresses | Registered solely by the mother
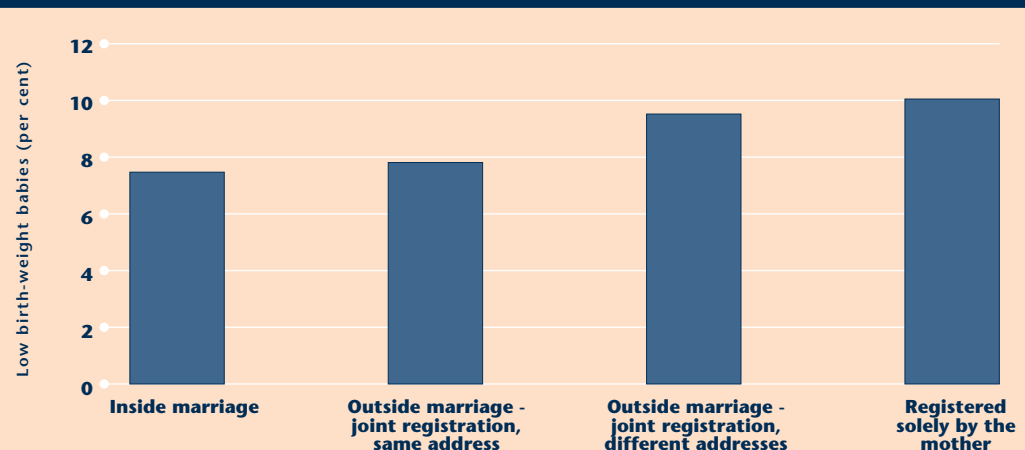
Source: Table 16, Series DH3, No. 31, ONS 2000 (1998 data)

The first graph shows the percentage of babies born each year who are defined as having a low birth weight, i.e. less than 2 $\frac{1}{2}$ kilograms (5 $\frac{1}{2}$ lbs). The percentages are shown separately for babies whose fathers are in social classes IIIM to V and social classes I to IIINM.

The second graph shows these percentages for 1998 according to the parents' marital status at the time of the registration of birth.

The data relates to England and Wales.

Overall adequacy of the indicator: **limited.** *The data itself is large and reputable, but classification by the social class of the father may be problematic since those where no details are known about the father are not included at all. There are also problems relating to the reliability of the time series.*

Accidental deaths

Accidental deaths amongst the under-16s have almost halved during the last decade

Number of under-16 accidental deaths

Year	
1990	~940
1991	~920
1992	~810
1993	~760
1994	~700
1995	~660
1996	~660
1997	~600
1998	~560
1999	~540
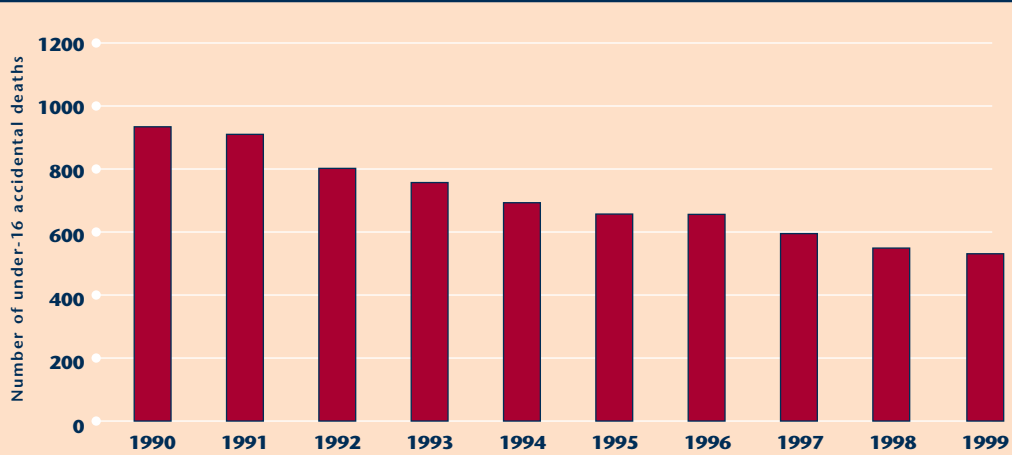
Source: Data for England and Wales supplied by ONS, data for Scotland supplied by General Registrar Office for Scotland 2000

Children in the manual social classes are twice as likely to die in accidents as other children

Accidental deaths per 100,000 children

Social classes IIIM to V   Social classes I to IIINM

Year	Social classes IIIM to V	Social classes I to IIINM
1996	~4.7	~2.9
1997	~4.4	~2.1
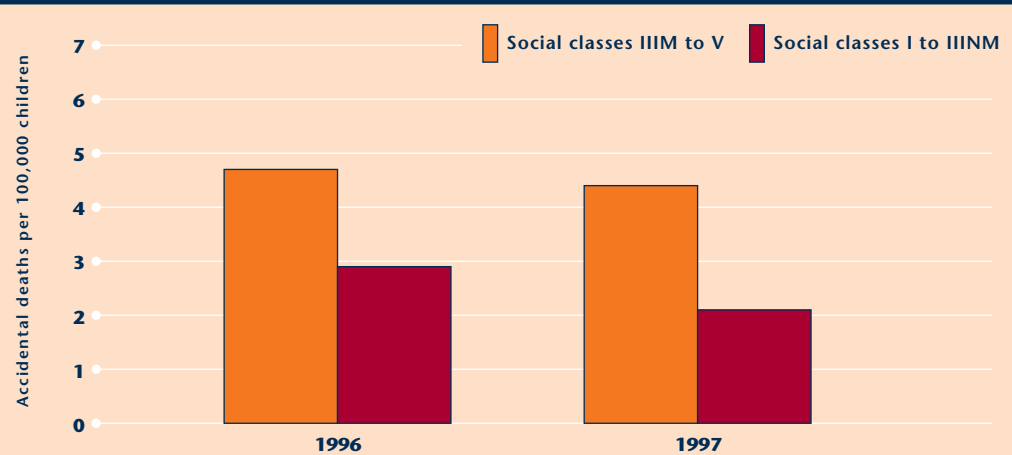
Source: Data for England and Wales supplied by ONS, 1999; data for Scotland supplied by General Registrar Office for Scotland 2000

The first graph shows the annual number of deaths due to external causes among those under 16 from 1990 to 1999.

The second graph shows the relative likelihood of such deaths by social class.

'Accidental deaths' encompasses all forms of accidental death, including traffic accidents, poisoning, falls and drowning as well as suicides and homicides. The data relates to Great Britain.

*Overall adequacy of the indicator: **medium**. An important qualification to the split by social class is that over a third of such deaths in England and Wales are unclassified by social class, due either to a lack of information or because no socio-economic class can be attributed.*

Low attainment at school

Although there has been steady improvement, 25 per cent of all 15-year-olds (150,000 pupils) got no grades above a D in 1998/99. Five per cent (30,000 pupils) still got no grades at all, either because they were not entered for exams or they failed them all

■ No grades   ■ No grades A to C, at least 1 D to G

Number of 15-year-olds (thousands)

Source: Welsh Examination Database, National Assembly for Wales, and English Examination Database, DfEE 2000
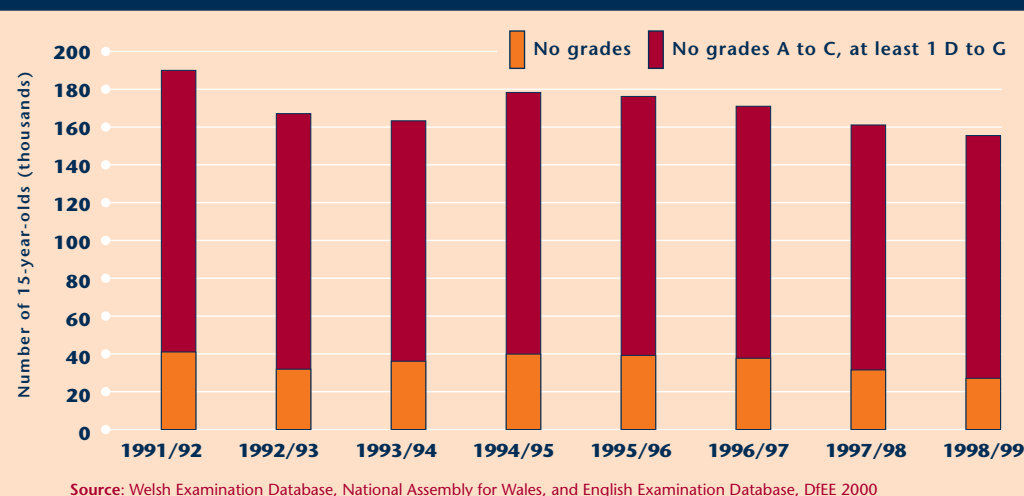
11-year old pupils in schools with high numbers on free school meals do worse in English and maths than pupils in other schools

■ Schools with 35% or more pupils on free school meals   —— All maintained schools

Pupils failing to reach level 4 at key stage 2 (per cent)

English   Maths

Source: DfEE unpublished data, 2000
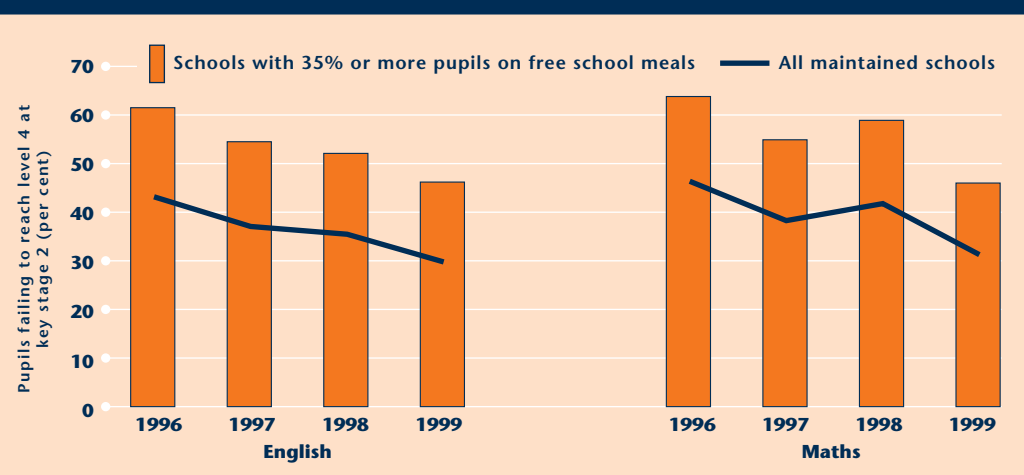
The first graph shows the number of 15-year-old school students (defined as pupils aged 15 at 31 August) failing to obtain at least one GCSE at grade C or above in England and Wales. The numbers are split between those who obtain no GCSE grade at all, either because they don't enter for exams or achieve no passes, and those who do obtain grades but none higher than D.

The second graph compares the percentage of children reaching level 4 at key stage 2 (11 years old) in all maintained schools, with schools at which at least 35 per cent of the pupils are on free school meals. The graph shows maths and English separately, and shows changes over time. The data is for English schools only.

*Overall adequacy of the indicator: **medium**. While the data itself is sound enough, the choice of the particular level of exam success is a matter of judgement.*

Permanently excluded from school

The number of permanent exclusions fell by a fifth last year but is still three times the number of a decade ago. The rate of exclusion is eight times higher in England than in Scotland

Total permanent exclusions in all schools (thousands)

Legend: Wales, Scotland, England

Years: 1990/91, 1991/92, 1994/95, 1995/96, 1996/97, 1997/98, 1998/99
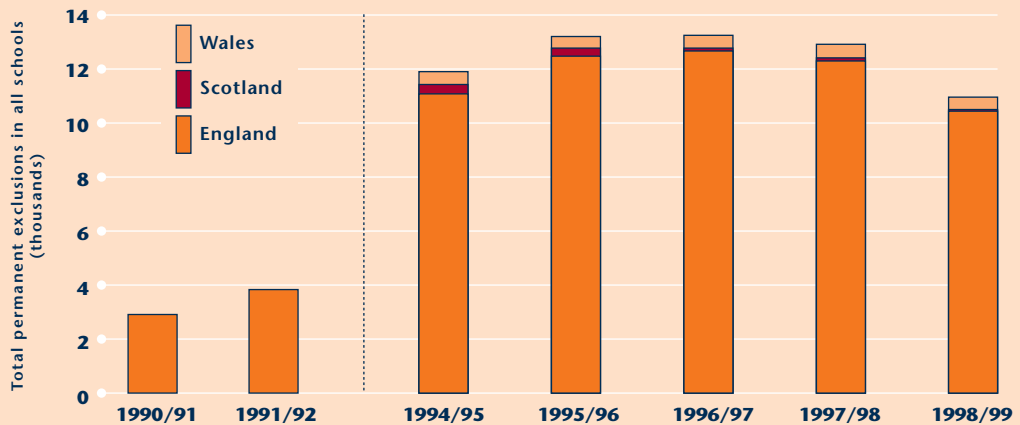
Source: Statistical First Release, DfEE May 2000; National Assembly for Wales 2000; Attendance and Absence in Scottish Schools, Scottish Executive 1999

Although the rate of permanent exclusions of Black Caribbean pupils dropped substantially last year, they are still four times more likely to be excluded than white pupils

Pupils permanently excluded by ethnic group in England (per 100,000 pupils)

Legend: 1997/98, 1998/99

Categories: Chinese, Indian, Bangladeshi, Pakistani, White, Black African, Black other, Black Caribbean
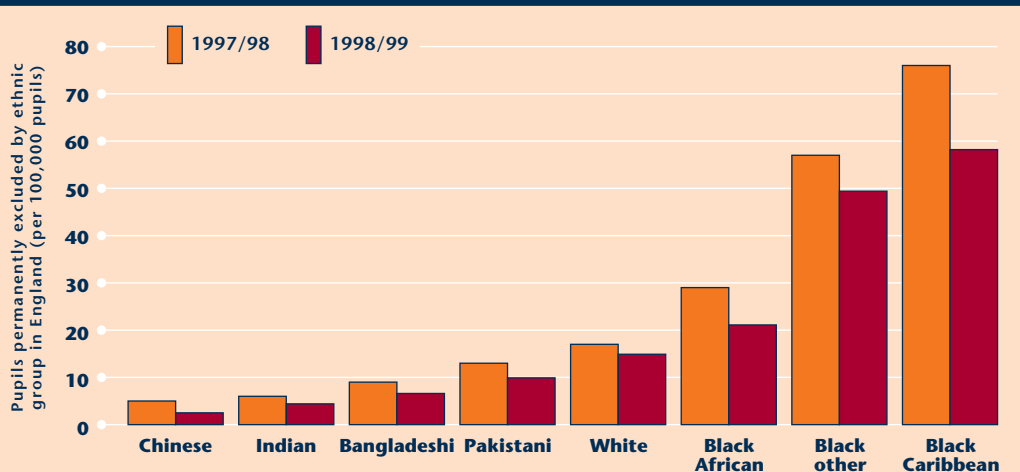
Source: Statistical Bulletin, DfEE, 10 May 2000 (provisional data)

The first graph shows the number of pupils permanently excluded from secondary schools between 1990/91 and 1998/99. Data for Scotland and Wales is shown for 1994/95 to 1998/99 only.

The second graph shows the rates of exclusion for children from different ethnic backgrounds in 1997/98 and 1998/99. The data relates to England only.

*Overall adequacy of the indicator: **medium**. Reliable data was collected for the first time only from 1994/95; figures for the first two years were collected on a voluntary basis. The rise in the early 1990s may in part therefore be due to this change in the method of collection. Exclusions are also susceptible to administrative procedures; for example, these officially recorded numbers may well under-represent the true number of exclusions if parents are persuaded to withdraw their child rather than leave the school to exclude them.*

Children whose parents divorce

Since 1993, there has been something of a reduction in the number of children whose parents divorce

England and Wales **Scotland**

Children whose parents divorce (thousands)

Year	
1991	
1992	
1993	
1994	
1995	
1996	
1997	
1998	

Source: ONS 2000; and General Registrar for Scotland 1999
Note: Scottish divorce statistics not available for 1998, so they have been estimated to be the same as 1997

The divorce rate for couples where the husband is unskilled is more than twice the average

Standardised divorce rates (where 1 = average)

Professional / Intermediate / Skilled non-manual / Skilled manual / Partly skilled manual / Unskilled manual

Source: Table 3 Population Studies 38 (1984) pages 419-38, ONS

The first graph shows the number of children under age 16 in all households whose parents divorce in the year in question. The data is for Great Britain.

Data refers to children of the family. This includes children born to the couple divorcing, those born outside marriage, children of previous marriages and adopted children – provided that they were treated by both parents as children of the family.

The second graph shows the variation in divorce rates by social class with the data standardised so that the average rate is 1.0. The data is for England and Wales. It is based on research using data from 1979 and appears to be the most recent information available at this level of detail.

*Overall adequacy of the indicator: **limited**. While there are few problems with the data itself (although the lack of any recent information on divorce rates by socio-economic status is clearly limiting), interpretation of movements in the indicator could be complicated by any legislative changes which make divorce either much easier or harder. Furthermore, many children whose parents split up are not captured by this indicator.*

Births to girls conceiving under age 16

The number of births to girls conceiving under age 16 is largely unchanged over the decade

England and Wales   Scotland

Births per year to girls conceiving under age 16 (thousands)

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998

Source: ONS and Teenage Pregnancy in Scotland 1990-99, ISD
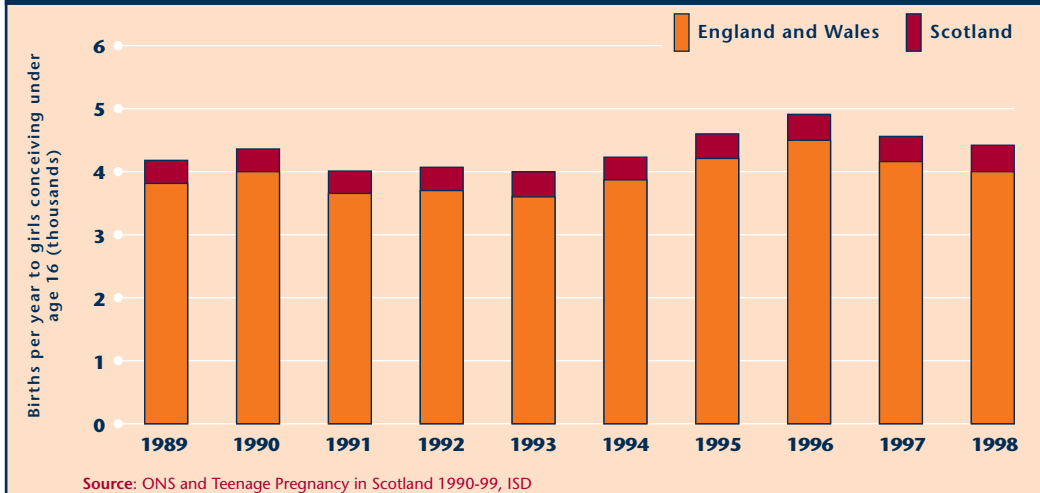
Girls whose partners are in the manual social classes are much more likely to become mothers under the age of 20 than girls whose partners are in the non-manual classes

Number of live births as a proportion of the female population aged 15 to 19 (per cent)

Social class: I, II, IIINM, IIIM, IV, V

Source: ONS Series DH3 Mortality Statistics - childhood, infant and prenatal (data for 1994-98 combined) and ONS census statistics

The first graph shows the number of births per year to girls under the age of 16. English and Welsh conceptions leading to births are counted during the actual year of conception, whilst Scottish conceptions are counted after the birth of the child, which is commonly in the calendar year following conception. A substantial number of Scottish conceptions shown here as 1998 actually took place in 1997.

The second graph shows the distribution of live births as a proportion of the female population across the social classes combining five years' data from 1994 to 1998. It is based on births to girls under the age of 20 by the social class of the father of the baby. The female population by social class has been estimated by allocating girls aged 14 to 19 into social classes of persons aged 0 to 15, according to 1991 census figures.

*Overall adequacy of the indicator: **medium**. The collection of these conception and births statistics is an established process. Note that the second graph leaves out around 40 per cent of live births because either social class data is not available, or because they were sole registrations and therefore details of the father's social class could not be recorded.*

In young offender institutions

The number of children aged 10 to 16 in custody continues to rise, and is now nearly 4,000. Eight times as many boys as girls spend time in secure units or young offender institutions

- In secure accommodation units
- In young offender institutions and prisons

Children aged 10 to 16 in secure units, young offender institutions and prisons (thousands)
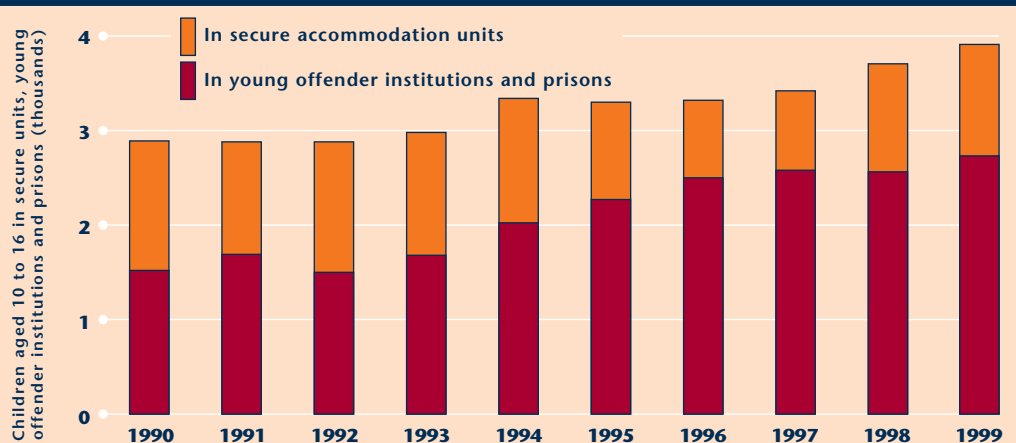
Source: Statistical Bulletin (5/2000) on Secure Accommodation Units, DH; Prison Statistics in England and Wales, Home Office, 1999 (provisional)
Note: From 1993 there were no 14-year-olds in young offender institutions due to the Criminal Justice Act 1991; figures show all under sentence

120,000 children aged 10 to 17 in England and Wales were found guilty or cautioned for indictable offences in 1999

- Girls
- Boys

Children aged 10 to 17 found guilty or cautioned for indictable offences (thousands)
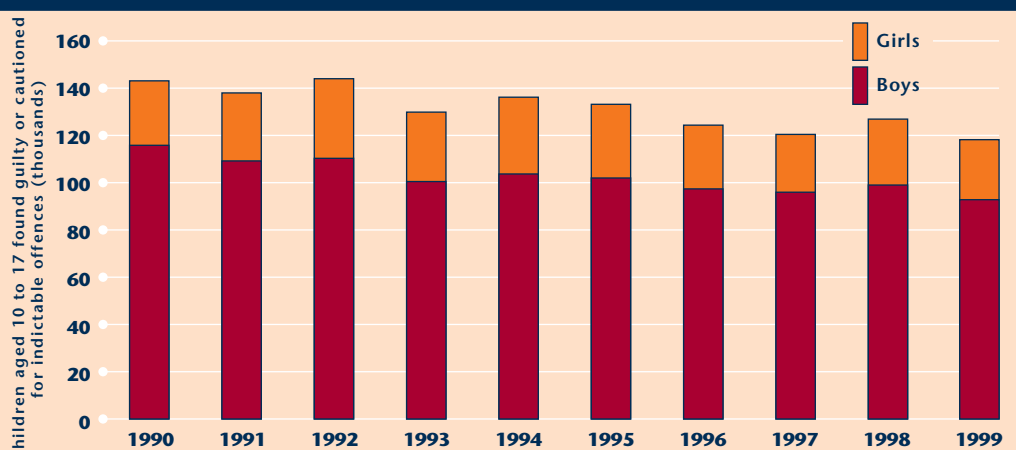
Source: Crime and Criminal Justice Unit (RDS), Home Office
Note: 1999 figures are provisional estimates at time of publication

The first graph shows the number of children aged 10 to 16 held in young offender institutions, prison or local authority secure accommodation units. The data relates to England and Wales. Note that, since 1993, 14-year-olds have not been held in young offender institutions.

The second graph shows the number of children between the ages of 10 and 17 who were either cautioned or convicted of an indictable offence. Figures for 1999 are provisional at the time of publication. The data relates to England and Wales.

*Overall adequacy of the indicator: **medium.** However, the cautions are formal cautions only, but include reprimands and final warnings introduced under the Crime and Disorder Act 1998 (from September 1998) in seven pilot areas. Informal cautions are not recorded in the statistics. According to 1995 Home Office Criminal Statistics, rates of informal cautioning have increased in recent years. Also note that the figures presented in the two graphs reflect police identified crime and police practice. These figures should not be taken as estimates of the extent of crime carried out by children.*

3 Young adults

Why the indicators were chosen

This chapter concerns young adults aged 16 to 24. This age group has often been ignored, with much of the literature, for example that on health, focusing on either children or adults.[1] In part, this is because it is widely believed that young adults are healthy and resilient. But the transition from childhood to adulthood is a critical life stage and, as with children, the well-being of this age group is an important determinant of health and well-being later in life.

Economic circumstances

There is a great diversity of economic circumstances among young adults. Some, especially students, remain dependent on their parents well into their early 20s, while others become parents themselves in their late teens. Whereas the well-paid young man or woman with few commitments can have a large part of their income available for discretionary expenditure, many of those who are not in education, training or work are effectively excluded from all the usual sources of income.

The unemployment rate among young adults is significantly higher than for adults over 25. As with other age groups, unemployment for young people is a major cause of low income and deprivation. The first indicator is the **'number of people aged under 25 who are unemployed'**.

Low wages disproportionately affect young adults and the second indicator is the **'number of 16- to 24-year-olds on low rates of pay'**, where low pay is defined as half of male median hourly pay. In future years, this indicator will also show the numbers below the various minimum wage levels, but reliable data on this was not available at the time of publication.[2]

Young adults aged 16 and 17 have been one of the groups most affected by changes in the benefit system in the last decade. Most notably, their entitlement to income support was withdrawn in September 1988 and, for those aged 18 to 24 years, a reduced rate of income support is payable. Those who have fallen through all the nets and are neither employed, in training or in education are a particularly vulnerable group. The third economic indicator is the **'number of 16- to 18-year-olds not in education, training or work'**, with the indicator showing separately those that are living independently and those living with family members.

Health and well-being

The indicators selected in this section reflect two areas – misuse of drugs and suicide rates – where recent trends have caused considerable concern, and where reported rates stand out when compared internationally.[3]

The first indicator is the **'number of young adults aged 15 to 24 starting drug treatment episodes'**. Apart from the serious health consequences that can arise from drug addiction, drug addicts are at increased risk of suicide and of developing mental health difficulties.[4] Whilst there are problems with this indicator, especially the fact that it will in part reflect the availability of agencies to help with the problem, it is the best statistic available for tracking what appear to have been sharply growing numbers of one very vulnerable group.

The second indicator is the **'suicide rate amongst 15 to 24 year olds'**. Suicide is the second most common cause of death among young men after accidents. What makes suicide an important issue for this report is the connection between suicide and socio-economic conditions.

Barriers to work

The first barrier to work concerns lack of educational qualifications and the indicator adopted is the **'number of 19-year-olds who do not have at least an NVQ Level 2 or equivalent'**. The inclusion of this subject continues one of the core themes of the chapter on children – namely, that education is an important element in reducing the intergenerational transmission of disadvantage.

The second barrier to work concerns criminality amongst young adults, with the indicator being the **'number of 18- to 20-year-olds convicted of an indictable offence'**. As well as employer discrimination, the barriers which face ex-offenders include low levels of skills and qualifications, poor self-esteem, and behavioural and health problems which can reduce their chances of securing a job.[5] Furthermore, unemployment may itself increase the chances of criminality.

What the indicators show

Large numbers are economically vulnerable

In Spring 2000, around half a million young adults aged 16 to 24 were **unemployed.** At 12 per cent of the economically active population, this is more than double the unemployment rate for all ages. Although numbers have halved since their peak in 1993, this rate of reduction has slowed in the last two years.[6]

Of those in work, around $1^1/4$ million were paid at a rate less than half of male median hourly earnings. Around half of these people work in the hotel, catering and distribution trades.

A total of 42 per cent of economically active 16- to 24-year-olds are therefore either unemployed or on **low pay.**

The government has introduced a number of initiatives aimed at tackling the economic vulnerability of young adults. In particular, the New Deal for 18- to 24-year-olds aims to reduce long term unemployment by 250,000 by 2002. The national minimum wage was introduced in April 1999 at £3.60 for those aged 22 and over and £3.00 for those aged 18 to 21, and have recently been uprated to £3.70 and £3.20 respectively.

One issue in monitoring the success of these initiatives is the extent to which these initiatives have an impact beyond their immediate target. In terms of the New Deal, this concerns overall unemployment as well as long-term unemployment. In terms of the national minimum wage, it concerns the numbers on pay which is above the defined minimums but which is still low compared with the average.

Substantial numbers in their late teens are particularly vulnerable

On a variety of indicators – covering work, education and crime – there are substantial numbers of disadvantaged young adults in their late teens, with only the education indicator showing strong signs of improvement.

In 1999, around 150,000 young adults aged 16 to 18 were **not in education, training or work** at any one point in time. This represents nearly one-tenth of the age group. Almost a quarter of these live independently, either claiming benefit or with no apparent source of income. Numbers reduced by 30,000 between 1998 and 1999, after rises in each of the previous five years.

Around 60,000 young adults aged 18 to 20 had **a criminal record** in 1999. Men are seven times as likely to have a criminal record as women, and young black people are seven times as likely to be in prison as young white people.

Finally, around 70,000 19-year-olds – nearly one-tenth of the age group – had **no GCSEs at grade G or above and no NVQs** in Spring 2000. This number has, however, reduced by a third since 1993. Similarly, the proportion of 19-year-olds not qualified to NVQ level 2 (equivalent to one A-level, five GCSEs at grades A to C or a GNVQ level 2) or above has also reduced by a third, and is now down to a quarter of the population.

The government's strategy for those in their late teens is mainly to encourage full-time training or education as far as possible, rather than employment. Specific targets have been set to get the number of 19-year-olds without an NVQ level 2 or equivalent down to 15 per cent by 2002, from the current 26 per cent.

One issue for future monitoring is the extent to which the most disadvantaged also benefit from the government's policies, in terms of education, training and work. In other words, the extent to which general improvements in qualification levels and employment in this age group also reflect an improved situation for the most disadvantaged. A second issue is the extent to which increasing the proportion of young people with basic qualifications leads to actual improvements in employment rates and wage rates.

Continuing health problems
An increasing number of young people are being treated for **problem drug use**, which is dominated by heroin addiction.

The government's anti-drugs strategy aims to cut heroin and crack cocaine use by a quarter by 2005, and by a half by 2008.

The **suicide** rate amongst 15- to 24-year-olds remained around 10 per 100,000 in 1999, similar to a decade ago. Young men are four times as likely as young women to take their lives, and young men in the manual social classes are twice as likely to commit suicide as those in the non-manual classes.

The government has set a target to reduce suicide rates by 17 per cent by 2010. Within this aggregate target, issues for monitoring include the extent to which any reductions include young adults as well as older adults, and the extent to which improvements help narrow the gap in the risk of suicide between different classes of the population.
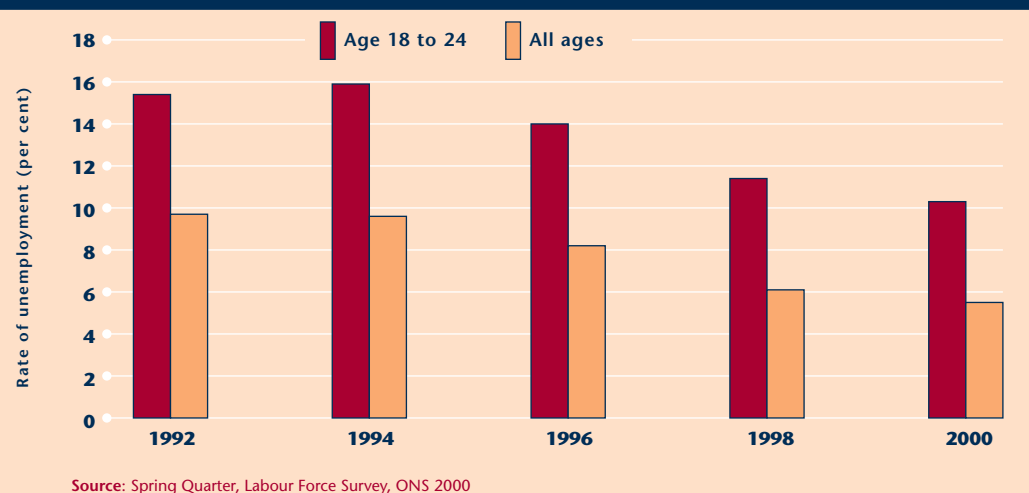
Selected major initiatives under way

Indicators	Policy	Start date	Key department	Key delivery agency	Budget/target/comments
17 Unemployment	New Deal for 18- to 24-year-olds	April 1998 for national launch	DfEE	Employment service	£1.5bn between 1997 and 2002. By 2002: to reduce the numbers of long-term unemployed people aged 18 to 24 by 250,000. 230,000 young people had found jobs through the New Deal for Young People by June 2000.
18 On low rates of pay	National minimum wage	April 1999: introduced June and October 2000: uprated	DTI	Inland Revenue and employers	When introduced, £3.60 for those aged 22 years and over, unless in an exempt category or on a registered training scheme (in which case only £3.20). For those aged 18 to 21, the rate was £3.00. Increased from £3.60 to £3.70 in October 2000 (22 and over), and from £3.00 to £3.20 (under 22) in June 2000.
19 Not in education, training or work *and* **22 Without a basic qualification**	Improving participation and attainment of 14- to 19-year-olds	December 1997: introduced September 2000: widened	DfEE	Careers service	By 2002, 85 per cent of 19-year-olds with at least NVQ level 2. 50 per cent of 16-year-olds with five high-grade GCSEs, and 95 per cent with at least one GCSE. More vocational qualifications at key stage 4 introduced in September 2000.
	Education Maintenance Allowance	Fifteen areas from September 1999	DfEE	LEAs, schools, colleges, careers service	£100m for the three years. Funding up to £40 per week to those who stay in education, with additional retention and achievement bonuses.
	Connexions	Pathfinders/Pilots in April 2000 Phased introduction in April 2001	Involves a range of departments: DfEE, DSS, DCMS, HO, Cabinet Office, DETR and DH	National Unit for Connexions service	A universal service providing advice, guidance and support for 13- to 19-year-olds, in particular to connect and reconnect with learning. Brings together new and existing services to a coherent whole. No specific targets set since the scheme has not been fully rolled out yet. Currently working on existing government targets on education, care, drugs, offending and teenage pregnancy. Budget not yet announced (due Autumn 2000).
20 Problem drug use	UK Anti-Drugs Strategy	1998	Cabinet Office, Home Office, DH	Drug Action Teams	New budget announced in 2000 Spending Review for 2000-04 of £3.5bn. Includes new National Treatment Agency announced 2000. A variety of targets. (1) Amongst under 25s, reduce heroin and crack use by 25 per cent in five years and by 50 per cent by 2008. (2) Reduce repeat offending by drug misusers by 25 per cent by 2005, and by 50 per cent by 2008. (3) Increase participation of problem drug users, including prisoners, in drug treatment programmes by 66 per cent by 2005 and by 100 per cent by 2008. (4) Reduce availability of Class A drugs by 25 per cent by 2005 and 50 per cent by 2008. Note that these targets are to decrease usage, but also to increase the proportion participating in rehabilitation.
21 Suicide	Measures to tackle suicide rates	1998	DH	NHS	By 2010 to reduce suicides by 17 per cent from the 1996 baseline. Target to reduce suicides by 20 per cent of 1997 rate by 2010 now incorporated into *Saving Lives: Our Healthier Nation* (Department of Health 1998). Also part of *Modernising Mental Health* (Department of Health 1998).

Unemployment

Around half a million young adults are unemployed. Numbers have hardly changed in the period 1998 to 2000, after falling from a peak of 900,000 in 1993

Source: Spring Quarter, Labour Force Survey, ONS 2000
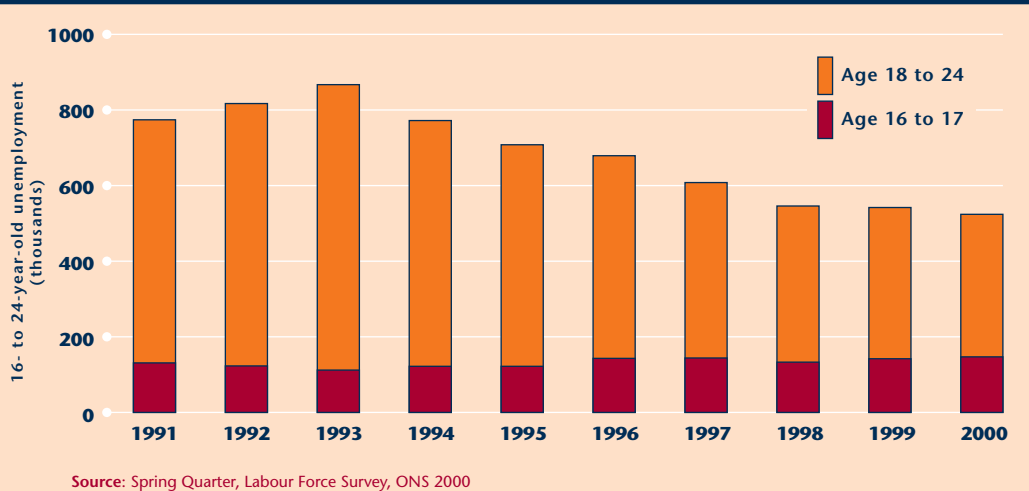
The unemployment rate for 18- to 24-year-olds is now almost double that for older workers

Source: Spring Quarter, Labour Force Survey, ONS 2000

The first graph shows the number of unemployed people aged 16 to 24, as recorded each Spring, for each year between 1991 and 1999.

The second graph shows the rate of unemployment for those aged 18 to 24, compared to the rate for all of working age.

'Unemployment' is the International Labour Office (ILO) definition, which is now used for the official UK unemployment numbers and is obtained from the Labour Force Survey (LFS). It includes all those with no paid work in the survey week who were available to start work in the next fortnight and who either looked for work in the last month or were waiting to start a job already obtained. The data is not seasonally adjusted and refers to Great Britain. The ILO unemployment rate is the percentage of the economically active population who are unemployed on the ILO measure.

Note that LFS data from 1993 onwards was re-grossed (revised) in 2000, in line with new population estimates.

*Overall adequacy of the indicator: **medium**. The LFS is a well-established, three-monthly government survey, designed to be representative of the population as a whole. This indicator does not, however, cover the 'economically inactive', which includes many of those on the lowest incomes, particularly young lone parents.*

On low rates of pay

1.3 million young adults (nearly a third of all young adults in employment) are paid less than half the male median hourly income

Men aged 16 to 24 ■ Women aged 16 to 24

Employees aged 16 to 24 on hourly rates below half male median earnings (millions)
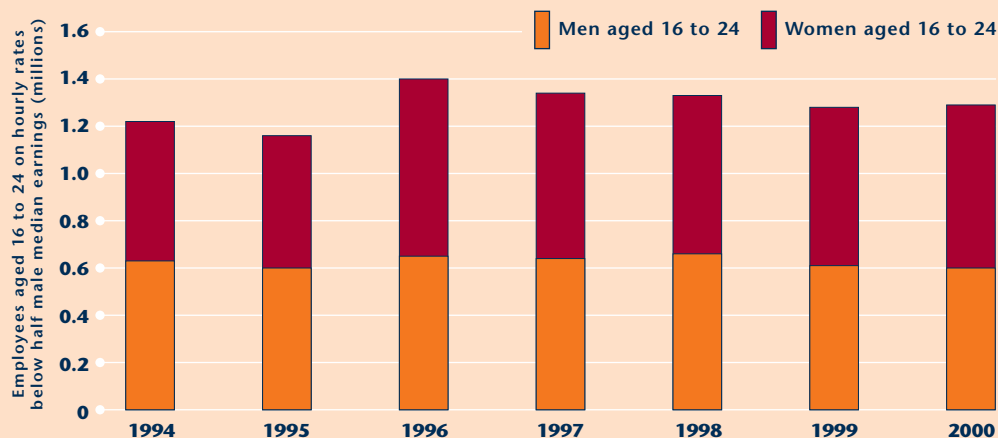
Source: Spring Quarter, Labour Force Survey, ONS 2000

More than half of the young adults who earn less than half the male median hourly pay work in the distribution, hotel and catering trades

Other services (20%)

Transport and communication (3%)

Construction (5%)

Banking and finance (6%)

Manufacturing (11%)

Distribution, hotels and catering (55%)
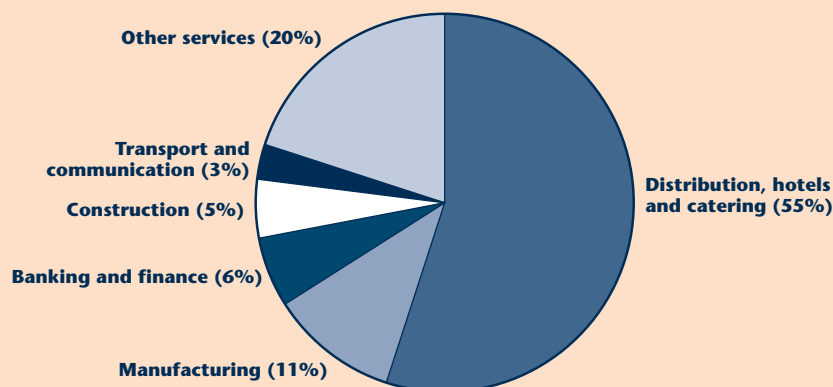
Source: Spring Quarter, Labour Force Survey, ONS 2000

The first graph shows the number of male and female employees aged 16 to 24 who were paid below half the male median hourly rate of pay in each year shown. In Spring 2000, that was equivalent to £4.00 an hour in the Labour Force Survey.

Note that LFS data from 1993 onwards was re-grossed (revised) in 2000, in line with new population estimates.

The second graph shows the distribution of the same group across different sectors of the economy.

The median is the rate below which the earnings per hour of 50 per cent of men (of all working ages) fall.

*Overall adequacy of the indicator: **limited**. The Labour Force Survey is a well-established, three-monthly government survey, designed to be representative of the population as a whole. However, according to the ONS, tha data does not yet accurately measure the numbers at the minimum wage and below (see indicator 26).*

Not in education, training or work

Although numbers reduced in 1999, there are still more than 150,000 16- to 18-year-olds not in education, training or work. This represents 9 per cent of the age group

Source: School, College and Trainee Records, Labour Force Survey 2000. Analysis by DfEE

Amongst 16- to 18-year-olds not in education, training or work, almost a quarter have left home

Living independently and not claiming benefit (8%)

Living independently and claiming benefit (15%)

Living with family and not claiming benefit (50%)

Living with family and claiming benefit (27%)

Source: Labour Force Survey 2000 (Winter 1999 data)
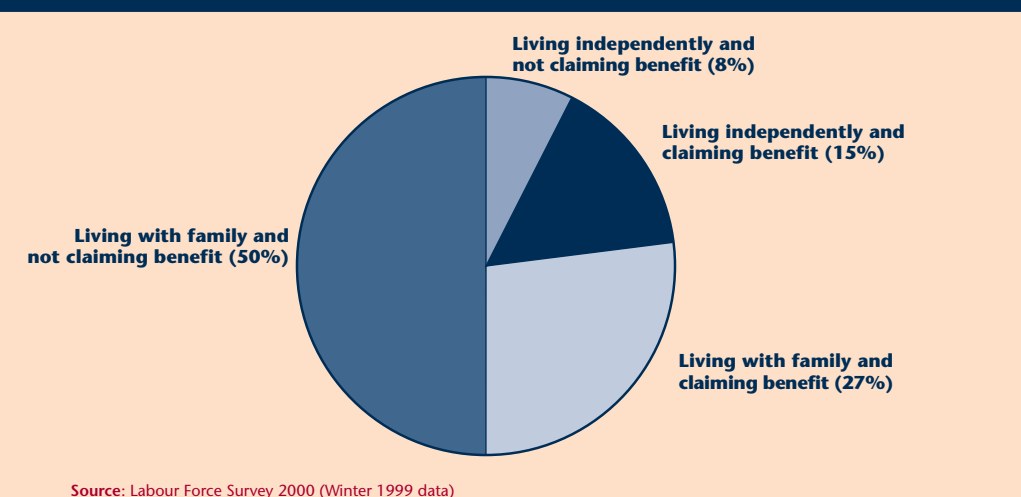
The first graph shows the number of 16- to 18-year-olds not in education, training or work. The data has been put together by DfEE statisticians, combining the Labour Force Survey with school, college and trainee records.

Note that the entire dataset was revised in 2000, in line with changes in how DfEE calculate the statistics and in line with ONS re-grossing population figures which affected LFS statistics.

The second graph is based on the Labour Force Survey. It takes all those found within the survey not to be in education, training or work and shows whether they are living independently (head of household, spouse, cohabitee or with other non-relative) or living with family (child, step-child, brother, sister, grandchild or other relation). The data also shows whether the young person is dependent on any of the following benefits: income support, jobseeker's allowance, sickness/disability benefit, housing or council tax benefit.

Note that comparisions cannot be made between figures for those not in education, training or work and the unemployment statistics, as it is possible to be both in education/training and unemployed at the same time.

*Overall adequacy of the indicator: **medium**. The Labour Force Survey is a well-established, three-monthly government survey, designed to be representative of the population as a whole.*

Problem drug use

The number of problem drug users aged 15 to 24 presenting for treatment continues to rise rapidly

Source: Statistics from the Regional Drug Misuse Database, DH September 1999
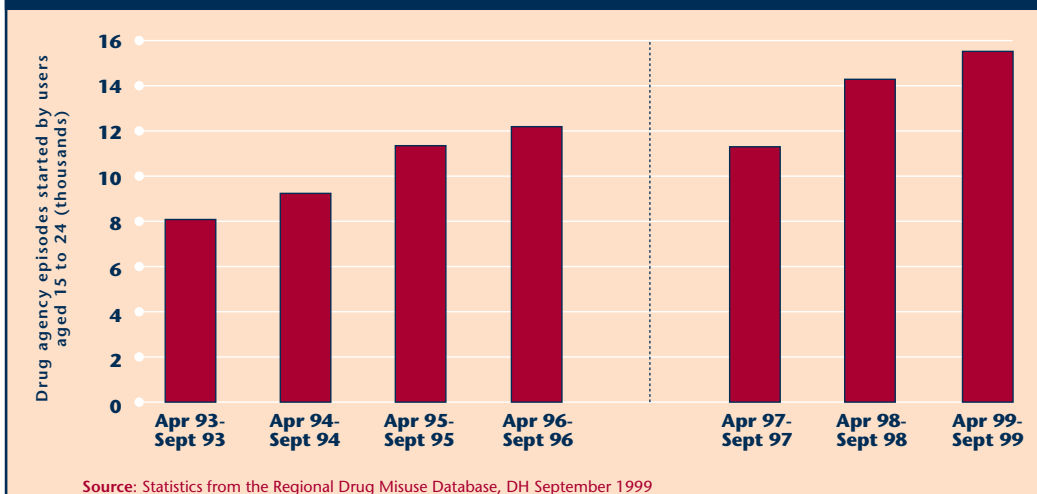
Heroin is the main drug of misuse for over half of under-25s starting treatment in England

Source: Statistics from the Regional Drug Misuse Database, DH September 1999

The first graph shows the number of 15- to 24-year-olds in Great Britain starting an episode with any agency offering services to drug misusers. Note that a new way of counting treatment episodes was introduced in April 1997.

The second graph shows the breakdown by drug type among users in England starting an agency episode for April to September 1999 (the most recent six months for which data is available). An 'episode' is defined as a person presenting to a treatment agency for the first time or after a break in contact of six months or more.

*Overall adequacy of the indicator: **limited**. The numbers count individuals presenting for treatment in each six-month period, but not all in treatment; they do not include those in treatment who presented in an earlier six-month period. Furthermore, many problem drug users do not present for treatment at all.*

Suicide

700 young adults aged 15 to 24 (1 per 10,000) commit suicide each year. This is similar to the rate a decade ago

Source: ONS Mortality Division 2000; and General Registrar Office for Scotland 2000
Note: 1990 data for Scotland is for young adults aged 17 to 24 years only
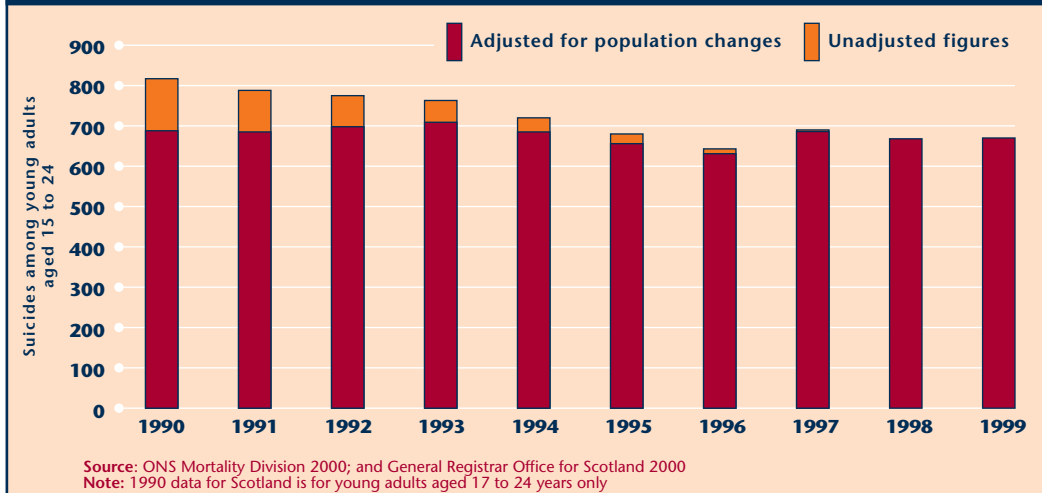
Young men without a known occupation are much more vulnerable to suicide than other young men

Source: F. Drever, and M. Whitehead (1997), Health Inequalities - Decennial Supplement (Dataset), ONS, 1997
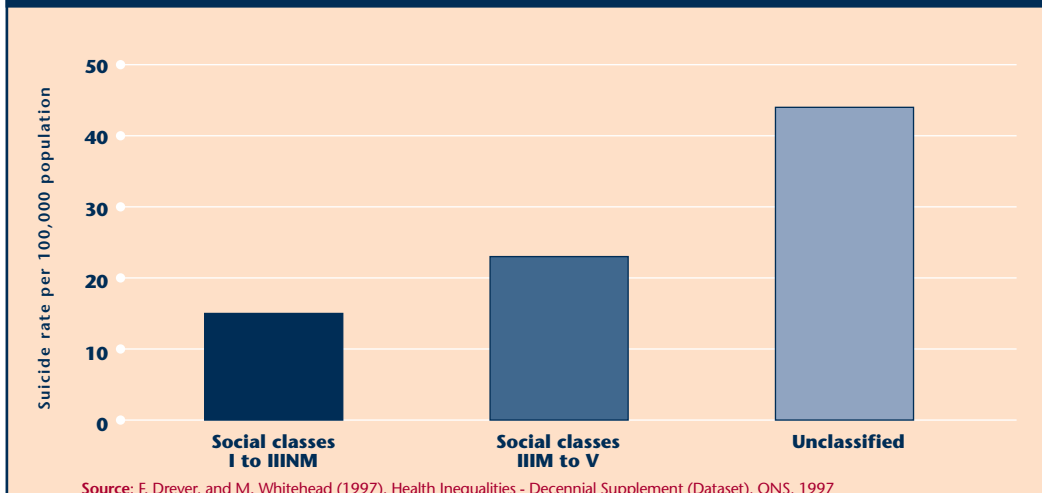
The first graph shows the number of suicides both unadjusted and if the population size were constant at 1999 levels for the age group 15 to 24 in Great Britain. Suicide data includes deaths recorded as 'undetermined', where there is an open verdict. It therefore includes deaths where suicide was the probable verdict as well as those where suicide was formally given as the verdict.

The second graph relates to England and Wales only. It shows the suicide rate per 100,000 for men aged 20 to 24 for the years 1991-93, broken down by social class. The unclassified group includes both those for whom insufficient information was available to determine a social class and those 'without an occupation', including those with no previous job, students, full-time carers and/or dependent relatives, those permanently sick, and people with a mental or physical disability.

*Overall adequacy of indicator: **high**. However, classification of a death as suicide depends upon the practices of coroners' court*

Without a basic qualification

The number of 19-year-olds without a basic qualification has remained similar throughout the second half of the 1990s, although this represents a decreasing proportion of the total population of 19-year-olds

■ With at least NVQ2 or equivalent
■ Without NVQ2 or equivalent

19-year-olds (thousands)

Source: Spring Quarter, Labour Force Survey, ONS 2000. Analysis by DfEE Analytical Services
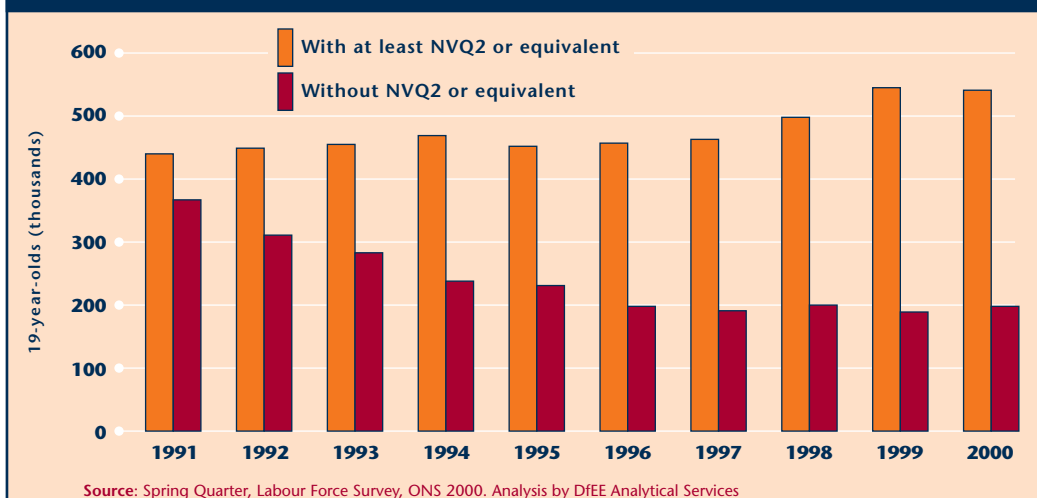
Nearly 10 per cent of 19-year-olds have no qualifications at all

Percentage of 19-year-olds

Without NVQ2 or better at age 19

Without any GCSEs at grade G or above at age 19

Source: Spring Quarter, Labour Force Survey, ONS 2000. Analysis by DfEE Analytical Services
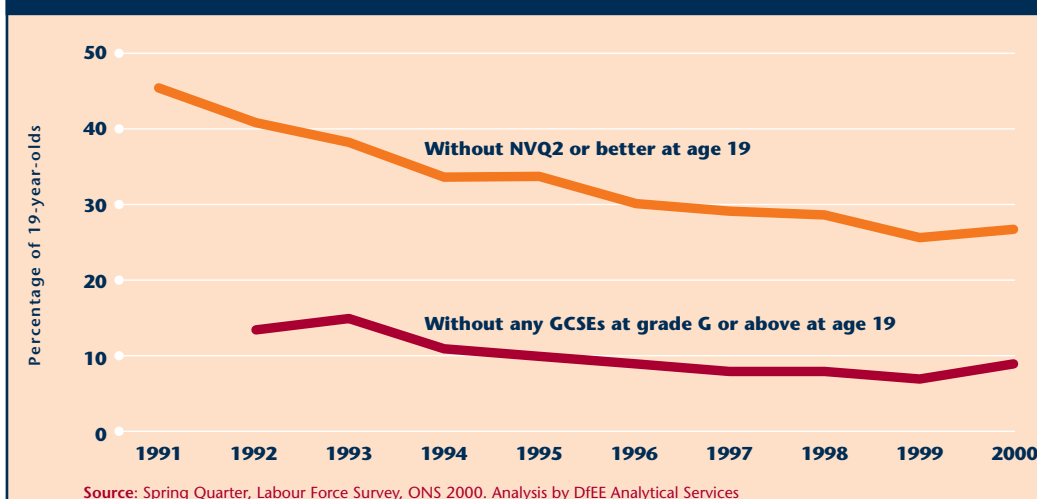
The first graph shows the number of 19-year-olds without a basic qualification. The second graph expresses this as a percentage of all 19-year-olds. It also shows the percentage of 19-year-olds with no qualification at all.

A basic qualification means an NVQ level 2 or equivalent (i.e. including five GCSEs at grade C or above; GNVQ level 2; two AS levels or one A level). 'Unqualified' means no GCSE passes at grade G or above and/or no NVQs. The data is for Great Britain. The data source is the Labour Force Survey (LFS).

Note that LFS data from 1993 onwards was re-grossed (revised) in 2000, in line with new population estimates. Comparisons between the graph published this year and in previous years are therefore not possible.

*Overall assessment of the indicator: **medium.** The LFS is a well-established, three-monthly survey designed to be representative of the population as whole. It should be noted, however, that there are breaks in the series in 1993 and 1996, due to changes in the questions asked within the LFS.*
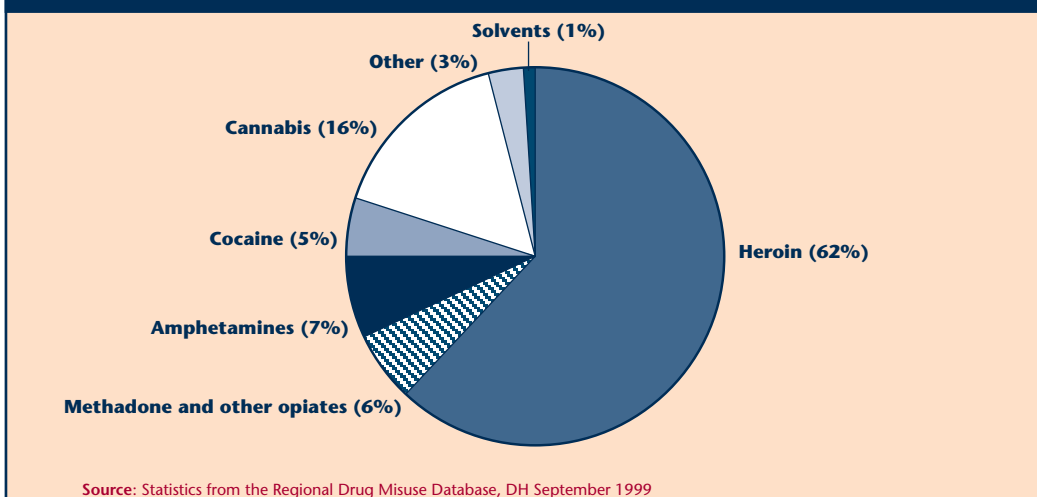
With a criminal record

The number of 18- to 20-year-olds with a criminal record changed little between 1998 and 1999. Seven times more young men than young women have a criminal record

18- to 20-year-olds found guilty of an indictable offence (thousands)

■ Men   ■ Women
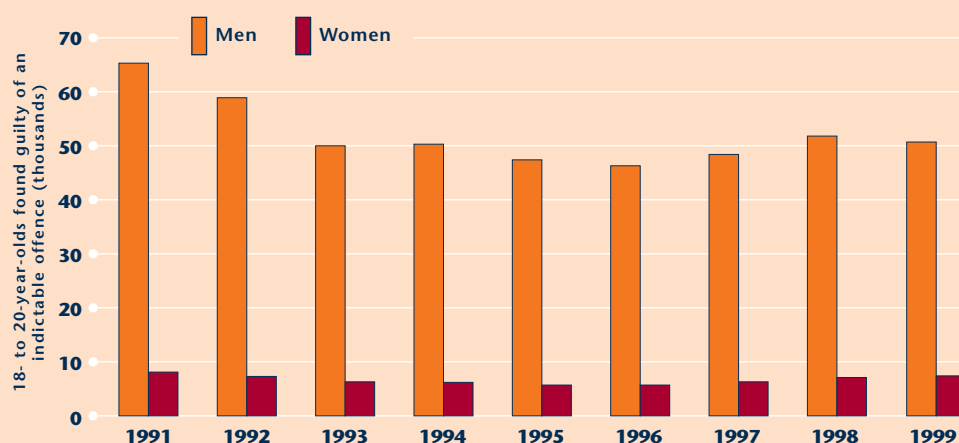
Source: Criminal Statistics , England and Wales, Home Office
Note: 1999 figures are provisional

Black young adults are seven times as likely as white young adults to be in prison

16- to 20-year-old population in prison (per cent)

Asian   White   Chinese and other   Black
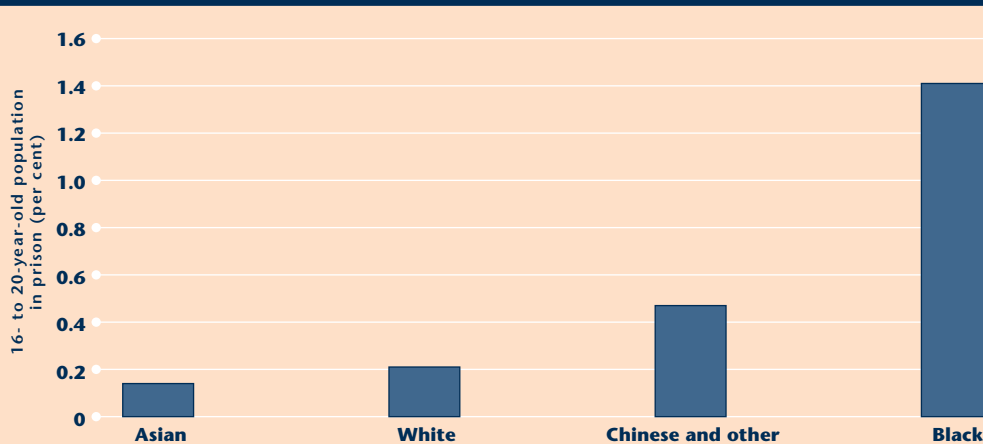
Source: Prison Statistics, England and Wales
Note: 1999 figures are provisional

The first graph shows the number of young men and women aged 18 to 20 who were convicted of an indictable offence, from 1991 to 1999. It also shows the conviction rates per 100,000 young adults in that age group. Figures for 1999 were provisional at the time of publication. The data relates to England and Wales.

The second graph shows the likelihood of being in prison under sentence across different ethnic groups in England and Wales in June 1999. In putting together prison data with population data it has been assumed that the relative sizes of the ethnic groups in the prison population aged 16 to 20 in England and Wales in 1998 can be mapped onto the total populations of different ethnic groups aged 15 to 20 in Great Britain in the 1991 census. 'Asians' include people from Bangladeshi, Indian and Pakistani communities. 'Chinese and other' includes people from other Asian communities, Chinese ethnic groups and other.

*Overall adequacy of the indicator: **medium**. The data is dependent upon administrative practices of the police and the judicial system. According to Home Office Criminal Statistics (1995), rates of informal cautioning (which are not included in the graphs) have increased in recent years, which may go some way to explaining the downward trends illustrated above.*

4 Adults

Why the indicators were chosen

Those aged from 25 to retirement age make up about half of the total population. Although they are in some ways the least vulnerable of all age groups, they are often under considerable and multiple pressures to support others, as well as themselves.

Exclusion from work

The first indicator is the **'number of people who would like paid work but do not have it'**. This indicator recognises that it is not sufficient to look only at those officially unemployed since they are actually a minority of working age adults who would like to have a job. Indeed, a large proportion of those finding work in recent years have been officially economically inactive rather than officially unemployed prior to taking employment.[1]

Turning from individuals to look at households, the second indicator is the **'number of workless households in which no one has worked for over two years'**. As with individuals, certain sorts of households are particularly vulnerable to long-term worklessness. Lone parent households, households headed by someone sick or someone with a disability, and minority ethnic households all have an above average likelihood of long-term worklessness.[2] Long-term unemployment has many negative effects on health.[3]

Disadvantaged at work

The working conditions and pay of some workers leave them only marginally better off than people without work, particularly if they are single and childless and therefore ineligible for in-work tax credits. The last twenty years has seen a gap open up between average earnings and the earnings of the lowest paid. The chosen low pay indicator is **'people earning less than half male median hourly pay'**.

Frequent moves in and out of low paid employment has become the experience of many workers, predominantly those with below average skill levels. The chosen indicator of work insecurity is **'people making a new claim for unemployment benefit who were last claiming less than six months ago'**. The indicator also looks at the number of workers in temporary employment.

The chosen indicator on training is the **'chance of receiving job-related training by level of qualifications'**, which examines the inequality in access to training between those with and without qualifications. Work-related training and gaining new qualifications are both means of reducing the chances of negative labour market outcomes.[4]

Health

The first health indicator is the **'number of local authorities where the death rate for under-65s is 10 per cent or more above the British average'**, providing an overall indicator of health inequalities.

The second indicator shows the **'proportion of working-age women who are obese'**. Obesity is a major risk factor for a range of lethal diseases, from heart disease to cancers[5] and, in the case of women, differs substantially by social class.

Depression is one of the most common forms of mental illness, and its effects can spread into all dimensions of a person's life including their work, home and social environments. Triggers identified for development of depression include unemployment, redundancy or the threat of it, and financial difficulties.[6] The chosen indicator of mental health is **'adults classified as being at high risk of developing mental illness'**, with the second graph showing how the incidence of depression varies by income.

What the indicators show
Significant numbers of people are still without work
Between 1993 and 2000, the numbers of unemployed people fell by half, from 3 million to 1.3 million, although the rate of reduction has slowed in the last two years. However, the numbers of 'economically inactive' people who want work has grown over the same period. The net effect is that the total numbers of people who would like to work has fallen more slowly than the level of unemployment, from 5 million to 4 million.

Furthermore, the number of households where no one has worked for two years or more has actually increased over the period, from 1.6 million to 2 million.

Within these overall totals, there are significant differences between groups. Almost half of all lone parents did not have paid work in 2000, compared to one in twenty couples with children. Black people and those of Bangladeshi origin are twice as likely to be excluded from work compared with the white population, and have been for some time.[7]

Some of the groups most excluded from work – the long-term unemployed, lone parents, people with disabilities and the over-50s – are the target of New Deal policies to increase their labour market participation.

One issue for future monitoring is the collective impact of these and other policies on the numbers out of work, both in total and for particular groups currently more excluded than the average.

Low pay is still a major problem
A key government policy, implemented in April 1999, is the national minimum wage. One would expect the numbers of people earning below this level of hourly pay in 2000 to be limited to those groups specifically exempt.[8] In fact, however, it has proved very difficult to be sure about the quantitative impact from the official government surveys. Labour Force Survey data is considered by the Office for National Statistics to be unreliable on the subject and it is well known that the New Earnings Survey cannot be relied upon for low pay statistics as it focuses on the formal employment sector.[9]

In this context, our indicator of low pay this year continues to be the numbers of people earning less than half male median earnings, which is a threshold somewhat above the level of the minimum wage but still a low rate of pay. This indicator suggests that 2 million employees aged 25 and over were paid less than half male median earnings in Spring 2000, and that this number has not changed much over the last five years. Two-thirds of these people are women.

As well as its direct impact on people previously earning below the minimum wage, the national minimum wage policy is important for its knock-on impact on those on higher – but still low – rates of pay. Future monitoring will therefore need to estimate numbers of people at a variety of earning thresholds.

Since October 1999, the level of the national minimum wage has been less relevant to employees in households with children as they are topped up by the working families tax credit according to household size and composition. Future monitoring will need to quantify this impact.

Levels of insecure employment stabilise, after rising in the first half of the 1990s
Around four in ten people who make a new claim for jobseeker's allowance last claimed less than six months ago. These figures now appear to be dropping after reaching a peak in 1997, but are still well above the levels in 1990. The number of employees in temporary contracts show a similar pattern.

Those without qualifications are still three times less likely to get work-related training as those with qualifications, and the more qualifications that a person has the more likely they are to receive training at work.

Significant health inequalities
Mortality rates amongst the under-65s continue to fall in general, reflecting the growing healthiness of the population as a whole. However, such overall improvements disguise rising health inequalities: the number of local authority areas with mortality rates which are significantly above average has grown by a half since 1995, with a quarter of all of these authorities being in Scotland and, with the exception of London, none being in the South.

The other health indicators also illustrate significant health inequalities. Women from social classes IIIM to V are $1^{1/2}$ times as likely to be obese as women from social classes I to IIINM, although there is no such pattern for men. Unskilled manual workers are $1^{1/2}$ times as likely to have a long-standing illness or disability than professional classes. And the poorest two-fifths of the population are $1^{1/2}$ times as likely to be at risk of a mental illness than the richest two-fifths.

In terms of specific initiatives, the government has chosen to focus on the geographical dimension of health inequalities by establishing 26 Health Action Zones. Clearly, not all disadvantaged people live in disadvantaged areas. One issue for future monitoring will therefore be the extent to which the government's primarily geographic approach reduces the overall inequalities or whether new non-geographic initiatives are also needed.

Selected major initiatives under way

Indicators	Policy	Start date	Key department	Key delivery agency	Budget/target/comments
24 Individuals wanting paid work *and* **25 Households without work for two years or more**	New Deal for the Long-Term Unemployed Aged 25 and Over	June 1998	DfEE/DSS	Employment Service	£424m over the lifetime of the Parliament. A variety of targets for 1999-2000: 38,000 into work for those unemployed for 2 or more years; 190,000 into work for 6 or more months unemployed.
	New Deal for Disabled People	September 1998	DfEE	Employment Service	£195m over the lifetime of the Parliament. Targets for 1999-2000: 85,000 disabled people into work.
	New Deal for Lone Parents	October 1998	DfEE	Employment Service	£190m for 1999-2000 plus £10m for in-work training pilots. In 1999/2000, a target of 15,000 lone parents into work.
	New Deal for the Over-50s	November 1999: pathfinder areas April 2000: implementation	DfEE	Employment Service	£270m for 1999-2002. Guarantees take-home wage of £170 per week for first year of full-time work. At least 1.2m people eligible.
	New Deal for Partners of Unemployed People	February 1999	DfEE	Employment Service	£60m from 1998/1999 windfall tax. Will cease to apply for couples without children aged 18 to 24 in 2001, and for those aged 25 to 45 in 2002.
26 On low rates of pay	National minimum wage	April 1999: introduced October 2000: uprated	DTI	Inland Revenue and employers	When introduced, set at £3.60 for those over 22 years, unless in an exempt category or on a registered training scheme – in which case it was only £3.20. Increased from £3.60 to £3.70 in October 2000 (adult), and from £3.00 to £3.20 (young adult) in June 2000.
	Working families tax credit	October 1999: introduced October 2000: uprated	Treasury and DSS	Inland Revenue and employers	When initially introduced, guaranteed a weekly gross income of £200 for a family with one full-time worker. No tax until £235 per week for families with one full-timer (55p taper, down from 70p under family credit). The level of the credit depends on number of children, how many hours worked (the minimum is 16 hours) and childcare costs. Raised to £208 in October 2000 due to the rise in the national minimum wage. Aims to benefit 1 1/2 million families (twice as many as family credit).
29 Premature death 30 Obesity 31 Long-standing illness or disability 32 Mental health	Health Action Zones	April 1998: first wave April 1999: second wave	DH	Health partnerships (NHS, local authorities, voluntary and private sectors)	26 zones cover around 13 million people. Aims to address particular needs and to modernise services in areas of high health need and deprivation. Performance is managed via NHS Executive regional offices. The zones 32 will operate for seven years.
	Modernising Mental Health Services	1999	DH	Health authorities	£700m for 1999 to 2002. Aims to reduce mental health problems, including depression, but only specific target is on suicides.

Individuals wanting paid work

The number of out-of-work people who would like paid work continues to fall, but more slowly than those officially unemployed. More men than women are officially unemployed, but equal numbers would like to be in work

Working age adults who would like to be in paid work but are not (millions)

Legend:
- Economically inactive who want work
- Unemployed (ILO definition)

1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000

Source: Spring Quarter, Labour Force Survey, ONS 2000
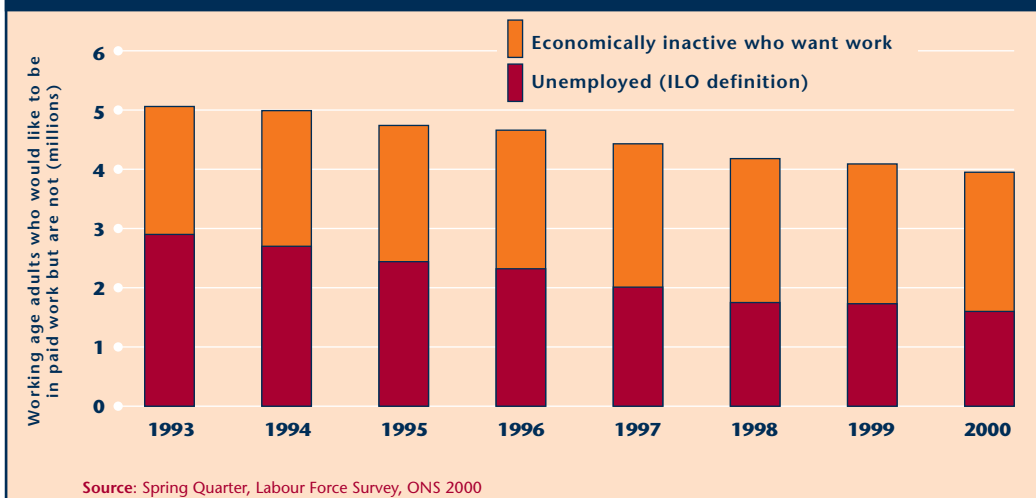
Black people and Bangladeshis are more than twice as likely as the rest of the population to be out of work but wanting work

People of working age who would like to be in work but are not, by ethnic group (per cent)

Legend:
- Economically inactive who want work
- Unemployed (ILO definition)

Chinese, White, Indian, Pakistani, Black African, Bangladeshi, Black Caribbean, Black other

Source: Spring Quarter, Labour Force Survey, ONS 2000
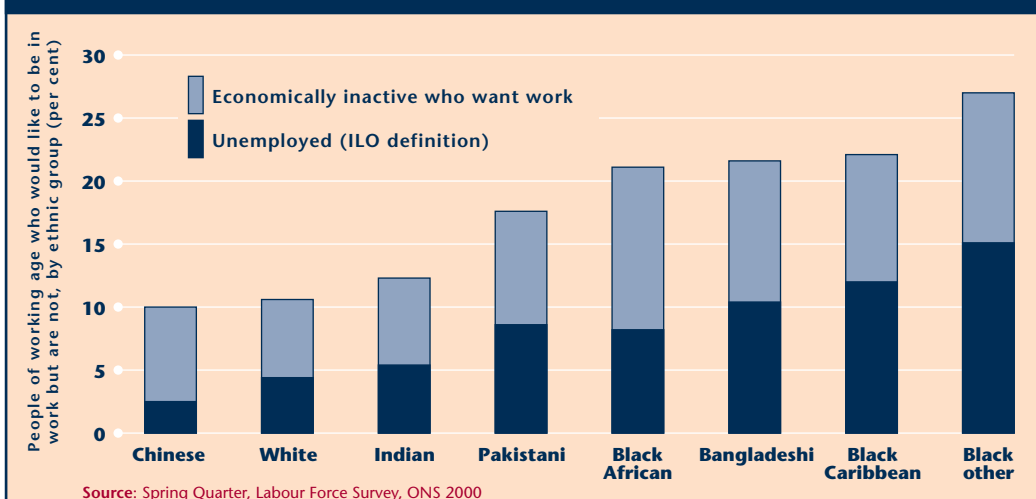
The first graph shows the number of working age people wanting work. It is divided between the unemployed (as defined by the ILO) and those counted as 'economically inactive' who nevertheless want work. This latter group includes people not available to start work for some time and those not actively seeking work. The data is based on a question in the Labour Force Survey (LFS) asking the economically inactive whether they would like paid work or not.

The second graph shows the same data by different ethnic groups in Spring 2000.

Note that LFS data from 1993 onwards was re-grossed (revised) in 2000, in line with new population estimates.

The data relates to Great Britain. It looks at the whole labour force from 16 to retirement age and so includes 'young adults' as well.

Overall adequacy of the indicator: **medium.** *The LFS is a well-established, three-monthly government survey of 60,000 households designed to be representative of the population as a whole.*

Households without work for two years or more

The number of long-term workless households has been consistently above 2 million since 1995
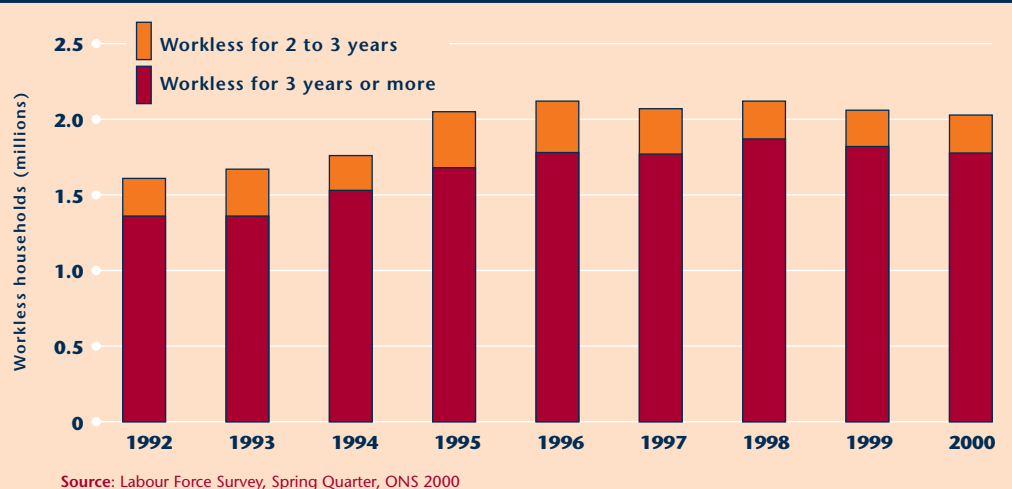
Legend:
- Workless for 2 to 3 years
- Workless for 3 years or more

Y-axis: Workless households (millions)

X-axis years: 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000

Source: Labour Force Survey, Spring Quarter, ONS 2000

Almost half of all lone parents did not have paid work in 2000

Y-axis: Workless households as a percentage of each type of working age household

Categories: Couples with children, With no dependent children, Lone parents

Source: Spring 2000, Labour Force Survey, ONS 2000
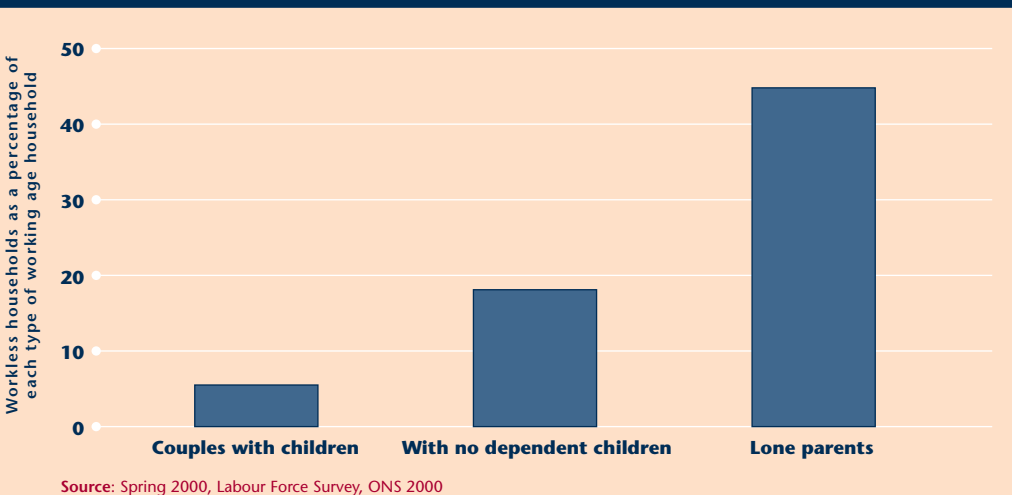
The first graph shows the total number of households where no-one has worked for two years or more. The upper part of the bar shows how many have been workless for between two and three years. The lower part shows how many have been workless for three years or more. The second graph shows the number of individuals in workless households analysed by family type.

Data is for the Spring quarter of each year, and relates to Great Britain. It should be noted that this indicator looks at the whole labour force from 16 upwards and so applies to 'young adults' as well.

Note that Labour Force Survey (LFS) data from 1993 onwards was re-grossed (revised) in 2000, in line with new population estimates.

*Overall adequacy of the indicator: **medium.** The LFS is a well-established, three-monthly government survey designed to be representative of the population as a whole.*

On low rates of pay

Two million workers (just over 8 per cent of those in employment aged 25 and over) were paid less than half male median hourly pay in the Spring of 2000, most of these were women

Employees aged 25 and over earning less than half male median hourly pay (millions)

Men aged 25 and over | Women aged 25 and over

2.5 | 2.0 | 1.5 | 1.0 | 0.5 | 0

1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000

Source: Spring Quarter, Labour Force Survey, ONS 2000

There are a higher proportion of low paid workers in the distribution, hotels and catering sector than in any other sector

Employees aged 25 and over who earn less than male median hourly pay (per cent)

Male | Female

12 | 10 | 8 | 6 | 4 | 2 | 0

Distribution, hotels and catering | Other services | Manufacturing | Transport and communication | Construction | Banking and finance

Source: Spring Quarter, Labour Force Survey, ONS 2000
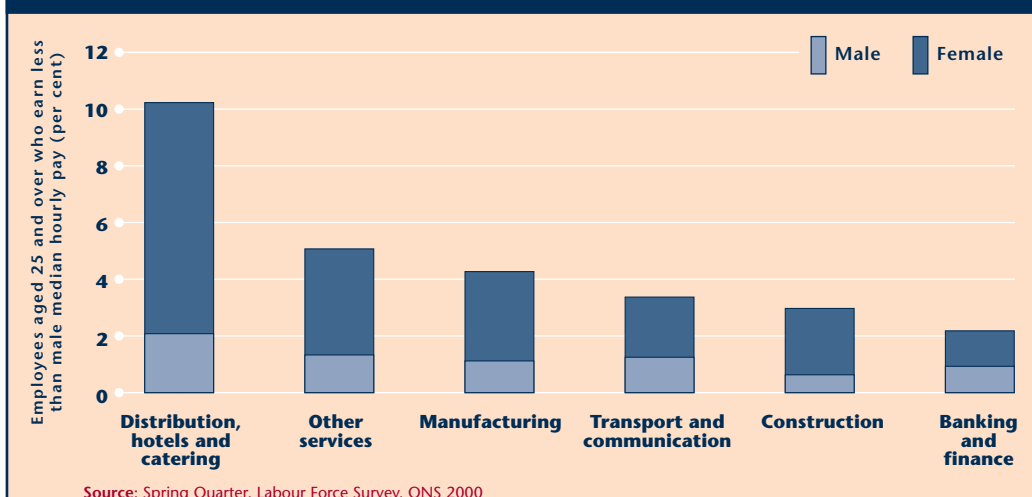
The first graph provides an indication of the number of male and female employees aged 25 and over who are paid an hourly rate of less than half male median hourly pay in each of the years shown.

The data is for the Spring quarter of each year. In Spring 2000, this rate was £4.00 per hour in the Labour Force Survey.

The second graph shows the proportion of workers aged 25 and over who were low paid by industry sector.

Data from 1993 onwards was re-grossed (revised) in 2000, in line with new population estimates.

*Overall adequacy of the indicator: **limited**. According to the ONS, the LFS does not yet accurately measure the numbers on pay rates at the minimum wage and below due to potential shortcomings with its survey responses. This led the ONS to devise a new methodology combining LFS and New Earnings Survey (NES) data to measure the impact of the minimum wage, which should be available for next year's report (see endnote 9 for Chapter 5).*

Insecure at work

Four out of every 10 people making a new claim for jobseeker's allowance (JSA) were last claiming less than six months ago. This proportion has reduced somewhat in recent years

Percentage starting a new claim for JSA less than six months since last claim

■ Men
■ Women

1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000

Source: Joint Unemployment and Vacancies Operating System (JUVOS) cohort, Spring 2000

The number of people on temporary contracts has levelled off since its peak in 1997

Temporary employees (thousands)

1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000
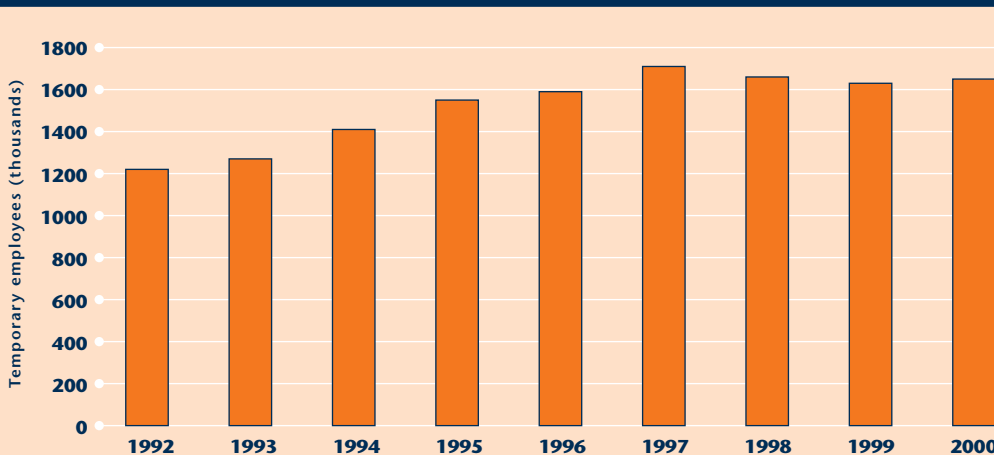
Source: Spring Quarter, Labour Force Survey, ONS 2000

The first graph shows the probability that someone who makes a new claim for jobseeker's allowance was last claiming that benefit less than six months previously. Figures are shown separately for men and women. The data relates to the United Kingdom and is taken from the Spring quarters of the Joint Unemployment and Vacancies Operating System (JUVOS) cohort.

The second graph shows how the number of temporary workers has changed since 1992. A temporary employee is one who said that his/her main job is non-permanent in one of the following ways: fixed period contracts, agency temping, casual work, seasonal work, and other temporary work. The data is based on non-seasonally-adjusted Spring quarters of the Labour Force Survey (LFS). The data relates to Great Britain.

Note that this indicator looks at the whole labour force from 16 to retirement age and so includes 'young adults' as well. Also, LFS data from 1993 onwards was re-grossed (revised) in 2000, in line with new population estimates.
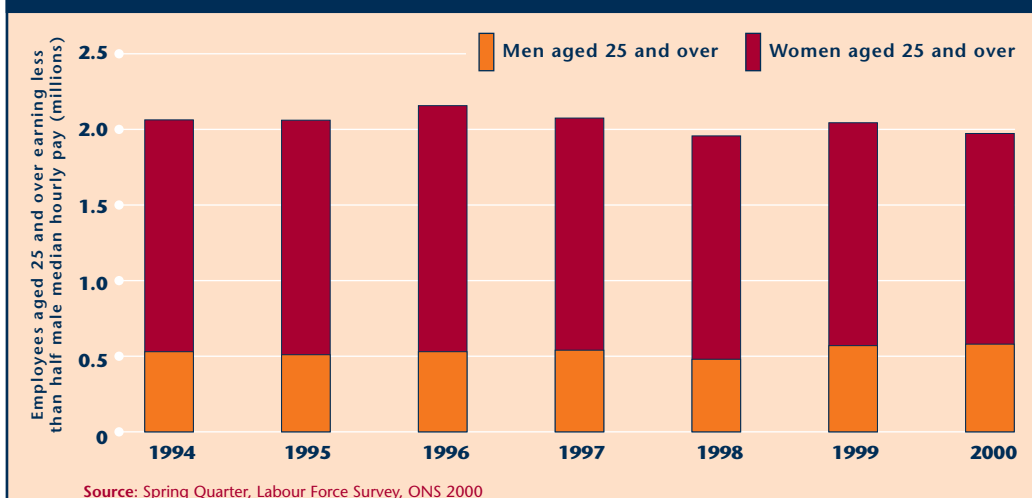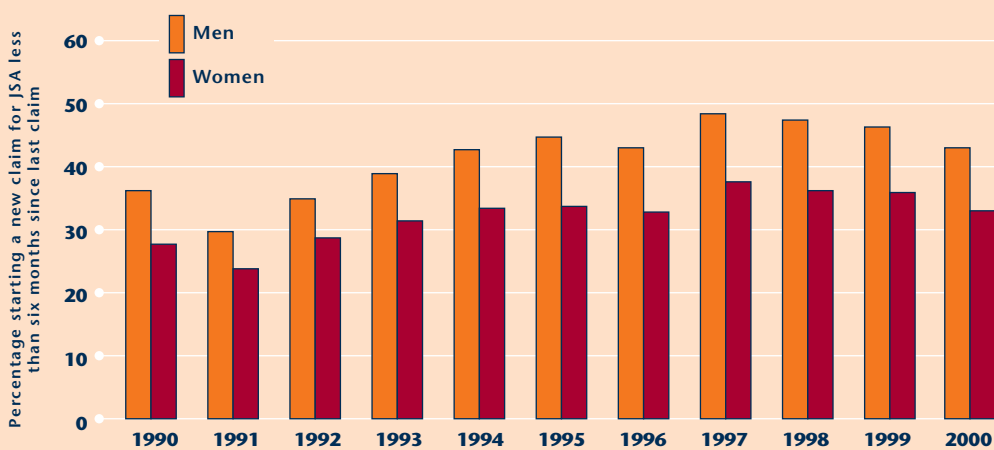
*Overall adequacy of the indicator: **medium.** While the claimant count data is sound, the narrower definition of unemployment that it represents means that it understates the extent of short-term working interspersed with spells of joblessness.*

Without access to training

People with qualifications are three times more likely to receive job-related training than people with no qualifications

Receiving some job-related training over a three-month period (per cent)

Legend: ■ With no qualifications ■ With qualifications

Year	With no qualifications	With qualifications
1994	7	24
1995	8	25
1996	8	25
1997	7	25
1998	7	26
1999	9	27

Source: Autumn Quarter, Labour Force Survey, ONS 2000. Analysis by DfEE Analytical Services

The more qualifications a person has, the more likely they are to receive training at work

Receiving some job-related training over a three-month period (per cent)

Category	Per cent
All people of working age	28
Higher education	42
A-level or equivalent	26
GCSE grades A to C	27
GCSE below grade C	20
Other qualification	18
No qualification	9

Source: Spring Quarter, Labour Force Survey, ONS 2000. Analysis by DfEE Analytical Services

The first graph shows the proportion of employees aged 25 to retirement age who have received some job-related training in the previous three months according to whether or not they have some qualification. The qualifications include both current qualifications (e.g. GCSEs) and qualifications which have been awarded in the past (e.g. O levels). The data refers to Great Britain.

The second graph shows the proportion of employees of working age who have received training in the last three months by the level of their highest qualification. The data is for 2000 and refers to the UK.

In both cases, training includes that paid for by employers and by employees themselves.

Note that LFS data from 1993 onwards was re-grossed (revised) in 2000, in line with new population estimates.

*Overall adequacy of the indicator: **medium.** The LFS is a well-established, three-monthly government survey, designed to be representative of the population as a whole. But a single, undifferentiated notion of 'training', without reference to its length or nature, lessens the value of the indicator.*

Premature death

Whilst mortality rates amongst those under age 65 have declined across the country as a whole, geographic concentrations of premature deaths amongst men under age 65 are increasing

Number of local authorities with mortality rates over 10% above the national average

Men Women

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Men	28	29	31	32	28	36	37	39	39
Women	16	18	16	12	12	18	13	16	18
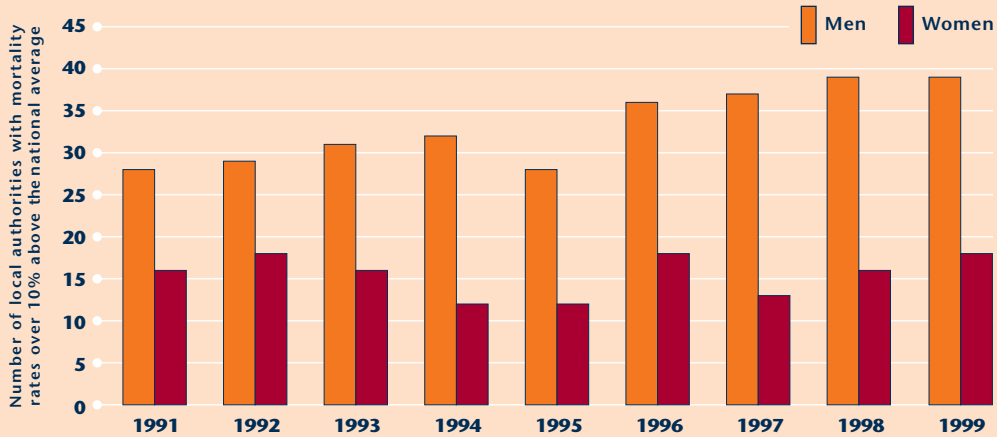
Source: Mortality Statistics Division, ONS 2000

A quarter of all authorities with mortality rates that are 10 per cent above the national average are in Scotland, and (except for London) none are in the South

Wales (3%)
London (21%)
Scotland (26%)
Midlands (15%)
North (35%)
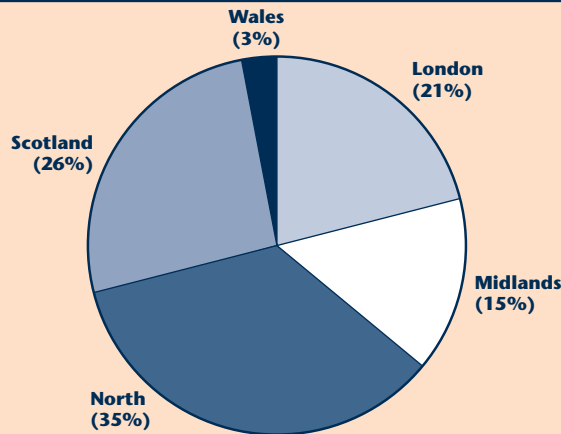
Source: Mortality Statistics Division, ONS 2000

The first graph shows, separately for men and women, the number of local authorities where the standardised mortality rate for those under 65 is at least 10 per cent above the Great Britain average for the year in question. The strict definition of '10 per cent above average' is that the lower bound of the 95 per cent interval estimate for the authority, and the upper bound of the 95 per cent interval estimate for Great Britain as whole differ by 10 per cent of the GB average.

The second graph shows the location of the 39 local authorities which had mortality rates amongst the under 65s more than 10 per cent above national average.

Note that, over the period 1991 to 1999, premature deaths fell by some 15 per cent for men on average, and by 12 per cent for women.

Overall adequacy of the indicator: **high.** *The underlying data are deaths recorded at ward level by the ONS in England and Wales and by the Registrar General for Scotland.*

Obesity

The proportion of working-age women who are obese is increasing

Women aged 16 to 64 who are obese (per cent)

Source: 1998 Health Survey for England, DH, 1999
Note: Data for 1997 has been omitted due to unreliability of small sample size for that year's survey

Women aged 25 to 64 from manual social classes are significantly more likely to be obese than women from non-manual social classes. The pattern is far less pronounced for men

Men and women aged 25 to 64 who are obese (per cent)

■ Social classes I-IIINM   ■ Social classes IIIM-V

Men   Women

Source: 1998 Health Survey for England, DH, 1999

The first graph shows the number of women aged 16 to 64 who are obese, where obesity is defined as those with a body mass index greater than 30kg/m^2.

The second graph shows the 1998 variation across social classes in the percentage of men and women aged 16 to 64 who were obese.

The data relates to England only.

Overall adequacy of the indicator: **high.** *The Health Survey for England is a large survey which is designed to be representative of the population in England as a whole.*

Limiting long-standing illness or disability

Nearly 4 million adults aged 45 to 64 suffer a long-standing illness or disability which limits their activity

Men aged 45 to 64 **Women aged 45 to 64**

Reporting a limiting long-standing illness or disability (millions)

Source: General Household Survey 1998, ONS 1999
Note: Data for 1992 and 1997 is missing because the General Household Survey was not carried out in those years

Adults in junior and manual occupational groups are more at risk of a limiting long-standing illness or disability than those in professional, managerial and other non-manual work

Men **Women**

Percentage of 45- to 64-year-olds reporting a limiting long-standing illness or disability

Professional | Intermediate non-manual | Employers & managers | Semi-skilled manual & personal service | Skilled manual & own account non-manual | Unskilled manual | Junior non-manual

Source: General Household Survey 1998, ONS 1999

The first graph shows the number of adults aged 45 to 64 who report having a long-term illness or disability that limits the activities they are able to carry out. The second graph shows how levels of self-reported ill health and disabilities varies between occupational groups. The question asked is "Do you have any long-standing illness, disability or infirmity? Long-standing is anything that has troubled you over a period of time or that is likely to affect you over a period of time. Does this illness or disability limit your activities in any way?"

The data relates to Great Britain.

*Overall adequacy of the indicator: **medium**. While the General Household Survey is a well-established, government survey designed to be representative of the population as a whole, the inevitable variation in what respondents understand and interpret as 'long-standing' and 'limiting activity', diminishes the value of the indicator.*

Mental health

The proportion of adults aged 16 to 64 who are at high risk of developing a mental illness has remained broadly stable throughout the 1990s. Women are $1^{1}/_{2}$ times more at risk than men

Source: Health Survey for England 1991/92-98. DH 1999
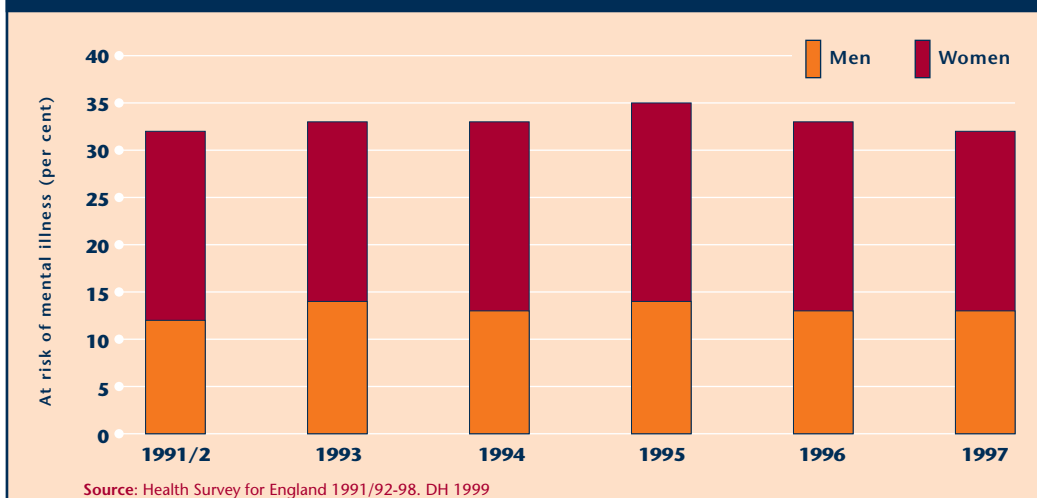
People with lower incomes are more likely to be at risk of developing a mental illness than those on higher incomes

Source: Health Survey for England, 1998, DH 1999

The first graph shows the number of adults aged 16 to 64 who are classified as being at high risk of developing a mental illness. This is determined by asking informants a number of questions about general levels of happiness, depression, anxiety and sleep disturbance over the previous four weeks, which are designed to detect possible psychiatric morbidity. A score is constructed from the responses, and the figures published show those with a score of 4 or more. This is referred to as a 'high GHQ12 score'.

The second graph shows the 1998 variation of the above across income groups.

The data relates to England only.

Note that the source for this indicator has been changed this year from Hospital Episode Statistics to the Health Survey for England (the latter is thought to be a better measure of depression).
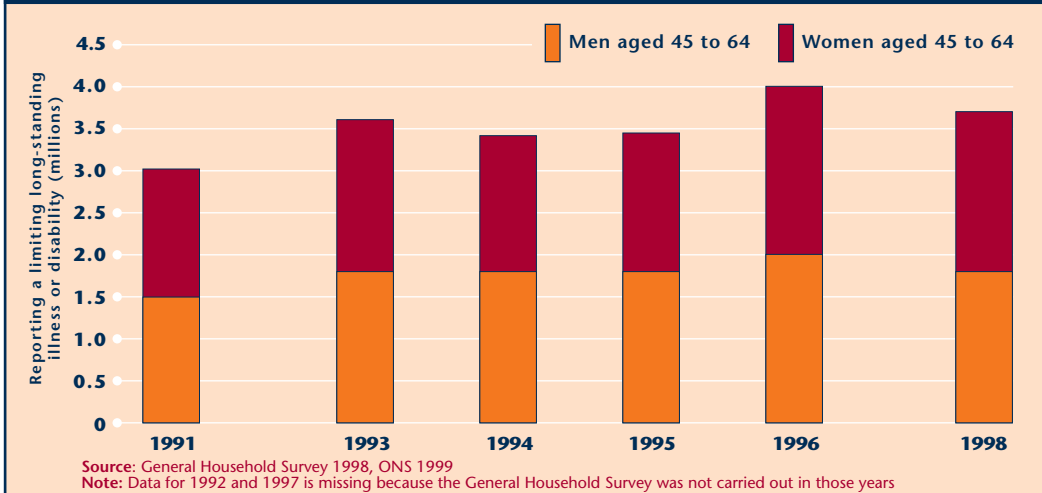
*Overall adequacy of the indicator: **high.** The Health Survey for England is a large survey which is designed to be representative of the population in England as a whole.*
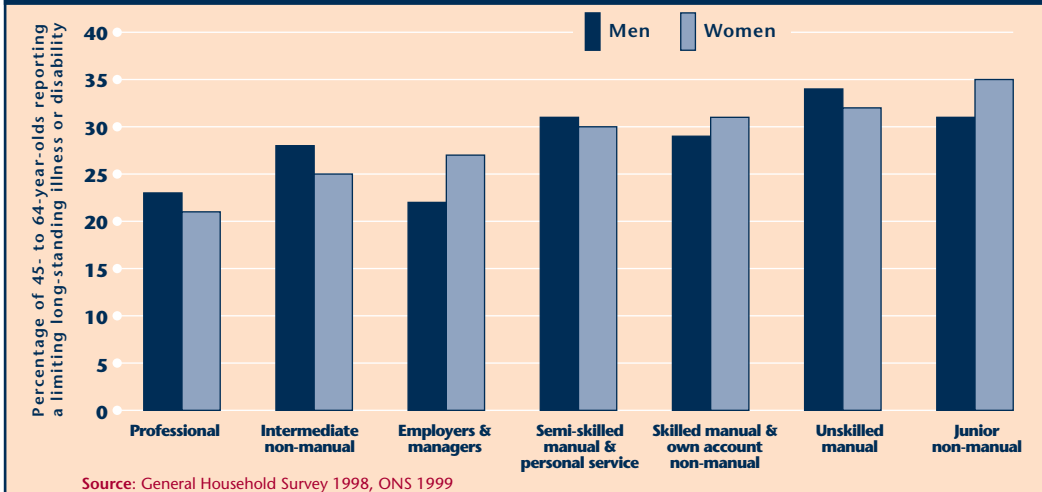
5 Older people

Why the indicators were chosen

Economic circumstances

Although pensioners on average enjoy better incomes than they have in the past, the rising average conceals a large minority who have no additional resources other than the state retirement pension and means tested benefit. The first indicator of pensioners' economic circumstances is the number of pensioners with **'no private income'** (i.e. no income other than the state retirement pension and state benefits).[1]

The second chosen indicator is the **'level of expenditure on essentials'**, tracked separately for pensioners mainly relying on the state pension and other pensioners with greater incomes.

Health and well-being

As with other age groups, health problems amongst older people are not evenly distributed but are concentrated amongst the poorest. While life expectancy has been increasing overall, in many cases the number of years free of sickness and pain have not.[2]

Failing health is an inevitable consequence of growing older, but some of the effects of poor health can be avoided, and preventative health care can reduce the overall burden of ill health suffered. Older people occupy much of the substandard housing in Britain, and the link between ill health and housing is strong for older people. This is particularly important because many older people spend such a lot of time at home. The first health-related indicator is the **'number of excess winter deaths'** amongst older people, which also includes a graph showing the relationship between poor insulation and low income amongst older people.

Many disabled people are aged over 60.[3] The second indicator is the **'proportion of older people reporting ill health or a disability which limits their activities'**, with the second graph showing the disparity across different occupational groups for older men.

Many older people suffer anxiety and depression, caused and compounded by bereavement, and indeed retirement itself, which for many is a disorientating and stressful experience. One symptom of anxiety and depression is fear of leaving the house and the third indicator is the **'proportion of older people feeling unsafe out alone after dark'**.

Access to services

The quality and appropriateness of services older people receive, from health services to transport and leisure, is critical to their well-being.

Both the quality of the experience older people have at home and the feasibility of remaining at home will depend on the support that they receive.[4] The first indicator is the **'proportion of those aged 75 and over who receive help from social services to live at home'**.

The second indicator of access to services is the **'proportion of pensioner households without a telephone'**. Telephone access for older people varies with income and is an important means of connection to the outside world, particularly to family and friends, as well as providing access to a range of services. Most of the population believe that a telephone is a necessity of modern life.[5]

What the indicators show

Apart from the core subject of income levels, there is a lack of clarity about what poverty and social exclusion means for older people. Because neither education/training nor paid work are central to the debate, the only government policy of direct relevance is the minimum income guarantee. The problems of exclusion from essential services – both public and private – have not been clearly defined and no obvious policies are in place for improving access to such services.

One and a half million pensioners are totally reliant on state pension and benefits

There are 1.4 million pensioners with no income other than their state pension and state benefits. This represents 23 per cent of all single pensioner and 8 per cent of pensioner couples. Pensioners are the largest single group on means-tested benefits in Britain.

The proportion of pensioners on low incomes differs according to both age and marital status. Whereas there are large numbers of older pensioners and younger single pensioners on low incomes, there are significantly fewer younger pensioner couples. Indeed, only 16 per cent of pensioner couples aged 75 and under are in the poorest fifth of the population (after housing costs), which is actually less than the proportion of working age adults and children.

The statistics above, although the latest available, relate to the period before the government introduced its minimum income guarantee for pensioners, which in 1999 guaranteed all single pensioners an income of £75 per week, and couples an income of £117 (with the amounts rising with age). From April 2000, those figures went up to £78 and £122 respectively.

One issue for future monitoring is the adequacy of the minimum income guarantee,[6] and a second is the extent of take-up.

Fewer pensioners are getting any help from social services

The six years up to 1999 saw a significant reduction, of 30 per cent, in the number of pensioner households getting any help from their local authority to live independently at home. County councils and unitary authorities appear to support far fewer pensioners than urban or Welsh authorities.

In June 1999, the government launched a £650 million initiative called 'Better Services for Vulnerable People', which included older people. The extent to which this initiative will have an impact on the numbers receiving social services is not yet clear.

Continuing differences in access to essential services and necessities

The proportion of pensioners without a telephone at home has improved markedly in recent years, and now stands at 4 per cent. However, this still represents over 250,000 pensioner households. Furthermore, almost 10 per cent of those single pensioners who rely mainly on the state pension have no telephone.

Most pensioners spend a good deal of time at home. The poorest are almost twice as likely to live in badly insulated housing as the best off pensioners and the high number of excess winter deaths - between 20,000 and 45,000 each year – in the pensioner population partly reflects this.

Selected major initiatives under way

Indicators	Policy	Start date	Key department	Key delivery agency	Budget/target/comments
33 No private income	Minimum income guarantee	April 1999: introduced April 2000: uprated	DSS/Treasury	Benefits Agency	From April 2000: for single pensioners, £78.45 a week for those aged 60 to 74, £80.85 for those aged 75 to 79, and £86.05 for those aged 80 and over; for pensioner couples, £121.95 a week for those aged 60 to 74, £125.35 for those aged 75 to 79, and £131.05 for those aged 80 and over. Attendance allowances, council tax benefit and housing benefit are not counted as income when calculating entitlement. Eligibility restricted to those with less than £8,000 in savings.
	Winter fuel payments (part of Fuel Poverty Initiative)	1998: introduced 2000: uprated	DSS/Treasury	Benefits Agency	1998/99-2000/01: government spending on winter fuel payments is £2.5 billion. After the Winter 2000 uprating pensioner households claiming income support get £150 each to help cover winter costs.
38 Help from social services	Better Services for Vulnerable People Initiative	October 1997 April 1999: Joint investment plans for older people	DH	Health authorities and local authorities jointly	£650m over three years for prevention and rehabilitation services. Requires all local and health authorities to draw up joint investment plans (JIPs) to co-ordinate development of services. Aims to ensure necessary provision while minimising unnecessary admissions to hospitals and care centres.

No private income

Over 1 million pensioners (23 per cent of single pensioners and 8 per cent of pensioner couples) rely on the state retirement pension and state benefits alone
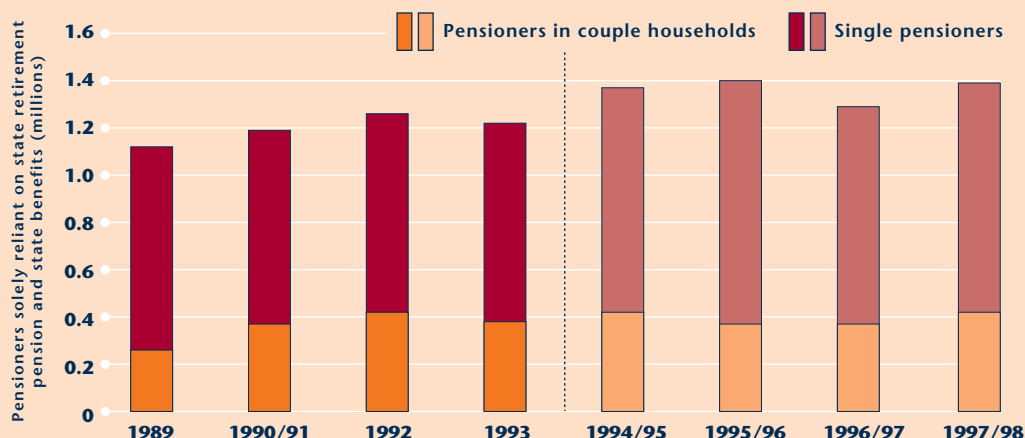
Source: The Pensioners' Income Series 1997/98 (based on FES data 1989-93 and FRS 1994/95 to 1997/98)

Pensioner couples aged 75 and under are less heavily concentrated in the bottom half of the income distribution than other pensioners
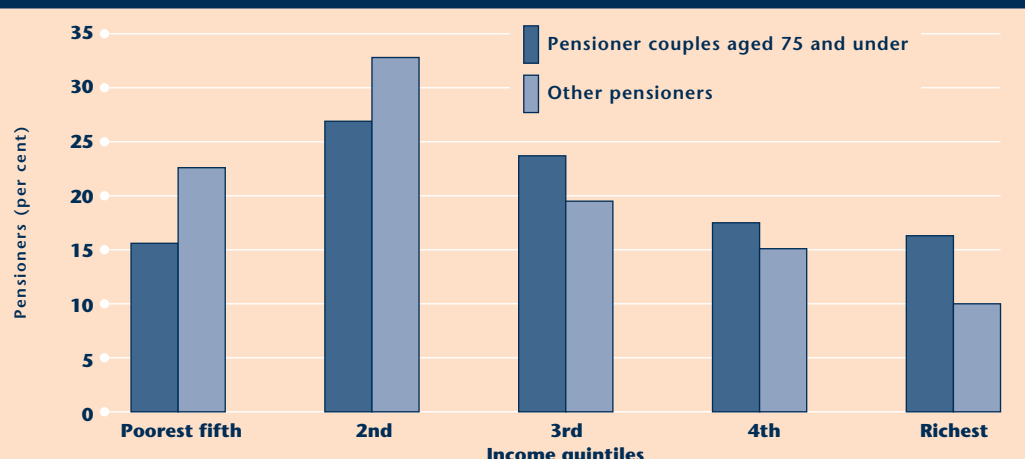
Source: Households Below Average Income 1994/95-1998/99, DSS 2000

The first graph shows the number of pensioner families (individuals in pensioner benefit units) with no income other than the state retirement pension and state benefits.

The second graph shows the distribution of pensioners across the income quintiles, split by pensioner type and age.

Data for the first graph comes from the Pensioners' Income Series (PI) and is based partly on the Family Expenditure Survey (FES) (which relates to the UK), and partly on the Family Resources Survey (FRS) (which relates to Great Britain). Note that direct comparisons should not be made between FES and FRS based results due to differences in coverage, definitions and survey instruments. Data for the second graph comes from the FRS and relates to Great Britain.

Note that 1997/98 is the latest year for which PI data was available at time of going to press.

*Overall adequacy of the indicator: **medium**. The FES and FRS are both well-established government surveys, designed to be representative of the population as a whole. However, since they only cover people living in private households, rather than, for example, residential institutions (such as nursing homes), they do leave out a significant group of older people.*

Spending on 'essentials'

Spending on essentials by pensioner households who mainly depend on the state pension has not risen during the 1990s

Legend: ▮ Mainly dependent on the state retirement pension ▮ With private income

Y-axis: £s per week spent on essentials (1999 prices)

X-axis categories: 1992, 1993, 1994/95, 1995/96, 1996/97, 1997/98, 1998/99

Source: Family Spending 1998-99, Office for National Statistics © Crown Copyright 2000. The Family Expenditure Survey is Crown Copyright; and Pensioner Retail Price Index, ONS

Pensioners depending mainly on the state retirement pension spend 25 per cent less on food than better off pensioners

Y-axis: £s per week spent on food and non-alcoholic drink (at 1999 prices)

X-axis categories: State retirement pension only, With additional income

Source: Family Spending 1998-99, Office for National Statistics © Crown Copyright 2000. The Family Expenditure Survey is Crown Copyright

The first graph shows pensioners' weekly spending on 'essential' items of expenditure (besides housing) for pensioners mainly dependent on the state retirement pension and for pensioners with additional incomes. The categories of expenditure counted as 'essential' include food, fuel, clothing and footwear, and household goods. Some spending on other categories such as travel will also be essential, though they have not been included.

The figures are per person. In the case of pensioner couple households, this has meant dividing their expenditure in two, and assuming that spending is equally divided across the household. The series are at 1999 prices and have been deflated using pensioner retail price indices separately for one-person and two-person pensioner households.

The second graph shows spending per head on food in pensioner households with different income levels.

*Overall adequacy of the indicator: **medium.** The Family Expenditure Survey is a well-established government survey, designed to be representative of the population as a whole. However, the spending categories chosen necessarily do not cover all essential spending and equally include some items which might be considered non-essential. The data shown is therefore a proxy for spending on essentials by pensioner households.*

Excess winter deaths

Each year, depending on the harshness of winter, 20,000 to 45,000 more people aged 65 or over die in winter months than on average in other months

Source: Mortality Data, ONS 2000
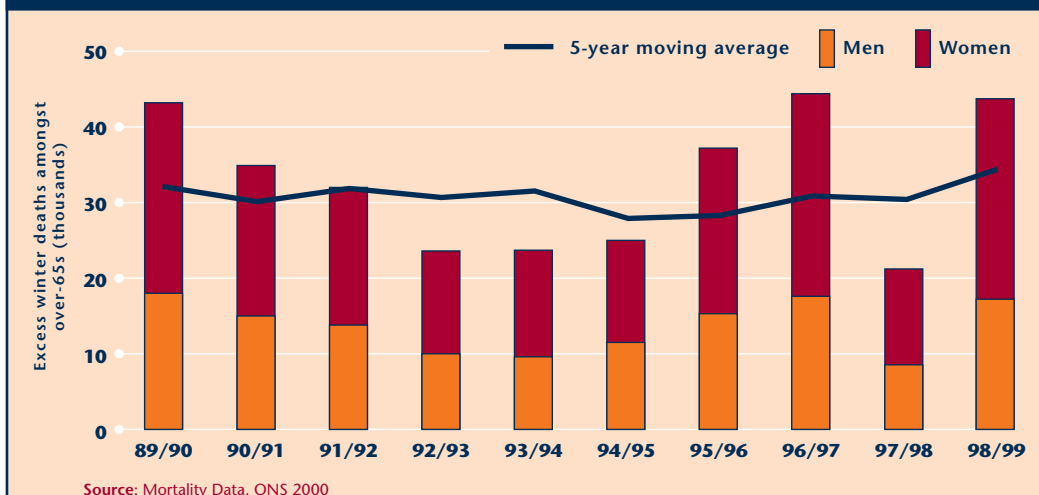
The poorest pensioners are almost twice as likely to be in energy inefficient housing as the best off pensioners

Source: English House Condition Survey, DETR, 1999
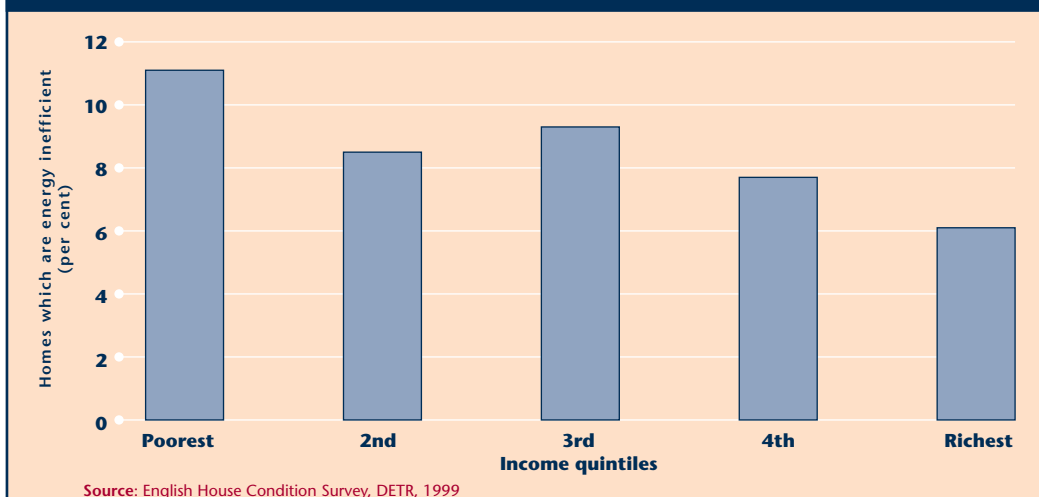
The first graph shows excess winter deaths each year in the 65 and above age group, where 'excess winter deaths' is defined as the difference between the number of deaths which occurred in winter (December to March), and the average number of deaths during the preceeding four months (August to November) and the subsequent four months (April to July). The graph also shows a five-year moving average, which is less affected by year-by-year fluctuations due to particularly cold and warm winters.

The data is for England and Wales.

The second graph shows the percentage of pensioner households in each quintile (fifth) of the pensioner income distribution that live in an energy inefficient home. The energy efficiency of a household is measured by looking at the cost of heating per unit of floor space. The energy ratings given to households are a measure of the annual unit cost of heating the dwelling to a standard regime.

*Overall adequacy of the indicator: **medium**. Whilst the data sources used here are reliable ones, there is no data providing a direct causal relationship between winter deaths and energy inefficient housing.*

Limiting long-standing illness or disability

Around 4 million adults aged 65 and over (a quarter of the age group) report a long-standing illness or disability

Legend: Men aged 65 to 74 | Women aged 65 to 74 | Men aged 75+ | Women aged 75+

Y-axis: Reporting a limiting long-standing illness or disability (millions)

X-axis: 1989, 1991, 1993, 1996, 1998

Source: General Household Survey 1998, ONS 1999
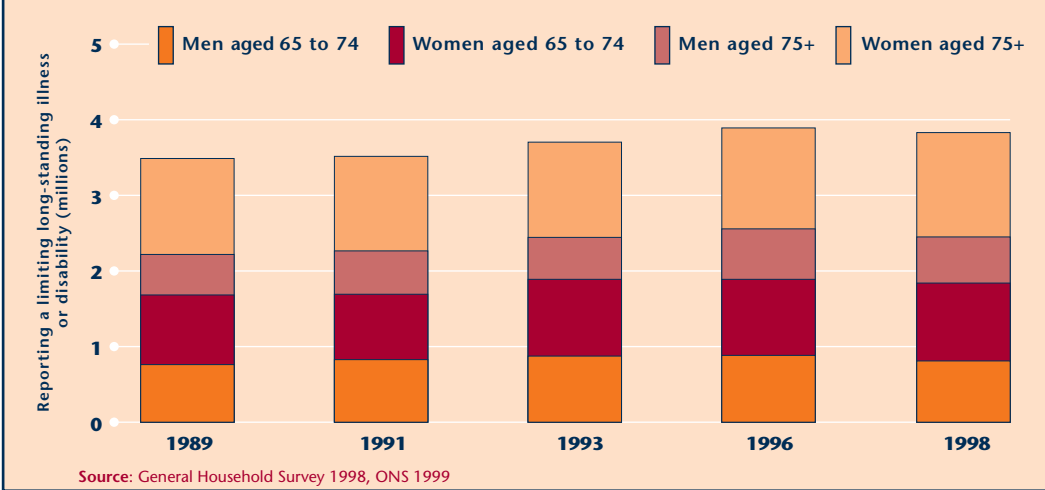
Men aged 65 and over who worked in manual trades are somewhat more likely to suffer a long-standing disability than those with non-manual work histories. There is no such pattern for women

Y-axis: Men reporting a limiting long-standing illness or disability (per cent)

Non-manual: Intermediate non-manual, Professional, Employers & managers, Junior non-manual

Manual: Skilled manual & own account non-manual, Unskilled manual, Semi-skilled manual & personal service

Source: General Household Survey 1998, ONS 1999
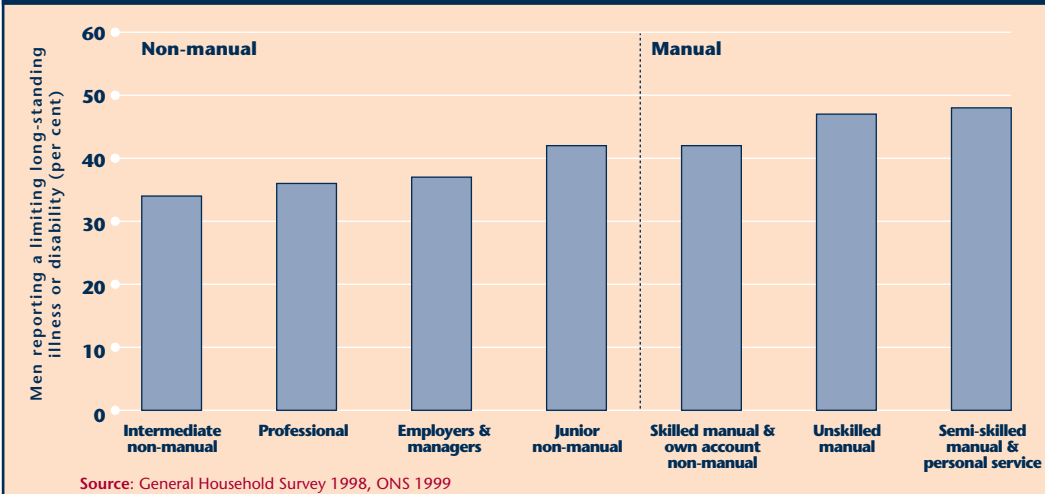
The first graph shows the number of older people aged 65 and over who report having a long-term illness or disability that limits the activities they are able to carry out. The question asked is "Do you have any long-standing illness, disability or infirmity? Long-standing is anything that has troubled you over a period of time or that is likely to affect you over a period of time. Does this illness or disability limit your activities in any way?"

The second graph shows how levels of self-reported ill health and disabilities vary between occupational groups amongst men aged 65 and over. The data relates to Great Britain.

*Overall adequacy of the indicator: **medium**. While the General Household Survey is a well-established government survey designed to be representative of the population as a whole, the inevitable variation in what respondents understand and interpret as 'long-standing' and 'limiting activity', diminishes the value of the indicator. Furthermore, for women, the social-class classifications are not particularly sensitive to their real socio-economic circumstances.*

Anxiety

Women aged 60 or over are more than twice as likely to feel unsafe out at night than men

Feeling unsafe (per cent)

Men   Women

Source: British Crime Survey, Home Office, 1988-98

Older people who used to be in manual work are more likely to feel anxious or depressed than those from non-manual backgrounds

People aged 60 and over feeling moderately anxious or depressed (per cent)

Non-manual   Manual

Men   Women

Source: Euroquol EQ-5D, published in the Health Survey for England, 1996

The first graph shows the number of men and women aged over 60 according to whether they feel safe or not going out after dark. Those counted as feeling unsafe are those who replied that they felt 'a bit unsafe' or 'very unsafe'. The data is based on the British Crime Survey and relates to Great Britain.

The second graph shows how people aged over 60 differ in their reported levels of moderate anxiety and depression according to their social class.

*Overall adequacy of the indicator: **medium**. The British Crime Survey is a well-established annual government survey and the fact that the proportions feeling unsafe have changed little over successive surveys suggests a degree of robustness to this result. However, it is unclear to what extent these feelings reflect anxiety more generally or simply with respect to walking at night.*

Help from social services to live at home

The proportion of elderly households helped to live at home by social services has been falling since 1994

Households helped to live at home (per cent)

Year	Value
1993	15.2
1994	16.1
1995	14.8
1996	14.0
1997	13.4
1998	12.4
1999	11.6

Source: Department of Health return HH1 and ONS population estimates
Note: 1999 figures are provisional at time of going to press
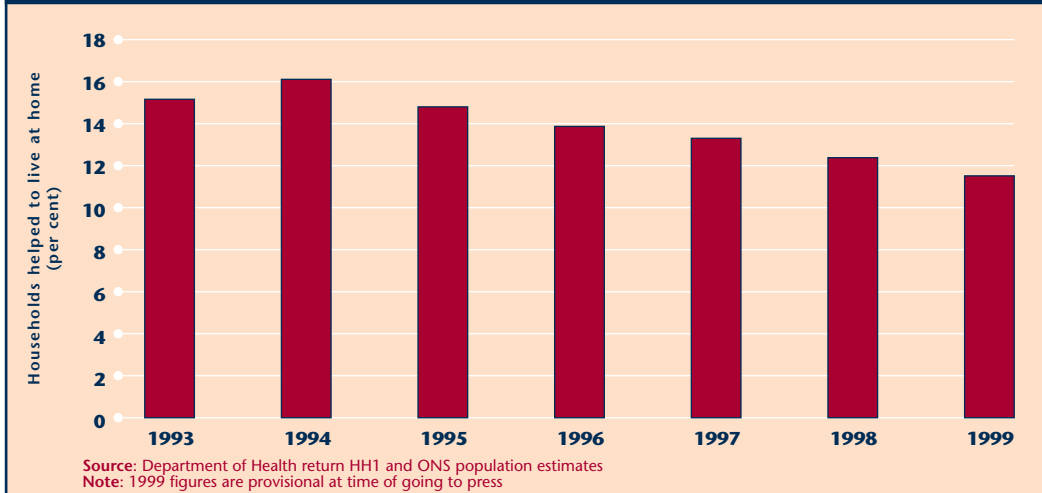
County councils and unitary authorities support far fewer pensioners to live independently at home than urban or Welsh authorities

Local authorities providing help to live at home to the over 65s

- Above average proportion of over-65s helped
- Below average

Authority type	Above average	Below average
Welsh authorities	13	6
London boroughs	25	6
Metropolitan authorities	23	12
Unitary authorities	10	32
County councils	6	26

Source: Audit Commission Performance Indicators for England and Wales 1998/99 and ONS population estimates

The first graph shows the percentage of households aged 75 and over receiving home help/care from their local authority. The statistics are collected by the Department of Health from all local authori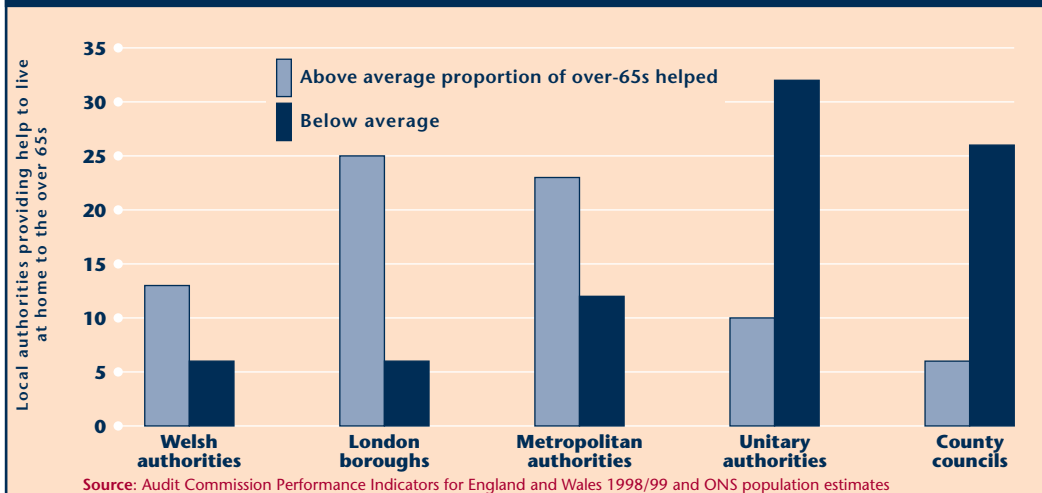ty social services departments in England. 'Being helped to live at home' includes provision of the following services: home help, including help provided by volunteers; practical services such as shopping; respite care to relieve the regular carers; personal care for the older person; cleaning and other tasks in and around the home; meal services either at the person's home ('meals on wheels'), at a luncheon club, or in pubs or cafes providing meals for specific clients; and day centres run by either local authorities, voluntary organisations or the private sector. The data relates to England.

The second graph, which relates to those over 65, counts local authorities in England and Wales according to whether they help an above or a below average number to live at home, with the results shown by five types of authority. The average was calculated by multiplying the number of over-65s who are helped to live at home per 1,000 population by the total population of that age group for each local authority; and by dividing the sum by the total population. A small number of authorities have been omitted where the advice was that the data was unreliable.

Note that the method of calculation used this year differs from previous years.

*Overall adequacy of the indicator: **medium**. The underlying data has been collected for a number of years and can be considered reliable. However, comparisons between local authorities have to be qualified by the fact that statistics ought ideally to be measured in relation to need and levels of support from friends and relatives.*
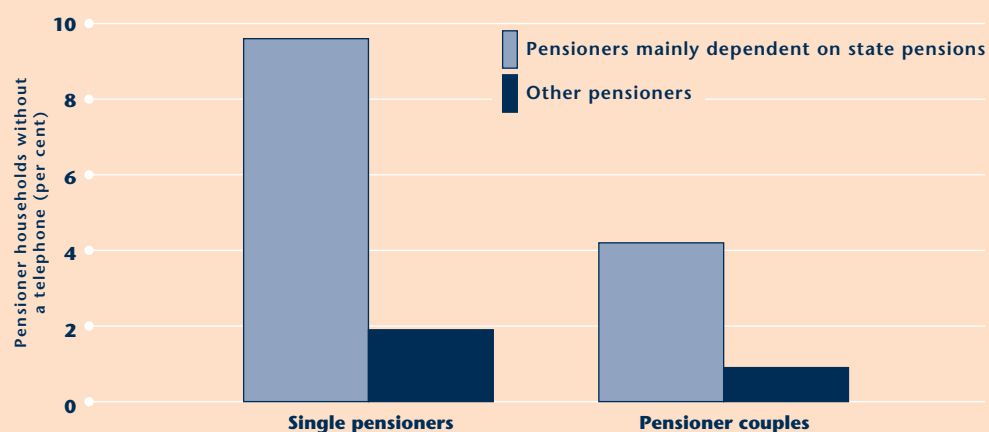
Without a telephone

Although reducing, around 250,000 pensioner households still do not have a telephone
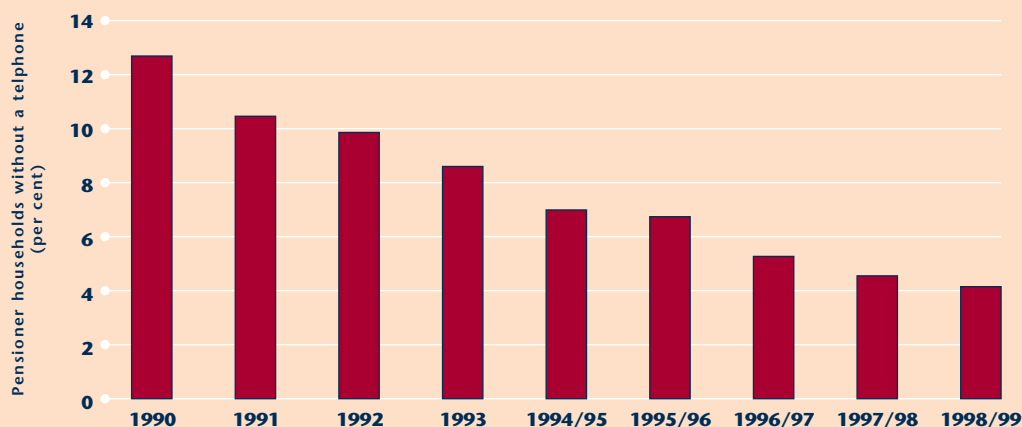
Pensioner households without a telephone (per cent), 1990 to 1998/99

Source: Family Expenditure Survey 1998/99, Office for National Statistics © Crown Copyright 2000

Single pensioner households who are mainly dependent on state pensions are much more likely to be without a telephone than other pensioner groups

- Pensioners mainly dependent on state pensions
- Other pensioners

Source: Family Expenditure Survey 1998/99, Office for National Statistics © Crown Copyright 2000

The first graph shows the proportion of pensioner households without a telephone. Pensioner households are all those where the head of household is retired. All male heads of household are 65 years of age or more; all female heads of household are 60 years of age or more. Note that the dataset used for this indicator was revised in 2000.

The second graph shows how the lack of access to a telephone varies across different types of pensioner household, according to income and whether the pensioner is single or not. A retired household mainly dependent upon state pensions is one in which at least three-quarters of total household income is derived from national insurance retirement pension and similar pensions, and from housing and other benefits paid in supplement to or instead of the retirement pension. 'Other pensioners' are those where more than a quarter of the household's income derives from occupational retirement pensions and/or income from investments, annuities etc.

The data relates to the United Kingdom.

Overall adequacy of the indicator: **high.** *The Family Expenditure Survey is a well-established government survey, designed to be representative of the population as a whole.*

6 Communities

Why the indicators were chosen

The indicators in this chapter cover the physical and social environment in which people live, reflecting the fact that neither poverty nor social exclusion depend upon an individual's personal resources alone.

One sense in which 'community' is used here is spatial, pertaining to the local area. A second sense is that of a network of personal contacts, from family and friends, to colleagues and, in the most abstract, fellow citizens.

Social cohesion

People's local communities can provide opportunities both for help and the chance to help others.[1] The first indicator is the **'proportion of individuals who are not involved in any civic organisation'**. These range from political parties, trade unions and tenants' groups to social groups and sports clubs. The indicator shows how involvement varies across the income distribution.

The second indicator, the **'proportion of households in social housing where the head of household is not in work'**, reflects the polarisation that has taken place between areas of housing with large numbers of workless households and areas with a high proportion of households with two people in work.

Gaining access is in many ways the opposite of being excluded, and the ability to travel is a crucial aspect of access. The indicator of access to transport is the **'level of expenditure on travel'**, which varies markedly across the income distribution.

Finally, it is becoming increasingly important for people to have the benefits of modern financial services, which create access to a range of other benefits and conveniences. The indicator here is the **'proportion of households which have neither a bank nor building society account'**.

Crime and its costs

Crime is the most commonly reported problem in people's neighbourhoods. In addition to the risk of crime being greater in certain types of area, some individuals and households are especially vulnerable to attack.

The first indicator shows the **'total number of burglaries'** and the greater vulnerability of particular groups to that crime.

The second indicator is **'access to insurance against crime'**, showing the variation across the income distribution in the proportion of households having home contents insurance.

The final crime indicator shows **'individuals expressing dissatisfaction with their neighbourhood'**, plus how fear of crime varies across different population groups.

Housing

The indicators in this section cover housing from a number of perspectives: living conditions, availability of amenities and modernisation of housing, pressure on housing stock, and insecurity of house occupation.

The physical conditions in which people live affect their health, relations between household members, and the development of children. A significant proportion of homes do not have

central heating and these are overwhelmingly the poorest households. The first indicator is the '**proportion of households which do not have central heating**'.

Overcrowding almost invariably occurs in households with large numbers of children. It is associated with a higher rate of child accidents;[2] it encourages infection;[3] and the resulting lack of privacy can be a considerable cause of mental stress.[4] The second indicator is the '**proportion of households which are overcrowded**'.

Local authorities have a responsibility to provide accommodation for those accepted as homeless, who are given at least some form of temporary accommodation. The third housing indicator is the '**number of households living in temporary accommodation provided by a local authority**'.

Finally, mortgage debts continue to represent a problem for many people, with powerful detrimental effects on standards of living and on stress. The fourth indicator is the '**number of households over 12 months in arrears with their mortgage**'.

What the indicators show
Persistent unequal access to work between social housing residents and others
In 1999/2000, two-thirds of heads of households in social housing did not have **paid work**, compared with one-third in other tenures. This difference has persisted throughout the last decade. It is also reflected in the relatively low incomes of social housing residents, where three-quarters are on weekly incomes of less than £200 compared with one-quarter of residents in other tenures, and one-third are on weekly incomes of less than £100 compared with one-tenth of residents of other tenures.

The government has a number of initiatives aimed at improving employment prospects in selected geographic areas, including the Single Regeneration Budget, the Employment Zones and the New Deal for Communities initiative. Whilst the Single Regeneration Budget has been going for a number of years, the other two initiatives are only now starting to move into implementation.

Clearly, the government's various New Deal initiatives aimed at reducing unemployment are also relevant to this indicator.

As well as their overall impact on unemployment, one issue in assessing the success of these various initiatives is the scale of the impact that they collectively have on the overall extent of worklessness in households in social housing.

The risk of crime is greater for the economically vulnerable
The **risk of burglary** varies significantly across different household types: whilst less than 6 per cent of households were burgled in 1997 (the latest date for which British Crime Survey statistics are available), 11 per cent of lone parent households, 10 per cent of households with an unemployed head and 8 per cent of low income households were burgled.

The consequences of burglary are also often more serious for low income households because more than half do not have any household insurance – compared with 1 in 5 for households on average income – and, by definition, people on low incomes without insurance are less able to replace stolen goods themselves.

Reflecting these differences, people on low incomes, tenants of social housing, lone parents and people with a disability are all twice as likely to report that their quality of life is significantly affected by fear of crime than the average.

The government has a number of initiatives aimed at reducing crime in general, and burglary in particular. These include the National Burglary Strategy and the Crime Reduction Programme. One of the aims of the New Deal for Communities is also to reduce levels of crime in its selected areas.

The success of these initiatives with respect to poverty and social exclusion will depend on the extent to which they reduce burglaries for different groups of the population (lone parents, the unemployed, low income households, etc.) as well as for the population as a whole.

Little improvement in financial exclusion thus far
In 1998/99, 1 in 6 of the poorest households did not have any type of **bank or building society account**, compared with 1 in 20 households on average incomes. There has been a small reduction since 1996/97, when the figure was 1 in 5. Interestingly, the proportion of Bangladeshi and Pakistani people without accounts appears to have reduced from 27 per cent in 1995/96 to 16 per cent in 1998/99.[5]

The government has recognised that there are problems in access to basic banking services by people with low incomes and has recently announced two policies to address this: first, a general exhortation to the banks that they should provide basic bank accounts, with no overdraft facilities, by October 2000;[6] and, second, their proposals for the Post Office and banks to work together to set up a 'universal bank'.[7]

One issue in assessing the success of these initiatives is the speed at which the number of people with no accounts is reduced.

Some improvements, but also some worsening, in housing trends
Levels of **overcrowding** have almost halved in the last decade and the number of low income households without central heating has reduced by one-third over the last five years (from 15 per cent in 1994/95 to 10 per cent in 1998/99).[8] But these overall improvements mask some differences between different types of tenure. Overcrowding in the social rented sector has not reduced over the decade and is now three times the level for those with a mortgage.[9] The percentage of households in the private rented sector **without central heating** has not substantially reduced over the last five years and is now three times that of the other sectors.[10]

Similarly, whilst the number of mortgage holders in serious **arrears** continues to fall, the numbers in 1999 were still more than double the numbers in 1989.

In contrast, the number of **households in temporary accommodation** continues to rise sharply. At 70,000, it is now 1^1/$_2$ times the number in 1997, and is the highest figure for over a decade. This reflects both a shortage of long-term social housing available to homeless households in London, and the new duty on local authorities since 1996 to provide a safety net for asylum seekers, the vast majority of whom are in Greater London. More than half of the households accepted by local authorities as homeless have dependent children.

The government has a range of housing initiatives in train. Those most relevant to the indicators above are the reforms to the Housing Investment Programme and the initiative to release monies from council house sales.

These initiatives are not, however, directly targeted at the issues that the indicators aim to monitor, nor do they cover the range of subjects covered by the indicators. One issue is therefore the extent to which they impact on such problems as overcrowding, damp and lack of permanent accommodation.

Selected major initiatives under way

Indicators	Policy	Start date	Key department	Key delivery agency	Budget/target/comments
41 Polarisation of work	Single Regeneration Budget	Ongoing 1999: implementation of Round 5 bids 2000: approval of Round 6 bids (in August)	DETR	Regional Development Agencies	£1bn for Round 5 and £1.2bn for Round 6. Objectives are to improve employment prospects, address social exclusion, promote sustainable regeneration, protect the environment and infrastructure, and support and promote economic growth. Addresses the more 'physical' aspects of regeneration.
	Employment Zones to get intensive action in high unemployment areas	February 1998: first round April 2000: second round	DfEE (DSS also involved)	Partnership of public, voluntary and private sector organisations	£170m for both rounds for 1998-2002. The target is to get between 15 and 20 per cent improvement in moving selected groups into work.
	New Deal for Communities	1998: initial areas announced 2000: implementation commences in initial areas	DETR leads a cross-Whitehall initiative	Partnerships of local people, business, community and voluntary organisations, and local authorities. RDAs also involved	£800m over 3 years from 1999-2002. Aims include: reduce poor job prospects, high levels of crime, educational underachievement and poor health. Each partnership has a degree of flexibility. Funding for each partnership is between £20m and £50m. Each partnership has a ten-year timeframe. Only in England, with the devolved assemblies/parliaments having their own programmes.
44 Burglaries	National Burglary Strategy	April 1999	Home Office	Local partnerships	£50m. Prior to April 2000, projects were limited to one year's duration.
	Crime reduction programme	April 1999 Individual projects have varying start dates	Home Office	Police, and prison service	£250m over 3 years. An umbrella scheme covering 15 separate projects aimed at government's general crime reduction targets, such as a 30 per cent reduction in vehicle crime by 2004 and a 25 per cent reduction in burglary by 2005. By 2000, to ensure that prisoners spend at least 24 hours a week engaged in purposeful activity.
	New Deal for Communities	See above	See above	See above	See above
48 Overcrowding	Housing Investment Programme reforms	Gradual	DETR	Local authorities	£838m for 1999-2000. £2.1bn for local authorities for housing investment, 2000/01. A variety of targets. (1) By 2002: to reduce the renovations backlog by 10 per cent. (2) To invest in an extra 1.5 million council houses in 1999-2000. By 2008, 60 per cent of additional housing will be built on brownfield sites.
	The Capital Receipts Initiative	1997	DETR	Local authorities	£1.3bn from council house sales is being released over three years.

Non-participation in civic organisations

9 million adults who are not in paid work or full-time education do not participate in any social, political or community organisations

Men **Women**

Numbers not participating who are not in paid work or full-time education (millions)

1991   1993   1995   1997
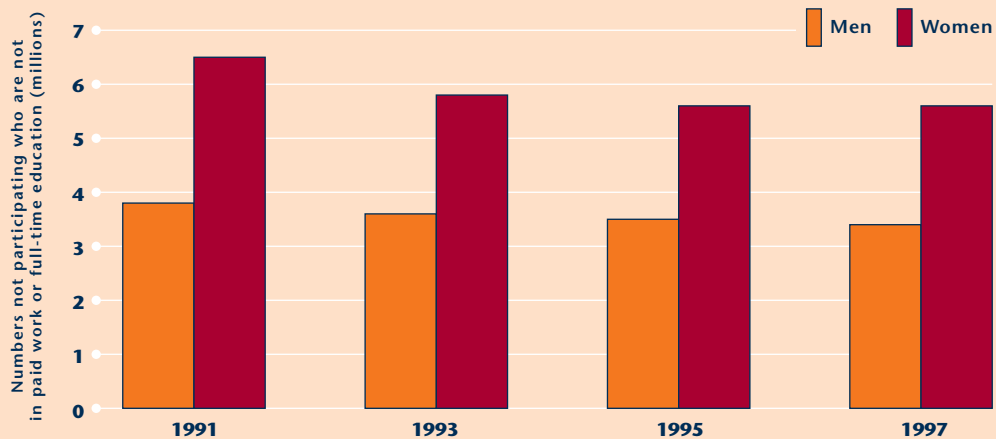
Source: British Household Panel Survey, waves 1,3,5 and 7; ESRC Centre for Micro-Social Change

The poorest have far lower levels of participation in social, political and community organisations than the richest

Poorest fifth **Middle three-fifths** **Richest fifth**

Not participating (per cent)

Male   Female
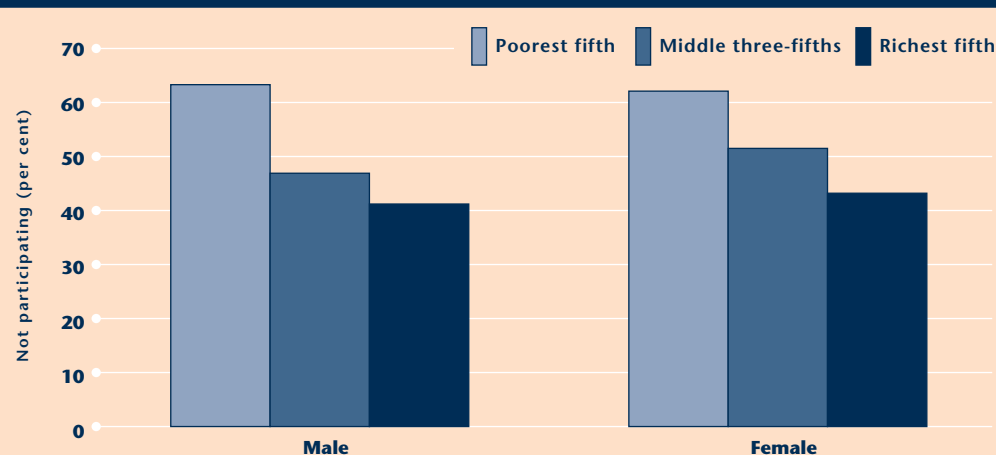
Source: Wave 7 of the British Household Panel Survey, ESRC Centre on Micro-Social Change

The first graph shows the number of individuals over the age of 16 who are not in paid work or full-time education and who report themselves as being active in none of a range of social and other organisations.

The second graph shows the percentages of all those over 16 not active in any of these organisations, with results shown separately for those in the lowest, highest and middle three-fifths of the income distribution.

The social and other organisations are: trade unions and professional associations, parents associations, pensioner groups, community and tenant groups, women's groups, religious groups, sports and social groups, and political parties. Income is gross household income, equivalised for household membership. The data comes from the British Household Panel Survey and the results relate to Great Britain.

*Overall adequacy of the indicator: **medium**. The British Household Panel Survey is a smaller survey than the Family Resources Survey. Coupled with concern over the gradual fall in the number of respondents, it is felt that less weight can be placed on results from this source.*

Polarisation of work

In two-thirds of households in social housing, the head of household is not in paid work. This compares with a third of heads of households in other tenures
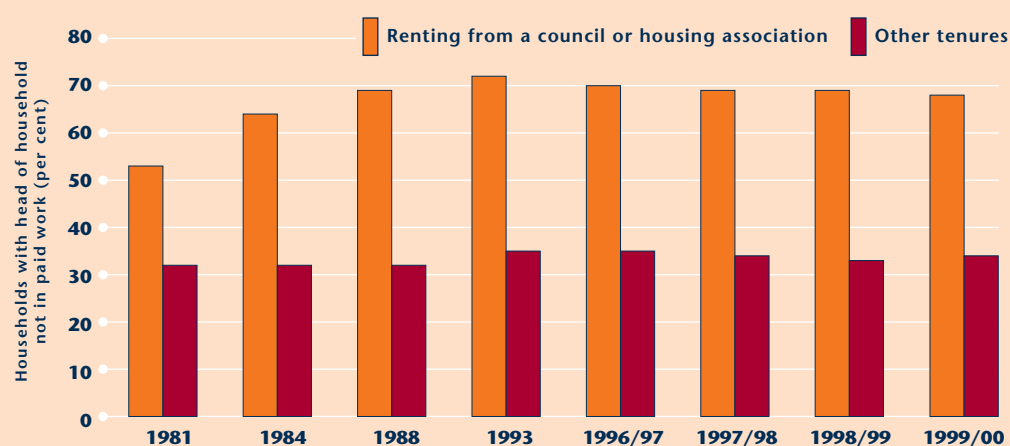
Source: Survey of English Housing, DETR, 1999-2000

Three-quarters of households in social housing have a gross weekly income of less than £200, whilst more than a third have less than £100 a week
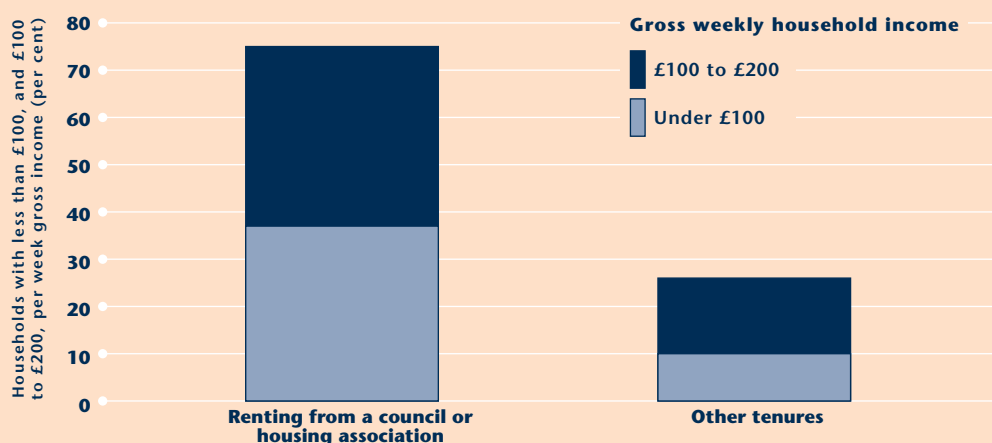
Source: Survey of English Housing, DETR 1999-2000

The first graph shows the percentage of households by tenure group where the head of household is in neither full nor part time work. Two figures are given for each year: the percentage of households in the social rented sector where the head is not in full or part time work; and the percentage for all other tenures.

For the same two tenure groups, the second graph shows the percentage of households where the gross weekly income of the head of household and their partner is less than £100, plus the percentage where the gross household income lies between £100 and £200. These percentages are for 1999/2000.

The graphs relate to England only.

Overall adequacy of the indicator: **high.** *The Survey of English Housing is a well-established annual government survey, designed to be nationally representative.*

Spending on travel

Households on average incomes spend four times as much on travel as households with the lowest incomes

■ Poorest fifth of income distribution   ■ Middle fifth of income distribution

£s per week spent on motoring and fares (1999 prices)

60

50

40

30

20

10

0

1993/94   1994/95   1995/96   1996/97   1997/98   1998/99

Source: Family Expenditure Survey 1998/99, Office for National Statistics © Crown Copyright 2000
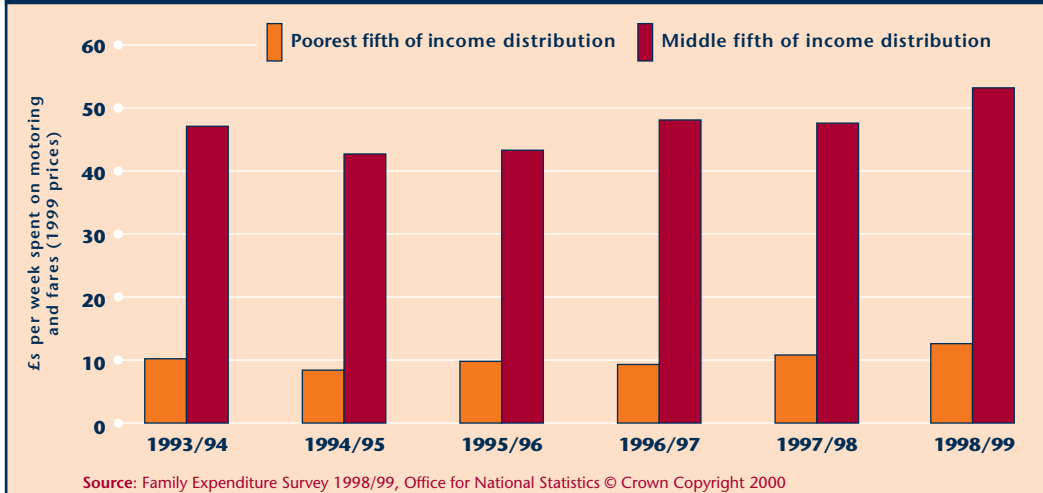
Over 40 per cent of households without a car living in rural areas say that their public transport is bad compared with only 12 per cent living in large towns and cities

Households with no car who say public transport in their area is bad (per cent)

50

40

30

20

10

0

Under 1,000   1,000-2,999   3,000-9,999   10,000 or more

Population size of local area

Source: Survey of English Housing 1997/98, DETR, 1999

The first graph shows weekly household spending on travel for two representative households: for a 'poorer' household at the 10th percentile of the income distribution (i.e. 10 per cent of households received an income below that value); and for the household with average income, at the 50th percentile of the income distribution.

Two categories of spending are included: 'motoring' and 'fares and other travel costs'. The data is at current year prices. Income is gross weekly household income. The figures relate to the United Kingdom.

The second graph shows the percentage of households who do not have access to a car, who said public transport was bad in their area. These answers were obtained from a special question asked in the Survey of English Housing in 1997/98. The results are for England only.

Overall adequacy of the indicator: **high.** *The Family Expenditure Survey and the Survey of English Housing are both well-established annual government surveys, designed to be nationally representative.*

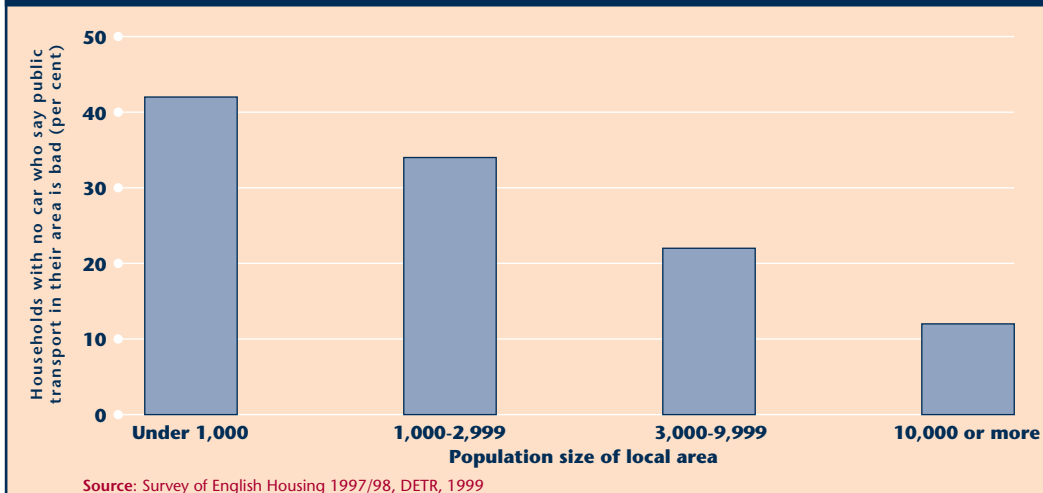# Without a bank or building society account

One in six of the poorest households do not have any type of bank/building society account, compared with one in twenty of households on average incomes

■ Poorest households   ■ Households with average incomes

Households with no bank or building society account (per cent)

	1994/95	1995/96	1996/97	1997/98	1998/99
Poorest households	19	18	20	18	17
Households with average incomes	6	6	6	5	5

Source: Family Resources Survey and Households Below Average Income dataset, DSS 2000
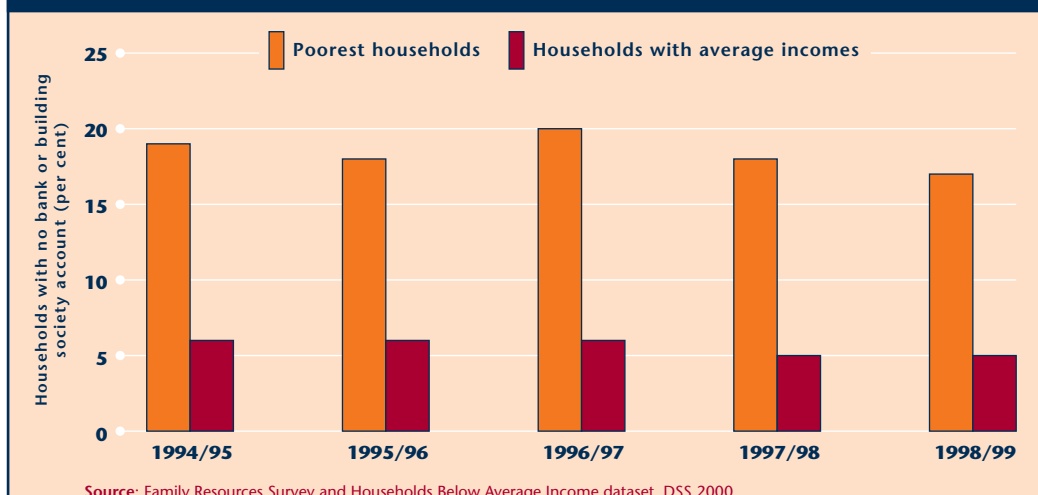
Lone-parent households are three times more likely not to have an account than all households

Households with no account (per cent)

All households	Sick and disabled	Bangladeshi and Pakistani	Unemployed	Lone parents
8	13	16	19	25

Source: Family Resources Survey 1998/99, DSS

The first graph shows the percentage of households by income distribution without any kind of bank, building society or any other kind of account. Income is household disposable income, equivalised to take account of household composition, and is measured before housing costs.

The second graph shows the percentages of different groups in the population without any kind of account, and also shows the percentage of all households with no account.

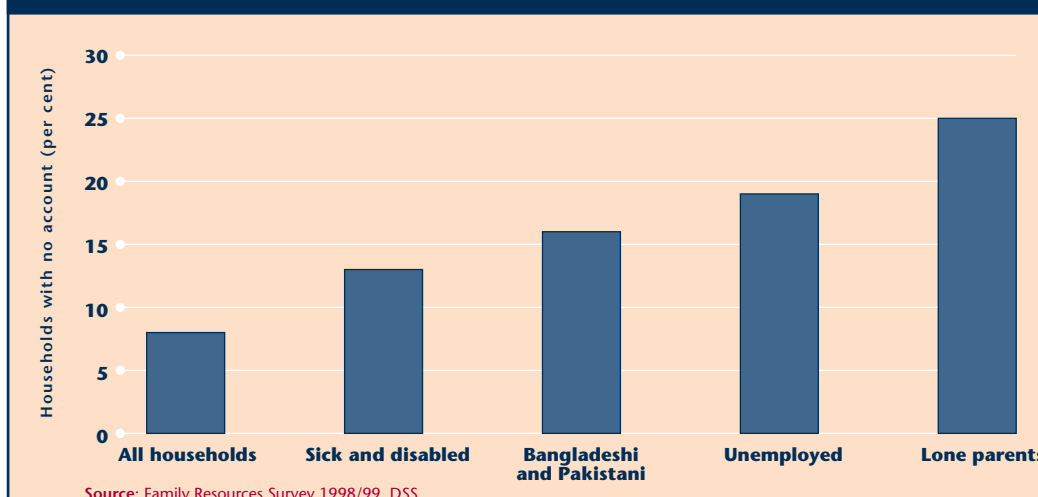As well as bank, building society and post office accounts, the figures also count any stocks and shares, premium bonds, gilts and Save As You Earn arrangements. The results relate to Great Britain.

Note that care should be taken with the data for Bangladeshi and Pakistani households, which is vulnerable to year on year fluctuations due to small sample sizes.

*Overall adequacy of the indicator: **medium.** The Family Resources Survey is probably the most representative of the surveys that gathers information on the extent to which people have bank and other types of account. The qualification is that it is not clear to what extent access to any kind of account is a proper measure of how far people have the banking services they need.*

Burglaries

After doubling between 1983 and 1993, the number of burglaries started declining

Number of burglaries (millions)

1983	1987	1991	1993	1995	1997

Source: British Crime Survey, Home Office, © 1998
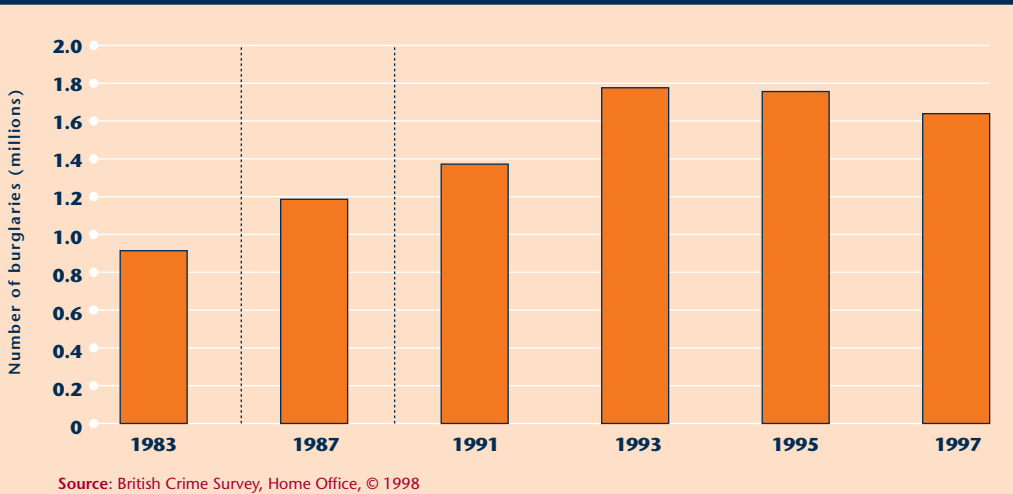
Low income, unemployed, lone-parent and young households are much more likely to be burgled than the average

Households burgled at least once in 12 months (per cent)

Average

Average	Low income household (less than £5,000 p.a.)	Unemployed head of household	Lone-parent household	Young head of household (age 16 to 24)

Source: British Crime Survey, Home Office, © 1998
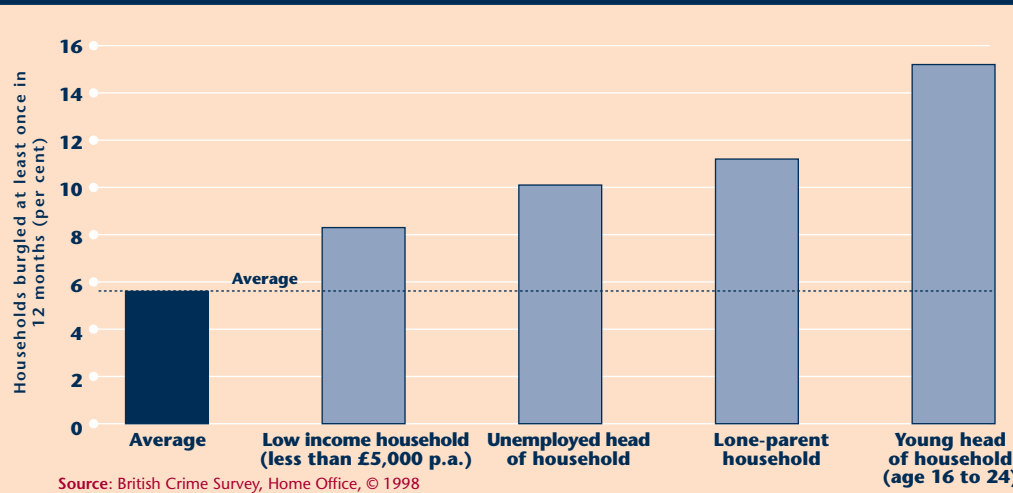
The first graph shows the number of burglaries committed in Britain in each year shown, according to the British Crime Survey.

The second graph shows the vulnerability to burglary of different household types, set against the national average.

Overall adequacy of the indicator: **high.** *The British Crime Survey is a well-established government survey, which is designed to be nationally representative.*

Without household insurance

Households with no insurance cover are nearly twice as likely to be burgled as those with insurance

Households with insurance   Households without insurance

Households burgled (per cent)

1995   1997

Source: British Crime Survey, Home Office, © 1998

More than half of the poorest households are uninsured, compared with less than one in ten of the richest households, despite a higher risk of being burgled

Households without home contents insurance (per cent)

Poorest   2nd   3rd   4th   Richest
Income quintiles

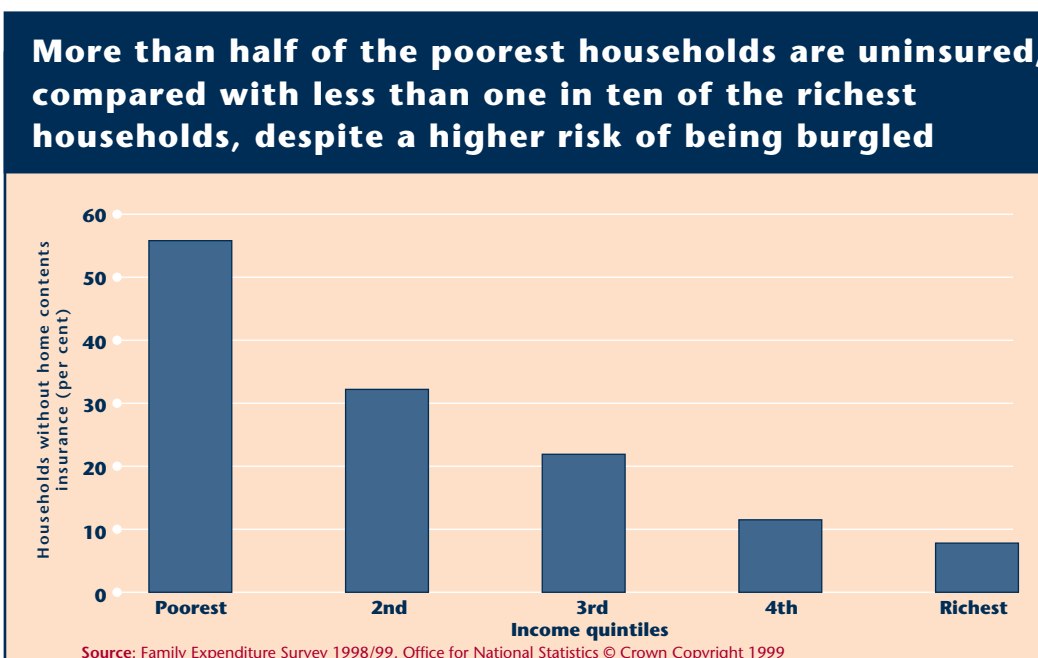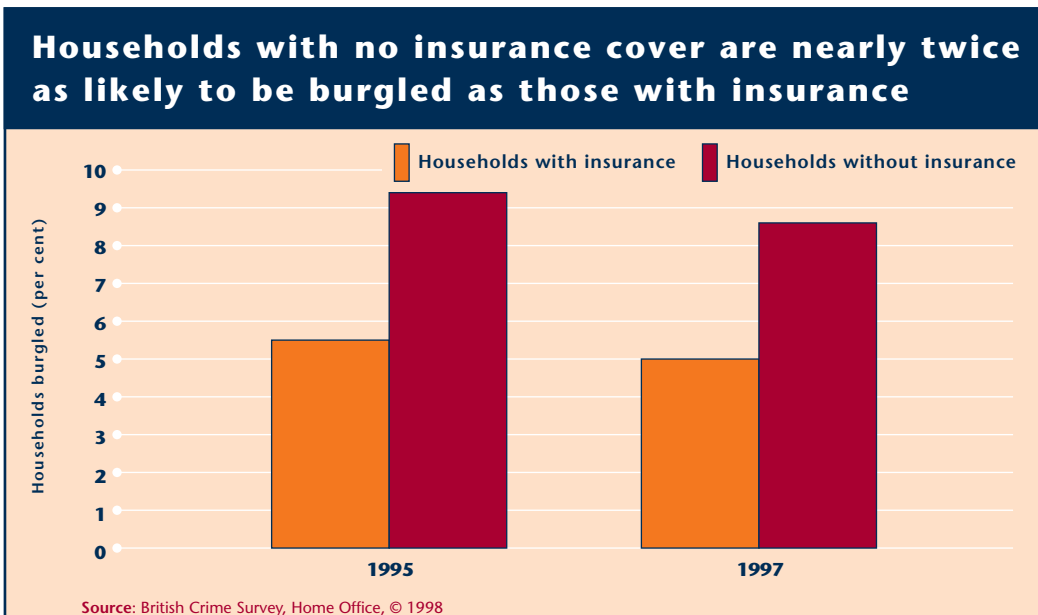Source: Family Expenditure Survey 1998/99, Office for National Statistics © Crown Copyright 1999

The first graph shows the percentages of households with, and without, home contents insurance that were victims of a burglary one or more times in 1995 and 1997. The data source is the British Crime Survey.

The second graph shows how the percentage of households without insurance cover for household contents varies according to the household's income. It is based on Family Expenditure Survey data. The data is for the UK, and the definition of income is gross weekly household income.

Overall adequacy of the indicator: **high.** *The British Crime Survey, and the Family Expenditure Survey are both well-established government surveys, which are designed to be nationally representative.*

Dissatisfaction with local area

Low income households are much more likely to feel very dissatisfied with the area they live in than households on average

Households receiving less than £200 a week ■ All households

Households very dissatisfied with their area (per cent)

Year	Households receiving less than £200 a week	All households
1994/95	7.0	4.9
1995/96	5.1	3.4
1996/97	6.6	4.1
1997/98	5.5	3.8
1998/99	5.4	3.1
1999/00	5.5	3.4

Source: Survey of English Housing, DETR, 2000
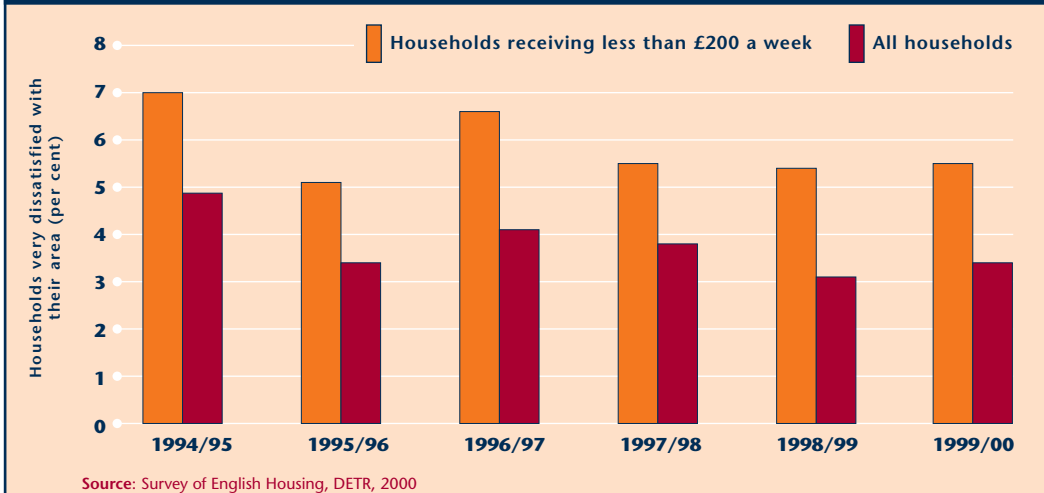
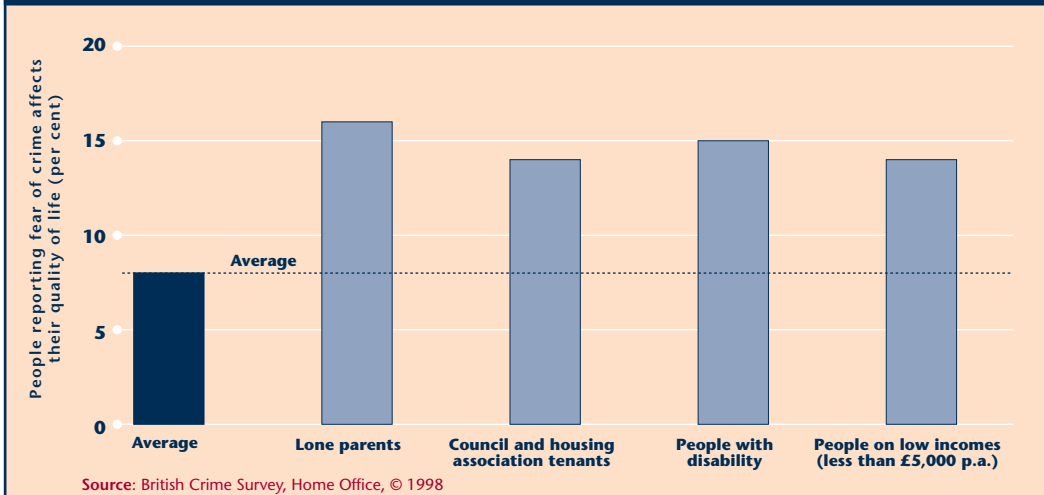## People on low incomes, and those vulnerable to crime in other ways, are twice as likely to report that their quality of life is significantly affected by fear of crime than people on average

People reporting fear of crime affects their quality of life (per cent)

Group	Per cent
Average	8
Lone parents	16
Council and housing association tenants	14
People with disability	15
People on low incomes (less than £5,000 p.a.)	14

Source: British Crime Survey, Home Office, © 1998

The first graph shows reported levels of severe dissatisfaction with the area in which people live, with separate results for those with gross weekly household incomes below £200 and for all households as a whole.

'Household income' is the income of the head of household and their partner. The figures count those who replied 'very dissatisfied' to the question, the lowest of five possible responses. The data relates to England.
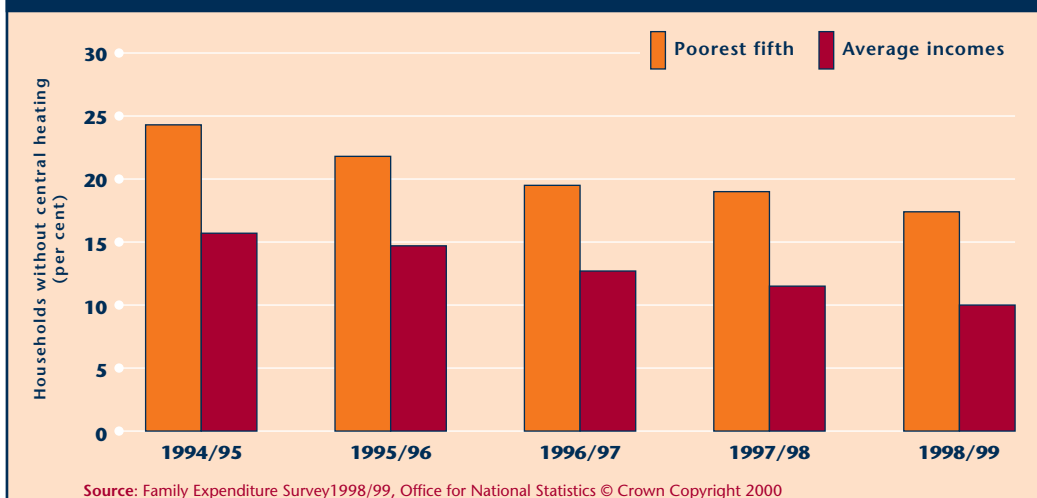
The second graph shows the percentage of different groups in the population who report that fear of crime affects their quality of life. The data is based on the 1998 British Crime Survey.

Overall adequacy of the indicator: **high.** *The Survey of English Housing and the British Crime Survey are both well-established government surveys, designed to be nationally representative.*
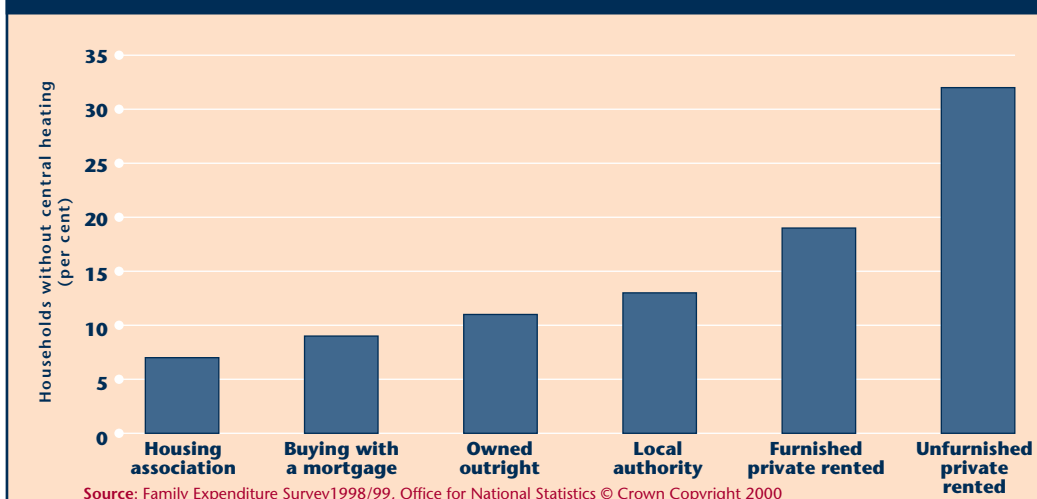
Without central heating

The percentage of low income households without central heating continues to fall steadily, although they are still much more likely to be without it than households on average incomes

Poorest fifth   Average incomes

Households without central heating (per cent)

1994/95   1995/96   1996/97   1997/98   1998/99

Source: Family Expenditure Survey1998/99, Office for National Statistics © Crown Copyright 2000

Those living in the private rented sector are the most likely to be without central heating

Households without central heating (per cent)

Housing association | Buying with a mortgage | Owned outright | Local authority | Furnished private rented | Unfurnished private rented

Source: Family Expenditure Survey1998/99, Office for National Statistics © Crown Copyright 2000

The first graph shows the percentage of households without central heating, with separate figures given for the poorest fifth of households and for households on average incomes.

The second graph breaks down the 1998/9 figures according to household tenure.

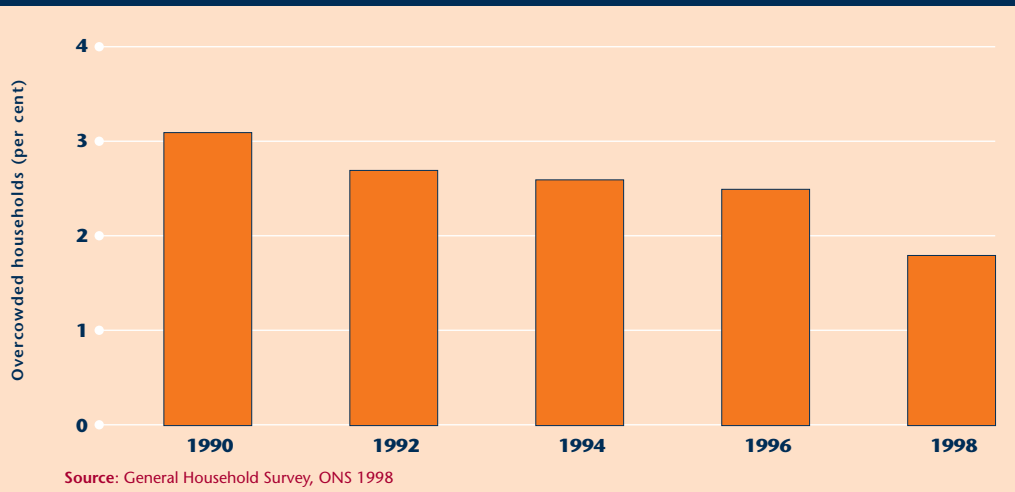Income is gross household income. The results relate to the United Kingdom.

Overall adequacy of the indicator: **high**. *The Family Expenditure Survey is a well-established, regular government survey, designed to be nationally representative.*
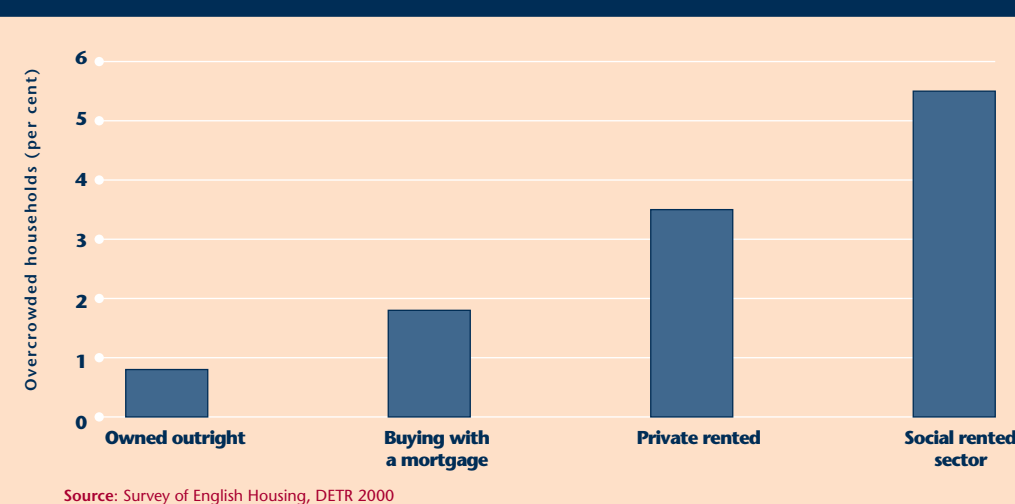
Overcrowding

The percentage of overcrowded households is improving steadily

Overcrowded households (per cent)

| | 1990 | 1992 | 1994 | 1996 | 1998 |

Source: General Household Survey, ONS 1998

Overcrowding is much more prevalent in rented housing than in owner-occupation

Overcrowded households (per cent)

Owned outright | Buying with a mortgage | Private rented | Social rented sector

Source: Survey of English Housing, DETR 2000

The first graph shows the percentage of households that fall below a measure of occupation density known as the 'bedroom standard'. The data relates to Great Britain.

The 'bedroom standard' is calculated in relation to the number of bedrooms and the number of household members and their relationship to each other. One bedroom is allocated to each married or cohabiting couple, any other person over 21, each pair aged 10 to 20 of the same sex and each pair of children under 10.

The second graph shows the percentage of households overcrowded by tenure for 1999-2000 using the same standard.

*Overall adequacy of the indicator: **limited**. The bedroom standard itself is low, particularly for those aged over 10, and the overall level of overcrowding shown by it may therefore be too low. Due to an insufficient degree of accuracy in the published data, the values for individual years shown in the first graph are to be regarded as illustrative only.*

Households in temporary accommodation

The number of households in temporary accommodation continues to rise sharply, and is now higher than at any other time over the last decade
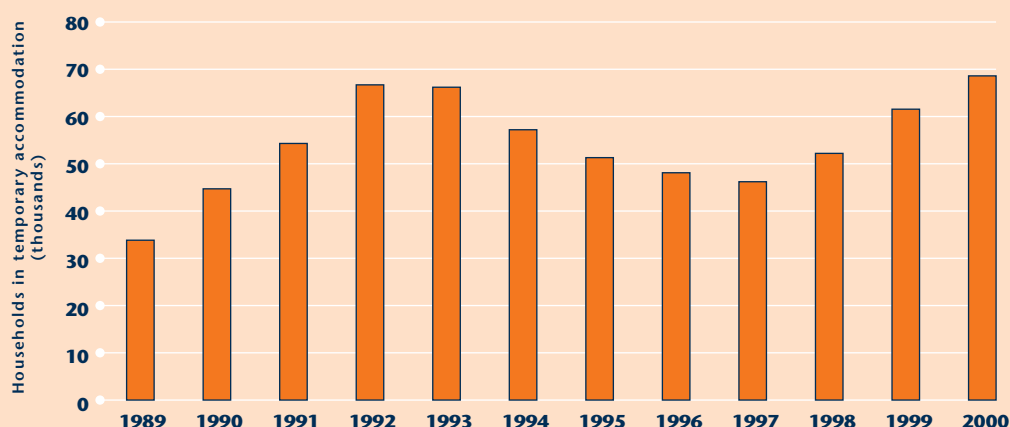
**Source**: Homelessness Bulletins, DETR; Statistical Bulletin Housing Series, Scottish Executive; National Assembly for Wales Housing Statistics
Note: December 1999 figures have been used for Scotland instead of March 2000 due to unavailability of data at time of going to press

The majority of households that English local authorities consider to be in priority need have dependent children
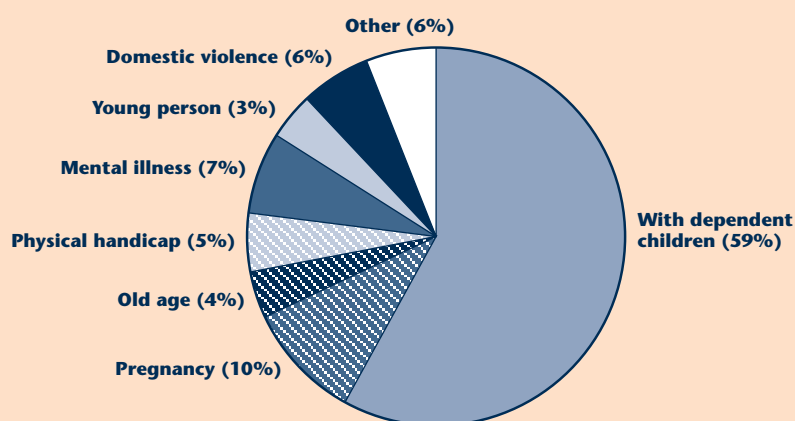
Source: Households in priority need in England: by need category, Homelessness Statistics, DETR 2000

The first graph shows the number of households in temporary accommodation in Great Britain measured at the end of the first quarter of each year. For 2000 first quarter data was not available for Scotland, so it was assumed that levels were the same as the last quarter of the previous year (1999). 'Temporary accommodation' includes bed and breakfast, hostel accommodation, private renting, and other. Note that, since 1996, local authorities have had an obligation to house asylum seekers appealing against an asylum decision and this has put increased pressure on temporary housing.

The second graph shows the breakdown of households that were accepted by local authorities in England as being homeless in early 2000 according the reason why the household was accepted as being in priority need.

*Overall adequacy of the indicator: **limited.** While there is no reason to believe there is any problem with the underlying data, the extent to which it leaves 'homelessness' dependent on administrative definition is clearly unsatisfactory. In particular, these figures do not include any single people towards whom local authorities have no general duty.*

Mortgage arrears

The number of mortgage holders in serious arrears continues to fall but is still more than double the number of a decade ago

Mortgage holders more than twelve months in arrears (thousands)

Year	Value
1988	~11
1989	~15
1990	~37
1991	~92
1992	~147
1993	~152
1994	~118
1995	~86
1996	~68
1997	~46
1998	~36
1999	~31
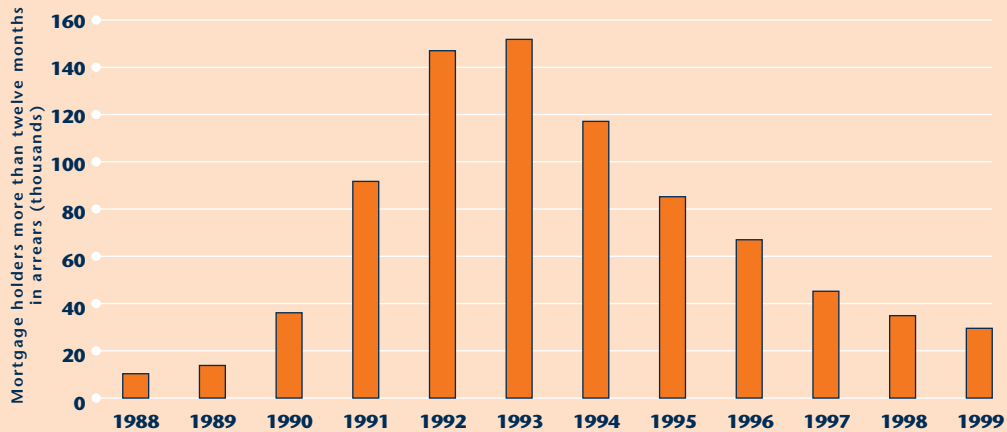
Source: Council of Mortgage Lenders, Statistics, 2000
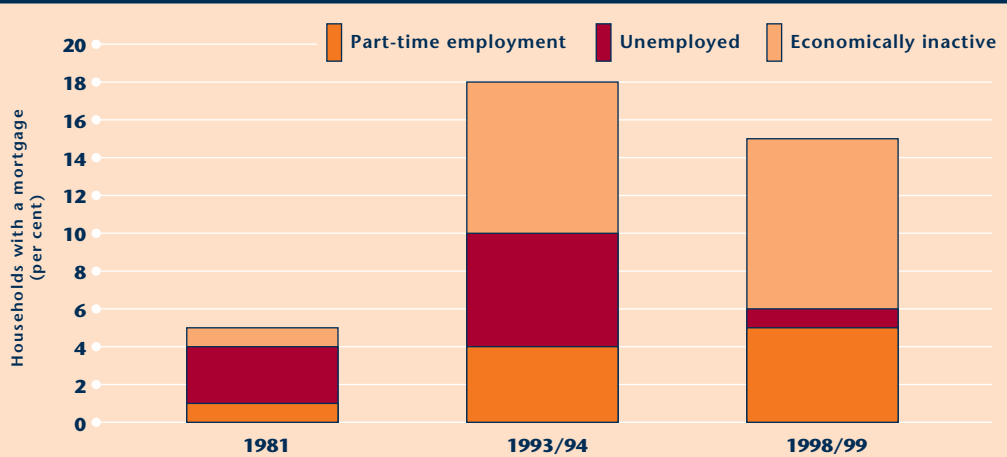
One in seven working age heads of households with a mortgage is in an economically vulnerable position - in part-time work, unemployed or economically inactive

Households with a mortgage (per cent)

Legend: Part-time employment ■ Unemployed ■ Economically inactive

Source: Housing Finance Review 1995/96 (JRF) table 31; and Survey of English Housing 1998/99, DETR 2000

The first graph shows the number of residential mortgage holders who were 12 months or more in arrears with their mortgage repayments. The data relates to the United Kingdom. Figures are based on the statistics provided by the largest lenders of the Council for Mortgage Lenders (CML). Such lenders account for an estimated 88 per cent, and have been grossed up to represent all CML members.

The second graph shows the economic status of the heads of households with mortgages. It is based on the Survey of English Housing and relates to England only.

*Overall adequacy of the indicator: **high**. The data for the first graph is produced regularly by the CML from surveys among their members. The data for the second graph is from a well-established government survey designed to be nationally representative.*

References

Executive summary

1   As discussed in the chapter on adults, there are some concerns about the reliability or otherwise of the estimated numbers on low pay.

Chapter 1 Poverty and low income

1   In last year's report, we discussed the relative merits of the various measures.

One characteristic of the median measure, in comparison to the mean, is that it is less sensitive to changes in the incomes for groups of the population. For example, if everybody below half the mean income were given enough money to bring them up to half mean, then assuming all else is equal, the mean itself would rise. By contrast, if everybody below half of the median were given enough to bring them to that threshold, the median would remain the same. This gives the median a practical advantage in terms of setting targets and goals for the numbers below a certain threshold. In this context, it is interesting to note that the government's second annual report, *Opportunity For All – One Year On: Making a Difference,* tends to focus on the numbers below 60 per cent of median income, before and after housing costs. Whilst these numbers are similar in magnitude to those below half-average income, the trends in recent years differ slightly.

There are arguments for using a 'before housing costs' measure of low income in general and an 'after housing costs' measure when the focus is on the detail of who is on and around low income. One reason for this is that 'after housing costs' is a measure of disposable income for those where housing costs are met through housing benefit, which is the case for most of the poorest, whilst 'before housing costs' measures disposable income for the income distribution as a whole. Also, the use of both measures provides greater information overall.

2   Hills, J., *Income and Wealth: The Latest Evidence*, Joseph Rowntree Foundation, 1998. Both statistics relate to the number of households who said that they 'did not have and could not afford' particular items from a list of items deemed necessities by a majority of the population at the time.

3   Gordon, D. *et al.*, *Poverty and Social Exclusion in Britain*, Joseph Rowntree Foundation, 2000.

4   The respective figures are as follows:

	Numbers below half-average income after housing costs (millions)	Numbers below 60% of median income after housing costs (millions)
1995/96	13.3	12.9
1996/97	14.1	13.9
1997/98	14.0	13.5
1998/99	14.3	13.4

5   Not surprisingly, the number of long-term pensioner claimants has remained unchanged over the period.

Chapter 2 Children

1   Spencer, N., *Poverty and Child Health*, Radcliffe Press, 1996, page 112; Carr-Hill, R., 'The measurement of inequalities in health: Lessons from the British experience', *Social Science and Medicine*, 31(3), 1990, pages 393-404; Botting, B. (ed.) *The Health of our Children*, Decennial Supplement Series DS No. 11, 1995, page 71.

2   Jarvis, S., Towner, E. and Walsh, S., in Botting, B. (ed.) *The Health of our Children*, Decennial Supplement Series DS No. 11, 1995, page 95.

3   *The Health of Children in Wales*, The Welsh Office, 1997, page 49.

4   Machin, S., in *Exclusion, Employment and Opportunity*, CASE Paper No. 4, Atkinson, A. and Hills, J. (eds), 1998, page 61.

5   Donovan, N. (ed.) *Second Chances: Exclusion From School and Equality of Opportunity*, New Policy Institute, 1998.

6   Note that young people in care are estimated to make up a third of all secondary school exclusions and two-thirds of all primary school exclusions: Smith, R., *No Lessons Learnt*, The Children's Society, 1998.

7   Health Advisory Service (1995) and Health Committee (1997), cited in Malek, M., *Nurturing Healthy Minds*, National Children's Bureau, 1997, table 1, page 10.

8   *The Health of Children in Wales,* The Welsh Office, 1997, page 29.

9   Many young teenage mothers drop out of school early: Gustavsson, N. and Segal, E., *Critical Issues in Child Welfare*, Sage Publications, 1994, page 26. More than half never resume their education, even though they are below the statutory school leaving age: '*The Needs and Cares of Adolescents*', British Paediatric Association, 1985, page 20.

10   In 1993, 89 per cent of young offenders were re-convicted within two years*: Criminal Statistics, England and Wales 1996,* Home Office, 1996, page 48.

11   *Teenage Pregnancy*, Social Exclusion Unit, June 1999.

Chapter 3 Young adults

1   Dennehy, Smith, and Harker, *Not To Be Ignored*, Child Poverty Action Group, 1997, foreword.

2   This issue is discussed further in the chapter on adults - see indicator 26 and Chapter 4, endnote 9.

3   Rushton, S., *Children in Europe*, NCH Action for Children, 1996, page 268.

4   Kelly, S. and Bunting, J., *Trends in Suicide in England and Wales 1982–1996,* ONS Population Trends, 1998.

5   Fletcher, D.R., Woodhill, D. and Herrington, A., 'Employment and training for ex-offenders', *Findings* Ref. 628, Joseph Rowntree Foundation, 1998.

6   One of the issues when looking at trends in this age group is that the total size of the population has changed substantially over the period. In particular, the size of the economically active population aged 16 to 24 declined from 5 million in 1993 to 4.4 million in 1998, since when it has levelled off. As the table below shows, however, the rate at which unemployment is reducing has slowed since 1998 in terms of both absolute numbers and as a percentage of the economically active population.

Unemployment statistics for the 16- to 24-year-old age group

	Statistics			Year-on-year change (%)		
	Numbers unemployed (thousands)	Economically active population (thousands)	ILO unemployment rate (per cent)	Numbers unemployed (per cent)	Economically active population (per cent)	ILO unemployment rate (per cent)
spring 1993	867	5,012	17.3			
spring 1994	771	4,759	16.2	12	5	7
spring 1995	708	4,627	15.3	9	3	6
spring 1996	679	4,588	14.8	4	1	3
spring 1997	608	4,504	13.5	12	2	10
spring 1998	546	4,403	12.4	11	2	9
spring 1999	541	4,398	12.3	1	0	1
spring 2000	524	4,441	11.8	3	-1	4

Chapter 4 Adults

1   Gregg, P. and Wadsworth, J., *Unemployment and Non-Employment*, Employment Policy Institute, June 1998.

2   *Social Security Statistics*, Department of Social Security, 1997, page 43.

3   The long-term unemployed are 50 per cent more likely to die of lung cancer and other respiratory diseases than people in secure work: Drever, F., and Whitehead, M., *Health Inequalities*, ONS, 1998.

4   For example, even those with quite modest qualifications averaged 20 per cent more in hourly earnings than those with no qualifications at all: *How Education and Training Make Work Pay for Lone Mothers*, DfEE, 1997.

5   McCormick, J., in *Welfare in Working Order*, IPPR, 1998, page 177.

6   'Introduction' booklet, Depression Alliance, 1995, page 10. A poor working environment and social isolation are also factors which heighten the risk of depressive illness.

7   The table below summarises the percentage of individuals wanting paid work by ethnic group for both 1996 and 2000.

	1996			2000		
	ILO unemployed	Economically inactive but would like work	Total wanting paid work	ILO unemployed	Economically inactive but would like work	Total wanting paid work
	(%)	(%)	(%)	(%)	(%)	(%)
Chinese	5.6	7.6	13.2	2.5	7.5	10.0
White	4.6	4.9	9.5	4.4	6.2	10.6
Indian	7.1	5.4	12.5	5.4	6.9	12.3
Pakistani	9.2	6.5	15.6	8.6	9.0	17.6
Black African	13.7	9.6	23.4	8.2	12.9	21.0
Bangladeshi	7.9	7.0	14.8	10.4	11.2	21.7
Black Caribbean	11.6	9.5	21.1	12.0	10.1	22.1
Black Other	9.9	8.4	18.3	15.1	11.9	27.0

8   For national minimum wage purposes, a 'worker' is someone who has a contract of employment, or someone who does work personally for someone else (under a 'worker's contract') and is not genuinely self-employed. The contract does not have to be written – it may be an oral contract, or it may be implied.

The following groups are exempt from the minimum wage:

• the self-employed
• voluntary workers, where voluntary workers are classified as those who have no contractual agreement and who receive no payment or payment in kind
• some trainees on government-funded schemes or on programmes supported by the European Social Fund
• some apprentices
• people living and working within a family who share in the work and leisure activities of the household (e.g. au pairs, nannies and companions)
• students doing work experience as part of a higher education course
• company directors
• members of the armed forces
• share fishermen (those who do not receive a fixed wage or salary but who agree to divide up amongst themselves the proceeds or profits from a catch)
• prisoners

9   Stuttard, N. and Fry, D., 'Monitoring the national minimum wage using official data', *Labour Market Trends,* ONS, June 1999. The ONS is currently devising a new methodology combining LFS and NES data to measure the impact of the minimum wage, the results of which are due to be published in October 2000.

Chapter 5 Older people

1   Pensioners receiving the state earnings related pensions are not included in this group. Note that, although pensioners relying solely on state benefits are certainly the worst off in their age group, many of those with investment income or second pensions have little extra from these sources.

2   *Our Healthier Nation,* Department of Health, 1998, page 8.

3   *Telecommunications services for people with disabilities - Response by Age Concern*, Briefing Paper 0798, 1998.

4   Clark, H., Dyer, S. and Horwood, J., 'The Importance of "low level" preventive services to older people', Joseph Rowntree Foundation *Findings* Ref: 768, 1998.

5   From the Omnibus Survey in 2000, 71 per cent of those surveyed believed that a telephone was a necessity. Gordon, D. *et al. Poverty and Social Exclusion In Britain*, Joseph Rowntree Foundation, 2000.

6   For example, in the context of the recent analysis set out in the Family Budget Unit's report *Low Cost but Acceptable Incomes for Older People.*

Chapter 6 Communities

1   Humm, J., *Progress Report of the Community Sector Observatory*, Community Development Foundation, 1997.

2   NCVCCO 1995, *No Fault of Their Own*, cited in NCH Action for Children *'98 Factfile*, page 164.

3   Woodruffe, C., Glickman, M., Barker, M. and Power, C., *Children, Teenagers and Health: the Key Data,* OUP, 1993, page 105.

4   Barrett, S. *Health Prospects for Young Citizens of the North West*, Department of Public Health, Liverpool University, 1998.

5   Due to the relatively small sample, this 16 per cent estimate does have a 95 per cent confidence interval of +/- 5 per cent.

6   See, for example, *Access to Financial Services*, PAT 14 report, HM Treasury, 1999.

7   *Counter Revolution*, Performance Information Unit, 2000.

8   An alternative, less strict, measure used by John Hills shows a small increase from 1990 to 1994. This measure is, however, more to do with 'density' than overcrowding as it is based on households where there are 1+ persons per room, and John Hills has confirmed to us that our measure is a preferable indicator of overcrowding.

9   The percentage of overcrowded households in the social rented sector, using the same definition of overcrowded as indicator 48, is:

1988	1991	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00
5.5%	7.0%	5.6%	5.2%	4.5%	5.0%	4.9%	4.5%	5.5%

Note: Data for 1993/94 onwards in the table above is from the Survey of English Housing. Data for 1988 and 1991 is from the Labour Force Survey.

10   The percentage of households without central heating, using data from the Family Expenditure Survey, is:

	Private rented (%)	Other (%)
1994-95	29	14
1995-96	33	12
1996-97	27	11
1997-98	26	10
1998-99	25	9