Monitoring poverty and social exclusion 2003

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Acknowledgements

Our thanks go to the huge range of statisticians from across government departments in Whitehall, in Scotland and in Wales who have helped us to assemble all the data for the indicators in this report. They are too numerous to be named individually, but without their co-operation this project would simply not have been possible.

Specific thanks go to John Rigg from the London School of Economics for his analysis of the British Household Panel Survey.

We are once again very grateful for the unstinting support that we have had from the Joseph Rowntree Foundation, in particular Donald Hirsch for his ever-helpful and useful comments on draft versions and Alison Elks for her patient assistance on production.

Contents

Introduction

This is the sixth in a series of annual reports whose aim is to provide an independent assessment of the progress that is being made in Britain in tackling poverty and social exclusion. The report is built upon a set of 50 indicators which are organised into six chapters: low income, children, young adults (aged 16 to 24), adults (aged 25 to retirement), older people and communities.

This paper report is complemented by a website – www.poverty.org.uk – where all the graphs are updated as and when new data becomes available and with extensive links to other relevant sites.

In monitoring poverty and social exclusion over a number of years, we need to strike a balance between showing change in a stable set of indicators and making periodic improvements in their coverage. This year, for the first time since the report was originally launched, the selection of indicators has been changed substantially to rectify gaps and weaknesses in the original selection, to take advantage of better data that is now available, and to reflect developments that have taken place over the six years since the original report. The original set of indicators continues to be updated on the www.poverty.org.uk site. In all cases, the indicators use the latest data available (typically 2002 or 2003).

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. This year's graphs emphasise regional variation in the indicators, across the nine English regions, Scotland and Wales.

Within each chapter, the indicators are grouped by theme, as summarised in the table below.

	Income	Children	Young adults	Adults	Older people	Community
Low income	8				2	
Health and well-being		3	1	4	3	
Education		3	1			
Social cohesion		3	1			1
Work			3	6		
Access to services					2	2
Housing						4
Crime						3

The indicators which are new to this year's report are:

     5   Out-of-work benefit levels (changes over time)

     8   Material deprivation

   10   Infant mortality

   25   Jobs (changes in the mix of jobs over time)

   27   In receipt of tax credits

   35   Benefit take-up (by pensioners)

   40   Rural access to services

Obviously, the indicators in this report are limited by the data that is available – particularly the data that is available regularly on an annual basis – and equally obviously, if other data started becoming available then we would consider its potential inclusion in the report. We suggest, however, that the quality of

current data is at present the key issue that the government should be addressing. In this context, we would highlight the following major areas where current data is badly deficient:

- *Data on low pay,* where the major current data sources (the New Earnings Survey and Labour Force Survey) are known to have problems[1] and where outside researchers have to rely on whatever summary data the Office for National Statistics decides to publish.
- *The small area geographic coding of national datasets,* where the Office for National Statistics appears to have adopted a policy of removing coding from public versions of some of the major datasets (e.g. the Labour Force Survey), making it impossible for outside researchers to analyse geographic variations at other than the regional level.
- *Up-to-date data on health inequalities and on the take-up of benefits,* where the latest data is currently for the year 2001.

The data problems in these three areas are all important, long-standing and well-known, making their continuing lack of resolution all the more troubling.

Commentary

Summary

With five years of data to measure progress since the Labour government came to office in 1997, it is now possible to come to some judgements about the progress of the government's strategy for combating poverty and social exclusion. In the following analysis, we have paid little attention to the question of whether the government is likely to reach any particular target in any given year. Rather, the analysis centres on whether there has been clear progress in the required direction along with reasonable grounds for believing that that progress will at least continue over the next few years. Against this background, our main conclusions are as follows:

1 With the number of people living in low income households on a steady downward trend, the latest figures, for 2001/02, show that income poverty has now fallen below its lowest level in the 1990s. This is a notable milestone, indicative of real and tangible progress.

2 Out-of-work benefits to both working age families with dependent children and to pensioners have risen sharply since 1999, not just in excess of price inflation but in excess of earnings too. This change, little remarked upon, must be having a significant impact on the severity of the poverty suffered by some very low income households.

3 The main reason that the number of people living in low income households has fallen is that more people are in work. But the number of people in low income households where someone is in paid work has not fallen. While the latest figures do not yet reflect the full effects of the tax credit system that supplements the money of low income working households, this is a matter of great concern.

4 In education, earlier progress in increasing the number of children and young adults with an adequate minimum level of qualification has now stalled, with no further advance since 2000, compared with rapid progress during the second half of the 1990s. Around a quarter of young people at each of the ages of 11, 16 and 19 are still failing to reach a basic level of attainment.

5 There is no sign of any progress since 1997 in reducing the inequalities in health which leave people with low incomes more likely than others to suffer serious health-related problems.

6 People living in social housing face problems of low income, worklessness and other aspects of poverty and social exclusion on a scale quite different from people in owner occupation.

7 Across the range of indicators, the problems of poverty and social exclusion are generally more prevalent in the North East than in other areas of the country. London has particular problems centred on low income and work and Scotland has particular problems centred on health.

In summary, the key problems that still need to be addressed include the continuing problems of low pay and disadvantage at work, lack of qualifications, health inequalities and the problems faced by people in social housing.

In the rest of this commentary, we offer our interpretation of some of the indicators, with the discussion proceeding subject-by-subject rather than in the order of the indicators themselves. This is then followed by a discussion of some of the regional variations. Throughout, the graph under discussion is identified

by its indicator number plus either A or B to denote whether it is the first or second of the pair of graphs for that indicator.

Low income
Irrespective of progress towards official targets, some significant milestones have now been passed

The latest figures, for 2001/02, showed a fall in the number of individuals living in low income households to 12.5 million,[2] or 22 per cent of the population [1A]. Of these, 3.8 million were children, 2.2 million were pensioners and 6.6 million were working age adults [3B]. As a proportion of their respective populations, these represent 30 per cent, 23 per cent and 19 per cent respectively, so children and pensioners were still disproportionately affected by poverty but to a lesser extent than before [3A].

The 12.5 million people in low income households compares with a figure of around 13.4 million in the mid-1990s.

The government's main target for poverty reduction is set out in terms of the number of children in low income households: *'To reduce the number of children in low-income households by at least a quarter by 2004, as a contribution towards the broader target of halving child poverty by 2010 and eradicating it by 2020.'*[3] On the basis of simple arithmetic, there is some doubt about whether the first target will be reached: by 2001/02 – halfway through the period covered by the target – the government was two-fifths of the way towards the target.

Nevertheless, we believe that it is right to be positive about the progress that is being made in reducing poverty in Britain. In particular, concentrating too much on the targets risks missing the fact that the number of people living in a low income household has now fallen to a level slightly lower than its lowest level in the 1990s [1A]. Although there is a long way to go before the figures start approaching those of the early 1980s, this is still a significant achievement.

It may also be that Britain is beginning to move clear of the group of – largely south European – countries in the European Union (EU) with the worst poverty records. This judgement is more tentative because the latest published figures from the EU are for 1999, which show the UK still near the bottom, better only than Greece and Portugal and bracketed with Spain, Italy and Ireland [2B]. But if the rates in these countries have not changed since then, the reduction in poverty seen in Britain since 1999 would mean that it was moving clear of this group by 2001/02, in the direction of the poverty rate recorded in France.

European comparisons also provide a way of expressing the government's short- and medium-term targets, that is, to have a poverty rate comparable with that currently prevailing in France by the middle of this decade, and to have one approaching that of the Netherlands, Germany and Denmark by its end. Such goals are certainly tough. They may be missed in the particular years that the government has set for them. But the fact that they are already achieved in neighbouring countries shows that they are, in principle, entirely realistic goals to have for Britain.

The system of means-tested benefits and tax credits
The current stage of radical reform to the system of means-tested benefits and tax credits is now complete – and a number of problems are becoming clear

The year 2003 has marked the completion of a period of radical reform of the system of means-tested (out-of-work) benefits and (in-work) tax credits designed to increase the incomes of those most in need. What has made the reform radical is not only the changes to the structure (and often name) of many of the benefits but also to the very much higher levels of support now on offer.

For example, means-tested benefits for families with children and for pensioners started to grow sharply in 1999 [5A]. This growth is not just in excess of price inflation but in excess of earnings too. As a result, by April 2003, out-of-work benefits for families with two (or more) dependent children and for pensioner couples had risen by around 15 per cent, relative to earnings, compared with 1998.

Because the incomes of households solely reliant on benefits were so far below what is in effect the semi-official poverty line, these increases will not have taken them over that line, and will not therefore have contributed to the decline in the number of people living in poverty. Yet they will, certainly, have helped to reduce the severity of poverty suffered by these households, as is reflected in the proportion of poor households lacking essential consumer durables [8A].

The full effect of the reforms to the in-work benefits and credits has even now, at the end of 2003, yet to be felt: the introduction of Working Families Tax Credit in 1999 did not just lead to a steep increase in the numbers receiving that benefit but to a continuing, steady growth in those numbers [27A]. Moreover, it will not be until the figures for 2003/04 are published, in the spring of 2005, that the impact of the latest changes on the numbers in poverty will be known.

Yet the indicators also point to some problems with the approach that has been followed. The first problem is the non-take-up of benefits to which people are entitled. This is a particular problem among pensioners, with the latest (2000/01) figures showing around 30 per cent non-take-up of both the Minimum Income Guarantee and Council Tax Benefit [35A]. This equates to around £1.4 billion of unclaimed money each year [35B]. For a variety of reasons, both these benefits have become more generous since then, with more pensioners now entitled to an overall larger sum of money. Non-take-up rates at the 2001/01 level can only undermine what on paper are carefully designed systems targeted on those in need.

Another problem with the approach that has been followed is the way that out-of-work benefits for working-age households *without* dependent children have fallen way behind those for households with dependent children, or for pensioners, by more than 25 per cent since 1999 [5A]. At the end of 2002, there were some 2 million working age adults without dependent children receiving means-tested benefits – more, it should be noted, than the number of either pensioners or working age adults with dependent children [5B]. That benefits for working age adults without children have fallen so far behind reflects the priority accorded by the government to children and pensioners, but it is not clear why these people should be regarded as being so much 'less deserving'. Since around a third of these are in households headed by someone in their 50s,[4] there are also implications here for pensioner poverty in the coming decade. Any hope that this might be alleviated by private provision seems unlikely given that only a fifth of working age adults in the poorest fifth of the population are contributing to any kind of private pension [34B].

Employment, unemployment and worklessness
Falls in poverty have been due to falls in unemployment – but in-work poverty has not fallen

Low pay and lack of work continue to be fundamental challenges to the anti-poverty strategy being followed. The reason for this is that the predominant factor in reducing poverty among working age households over the last few years has been the growth in employment – yet many households where someone is working are still on low income while what is called 'unemployment' does not capture anything like the full extent of the problem of people who would like to work.

The 'risk' of being in a low income household is, of course, very much lower among households with someone in paid work. Three-quarters of unemployed households and three-fifths of other working age

households where no one is in work (for example, lone parents, long-term sick and disabled) were on low income in 2001/02. By contrast, 1 in 25 'all-working' households (where at least one adult was working full time and any other adult was working at least part-time) were on low income, as were a quarter of households where some paid work was being done [4A].

In spite of the government's reforms, these risks are largely unchanged since 1996/97. Unchanged, or even increased, risks within each category are quite consistent with falling poverty overall: what it means is that there has been a movement of households out of the high risk categories into the lower risk ones, in other words, out of worklessness and into work. By far the biggest contribution here has been the fall in unemployment: among adults under 25, the unemployment rate fell from 13 per cent to 10 per cent between 1997 and 2003, while for those aged 25 and over, it fell from 6 per cent to 4 per cent. [18A].

As these figures show, unemployment is a much greater problem among young adults than among the working population aged 25 and over. But 'unemployment', as officially defined, accounts for only a minority of those who would like paid work, the remainder falling under the heading of the 'economically inactive who want work'. This, in contrast to unemployment, is a greater problem among older working age adults and, furthermore, their numbers have fallen far less fast than those of the unemployed, being about equal in the mid-1990s but outnumbering them by a ratio of 2 to 1 in 2003 [24A]. Official unemployment therefore seriously understates the extent to which people want work but are unable to get it.

Lack of work is particularly prevalent for those in social housing: almost half of heads of households aged 25 to 54 have no paid work compared with just 1 in every 10 elsewhere [41B]. In consequence, half of those in social housing are on low income compared with just 1 in 6 of those living elsewhere [41A].

Thanks to the fall in unemployment, the proportion of working age households in poverty who were unemployed fell sharply from 28 per cent in the three years 1994 to 1997 to 15 per cent in the years 1999 to 2002. In contrast, the proportion of people in poverty in households where someone was doing paid work rose from 33 per cent over the years 1994 to 1997 to 41 per cent in the years 1999 to 2002 [4B]. In absolute terms, this represents an increase in the number of people suffering 'in-work poverty', up from an average of 3 million a year between 1994 and 1997 to 3 1/2 million a year between 1999 and 2002.

The growing take-up and widening coverage of the in-work tax credits leaves hope that this increase will be reversed in subsequent years. Until and unless that happens, however, the failure to reduce the number of 'working poor' must be counted as one of the greatest weaknesses of the anti-poverty strategy at the current time.

Finally, although it is unclear exactly what effect it might be having on poverty, the underlying, continuing change in the *mix* of jobs in the economy is bound to be important. The steady pattern over at least the past decade has been for manufacturing, construction and production jobs (including energy and agriculture) to decline in number, while public sector and finance-related jobs have continued to grow [25A]. This has a strong gender dimension to it, with the industries in decline being those where male, full-time employment predominates (accounting for three-quarters of the jobs), in contrast to the growing sectors where this type of employment accounts for a third of the total [25B].

Disadvantage at work
Disadvantage at work shows no signs of decreasing
A number of indicators on conditions at work suggest that, on a range of measures, polarisation within work shows little sign of being reduced.

First, as far as pay itself is concerned, although the number of people on low pay (using a threshold of £4.40 per hour) fell by around half a million in 2002 **[26A]** and **[19A]**, the overall inequality of earnings continues to rise due to a continuing rise in the earnings of the highest paid tenth **[7A]**.[5] A greater proportion of women than men suffer from low pay, with more than half of all female employees in manual occupations, sales, cooking, cleaning and caring earning less than £250 a week **[26B]**. Other figures suggest that inequality in pay rates by gender is much sharper among those over 21 than those under 21.[6]

Second, some workers face chronic insecurity at work: almost half of men and a third of women making a new claim for Jobseeker's Allowance were last claiming less than six months ago, clearly implying that the work they have done between this new period of unemployment and the previous one was either temporary or of a very short-term nature **[28A]**. These proportions have been falling since 1997 but only slowly, and it is also clear that only one in ten of those in temporary work are there because they did not want a permanent job **[28B]**.

Third, the amount of access to training at work is related directly to an employee's level of qualification and, while the overall amount of training has risen over the last few years, those with no qualifications still receive training only one-third as often as those with some qualifications **[29A]**.

Education and training

Progress across a range of indicators has stalled, leaving around a quarter failing to achieve basic standards at 11, 16 and 19

Government education targets typically focus on high achievement, for example, the number of pupils achieving at least 5 grade A to C at GCSE, with what is going on lower down the scale of educational attainment receiving less attention. Yet it is performance here, rather than further up, that is the more significant for the prospects of reducing poverty and exclusion.

Some minimum qualifications appear to have a strong influence on the likelihood of being able to work in other than low paid employment. Among those in their late 20s (an age group chosen here on the grounds that, by this stage, most will have settled into some form of regular employment), half of those with no qualifications are earning less than £200 a week, compared with just one in six of those with a qualification equivalent to an NVQ2 or better **[22B]**.

It is against this background that several of the education and training indicators show grounds for concern. First, more than a quarter of 19-year-olds – some 200,000 individuals – lacked an NVQ2 or equivalent in 2003, the same as in 1999 but after steady falls between 1995 and 1999 **[22A]**.

Second, one in every six 16-year-olds was neither in education nor training (including those employed without training) in 2002, fewer than in the mid-1990s but unchanged since 1999 **[20A]**. And while the proportion of 16-year-olds gaining only low grades in their GCSE (or Scottish equivalent) examinations has declined somewhat over the last decade, it is still the case that a fifth achieve only low grades, while one in twenty achieve no grades at all **[12A]**.

Third, among 11-year-olds, around a quarter fail to reach Level 4 at Key Stage 2 in maths and English in 2002. While this figure is down from two-fifths in 1996, all of this improvement took place in the years up to 2000 with no improvement since then. Among schools with a high number receiving free school meals, the overall percentage failing to reach this same level has always been higher but, at least in maths, continued to fall through to 2002 **[13A]**.

Taken together, these indicators have two things in common. One is that in each case, it is around a quarter of the age group who appear to be failing in educational terms. The other is that progress was

much more pronounced in the second half of the 1990s than in the first years of the present decade. In other words, progress that clearly began under the last Conservative administration, and was continued in the early years of the current government, appears more recently to have stalled.

Finally, a disturbing footnote to all this is a renewed rise in the number of children permanently excluded from school [14A]. Reducing permanent exclusion was an early objective of the current government and, by 1999/00, the numbers had fallen by a third from their peak in 1996. Although the higher numbers in the latest year (2001/02) are still well below that earlier peak, they are far above the level recorded in the early 1990s. Moreover, although the fall in exclusion rates has been particularly sharp for black pupils, these pupils are still much more likely to be excluded than others [14B].

Inequalities in health and well-being
Health inequalities show no sign of reducing, and some cases may even be widening
The connection between ill health and poverty that this report and its predecessors are concerned with centres on health inequalities, that is, on the extent to which people on low incomes are more likely than other people to suffer from various health-related problems. This year's report is the first to track some of the inequalities over time; where it does, the best that can be said is that there is no sign whatsoever of health inequalities starting to fall. In other cases, where it is the overall incidence of a problem that is tracked over time, the picture is mixed, with some improvement and some deterioration. One other aspect that is common to many of the indicators is that health inequality seems to be a bigger problem for women than men.

By far the most positive of the health indicators is that for premature death, where the rates for both men and women under 65 fell by a sixth in the decade to 2001 [30A].

A second indicator that is moving in the right direction is the number of births to girls who conceived under age 16, the figure having fallen from 5,000 in 1996 to 4,000 in 2001 [11A].

By contrast, obesity among women rose by a half over the decade to 2001, to the point where a quarter of all women aged 25 to 64 were affected [31A]. The incidence of obesity among poorer women is, at 30 per cent, twice that of women in the richest fifth of the population, a difference by income which is, however, largely absent among men [31B].

Mental ill-health is another problem affecting women more than men although, unlike obesity, there are substantial differences by income for men as well as women, with adults in the poorest fifth being twice as likely to be at risk of developing a mental illness as those on average incomes [33B]. Anxiety – specifically a fear of going out at night among the over 60s – is four times more prevalent among women (where a third report feeling very unsafe) than among men, and one and a half times as prevalent among women with low incomes as other women [38B].

Limiting long-standing illness or disability is a problem that affects men and women equally, with two-fifths of the poorest fifth of both men and women aged 45 to 64 suffering from it compared with a quarter of those on average incomes [32A]. The differences by income do, however, largely disappear as people get older, the rate among people over 75 being around two-fifths irrespective of the level of income [37A].

Perhaps the greatest concern in the area of health inequalities relates to two key indicators reflecting the well-being of children, namely infant mortality and low birth weight. In both cases, if the inequality is changing at all over time, it is rising. For infant mortality this is at least because things are getting better at the top rather than worse at the bottom: among those from families with a non-manual background, the rate of infant mortality declined from 5 per 1,000 live births a decade ago to 4 per 1,000 in 2001; by

contrast, the rate among those from families with a manual background remained almost unchanged, at 6 per 1,000 [10A]. For low birth-weight babies, however, inequality is rising because the percentage born to families from a manual background rose, albeit slightly, from 7½ per cent in the mid-1990s to 8½ per cent in 2001 [9A]. While the first of these may be deemed more benign than the second, and while the second is not itself a large change, both are quite the opposite of what is required, namely a clear decline in the problem both overall and especially among those from poorer homes.

Regional contrasts

As discussed earlier, many of this year's graphs illustrate the extent and nature of the regional variation in the indicators across the nine English regions, Scotland and Wales. In total, 26 of the 50 indicators in this report have been analysed from a regional perspective, with 15 of these graphs being in this report and a further 11 on our complementary website, www.poverty.org.uk.

There is no simple pattern to which the regional variations of all the indicators all adhere. But there are some general themes:

- The North East is the only region where poverty and social exclusion is worse than average for more than half of the regional indicators.

- Poverty and social exclusion in London and Scotland are around average for many of the indicators but *much* worse on particular subjects.

- Poverty and social exclusion in Yorkshire and the Humber, the North West and (to a lesser extent) the West Midlands are around average for most of the indicators, but worse than average for some.

- The East Midlands is around average for most of the indicators, but better than average for some.

- Wales is noticeably worse than average for some indicators but better than average for others.

- The East, South East and (to a lesser extent) the South West are better than average for most of the indicators.

The proportion of the population who are in low income households is highest in London and the North East (27 per cent and 26 per cent of the population respectively) and lowest in the East and South East (both 18 per cent) [2A]. These relativities have remained largely unchanged since the mid-1990s, with the fall in the proportion of people in low income households having been largely uniform across the country [2A]. But perhaps the most noticeable point about the scale of the regional differences is their comparatively modest extent relative to the overall size of the problems measured – in other words, in all regions, a substantial minority of the population are in low income households.

The variation in the proportion of poor people is also far less than the variation in the proportion of rich people: the proportion of the population who are in the richest fifth ranges from 13 per cent in Wales and the North East to almost 30 per cent in the South East, Outer London and Inner London [7B]. Inner London is by far the most deeply divided part of the country, with the highest proportions of both rich and poor people anywhere.

The unique issues in London – or, more specifically, Inner London – are further illustrated by the combination of a relatively high proportion of people wanting paid work [24B] with very high levels of employment growth – a 16 per cent increase in jobs since 1994.[7] Recipiency rates of Working Families Tax Credit in London (at 4 per cent of working age women) are also less than half those in the three northern regions of England (where the figure is around 10 per cent), suggesting significant take-up problems [27B]. Finally, homelessness is much higher in London than elsewhere [49B], an area of

particular concern given that the number of households in temporary accommodation has more than doubled since 1997 [49A].

Scotland, by contrast, is more typical of Britain as a whole than any of the English regions, having uniquely the same proportions of rich and poor as Britain as a whole [7B]. Where Scotland records its worst outcomes is in health. The number of premature deaths in Scotland is much worse than the rest of Britain, the rate for men being 20 per cent worse than that for the worst of the English regions (the North West) and 60 per cent worse than that for the best (the East) [30B]. Within Scotland, mortality rates among the under-65s are twice as high in the most deprived districts as in the least deprived.[8] And, at the other end of the age spectrum, Scottish 5-year-olds have on average 2$1/2$ missing, decayed or filled teeth compared with just 1 for children in the South East and the West Midlands [16B]. Together with the North East, Scotland also has a relatively high number of people wanting paid work [24B] and a relatively low employment growth rate.[9]

The North East and Yorkshire and the Humber record a level of treatment for drug misuse four times that in the East and South East, one of the largest proportional differences anywhere [21B]. Similarly, they also have a much higher level of burglaries than anywhere else, three times the rate in Wales [44B], although the overall national level of burglary is now almost half of what it was ten years ago [44A].

There is an interesting difference in the patterns of poor educational outcomes at ages 11 and 16 across the English regions. The patterns for the 16-year-olds is as one might expect, with Yorkshire and the Humber, the North East and Inner London producing the worst results, and Outer London, South East, South West and East the best [12B and 20B]. But, among 11-year-olds, there is almost no difference in the percentage failing to reach the expected level [13B]. Why such a regional gap should open up during the secondary years is something meriting further attention.

The numbers of elderly people helped to live at home through support from social services is much lower in Counties compared with Metropolitan Authorities [39B], with the regional average proportion supported in the East and South East being around three-fifths of that in the North East.[10]

Other notable variations include:

- The relatively high numbers of children from the West Midlands in young offender institutions (three times higher than the rate in the South West [17B].

- The relatively high rates of young adult unemployment in Wales (13 per cent compared with 7 per cent in the South East and South West) [18B].

- The very small proportion of households in the North East who lack central heating (4 per cent compared with 12 per cent in neighbouring Yorkshire and The Humber) [47B].

- The extent to which school exclusions are lower in Scotland and Wales than in England (5 and 9 per 10,000 pupils respectively compared with 14 in London).[11]

Summary of the poverty and social exclusion indicators

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

Key: + Improved; = Steady; – Worsened; N/A Not applicable

Indicator	Trends over time		Approximate numbers affected in latest year	Variation across groups
	Over the medium term	Over latest year of available data		
Income				
1 Individuals with low income	+	+	12¹/₂ million people	
2 The location of low income	N/A	N/A	N/A	Proportion of the population in the poorest fifth range from 27% in London to 18% in the South East. In the EU, only Greece and Portugal have a higher proportion of their population on relative low incomes than the UK.
3 Low income by type of person	N/A	N/A	N/A	30% of children, 23% of pensioners and 19% of working age adults are in low income households. 53% of lone parent families are on low income.
4 Low income by economic status	=	=	N/A	75% of unemployed households, 24% of households where some but not all the adults are working and 4% of households where all the adults are working are on low income.
5 Out-of-work benefit levels	N/A	N/A	N/A	Out-of-work benefits for families with dependent children and for pensioners have risen faster than earnings since 1999. Out-of-work benefits for families without dependent children have risen slower than earnings over the period.
6 Persistent low income	=	=	10 million people	In the EU only Greece, Portugal and Ireland have a higher proportion of their population on relative low incomes than the UK.
7 Income inequalities	N/A	N/A	N/A	The poorest tenth of the population have 2% of the total income of the country, the second poorest tenth have 4% and the richest tenth have 29%.
8 Material deprivation	+	+	N/A	Six times as many of the poorest fifth lack selected essential consumer durables as those with average incomes.
Children				
9 Low birth-weight babies	–	–	40,000 low birth-weight babies born each year	25% higher rate among those from manual backgrounds compared with those from non-manual backgrounds.
10 Infant mortality	=	=	3,000 infant deaths each year	50% higher rate among those from manual backgrounds compared with those from non-manual backgrounds.
11 Births to girls conceiving under age 16	+	+	4,000 births each year	Teenage motherhood four times as common among those from manual backgrounds as those from non-manual backgrounds.

Indicator	Trends over time		Approximate numbers affected in latest year	Variation across groups
	Over the medium term	Over latest year of available data		
12 Low attainment at school (16-year-olds)	+	+	150,000 16-year-olds each year	
13 Low attainment at school (11-year-olds)	+	=	160,000 11-year-olds each year	At Key Stage 2, children in schools with at least one-third of pupils on free school meals are one and a half times more likely to fail to reach Level 4 than pupils in other schools.
14 School exclusions	+	−	10,000 pupils each year	Three times the rate among black Caribbean children compared with white children.
15 Children in workless households	+	+	1³/4 million children	Two-fifths of lone parents do not have paid work compared with 1 in 20 couples with dependent children.
16 Concentration of poor children	=	=	N/A	Half of all children who are eligible for free school meals are concentrated in a fifth of the schools.
17 In young offender institutions (up to age 16)	−	=	3,000 children	
Young adults				
18 Unemployment (16 to 24)	+	−	500,000 16- to 24-year-olds	The unemployment rate among 18- to 24-year-olds is $2^1/2$ times that for older workers.
19 Low pay (18 to 21)	+	+	500,000 16- to 21-year-olds	Three-quarters of low paid young adults work in the distribution, hotel and restaurant trades.
20 Destination of school leavers	+	=	N/A	
21 Problem drug use (15 to 24)	−	=	30,000 treatment episodes each year	
22 Without a basic qualification (19-year-olds)	=	=	200,000 19-year-olds	Half of all 24- to 29-year-old employees with no qualifications earn less than £200 per week compared with a third of those with GCSEs but with NVQ2 or equivalent and a sixth of those with NVQ2 or better qualifications.
23 With a criminal record (18 to 20)	=	=	60,000 convictions per year	Black young adults are 7 times as likely to be in prisons as white young adults, and 10 times as likely as Asian young adults.
Adults aged 25 to retirement				
24 Individuals wanting paid work	+	+	$2^1/2$ million people aged 25 to retirement	Twice the rate among people of Caribbean, African and Bangladeshi ethnicity as the rest of the population.
25 Jobs	N/A	N/A	N/A	A third of full-time male jobs are in production industries compared with 1 in 7 full-time female jobs and 1 in 20 part-time jobs.

Indicator	Trends over time		Approximate numbers affected in latest year	Variation across groups
	Over the medium term	Over latest year of available data		
26 Low pay (22 to retirement)	+	+	1½ million people aged 22 to retirement	More than half of female employees in manual occupations, sales, cooking, cleaning and caring earn less than £250 per week compared with around a quarter of male employees in these occupations. Low pay is much more prevalent in the distribution, hotels, restaurant and other service sector industries than in other industries.
27 In receipt of tax credits	N/A	N/A	1.3 million recipients of Working Families Tax Credit	N/A
28 Insecure at work	+	=	N/A	
29 Access to training	+	=	N/A	Three times less likely for those without qualifications than for those with.
30 Premature death	+	=	100,000 people each year	
31 Obesity	–	–	25% of women classified as obese	30% of women from below-average income households are classified as obese compared with 20% of women from above-average income households.
32 Limiting long-standing illness or disability (45 to 64)	=	=	3½ million people aged 46 to 64	Twice as prevalent for those with below-average incomes as for those with above average incomes.
33 Mental health	+	+	3½ million at high risk of developing mental illness	Twice as prevalent in the poorest fifth of the population as for those with average incomes.
Older people				
34 No private income	=	=	1¼ million people	Four-fifths of the poorest fifth are not contributing to a non-state pension compared with a half of those with average incomes.
35 Benefit take-up	–	=	At least 1¼ million pensioners do not take up entitled benefits	
36 Excess winter deaths	=	=	20,000–50,000 each year	Owner occupiers and private renters on below-average incomes are the most likely to live in energy-inefficient housing
37 Limiting long-standing illness or disability	=	=	4 million people	Adults aged 65 to 74 on below average incomes are more likely to have a limiting long-standing illness or disability than those on above average incomes. For those aged 75 and over, this has ceased to be the case.
38 Anxiety	=	=	N/A	Women from lower income households are 1½ times as likely to feel very unsafe out at night as women from higher income households.
39 Help from social services to live at home	–	–	N/A	County Councils and Unitary Authorities support far fewer pensioners in living independently at home than urban or Welsh authorities.

Indicator	Trends over time		Approximate numbers affected in latest year	Variation across groups
	Over the medium term	Over latest year of available data		
40 Rural access to services	N/A	N/A	N/A	More than half of single pensioners in rural areas do not have a car compared with 1 in 5 pensioner couples.
Communities				
41 Concentration of poverty	=	=	N/A	Half of all people in social housing are on low incomes compared with 1 in 6 of those in other housing tenures. Almost half of heads of households aged 25 to 54 in social rented housing are not in paid work compared with 1 in 10 of those in other housing tenures.
42 Transport	+	+	N/A	The poorest fifth of the population spend one-quarter of what those with average incomes spend.
43 Without a bank or building society account	=	+	1³/₄ million households	The poorest fifth of the population are four times as likely not to have an account as those with average incomes.
44 Burglaries	+	=	1 million burglaries	Lone parent, unemployed and young households are twice as likely to be burgled as the average household.
45 Without household insurance	+	+	500,000 households without insurance burgled	Households without insurance are three times as likely to be burgled as those with insurance. Half of the poorest households are uninsured compared with a fifth of those with average incomes.
46 Dissatisfaction with local area	=	=	N/A	Poor households are twice as likely to be dissatisfied as other households.
47 Without central heating	+	+	2 million households	Most prevalent in private rented accommodation.
48 Overcrowding	=	=	2¹/₂ million people	Three times as prevalent in social rented housing as in owner occupation.
49 Homelessness	–	–	At least 200,000 people per year	N/A
50 Mortgage arrears	+	+	16,000 households	N/A

Summary of regional differences

Key: + Better than the national average; = Around the national average; – Worse than than the national average; N/A Indicator not analysed for the region in question

Indicator	Ratio of worst to best	East	East Midlands	London	North East	North West	Scotland	South East	South West	Wales	West Midlands	Yorkshire and the Humber
Income												
2 The location of low income	150%	+	=	–	–	=	=	+	=	=	=	=
Children												
10 Infant mortality	150%	+	=	=	=	–	=	+	+	=	–	–
11 Births to girls conceiving aged 15 to 17	150%	+	=	–	–	=	N/A	+	+	=	=	=
12 Low attainment at school (16-year-olds)	140%	+	=	=	–	=	N/A	+	+	N/A	=	–
13 Low attainment at school (11-year-olds)	110%	=	=	=	=	=	N/A	=	=	N/A	=	=
14 School exclusions	300%	=	–	–	=	–	+	=	=	+	=	=
15 Children in workless households	250%	+	=	–	–	–	=	+	+	–	=	=
16 Concentration of poor children (teeth)	250%	+	=	=	–	–	–	+	+	–	+	–
17 In young offender institutions (up to age 16)	330%	+	=	=	=	–	N/A	+	+	–	–	=
Young adults												
18 Unemployment (18 to 24)	190%	+	+	=	–	=	=	+	+	–	=	=
20 Destination of school leavers	150%	+	=	–	–	=	N/A	+	+	N/A	=	–
21 Problem drug use (15 to 24)	370%	+	–	=	–	=	–	+	=	=	=	–
Adults aged 25 to retirement												
24 Individuals wanting paid work	180%	+	+	–	–	=	–	+	+	=	=	=
25 Jobs	330%	+	=	+	–	=	–	+	+	=	–	–
30 Premature death	150%	+	=	=	–	–	–	+	+	=	=	=
31 Obesity	125%	=	=	+	–	+	N/A	=	=	N/A	–	–
32 Limiting long-standing illness or disability (45 to 64)	180%	+	=	=	–	=	=	+	+	–	=	=
33 Mental health	125%	=	=	=	=	=	N/A	=	=	N/A	=	=
Older people												
36 Excess winter deaths	160%	+	=	=	–	=	N/A	+	+	=	=	=
37 Limiting long-standing illness or disability (65 to 74)	150%	+	=	=	–	=	=	+	+	–	=	=
39 Help from social services to live at home	Three-fifths	–	+	=	+	=	N/A	–	–	=	=	=
Communities												
41 Concentration of poverty	140%	+	=	=	–	–	=	+	+	–	=	=
44 Burglaries	270%	=	=	–	=	–	=	=	=	+	–	–
47 Without central heating	330%	+	=	=	+	–	=	=	–	=	–	–
48 Overcrowding	400%	=	+	–	=	=	–	=	=	+	=	=
49 Homelessness	230%	+	+	–	=	=	N/A	+	=	N/A	–	–

1 Low income

How the indicators were chosen

This chapter looks at a range of indicators of income poverty which, collectively, provide a comprehensive picture of what is going on. These indicators pick up on both long-term and shorter-term trends, and cover low income both in real terms and relative to the incomes of the rest of the population. They also cover how the risks of low income vary by geography, family type and economic status, how many people are on persistent low income, and on the extent of material deprivation.

While there is room for discussion about the precise selection of individual indicators, there is no doubt about the 'headline' indicator of low income. Like both the UK government and the EU, our 'headline' indicator is '**60 per cent of contemporary median income**'. Although this threshold is expressed in terms that might not immediately resonate with the public, it is widely agreed to be right in principle and is, for example, the main threshold that is used by the government in measuring achievement against its child poverty targets. Those interested in the rationale for this and other thresholds should refer to the material presented later in this chapter under the heading 'Choices in the definition of particular indicators'.

Income levels

The first indicator is '**the number of people in low income households**', where the main low income threshold is 60 per cent of contemporary median income after deducing taxes and housing costs. Since it is also important to know the extent to which the incomes of the poorest are rising in real terms, the indicator also shows the number of people on incomes below a fixed threshold that rises with inflation.

The second indicator, '**the proportion of people in low income households by region**' shows how the risk of low income varies by region and how these risks have changed over the last few years. The second graph for this indicator compares the proportion of people in the UK on low income with the proportions in other EU countries.

The third indicator, '**the proportion of people in low income households by age group**', shows how the risk of low income is different for children, working age adults and pensioners, with the second graph showing the numbers of people from each of these groups who are in low income households.

The fourth indicator, '**the proportion of people in low income households by economic status (working age households only)**', shows how the risk of low income varies by the economic status of the household, ranging from households where no one is working to households where all the working age adults are working. The second graph shows how the number of people in low income working age households divide between these economic statuses, and the changes in these shares over time.

For most of the 1990s, the changes in the levels of out-of-work benefits for different family types all followed a similar pattern. Since 1998, however, some out-of-work benefits have risen much more sharply than others. The final indicator of income levels, '**the level of out-of-work benefits relative to earnings**', illustrates these trends for families with/without children and for pensioners.

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. Some people move in and out of low income while others remain persistently in low income. The first indicator of income dynamics is '**the number of individuals who have spells on low income in at least two years in three**'. The second graph for this indicator compares the proportion of the population on persistent low income across all of the EU countries.

One consequence of tracking the numbers on low income in relation to *median* rather than *mean* income (that is, the income of the household at the mid-point of the income distribution rather than average household income) is that incomes in the upper half of the income distribution have no effect on the numbers. While this makes sense as far as *measuring* income poverty is concerned, it may be insufficient for a full *understanding* of it, as the same developments in society may be influencing both low and high income.

The second indicator of income dynamics is '**the proportion of the total income of the country for selected income groups**', with those shown being the poorest and second poorest tenths of the population plus the richest and second richest tenths. The second graph for this indicator shows how the proportion of the population who are in the poorest and richest fifths varies by region.

The final indicator examines how low income relates to a lack of essential consumer durables, and how this relationship is changing over time. The extent to which this can be done on a rigorous annual basis is severely limited by the data available and, in this context, the chosen indicator is '**the proportion of the poorest fifth of the population who lack at least two out of three selected consumer durables (washing machines, freezers and video players)**'. These three items have been selected as around 95 per cent of households on average incomes now own such items and thus they can reasonably be considered to be essential in contemporary UK society.

What the indicators show

Indicator 1: Individuals with low income

The numbers on low incomes are now lower than at any time during the 1990s, but are still much greater than in the early 1980s.

The numbers below a fixed 1996/97 low income threshold have fallen by a third since 1996.

Indicator 2: The location of low income

London and the North East continue to have a higher proportion of people on low income than the other regions. The South East and East continue to have a smaller proportion.

In 1999, the UK had a greater proportion of its population on low income than any other EU country except for Greece and Portugal.

Indicator 3: Low income by type of person

Despite recent falls, children and pensioners continue to be more likely than working age adults to live in low income households.

Almost a third of all people in low income households are working age adults without dependent children.

Indicator 4: Low income by economic status
A household's risk of low income varies greatly, depending on how much paid work its adults do. These risks have remained unchanged in recent years for all categories.

Among those in low income working age households, the proportion where the head of the household is unemployed has halved. Two-fifths now have someone in paid work.

Indicator 5: Out-of-work benefit levels
The level of Income Support for both pensioners and families with two or more children has gone up much faster than average earnings in recent years, but that for working age adults without children has fallen considerably behind.

Among all adults, two-fifths of the recipients of Income Support and Jobseeker's Allowance are of working age and do not have dependent children.

Indicator 6: Persistent low income
Nearly a fifth of the population – around 10 million people – experience low income at least 2 years in 3.

In 1999, the proportion of the UK population on persistent low income was twice as high as in the best EU countries.

Indicator7: Income inequalities
While the overall distribution of income has changed little in recent years, the share of income going to the richest tenth of households has grown.

Inner London is deeply divided: it has by far the highest proportion of people on a low income but also a high proportion of people on a high income.

Indicator 8: Material deprivation
In 2001, a fifth of people on low incomes lacked at least two out of three selected consumer durables (video, freezer and washing machine) compared with a half a decade earlier.

The vast majority of households with very low incomes are either working age adults without children or couples with children. Relatively few are either lone parent families or pensioners.

Choices in the definition of particular indicators
Like both the UK government and the EU, the 'headline' indicator of low income that we have used in this chapter is '**60 per cent of contemporary median income**'. The material below explains why the headline indicator has been used and how the other indicators help in illustrating the essence of what has been happening.

The fact that we have used a variety of indicators should *not* be taken to imply that there is gross uncertainty about how levels of low income have been changing over time. Rather, most of the indicators typically show similar trends over time, even if they give very different answers in terms of absolute numbers. The main exception to this is those indicators which use a fixed (or absolute) threshold of low income – rather than a moving (or relative) thresholds – as these fixed indicators typically fall (at least in developed countries) as society as a whole becomes richer.

Why 'contemporary income'?

It is generally accepted that poverty is concerned with a lack of possessions, or ability to do things, which are in some sense considered 'normal' or 'essential' in society.

What is considered 'normal' depends on the society in which the person lives. So, for example, a widely accepted indicator of Third World poverty is the numbers of people living on less than $1 per day, on the grounds that people on such incomes are literally in danger of starving to death. This threshold is often termed 'absolute income poverty'. But the use of such a threshold in the UK would obviously be completely inappropriate - no one in the UK lives on incomes anywhere near this low and its use would imply that all people with incomes above $1 per day did not suffer from serious deprivation.

What is considered 'normal' also changes over time. Levels of income that would have been considered adequate in the UK 100 years ago would certainly not be considered to be adequate nowadays. Rather, as society becomes richer, so norms change and the levels of income and resources that are considered to be adequate rises. Unless the poorest can keep up with growth in average incomes, they will progressively become more excluded from the opportunities that the rest of society enjoys.

The conclusion is that the main indicators of low income in the UK – and thus of income poverty – should be defined in terms of thresholds which rise or fall as average incomes rise or fall. Such thresholds are often termed 'moving thresholds' or indicators of 'relative poverty'. This conclusion is generally accepted by most researchers, by the EU and by the UK government.

However, sole reliance on moving thresholds can become misleading if average incomes either fall or if they rise dramatically over a sustained period of time. In the former case, even if the lowest incomes remained unchanged, this would clearly not represent an improvement in the capacity of the poorest to attain what society had become accustomed to as the norm. In the latter case (as has been the experience in Ireland over the last ten years or so), sole reliance on moving thresholds can give a misleading impression by suggesting that no progress has been made in reducing the extent of poverty. The conclusion is that the use of fixed thresholds combined with moving thresholds can help to provide a fuller picture of what is happening to the extent of income poverty.

Why 'median income'?

The main advantage of using median income as the definition of the average rather than mean income is that it is less sensitive to changes in the incomes for groups of the population. For example, if everybody below half mean income were given enough money to bring them up to half mean then, assuming all else was 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 still remain the same. This gives the median a practical advantage in terms of setting targets and goals for the numbers below a certain threshold. Furthermore, unlike the mean, the median is unaffected by changes in the incomes of the very rich and, in our view, this makes it a better indicator of what is considered normal in contemporary society.

Why '60 per cent' as the main threshold?

Until relatively recently, the most commonly used threshold of low income in the UK was '50 per cent of mean income'. The rationale for choosing 50 per cent was twofold. First, it represented a level of income which was of the same order of magnitude as independent

experts' estimates of 'low, but acceptable' levels of income; and, second, it was arithmetically simple and relatively easy to understand. When it was understood that income thresholds should be defined in terms of the median rather than the mean, 60 per cent of median income was chosen as it was roughly the same income level as 50 per cent of the mean level that had been used in previous years.

Technical matters

Housing costs

In common with most other commentators, most of the data in this chapter is presented on an 'after housing costs' basis, which is disposable income after housing costs have been removed. The reasons for this are twofold: first, housing costs can vary considerably for people in otherwise identical circumstances (e.g. pensioners who have paid off their mortgage versus pensioners who are renting); and, second, unlike a 'before housing costs' basis, the 'after housing costs' calculations are not affected by such matters as whether housing benefit – which provides for the housing costs of many of the poorest – is considered to be income or not.

Equivalisation

Clearly, a lone adult does not require the same income as a family of four in order to have the same standard of living. However, importantly but less obviously, economies of scale mean that the family of four does not require four times the level of income: many costs can be shared. To estimate the numbers of people below particular income thresholds requires that these incomes are adjusted to reflect the family grouping and thus put on a like-for-like basis. This process is called 'equivalisation'. In the UK, there are agreed equivalisation scales. For example, the income of a single adult is multiplied by around 1.8 to put it on the same basis as a couple, and the income of a family of two adults plus two children is divided by around 1.5.[12]

Relevant Public Service Agreement targets

Public Service Agreement 2002, DWP and Treasury, Target 1

Reduce the number of children in low income households by at least a quarter by 2004, as a contribution towards the broader target of halving child poverty by 2010 and eradicating it by 2020.

Public Service Agreement 2002, DWP and Treasury, Target 2

Double the proportion of parents with Care on Income Support and income-based Jobseeker's Allowance who receive maintenance for their children to 60% by March 2006.

Public Service Agreement 2002, DWP and Treasury, Target 5

Reduce the proportion of children in households with no one in work over the 3 years from Spring 2003 to Spring 2006 by 6^1/$_2$%.

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
National Minimum Wage	April 1999: introduced October 2000: uprated October 2001: uprated October 2002: uprated October 2003: uprated	DTI	Inland Revenue and employers	When first introduced, set at £3.60 per hour for those aged 22 years and over, unless in an exempt category or on a registered training scheme (in which case only £3.20). £3.00 per hour for those aged 18–21. For those aged 22 and over, raised to £3.70 in October 2000, £4.10 in October 2001, £4.20 in October 2002 and £4.50 in October 2003. For those aged 18 to 21, raised to £3.20 in October 2000, £3.50 in October 2001, £3.60 in October 2002 and £3.80 in October 2003. The Low Pay Commission estimated that the original National Minimum Wage affected 1.3 million jobs, rising to 1.5 million after the 2001 and 2002 increases.
Working Families Tax Credit (WFTC) (replaced Family Credit)	October 1999: introduced October 2000: uprated April 2001: uprated October 2001: uprated April 2002: uprated June 2002: uprated October 2002: uprated April 2003: replaced by a combination of Working Tax Credit and Child Tax Credit	Treasury and DWP	Inland Revenue and employers	For families/lone parents with one child or more, who are working for a minimum of 16 hrs/week. It consisted of a basic element, an element for those working 30+ hours per week, and an element for each child. Help towards childcare costs was also available. The level of the credit is dependent on the number of children, how many hours worked (the minimum is 16 hours), childcare costs and levels of savings. When first 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 the Family Credit scheme that it replaced). Minimum income guarantee raised to £208 in October 2000, £214 in April 2001, £225 in October 2001, £227 in April 2002, £230 in June 2002 and £237 in October 2002. Only available to those with savings of less than £8,000, with decreased eligibility for those with savings between £3,000 and £8,000, implying total expenditure of around £6 billion.

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
				Included a childcare allowance of up to 70% of childcare costs for working parents, up to a limit of £100 for one child and £150 for 2+ children (from October 1999) and £135 for one child and £200 for 2+ children (from April 2001). In its final year (2002), Working Families Tax Credit paid an average of £86 a week to 1.4 million households.
Children's Tax Credit (replaced Married Couples' Allowance)	April 2001: introduced April 2003: replaced by the Child Tax Credit	Treasury and DWP	Inland Revenue and employers	Payable to anyone paying tax who has a child aged 16 or under (implemented as a reduction in the tax bill of the claimant). Maximum tax reduction of £529 per annum. This compares with £197 for the Married Couples' Allowance which it replaced. Maximum amount for the family element will be given to those on an annual income of £32,750 or less. For every £15 above this, £1 is deducted. Replaced by Child Tax Credit in April 2003.
Disabled Persons Tax Credit (replaced Disability Working Allowance)	October 1999: introduced April 2001: uprated October 2001: uprated April 2002: uprated June 2002: uprated October 2002: uprated April 2003: replaced by the Working Tax Credit	Treasury and DWP	Inland Revenue and employers	Originally guaranteed a weekly income of £231 for a couple with one child. Minimum income guarantee raised to £246 in April 2001, £260 in April 2002, £263 in June 2002 and £264 in October 2002. Operated like the Working Families Tax Credit, except no children required to be eligible.
Increase in Child Allowance within Income Support	November 1998: uprated October 1999: uprated April 2000: uprated October 2000: uprated April 2002: uprated April 2003: replaced by the Child Tax Credit	Treasury and DWP	Inland Revenue and employers	Raised by £2.50 per week in November 1998, by a further £4.70 per week in October 1999, by a further £1.10 per week in April 2000, by a further £4.35 per week in October 2000, and by a further £3.50 per week in April 2002.
Working Tax Credit (replaced Working Families Tax Credit and Disabled Persons Tax Credit)	April 2003	Treasury and DWP	Inland Revenue and employers	Increased the level of tax credits for people with dependent children and extended them to some people without dependent children. Three types of family are eligible: • Households with dependent children where at least one partner works at least 16 hours per week (maximum of £70 per week if working at least 30 hours and £58 if working 16–29 hours.). • Workers with a disability who work at least 16 hours per week (maximum as per the other family types plus up to £39 for the disability). • Households without dependent children where at least one partner is aged 25 or over and works at least 30 hours per week (maximum of £70 per week if a couple and £41 per week if single). Subject to eligibility, the maximum is available for households with an average weekly income of up to £97 (about £5,000 a year). For each pound above this level, the amount of reduces by 37 pence.

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
				Includes an additional component to help cover the costs of childcare for those households where all partners work at least 16 hours per week (up to 70% of £135 of costs paid for one child and 70% of £200 for two or more children). Savings are not taken into consideration.
Child Tax Credit (replaced Children's Tax Credit)	April 2003	Treasury and DWP	Inland Revenue	Replaced the Children's Tax Credit and the child-related part of the Working Families Tax Credit. Also replaced the child elements of Income Support and Jobseeker's Allowance. Subject to a mean-test, available to any household with dependent children (up to age 19 if child in full-time education), whether or not anyone in the household is working. The maximum credit available depends upon the number and age of the children in the household, but is around £10 per week plus £28 for each dependent child. So, for example, the maximum available to a family with two adults and two children both over the age of 1 is £66 per week (about £3,500 a year). Such a family would be entitled to this maximum with an average weekly income of anything up to £284 (£15,000 a year). Above this level, the credit reduces by 37 pence for every extra £1 in income until all but £10 of it has disappeared (£430 a week or £22,000 a year). The remaining £10 a week 'family' element remains undiminished until household incomes exceed around £1,000 per week.
Increases in Child Benefit	April 1999: uprated April 2000: uprated April 2001: uprated April 2002: uprated April 2003: uprated	Treasury	Child Benefits Agency	Raised to £14.40 for the eldest children in April 1999, to £15 in April 2000, to £15.50 in April 2001, to £15.75 in April 2002, and to £16.05 in April 2003. Similar proportional rises for other children from £9.30 prior to April 1999 to £10.75 in April 2003.
National Childcare Strategy	May 1998: introduced	DfES	Local authorities	Aims to create up to 900,000 accessible and affordable new childcare places by March 2004. By December 2004, there should be a childcare place in the most disadvantaged areas for every lone parent entering employment. A budget of around £400 million each year from 2001/02 to 2003/04.
Pensioners' Minimum Income Guarantee (MIG)	April 1999: introduced April 2000: uprated April 2001: uprated April 2002: uprated October 2003: replaced by Pension Credit	DWP	Pension Service	When introduced, set at £75 a week for single pensioners and £116.60 for pensioner couples, representing increases of around £4 and £7 respectively over the levels of Income Support that were previously available. For single pensioners, raised to £78.45 in April 2000, £92.15 in April 2001, £98.15 in April 2002 and £102.10 in April 2003. For pensioner couples, raised to £121.95 in April 2000, £140.55 in April 2001, £149.80 in April 2002 and £155.80 in April 2003. Budget estimated at £3.8 billion for 1999/00, £4.1 billion for 2000/01, and £4.4 billion for 2002/03.

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Pension Credit (replaced Pensioners' Minimum Income Guarantee)	October 2003	DWP	Pension Service	The main change from the Minimum Income Guarantee that it replaced is that the Pension Credit will operate like the other tax credits, with a reduction of 40 pence for every additional £1 in pension income. In contrast, the Minimum Income Guarantee was a fixed guaranteed minimum income, with the individual losing a full pound in government benefit for every pound that their pension income was above this level. The guaranteed minimum weekly income is the same as for the Minimum Income Guarantee, namely £102.10 for a single pensioner and £155.80 for a pensioner couple. Depends on household, rather than individual, income. The basic State Retirement Pension will be £77.45 for a single pensioner and £123.80 for a pensioner couple. So, for someone with the full State Retirement Pension, the maximum amount of Pension Credit will be £24.65 for a single pensioner and £32.00 for a pensioner couple. A target of at least 3 million households receiving the Pension Credit by 2006. Cost of the reform, including changes to Housing Benefit and Council Tax Benefit for pensioners, estimated at around £1 billion in 2003/04 and £2 billion in 2004/05.
Second State Pension	April 2002: introduced	DWP	Pension Service	An extension to SERPS and aims to double the income provided by SERPS for those on incomes of less than £10,800. 18 million people are expected to benefit. Earnings less than £10,800 will qualify for S2P of 40% of £10,800 (minus the lower earning limit). An individual will qualify for an additional 10% of earnings between £10,800 and £24,600, or an additional 20% for earnings between £24,600 and the upper earning limit. 2007: S2P will become a flat-rate top-up to the Basic State Pension (all individuals will receive 40% of £10,800).

Individuals with low income

The number of people on a low income is now lower than at any time during the 1990s, but is still much greater than in the 1980s.
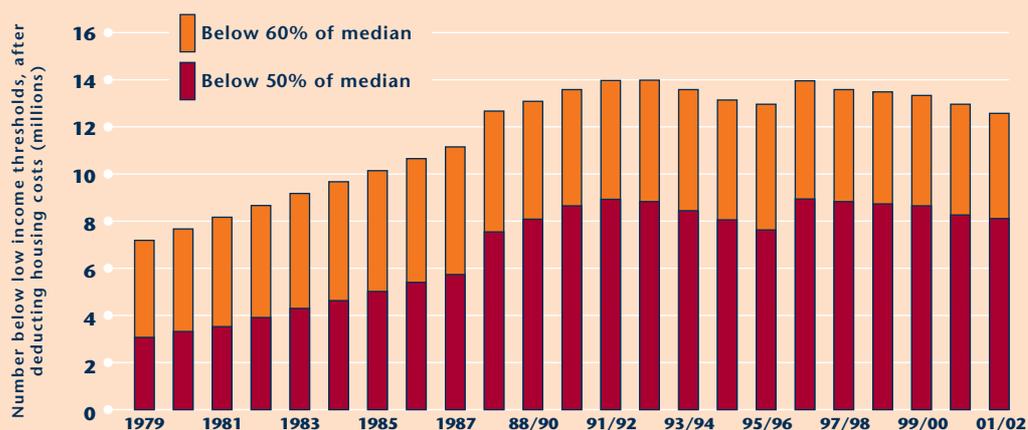
Source: Households Below Average Income Series, DWP 1995–2003 (1979–93/94 using FES; 1994/95–2001/02 using FRS)

The numbers of people below a fixed 1996/97 low income threshold has fallen by a third since 1996.
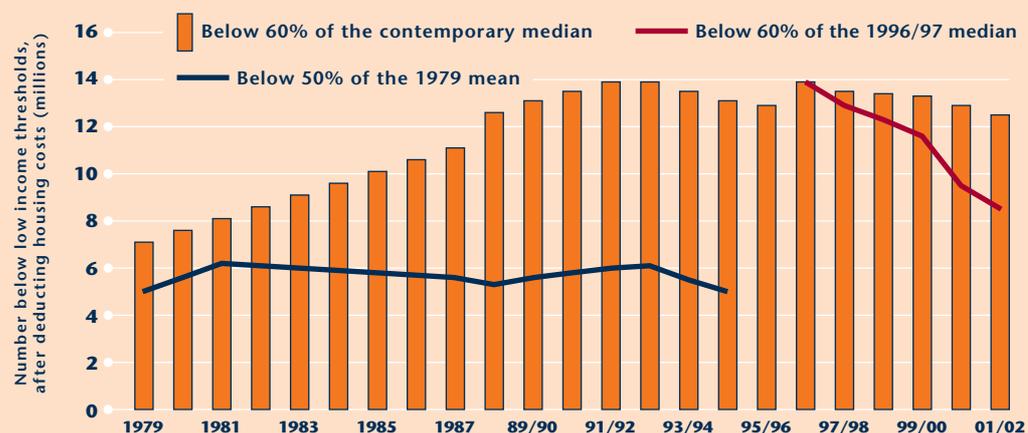
Source: Households Below Average Income Series, DWP 1995–2003 (1979–93/94 using FES; 1994/95–2001/02 using FRS)

The first graph shows the number of people below 50 per cent and 60 per cent of the contemporary median income for each year since 1979. 'Income' is disposable household income after housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

The second graph provides three measures of low income. The bars show the number of people below 60 per cent of contemporary median income for each year since 1979 (i.e. these are the same as the bars in the first graph). This can be termed the number of people in 'relative low income'. The line from 1996/97 onwards shows the number of people below a fixed threshold of 60 per cent of 1996/97 median income (adjusted for price inflation) – the 1996/97 threshold was chosen as it is one of the thresholds used by the government. The line from 1979 to 1994/95 shows the number of people below a fixed threshold of 50 per cent of 1979 mean income (adjusted for price inflation). Note that 50 per cent of mean, rather than 60 per cent of median, is used because this was the threshold of low income commonly used at the time. Data for 1980, 1982 to 1986 and 1998/90 have not been published by DWP and thus the figures for these years have been interpolated from the previous and subsequent year figures.

The data in both graphs relates to Great Britain. The self-employed are included in the statistics.

Overall adequacy of the indicator: **high.** *The Family Resources Survey and Family Expenditure Survey are both well-established annual government surveys, designed to be representative of the population as a whole.*

The location of low income

London and the North East continue to have a higher proportion of people on low income than the other regions. The South East and East continue to have a smaller proportion.

Proportion below 60% of median income, after deducting housing costs (%)

■ Average of 1994/95 to 1996/97 ■ Average of 1999/00 to 2001/02

South East, East, East Midlands, Scotland, South West, West Midlands, North West, Wales, Yorkshire and the Humber, North East, London
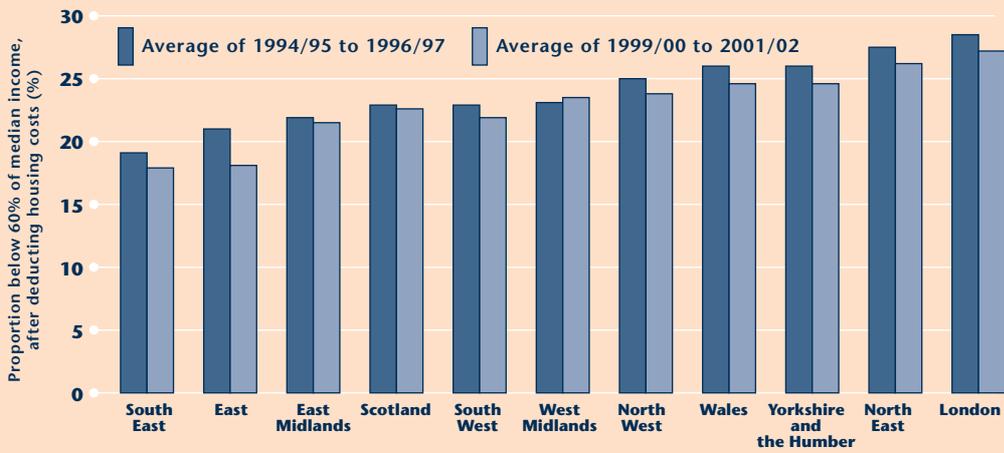
Source: Households Below Average Income Series, DWP 1995–2003

In 1999, the UK had a greater proportion of its population on low income than any other EU country except for Greece and Portugal.

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

EU average (%)

Sweden, Denmark, Germany, Netherlands, Finland, Austria, Belgium, Luxembourg, France, Ireland, Italy, Spain, UK, Greece, Portugal
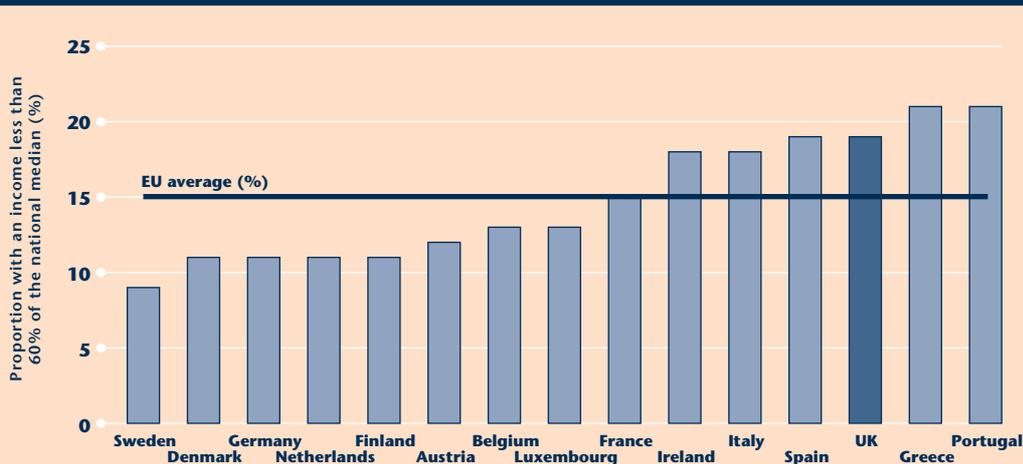
Source: Eurostat (data is for 1999 and is equivalent to BHC).

The first graph shows the proportion of the population on low income by region. For each region, the first column shows the average proportion on low income between 1994/95 and 1996/97 and the second column shows the average proportion on low income between 1999/2000 and 2000/01. This averaging over three-year bands has been done to improve the statistical reliability of the results.

The data relates to Great Britain. The self-employed are included in the statistics.

'Income' is disposable household income after housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

The second graph shows the proportion of people in EU countries with an equivalised income that was less than 60 per cent of the median for their country in 1999 on a 'before housing costs' basis. The EU average shown is weighted by population. Note that the European Community Household Panel is a smaller survey than the Family Resources Survey (FRS) and suffers from a loss of members over time. Also note that the data for Spain is provisional only.

*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. The averaging over three-year bands means that the sample size is sufficient to provide accurate results.*

Low income by type of person

Despite recent falls, children and pensioners continue to be more likely than working age adults to live in low income households.

Source: Households Below Average Income Series, DWP, 1995–2003

Almost a third of all people in low income households are working age adults without dependent children.

Pensioners
2,200,000

Children
3,800,000

Working age adults
without dependent children
3,700,000

Working age adults with
dependent children
2,900,000

Source: Households Below Average Income Series, DWP, 2003
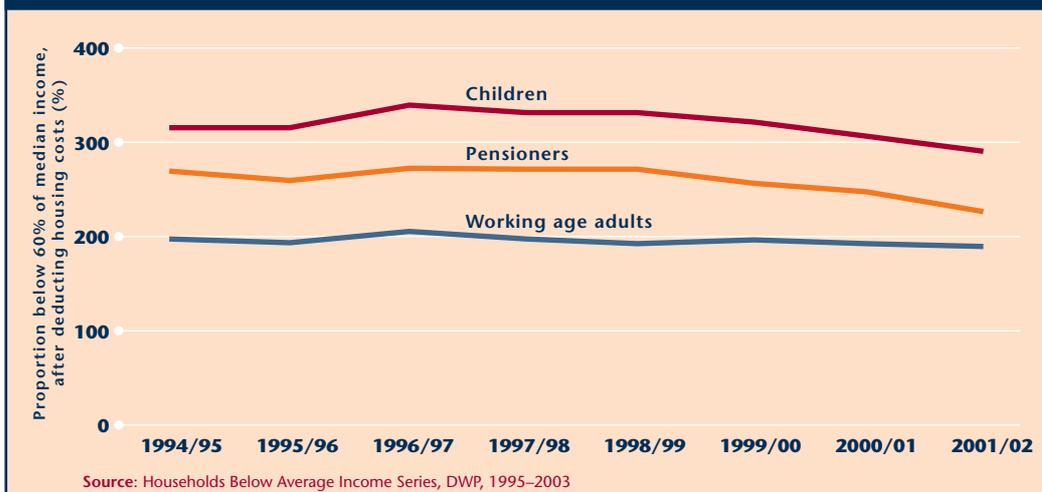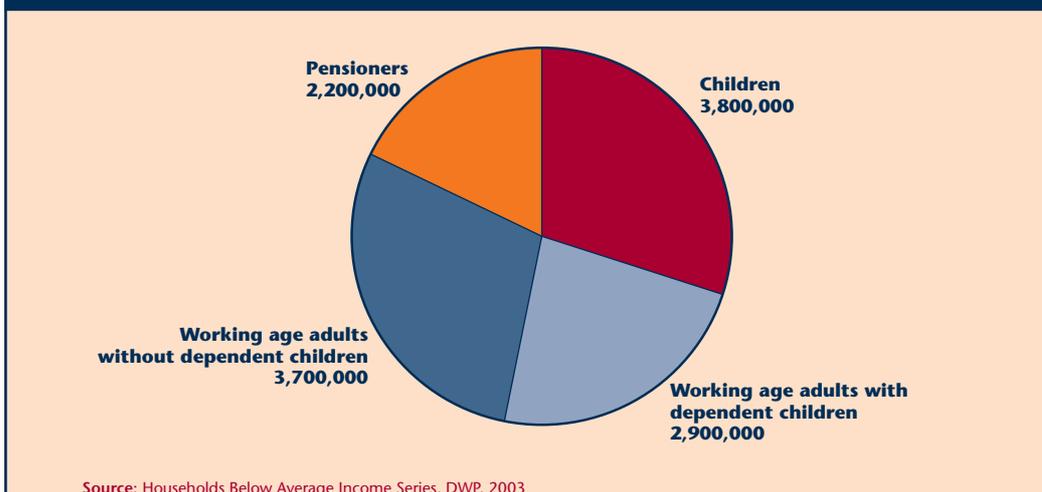
The first graph shows the risk of a person being in a low income household, with data shown separately for children, working age adults and pensioners.

The second graph shows, for the latest year, a breakdown of the people in low income households according to whether they are children, working age adults with dependent children, working age adults without dependent children, or pensioners.

'Income' is disposable household income after housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS), and relates to Great Britain. The self-employed are included in the statistics.

*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.*

Low income by economic status

A household's risk of low income varies greatly, depending on how much paid work its adults do. These risks have remained unchanged over recent years.

Proportion of households below 60% of median income, after deducting housing costs (%)

Unemployed

Other workless

Some working

All working

1994/95　1995/96　1996/97　1997/98　1998/99　1999/00　2000/01　2001/02
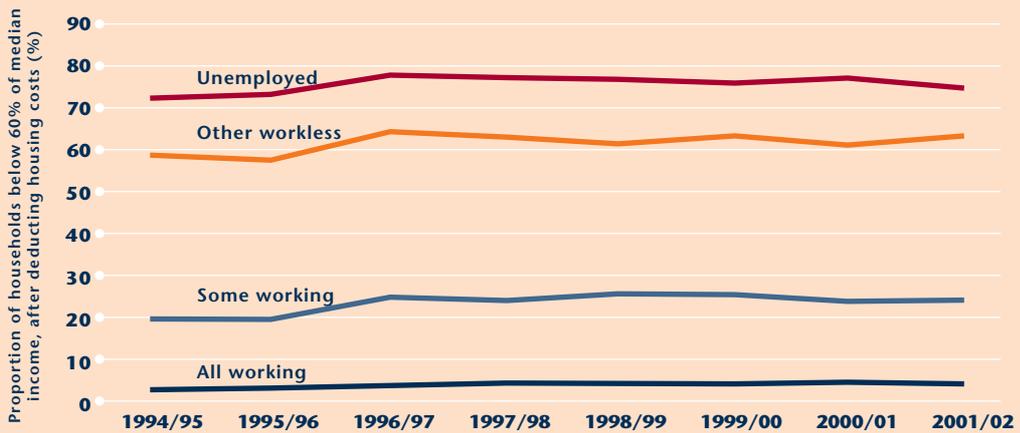
Source: Households Below Average Income Series, DWP, 1995–2003

Among those in low income working age households, the proportion where the head of the household is employed has halved. Two-fifths now have someone in paid work.

Unemployed

All working

15%

10%

7%

28%

26%

Average of 1999/00 to 2001/02

Average of 1994/95 to 1996/97

31%

Some working

39%

44%

Other workless
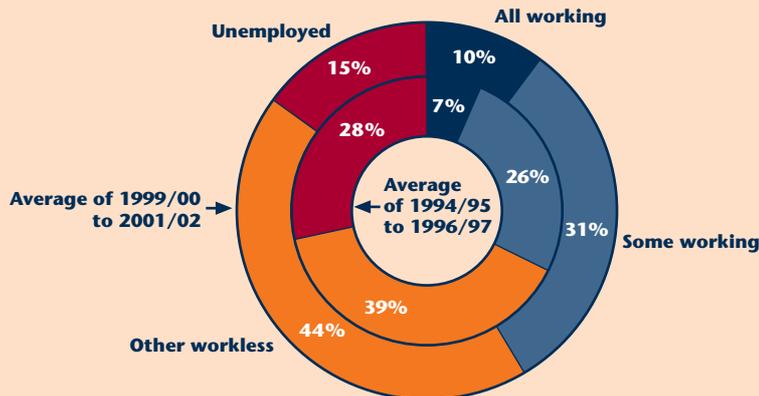
Source: Households Below Average Income Series, DWP, 2003

The first graph shows the risk of a household being on low income, with the data shown separately for the following economic statuses: all working (single or couple, with one in full-time work and the other – if applicable – in full-time or part-time work); some working (includes households where no one is working full-time but one or more are working part-time); unemployed (head or spouse is unemployed) and other workless (includes long-term sick/disabled and lone parents).

The second graph shows a breakdown of the low income households by economic status. The inner ring shows the average for the three years 1994/95 to 1996/97 and the outer ring shows the average for the three years 1999/2000 to 2001/02. This averaging over three-year bands has been done to improve the statistical reliability of the results. To provide consistency with the first graph, self-employed households and households where the head or spouse is aged 60 or over are excluded from this analysis.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS), and relates to Great Britain. 'Income' is disposable household income after housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

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.*

Out-of-work benefit levels

Benefit levels for both pensioners and families with two or more children have gone up much faster than average earnings in recent years, but benefit levels for working age adults without children have fallen considerably behind.
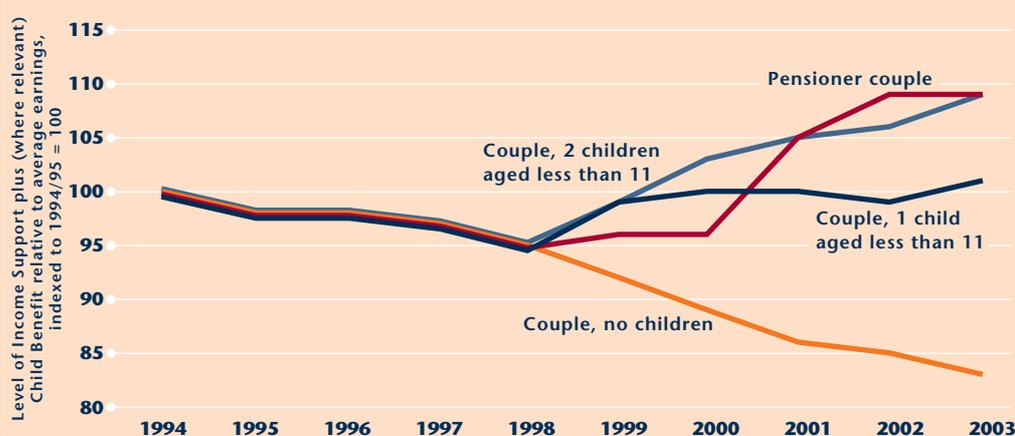
Source: Benefit levels from DWP and earnings indices from ONS, 2003

Amongst all adults, two-fifths of the recipients of Income Support and Jobseeker's Allowance are of working age.
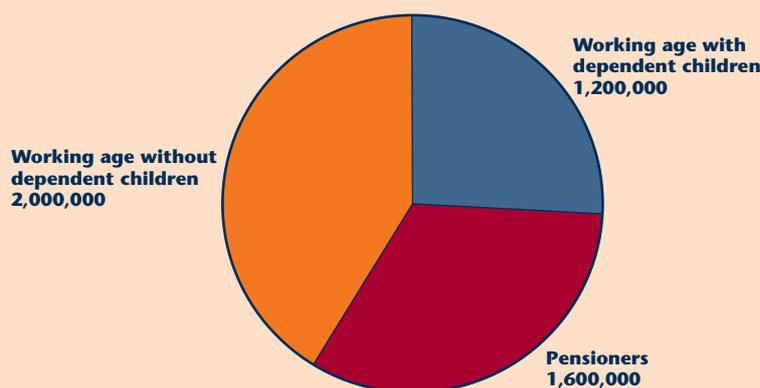
Source: Client Group Analysis, Quarterly Bulletins for November 2002, DWP 2003

The first graph shows how the maximum value of Income Support has varied over time for selected family types. The selected family types are pensioner couples, couples with two children aged less than 11, couples with one child aged less than 11 and couples with no children. In each case, the base year is 1994, at which point the value of the benefits is set to 100 per cent.

The figures cover the period 1994/2003 and are deflated by the growth in average earnings in each year. So, for example, the maximum value of Income Support for pensioner couples (effectively the Minimum Income Guarantee for pensioners) was £149.80 in April 2002 and £99.25 in April 1994, a growth of 51 per cent in money terms; over the same period, average earnings grew by 40 per cent, so the figure on the graph for April 2002 is 108 per cent (1.51/1.40).

The second graph provides a breakdown of the recipients of Income Support and Jobseeker's Allowance by family type for the quarter ending November 2002. The data is for Great Britain.

Overall adequacy of the indicator: **high.** *The statistics in the first graph are factual and those in the second graph are considered to be very reliable.*

Persistent low income

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

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

Y-axis: Number on a low income during a three-year period (%)

X-axis: 1991–93, 1992–94, 1993–95, 1994–96, 1995–97, 1996–98, 1997–99, 1998–00
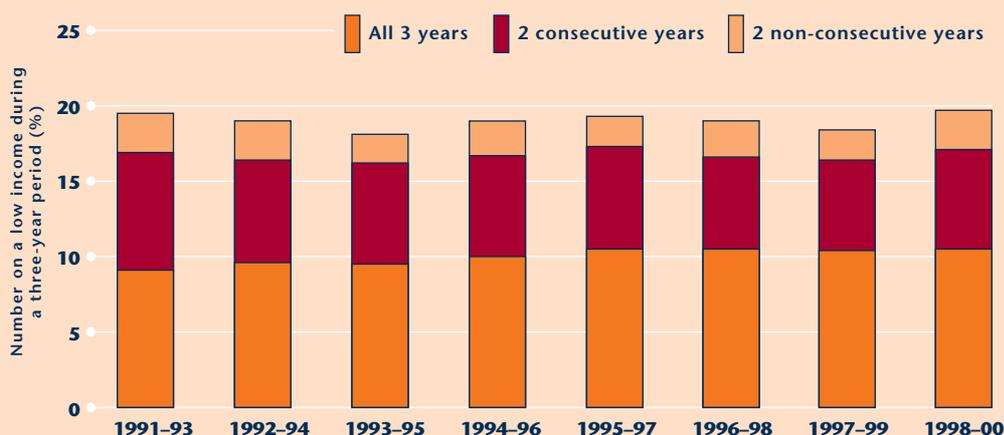
Source: British Household Panel Survey, Waves 1–10, analysis by John Rigg, LSE

In 1999, the proportion of the UK population on persistent low income was twice as high as in the best EU countries.

Y-axis: Proportion in persistent low income in the most recent year and either two or three of the previous years(%)

EU average (%)

X-axis: Denmark, Finland, Netherlands, Germany, Austria, Belgium, Luxembourg, France, Italy, Spain, UK, Ireland, Greece, Portugal
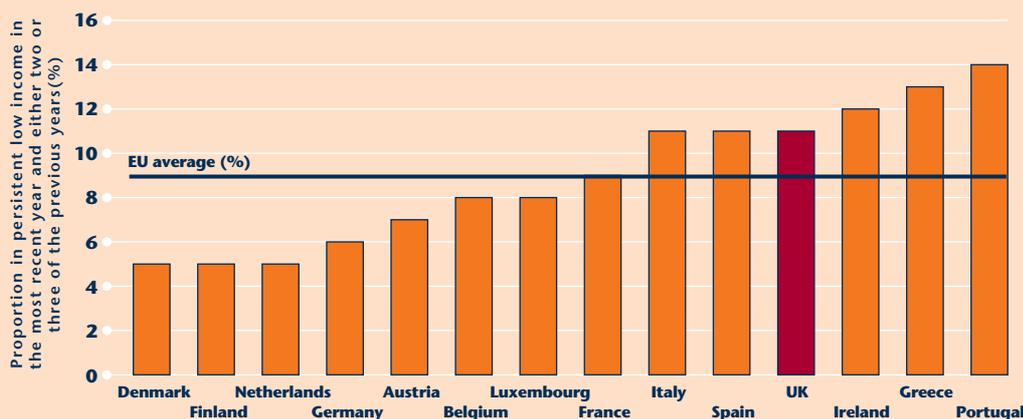
Source: Eurostat (data is for 1999 and is equivalent to BHC)

The first graph shows the number of people on low income in at least two years out of three between 1991/93 and 1998/2000 (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 third year only.

'Income' is net disposable income before housing costs, deflated and equivalised for the size of the household. Persons are considered to 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, people who have an income below 60 per cent of the median.

The data source is the British Household Panel Survey (BHPS) and relates to Great Britain.

The second graph shows the proportions of the population in persistent low income across the EU. In this graph, individuals in persistent low income are defined as those whose income is below 60 per cent of the national median (measured before housing costs) in the most recent year and either two or three of the three previous years. Note that this is a different definition from the first graph. The EU average shown is the average weighted by population. The data is for 1999 and is from the European Household Panel Survey. Note that the data for Spain is provisional only.

*Overall adequacy of the indicator: **medium**. BHPS is a much smaller survey than the Family Resources Survey and suffers from a loss of members over time. Care is also 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.*

Income inequalities

While the overall distribution of income has changed little in recent years, the share of income going to the richest tenth of households has grown somewhat.

Richest tenth

Second richest tenth

Second poorest tenth

Poorest tenth
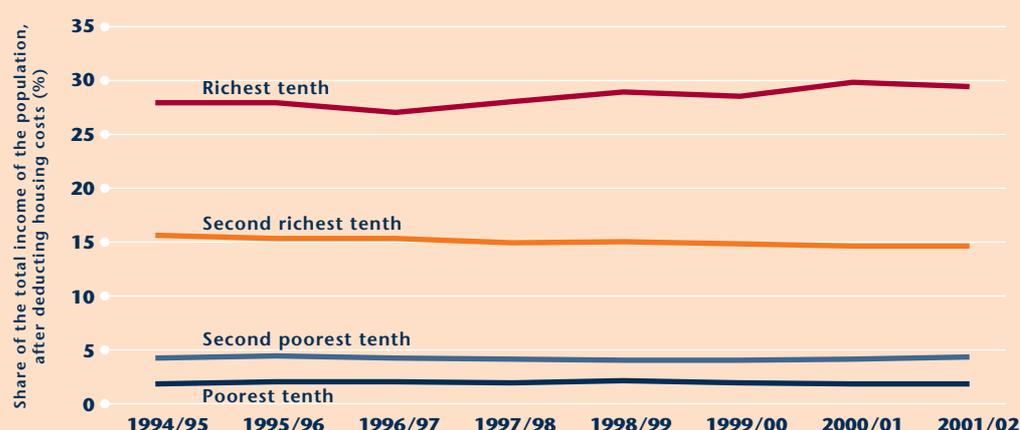
Source: Households Below Average Income Series, DWP, 1995–2003

Inner London is deeply divided: it has by far the highest proportion of people on a low income but also a high proportion of people on a high income.

Poorest fifth   Richest fifth
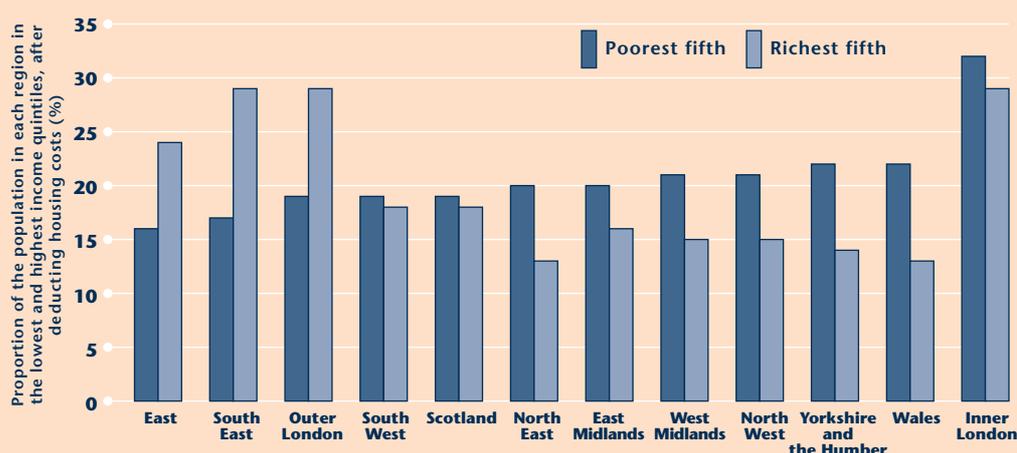
Source: Households Below Average Income Series, DWP 2003

The first graph shows the share of the total income of the population for selected income deciles (tenths), namely the two poorest deciles and the two richest deciles. The shares added up for all ten deciles therefore total 100 per cent of the total income.

The second graph shows the proportion of the population whose income is in the lowest and highest income quintiles (fifths) in each region in Great Britain in 2000/01. Inner and Outer London are presented separately as the results are so different (2000/01 is the first year for which such a separation has been possible).

The data source for all the graphs is Households Below Average Income, based on the Family Resources Survey (FRS), and relates to Great Britain. The self-employed are included in the statistics.

'Income' is disposable household income after housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

*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.*

Material deprivation

In 2001, a fifth of people on low incomes lacked at least two out of three selected consumer durables (video, freezer and washing machine) compared with half a decade earlier.

Source: British Household Panel Survey, 1992–2001, University of Essex, Institute for Social and Economic Research, 2003

The vast majority of households with very low incomes are either working age adults without children or couples with children. Relatively few are either lone parent families or pensioners.

Source: Households Below Average Income 2001/02, DWP, 2003

The first graph shows the proportion of people who in 2001 lacked at least two out of three selected consumer durables (video, freezer and washing machine), with the data shown separately for people in the poorest fifth of the population and for people on average incomes.

The data source is the British Household Panel Survey (BHPS). The data relates to the United Kingdom.

Videos, freezers and washing machines were selected from a longer list tracked by BHPS as they are all durables that the vast majority (more than 90 per cent) of people on average incomes have, and thus can be considered to be essential in contemporary Britain.

The second graph shows numbers of those on relative low income in the latest year, grouped by the household's family type and divided according to how much money the household would have needed each week to reach the threshold of 60 per cent of contemporary median income after deducting housing costs.

*Overall adequacy of the indicator: **medium**. Although BHPS is a smaller survey than FRS, the relatively smooth trends in the data over time indicate that the specific results shown are very reliable. The choice of consumer durables in the analysis is, however, largely driven by the data availability and is somewhat arbitrary.*

2 Children

How the indicators were chosen

Health and well-being

The first indicator of health inequalities is '**the proportion of babies that are of low birth weight**', with the proportions shown separately by social class. Low birth-weight babies are at risk of severe neuro-cognitive deficits and pulmonary problems. Low birth weight is also associated with ill health in later life, affecting growth, cognitive development and susceptibility to diabetes and heart disease.[13]

The second indicator of health inequalities – new to this year's report – is '**the proportion of children who die in their first year of life**', with the proportions again shown separately by social class. Infant mortality has traditionally been used as a major indicator of health and, while infant mortality rates dropped sharply in the 1970s and 1980s, the rate of progress over the last decade has been much slower.

One economically vulnerable group is girls who give birth as teenagers.[14] The final health-related indicator is '**the number of births to girls conceiving under 16 years of age**', with the second graph illustrating the differences in prevalence by social class.

Education

As discussed in the chapter on young adults, those without educational qualifications are at a higher risk of being on low pay than other adults. More generally, success in acquiring formal qualifications bolsters self-esteem and enhances a healthy development of self-identity. The first educational indicator is '**the proportion of 16-year-olds with no or poor GCSEs**', with the thresholds for poor GCSEs being failing to obtain above a grade D.

It is widely agreed that attainment of qualifications and skills during the teenage years is strongly influenced by attainment or otherwise of basic numeracy and literacy skills at an earlier age. The second educational indicator is '**the proportion of 11-year-olds failing to achieve Level 4 at Key Stage 2 in English and maths**'.

Permanent school exclusions have been the focus of public attention in recent years and a high proportion of children excluded from school, particularly those at secondary level, do not return to mainstream education. The final education indicator is '**the number of children permanently excluded from school**'.[15]

Social cohesion

Children growing up in low income households face heightened risks of a range of negative outcomes in later life, including lower school attendance, lower educational qualifications, more contact with the police and lower earnings.[16] The concern with children's economic circumstances also arises because of the high number of children in poor households.[17] The chosen indicator is '**the number of children living in workless households**'.

The second indicator, '**the proportion of children who are eligible for free school meals who are in the fifth of schools with the highest concentration of such children**', shows the extent to which children from low income households are concentrated in particular

schools. Such concentrations imply that children grow up with very different perspectives on the extent of poverty, with poor children mixing largely with other poor children and richer children mixing with comparatively fewer poor children. The second graph for this indicator looks at another factor which varies considerably between different groups of children and which is known to be associated with adverse socio-economic conditions, namely the dental care of young children.

The final indicator of social cohesion is '**the number of children in custodial care**'. High re-conviction rates of those aged under 17 discharged from custody[18] 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

Indicator 9: Low birth-weight babies

Babies born to parents from manual backgrounds continue to be more likely to have a low birth weight than those born to parents from non-manual backgrounds.

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

Indicator 10: Infant mortality

The rate of infant deaths among those from manual social backgrounds has remained unchanged over the last decade, whereas the rate for those from non-manual social backgrounds has fallen.

The rate of infant deaths is one and a half times as great in the West Midlands as in the East and South East.

Indicator 11: Births to girls conceiving under age 16

The number of births to girls conceiving under age 16 has fallen by a fifth since 1996.

Teenage motherhood is four times as common among those from manual social backgrounds as for those from non-manual backgrounds.

Indicator 12: Low attainment at school (16-year-olds)

While results have improved over the last decade, 25 per cent (150,000) of 16-year-olds still obtain no GCSEs above a D and 4 per cent (25,000) get no grades at all.

The proportion of 16-year-olds with no or poor GCSEs ranges from a third in Yorkshire and the Humber and the North East to a fifth in the South.

Indicator 13: Low attainment at school (11-year-olds)

The rapid rate of progress in the literacy and numeracy of 11-year-olds that occurred during the second half of the 1990s – including those in deprived schools – has slowed in recent years.

In contrast to the GCSE results in the previous indicator, the proportion of 11-year-olds failing to reach Level 4 at Key Stage 2 is similar in all regions.

Indicator 14: School exclusions

In 2001/02, the number of permanent exclusions rose for the second consecutive year.

The rate of permanent exclusions of black pupils has halved in recent years, but they are still three times as likely to be excluded as white pupils.

Indicator 15: Children in workless households

Around 2 million children still live in workless households. This number fell by a fifth from 1994 to 2000, but is unchanged since then.

Two-fifths of all lone parents do not have paid work.

Indicator 16: Concentration of poor children

Half of all the children who are eligible for free school meals are concentrated in a fifth of the schools.

Five-year-olds in Scotland, Wales and the North West have, on average, twice as many missing, decayed or filled teeth as 5-year-olds in the West Midlands and South East.

Indicator 17: In young offender institutions

The number of children 16 or less who are in custody is one and a half times greater than a decade ago.

The proportion of children aged 16 or less from the West Midlands who are in young offender institutions is three times as great as from the South West.

Indicators 9 Low birth-weight babies; 10 Infant mortality

Relevant Public Service Agreement targets

Public Service Agreement 2002, Department of Health, Target 7	Improve life outcomes of adults and children with mental health problems through year on year improvements in access to crisis and CAMHS services, and reduce the mortality rate from suicide and undetermined injury by at least 20% by 2010.
Public Service Agreement 2002, Department of Health, Target 11	By 2010 reduce inequalities in health outcomes by 10% as measured by infant mortality and life expectancy at birth.
Public Service Agreement 2002, Sure Start, Childcare and Early Years, Target 1 (part)	In fully operational programmes, achieve by 2005–06: • an increase in the proportion of young children aged 0 to 5 with normal levels of personal, social and emotional development for their age; • an increase in the proportion of children having normal levels of communication, language and literacy at the end of the Foundation Stage and an increase in the proportion of young children with satisfactory speech and language development at age 2 years; and • a 12% reduction in the proportion of young children living in households where no one is working.

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Sure Start for children aged 0 to 4 and their families in selected areas	June 1999: introduced	Sure Start Unit	Local authorities, voluntary sector, NHS and government regional offices	Aims: to increase the availability of childcare for all children; to improve NHS, health, education and emotional development for young children; and to support parents in their role and in developing their employment aspirations. By May 2003, around 500 Sure Start programmes were in action, reaching up to one-third of under fours living in poverty. Budget of £450 million for 1999/2000 to 2001/02, and a further £580 million for the period to 2004.
Sure Start Maternity Grant	March 2000 : introduced (replacing maternity payment scheme) Autumn 2000: uprated April 2002: uprated	DWP	Jobcentre Plus	Grants for parents who provide evidence that health advice has been received from a professional and who are in receipt of qualifying benefits. Initial rate was £200, increased to £300 in Autumn 2000, and to £500 in April 2002. Not uprated since April 2002.
Children's Fund	2001: announced	Children and Young People's Unit	Local partnerships	Works with children, primarily aged 5 to 13, who are showing early signs of being at risk of social exclusion. Focused on developing services that support multi-agency working, bringing together preventative services that recognise the value of partnership working between the voluntary, community and statutory sectors as well as the beneficiaries of such services. Particular objectives and activities are locally determined. A budget of £450 million over 3 years.

Indicator 11 Births to girls conceiving under age 16

Relevant Public Service Agreement targets

Public Service Agreement 2002, Department of Health, Target 9 (part) — Improve life chances for children, including by:
• reducing the under-18 conception rate by 50% by 2010.

Public Service Agreement 2002, Sure Start, Childcare and Early Years, Target 1 (part) — In fully operational programmes, achieve by 2005-06:
• a 6 percentage point reduction in the proportion of mothers who continue to smoke during pregnancy.

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Teenage Pregnancy Strategy	1999	DH	Schools, clinics, social services, etc	Aims: to halve the number of pregnancies in the under-18s by 2010, and reduce the number by 15% by 2004; and to increase the participation of teenage mothers in education, training or work to 60% by 2010. Budget of £24 million in 2003/2004.
Sure Start Plus	April 2001: pilot programme 2002: extended to 2006	Sure Start Unit	Local authorities, voluntary sector and Health Action Zones	A pilot programme to provide support for pregnant teenagers and teenage parents and to reduce risk of long term poverty and social exclusion from teenage pregnancy.

Indicators 12 and 13 Low attainment at school

Relevant Public Service Agreement targets

Public Service Agreement 2002, DfES, Target 1 — Raise standards in English and maths so that:
• by 2004 85% of 11-year-olds achieve level 4 or above and 35% achieve Level 5 or above with this level of performance sustained to 2006; and
• by 2006, the number of schools in which fewer than 65% of pupils achieve Level 4 or above is significantly reduced.

Public Service Agreement 2002, DfES, Target 2 — Raise standards in English, maths, ICT and science in secondary education so that:
• by 2004 75% of 14-year-olds achieve Level 5 or above in English, maths and ICT (70% in science) nationally, and by 2007 85% (80% in science);
• by 2007, the number of schools where fewer than 60% of 14-year-olds achieve Level 5 or above is significantly reduced; and
• by 2007 90% of pupils reach Level 4 in English and maths by age 12.

Public Service Agreement 2002, DfES, Target 5 — Raise standards in schools and colleges so that:
• between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to 5 GCSEs at grades A* to C rises by 2 percentage points each year on average and in all schools at least 20% of pupils achieve this standard by 2004 rising to 25% by 2006; and
• the proportion of 19-year-olds who achieve this standard rises by 3 percentage points between 2002 and 2004, with a further increase of 3 percentage points by 2006.

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Education Action Zones and Excellence in Cities Action Zones	Successive rounds from 1998	DfES	School-led local partnerships	Aim of Education Action Zones (EAZs) is to raise standards in disadvantaged urban and rural areas, so that young people can become high achievers, effective learners and major contributors to the regeneration of the community. Aim of Excellence in Cities Action Zones (EiC AZs) is to address the educational problems of the major cities where standards have been low. By mid-2003, there were 72 statutory EAZs and 102 EiC AZs. EAZs receive up to £1 million per year. EiC AZs receive up to £350,000 per year.
National Literacy and Numeracy Strategies including Summer Schools	September 1998: literacy hour and numeracy period introduced	DfES	Schools	By 2004: 85% of 11-year-olds to be at Level 4 at Key Stage 2 in English and maths. 2,300 summer schools operative by 2000, of which 1,800 were devoted to literacy and numeracy. £240 million over 3 years (+ £16 million for summer schools).

Indicator 14 School exclusions

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Tackling truancy and exclusion in schools	September 1999: LEAs set new targets for schools	DfES and Home Office	Schools, LEAs and Police	Targets: 1. By 2002, to reduce the number of exclusions by a third from their 1997/98 level. 2. By 2002, to reduce time lost through truancy by a third. By September 2002, schools most affected by unaccounted absenteeism had to produce a strategy with the LEA to reduce absence levels. The National Behaviour and Attendance Strategy aims include: to reduce permanent and fixed term exclusions and to ensure high quality provision for excluded pupils. Budget of £470 million for 2003-2006.

Indicator 15 Children in workless households

Relevant Public Service Agreement targets

Public Service Agreement 2002, DWP and Treasury, Target 5 — Reduce the proportion of children in households with no one in work over the 3 years from Spring 2003 to Spring 2006 by 6 1/2%.

Public Service Agreement 2002, DWP and Treasury, Target 1 — Reduce the number of children in low income households by at least a quarter by 2004, as a contribution towards the broader target of halving child poverty by 2010 and eradicating it by 2020.

For details of relevant major initiatives, see those listed in the income and adult chapters.

Indicator 17 In young offender institutions

Public Service Agreement 2002, Department of Health, Target 9 (part) — Improve life chances for children, including by:
● narrowing the gap between the proportions of children in care and their peers who are cautioned or convicted.

Low birth-weight babies

Babies born to parents from manual backgrounds continue to be more likely to have a low birth weight than those born to parents from non-manual backgrounds.

Source: Childhood, infant and perinatal mortality statistics, DH3, ONS 1995–2003

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

Source: Childhood, infant and perinatal mortality statistics, DH3, ONS 2003 (2001 data)
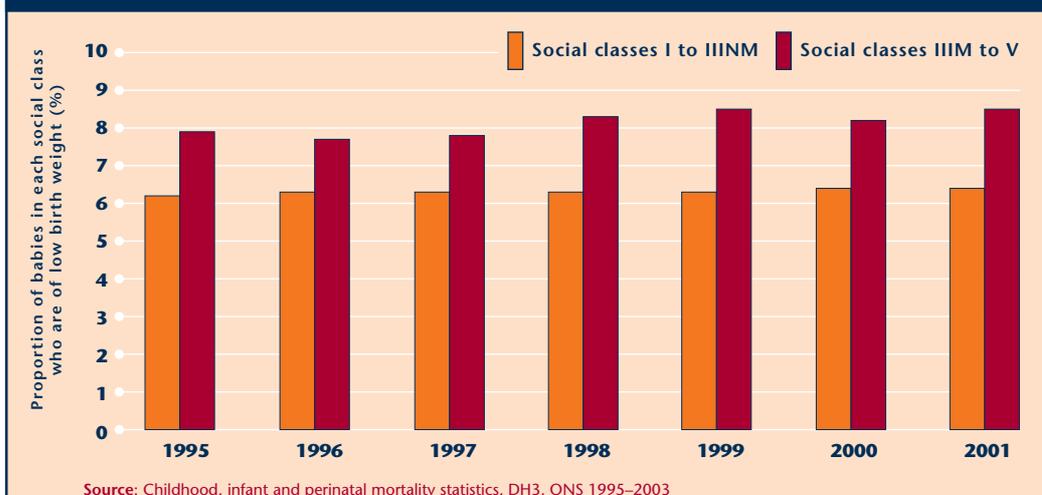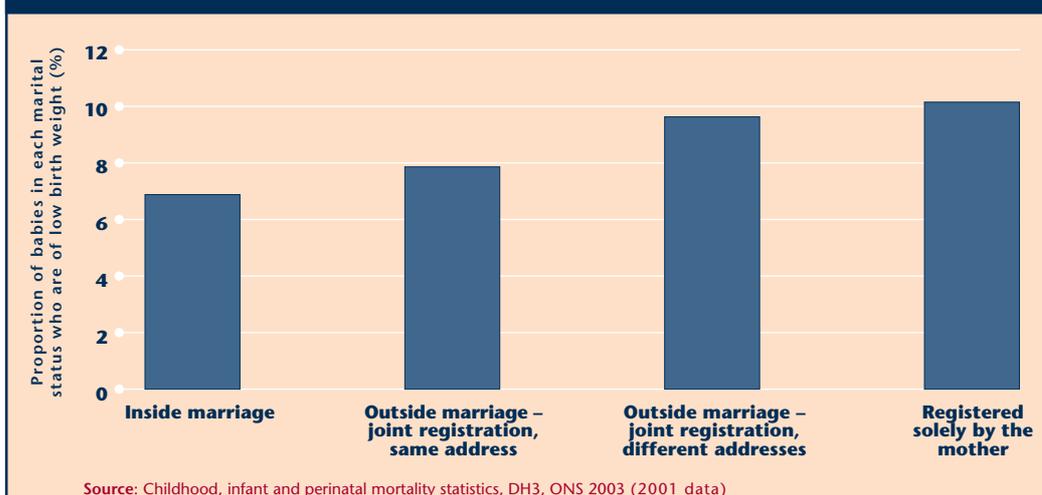
The first graph shows the proportion of babies born each year who are defined as having a low birth weight, i.e. less than $2^1/2$ kg ($5^1/2$ lbs). The proportions are shown separately for babies whose fathers are in social classes I to IIINM and IIIM to V. The data is based on a 10 per cent sample coded to father's occupation and excludes sole registrations by mothers.

The second graph shows these proportions for the latest year according to the parents' marital status at the time of registration of the birth. The data is based on a 100 per cent count of live births.

The data source for both graphs is ONS DH3 statistics and relates to England and Wales. The data is for live births only (i.e. it excludes still-births).

*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 no data is included where no details are known about the father.*

Infant mortality

The rate of infant deaths among those from manual social backgrounds has remained unchanged over the last decade, whereas the rate for those from non-manual social backgrounds has fallen.
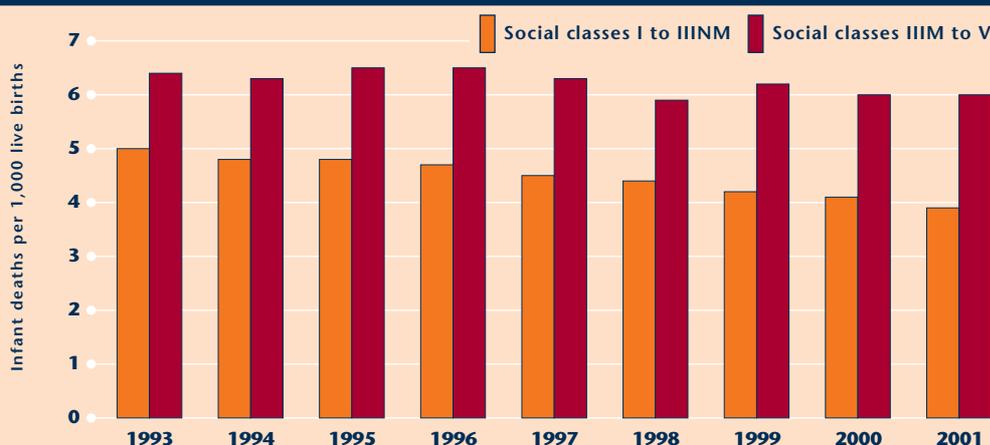
Source: England and Wales - Childhood, infant and perinatal mortality statistics, DH3, ONS 1992–2003; Scotland - supplied by General Registrar Office

The rate of infant deaths is one and a half times as great in the West Midlands as in the East and South East.
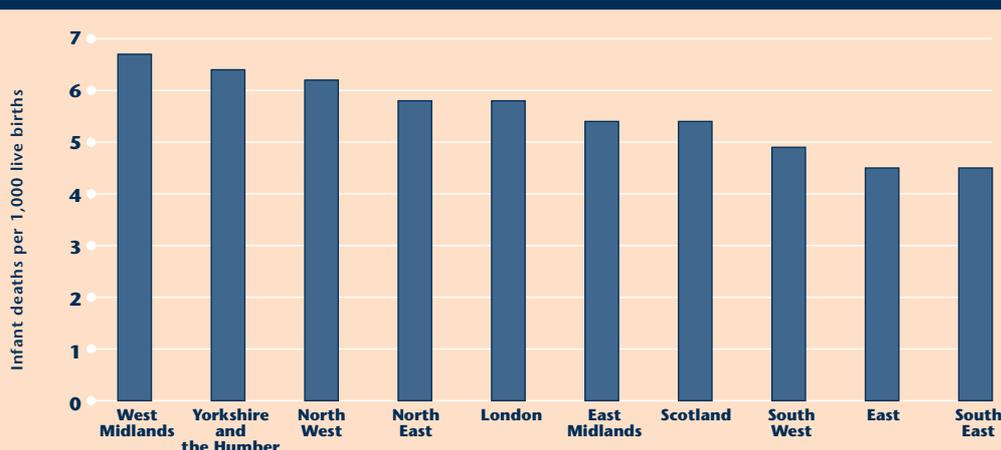
Source: England and Wales - Childhood, infant and perinatal mortality statistics, DH3, ONS 1992–2003; Scotland - supplied by General Registrar Office; all statistics averages for the years 1999 to 2001.

The first graph shows the annual number of infant deaths per 1,000 live births, with the data shown separately for social classes I-IIINM and IIIM-V, coded according to the social class of the father.

Infant deaths are deaths that occur at ages under one year. The data relates to Great Britain and is based on year of occurrence. Cases where the social class of the father is unknown have been excluded from the analysis. The data for England and Wales is based on a 10 per cent sample of live births. The data for Scotland is a 100 per cent sample. Social class analysis for the Scottish 2001 data is not available on the same basis as earlier years, and therefore the 2000 figures have been assumed to apply for 2001 as well. Social class analysis for infant deaths to unmarried mothers in Scotland is not available for the years 1993 to 1995, and therefore the average figures for 1996 to 2000 have been assumed to apply for these years.

The second graph shows the number of infant deaths per 1,000 live births by region. The data is averaged for the three years 1999, 2000 and 2001.

Overall adequacy of the indicator: **high**. *The sample sizes are substantial and relatively few (5 per cent) have not been coded to a social class. Any shortcomings in the social class analysis of the Scottish data have a negligible effect on the overall figures.*

Births to girls conceiving under age 16

The number of births to girls conceiving under age 16 has fallen by a fifth since 1996.

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

Year	
1992	4.1
1993	4.0
1994	4.2
1995	4.6
1996	4.9
1997	4.6
1998	4.4
1999	4.1
2000	4.1
2001	3.8

Source: ONS and ISD Scotland 2003

Teenage motherhood is four times as common amongst those from manual social backgrounds as for those from non-manual backgrounds.

For each social class, number of live births by females aged 15 to 19 as a proportion of the total number of live births by females of all ages

Social class	
I-IIINM	2.2
IIIM-V	8.2

Source: ONS series DH3 Mortality Statistics – childhood, infant and prenatal (data for 1997–2001 combined)
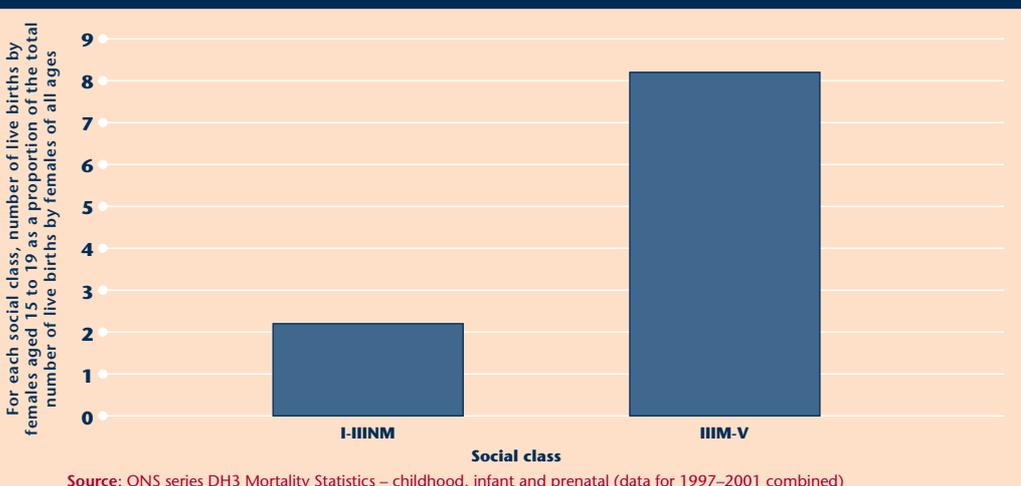
The first graph shows the number of births per year to girls under the age of 16.

The data relates to Great Britain. 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.

Note that the figures for 2001 are provisional.

The second graph shows the number of live births to women aged 15 to 19 in each social class as a proportion of the total live births to women of that social class. The data source is the DH3 mortality statistics from ONS, and relates to England and Wales. It combines five years' data from 1997 to 2001.

The analysis is based on the recorded social class of the father of the baby. As such, it does not include the 25 per cent of births to women aged 15 to 19 who were sole registrations.

*Overall adequacy of the indicator: **medium**. The collection of the conception and births statistics is an established process.*

A further graph showing how the conception rate for females aged 15 to 17 varies by region can be found at www.poverty.org.uk.

Low attainment at school (16-year-olds)

While results have improved over the last decade, 25 per cent (150,000) of 16-year-olds still obtain no GCSEs above a D and 4 per cent (25,000) get no grades at all.

Legend: No grades (entered no exams + achieved no grades) / Low grades

Y-axis: Number of 16-year-olds with no or low GCSE grades (%)

X-axis: 1992/93, 93/94, 94/95, 95/96, 96/97, 97/98, 98/99, 99/00, 00/01, 01/02
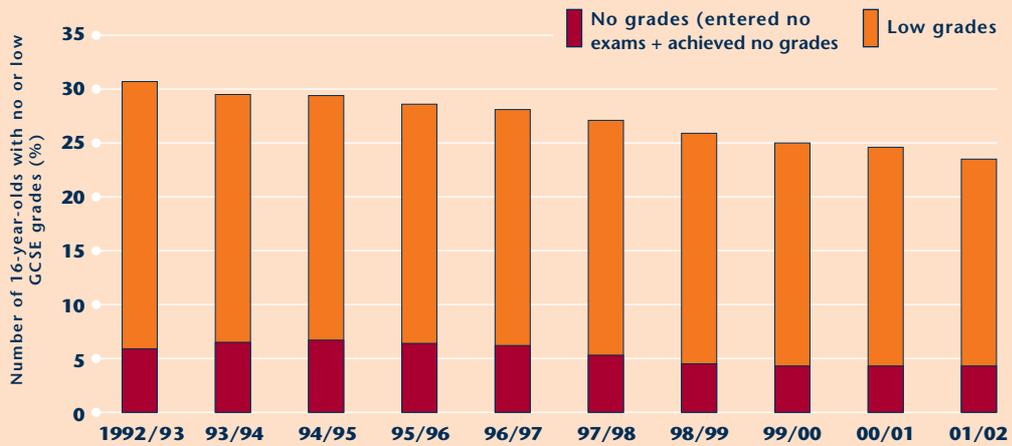
Source: English Examination Database, DfES, 2003 and Welsh Examination Database, National Assembly for Wales

The proportion of 16-year-olds with no or poor GCSEs ranges from a third in Yorkshire and the Humber and the North East, to a fifth in the South.

Legend: No passes / Low grades

Y-axis: Proportion of 16-year-olds achieving no or low GCSE grades (%)

X-axis: Yorkshire and the Humber, North East, Inner London, East Midlands, North West, West Midlands, East, South West, South East, Outer London
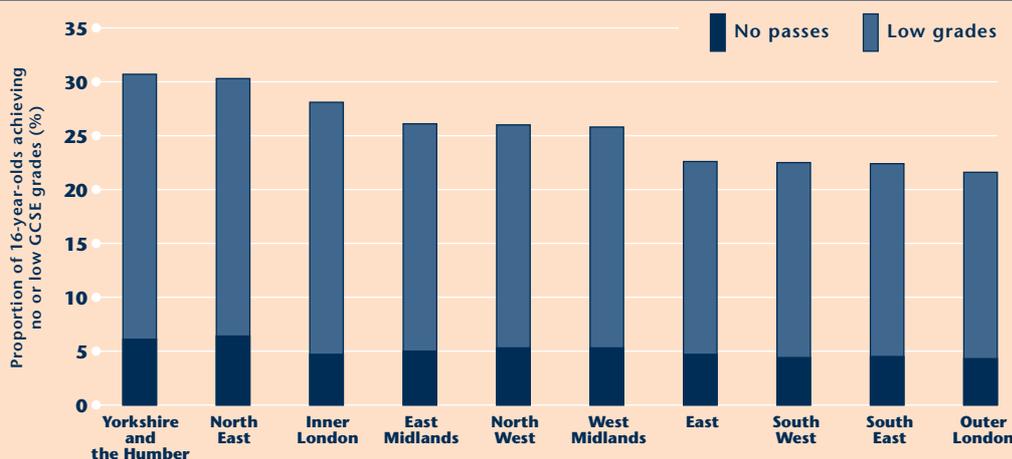
Source: English Examination Database, DfES, 2003

The first graph shows the proportion of students (defined as pupils aged 15 at 31 August in the calendar year prior to sitting the exams) 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 hadn't been entered for exams or achieved no passes, and those who obtain grades but none higher than D.
The data sources for this graph are the DfES and the Welsh Assembly, and the data relates to England and Wales. The data covers all schools.
The second graph shows how the proportions of students failing to obtain at least one GCSE at grade C or above in 2002 varies by region. The data source is DfES and relates to England only. The data is for maintained 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.*

Low attainment at school (11-year-olds)

The rapid rate of progress in the literacy and numeracy of 11-year-olds that occurred during the second half of the 1990s – including those in deprived schools – has slowed in recent years.

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

Pupils failing to reach Level 4 at Key Stage 2 (%)

English · Maths

1996 97 98 99 00 01 02

Source: DfES Performance Tables, DfES 1996–2003

In contrast to the GCSE results in the previous indicator the proportion of 11-year-olds failing to reach Level 4 at Key Stage 2 is similar in all regions.

English · Maths

Pupils failing to reach Level 4 at Key Stage 2 (%)

Yorkshire and the Humber · West Midlands · North East · London · East Midlands · South West · East · South East · North West

Source: DfES Performance Tables, DfES 2003
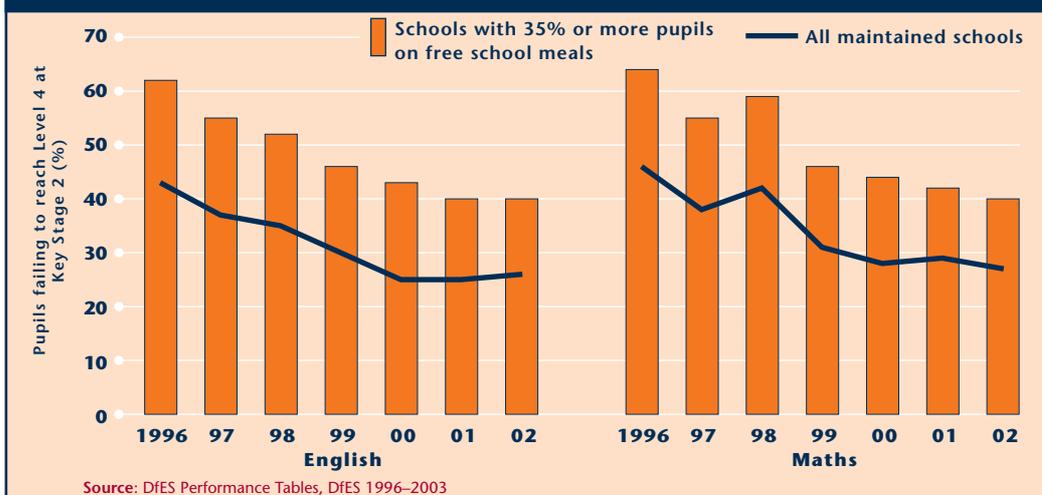
The first graph compares the proportion of children failing to reach Level 4 at Key Stage 2 (11 years old) in schools that have at least 35 per cent of pupils on free school meals with that for all maintained mainstream schools. The graph shows maths and English separately, and shows changes over time. The 35 per cent threshold is a level commonly used by the government itself when looking at examination results (e.g. see http://www.dfes.gov.uk/statistics/DB/SBU/b0337/308-01.htm) for schools with a high level of children with free school meals.

The second graph shows how the proportions of children failing to reach Level 4 at Key Stage 2 in 2002 varies by region, with the data again shown separately for maths and English.

The data source for both graphs is DfES and relates to England. It covers all LEA maintained schools, excluding pupil referral units and hospital schools.

*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.*

School exclusions

In 2001/02 the number of permanent exclusions rose for the second year in a row.
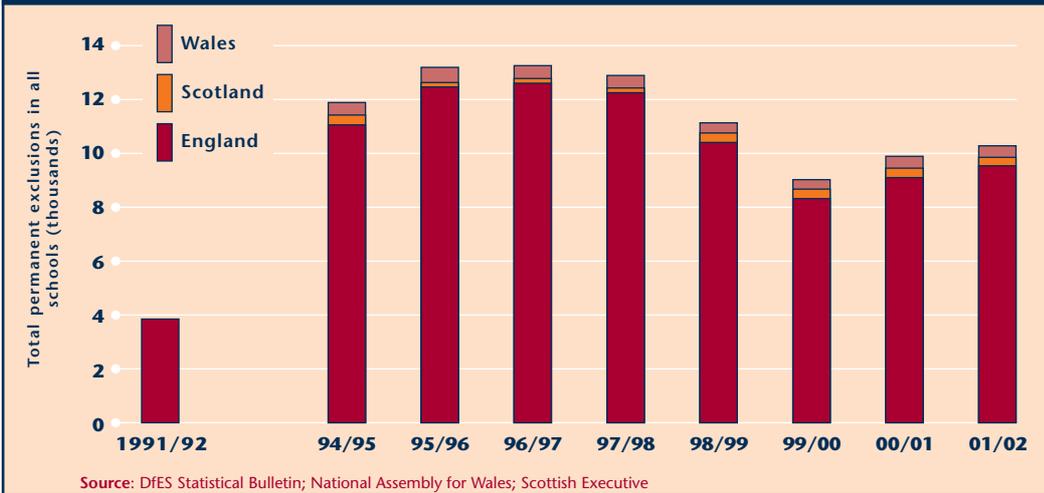
Total permanent exclusions in all schools (thousands)

Wales
Scotland
England

1991/92 94/95 95/96 96/97 97/98 98/99 99/00 00/01 01/02

Source: DfES Statistical Bulletin; National Assembly for Wales; Scottish Executive

The rate of permanent exclusions of black pupils has halved in recent years, but they are still three times more likely to be excluded than white pupils.

Pupils permanently excluded by ethnic group in England in 2000/01 (per 10,000 pupils of that ethnic group)

1997/98   2000/01

Chinese Indian Pakistani Bangladeshi White Black African Black other Black Caribbean

Source: Permanent exclusions from schools, England 2000/2001; DfES 2002
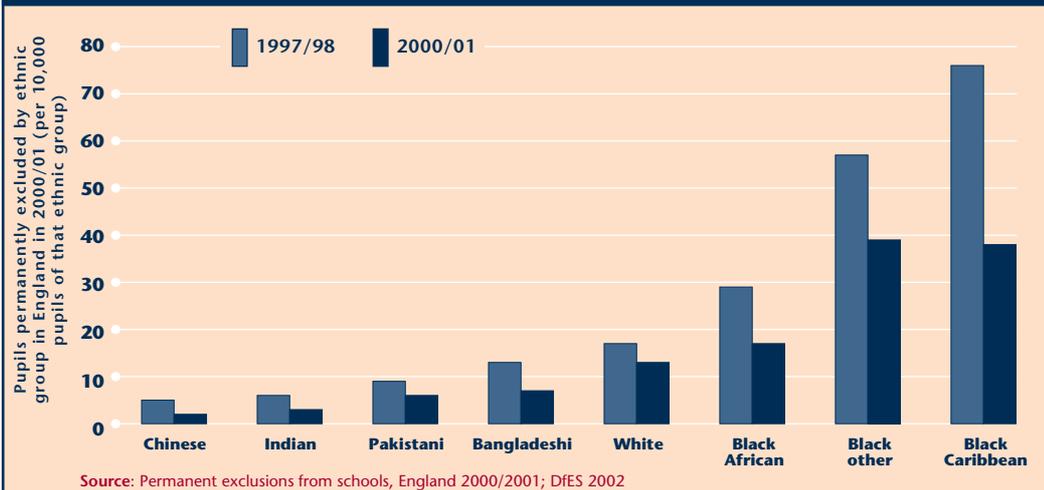
The first graph shows the number of pupils permanently excluded from primary, secondary and special schools. The data relates to Great Britain.

Data is not available for Scotland and Wales prior to 1994/95. In Scotland the data (referred to as 'removals from register') was collected from local authorities via a new survey from 1998/99. Previously, this information had been collected from individual schools. Data from 1994/95 to 1997/98 are therefore not strictly comparable with the more recent figures.

The second graph shows the rate of exclusion for children from different ethnic backgrounds in 1997/98 and 2000/01 (the latest year for which data is available). The data relates to England only.

*Overall adequacy of the indicator: **medium**. Data prior to 1994/95 was collected on a voluntary basis, and the rise in the early 1990s may in part 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 have the school exclude them.*

A further graph showing how the rate of permanent exclusions varies by region can be found at www.poverty.org.uk.

Children in workless households

Around two million children still live in workless households. This number fell by a fifth from 1994 to 2000, but is unchanged since then.

Source: Labour Force Survey, Spring Quarters, ONS 1994–2003

Two-fifths of all lone parents do not have paid work.

Source: Labour Force Survey, Spring Quarter 2003, ONS 2003
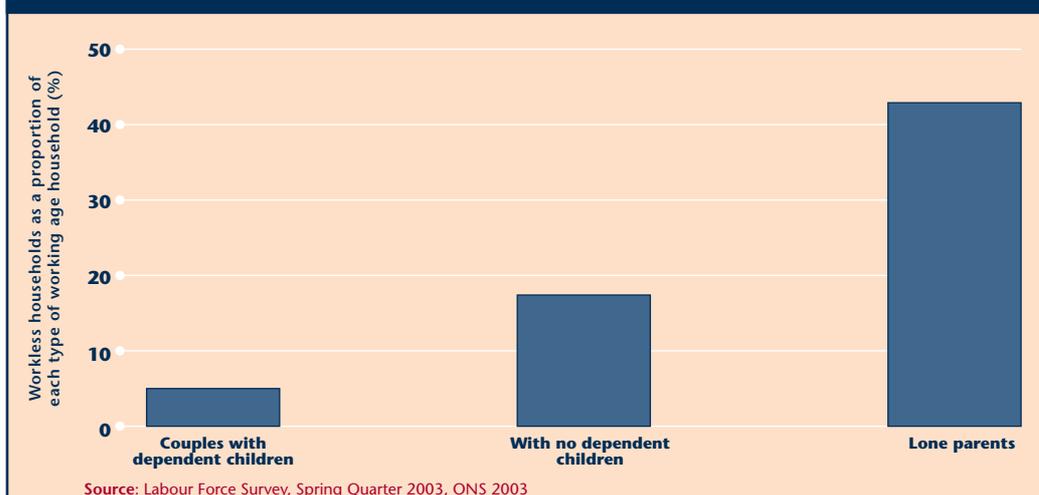
The first graph shows the number of dependent children living in households in which none of the working age adults have paid employment.

The second graph shows, for the latest year, the proportion of households in each family type where none of the working age adults have paid employment.

The data source for both graphs is the Labour Force Survey (LFS) and the data for each year is from the Spring Quarter. The data relates to the United Kingdom and is not seasonally adjusted.

Dependent children are those aged less than 16. 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.

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

Concentration of poor children

Half of all the children who are eligible for free school meals are concentrated in a fifth of the schools.

Proportion of children eligible for free school meals who are in the fifth of schools with the highest concentrations of such children

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
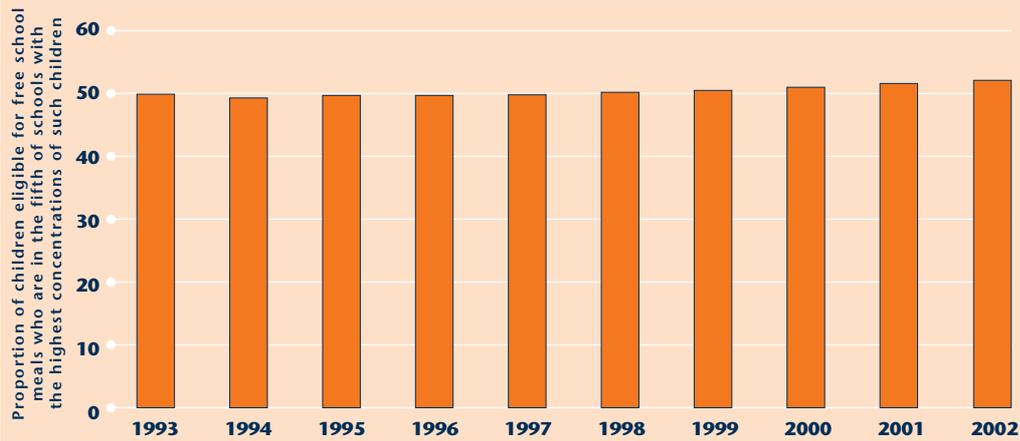
Source: DfES Statistics and New Policy Institute calculations

Five-year-olds in Scotland, Wales and North West have, on average, twice as many missing, decayed or filled teeth as 5-year-olds in the West Midlands and South East.

Average number of missing, decayed or filled teeth in 5-year-old children (%)

Regional health authorities (2001 boundaries): Scotland, Wales, North West, Northern and Yorkshire, London, Trent, South West, Eastern, South East, West Midlands
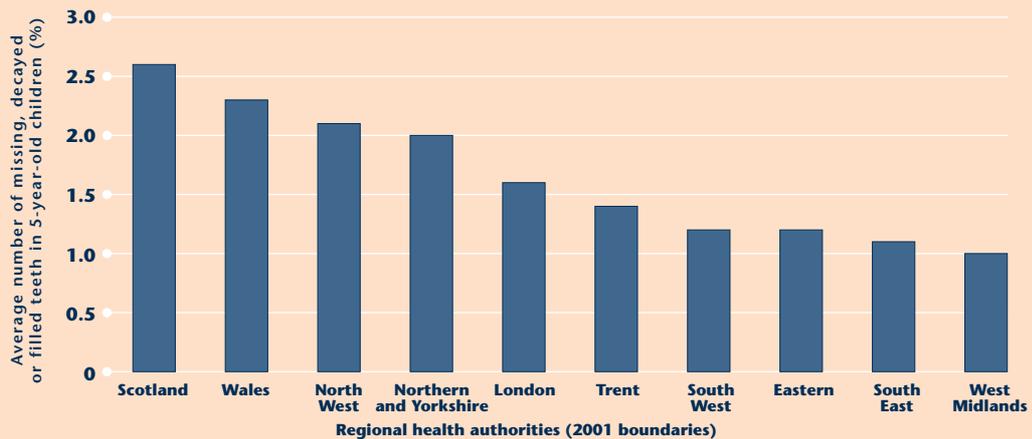
Source: British Association for the Study of Community Dentistry, 2003

The first graph tries to measure the extent to which poor children are concentrated in particular schools. It shows the proportion of children eligible for free school meals who are in the fifth of schools with the highest concentrations of such children.

The data source is New Policy Institute (NPI) calculations based on DfES data. The data relates to England.

The second graph shows how the average number of missing, decayed or filled teeth for 5-year-olds varies by Regional Health Authority (2001 boundaries).

The data source is a survey of around 160,000 5-year-olds conducted by the British Association for the Study of Community Dentistry. The data relates to Great Britain, with the data for England and Wales being for 2001/02 and the data for Scotland being for 1999 (the latest currently available).

*Overall adequacy of the indicator: **limited**. While the underlying data is sound, its relationship to other aspects of poverty and social exclusion is not immediately clear.*

In young offender institutions

The number of children aged 16 or less who are in custody is one and three-quarter times greater than a decade ago.

Legend: ■ In young offender institutions and prisons ■ In secure accomodation units

Y-axis: Children aged 15 to 16 in secure units, young offender institutions and prisons (thousands), scale 0 to 4

X-axis years: 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002

Source: Department of Health, Statistical Bulletin on Secure Accommodation Units; Home Office, Prison Statistics in England and Wales and (for 2002 only) the Youth Justice Board

The proportion of children aged 16 or less from the West Midlands who are in young offender institutions is three times as great as from the South East.

Y-axis: Children aged 15 to 16 in young offender institutions per 1,000 children aged 15 to 16, scale 0 to 4

X-axis categories: West Midlands, North West, Wales, London, Yorkshire and the Humber, East Midlands, North East, East, South East, South West

Source: Youth Justice Board, 2003

The first graph shows the number of children aged 16 or younger who are held in young offender institutions, prisons, or local authority secure accommodation units.

The data source for the data on young offenders, institutions and prisons is Home Office prison statistics, except for 2002 where the source is the Youth Justice Board. The figures are for the number of receptions in each calendar year, and comprise only those under sentence (i.e. they exclude those on remand).

The data source for the data on local authority secure units is the Department of Health. The figures are for the number of children accommodated 31st March of each year.

The data relates to England and Wales (note that data for Wales for local authority secure units is from 1997 onwards only).

The second graph shows, for the year 2002, how the proportion of children aged 16 or younger who are under sentence and in young offender institutions varies by region. The data source is the Youth Justice Board. The figures are for the number of receptions in the calendar year, and are expressed per 1,000 children aged 15 to 16 from the 2001 Census (all but a handful of the children in young offender institutions are aged 15 or 16). The classification into regions has been done using the location of the Youth Offending Team that handled the child's case.

*Overall adequacy of the indicator: **medium**. The figures reflect police-identified crime and police practice, and should not be taken as estimates of the extent of crime carried out by children.*

3 Young adults

How 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, focusing on either children or adults. 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.

Exclusion from work

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 older working age adults. As with other age groups, unemployment for young people is a major cause of low income and deprivation. The first indicator is '**the unemployment rate among people aged under 25**'.

Low wages disproportionately affect young adults and the second indicator is '**the number of 18- to 21-year-olds on low rates of pay**', this being the only age group for which low pay statistics are currently available.

The third indicator is '**the proportion of school leavers who are not in education or training**', this being an indicator of the number of people who are no longer developing their skills and thus are more likely to suffer from low pay at work both now and in the future. Note that the relationship between qualifications and pay is further examined in the indicators on barriers to work, discussed below.

Health and well-being

The indicator here focuses on a particular area, misuse of drugs, where recent trends have caused considerable concern, and where reported rates stand out when compared internationally.[19] The precise 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.[20] While 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.

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 graph for this indicator provides an analysis of the relationship between level of educational qualification and level of pay in later life.

The second barrier to work concerns criminality among 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 the low levels of skills and qualifications among offenders, their poor self-esteem, and behavioural and health problems which can reduce their chances of securing a job.[21]

What the indicators show
Indicator 18: Unemployment
The unemployment rate for 18- to 24-year-olds has fallen by a third over the last decade. But it is now two and a half times the rate for older workers, which has halved over the same period.

Unemployment rates for 18- to 24-year-olds in Wales and the North East are double the rates in the South (excluding London).

Indicator 19: Low pay
The number of young adults aged 18 to 21 on very low pay did not change much between 1998 and 2002. A quarter of a million are paid less than the minimum wage for those aged 22 and over.

Three-quarters of young adults on low pay work in the distribution, hotel and restaurant trades.

Indicator 20: Destination of school leavers
The number of 16-year-olds not in education or training has been falling, but is still 1 in 6 of all 16-year-olds.

The proportion of 16-year-olds in England not in education or training ranges from a fifth in the North East to an eighth in the South East.

Indicator 21: Problem drug users treated
The number of problem drug users aged 15 to 24 starting treatment has almost doubled since 1993.

The number of problem drug users aged 15 to 24 starting treatment in Northern and Yorkshire is four times the level of that in the East and South East.

Indicator 22: Without a basic qualification
One in four 19-year-olds (200,000 people) still fail to achieve a basic level of qualification. One in twelve (60,000 people) have no qualifications at all.

Half of all 24- to 29-year-old employees with no qualifications earn less than £200 per week. This compares with a third of those with GCSEs but without NVQ2 or equivalent, and a sixth of those with NVQ2 or better qualifications.

Indicator 23: With a criminal record
The number of 18- to 20-year-olds found guilty of an indictable offence has remained broadly unchanged since 1993.

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

Indicator 18 Unemployment

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
New Deal for 18- to 24-year-olds	April 1998: introduced April 2001: made permanent 2002: Job Centre Plus rollout nationwide	DfES/DWP	Job Centre Plus, businesses, voluntary sector	Government figures are that 430,000 young people moved into jobs by March 2003, 80% of which were sustained jobs and 20% lasted less than 13 weeks. Budget of £2.6 billion from 1998 to 2004.

Indicator 19 Low pay

For details of relevant major initiatives, see those listed in the income chapter.

Indicators 20 Destination of school leavers; 22 Without a basic qualification

Relevant Public Service Agreement targets

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Public Service Agreement 2002, DfES, Target 5				Raise standards in schools and colleges so that: • between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to 5 GCSEs at grades A* to C rises by 2 percentage points each year on average and in all schools at least 20% of pupils achieve this standard by 2004 rising to 25% by 2006; and • the proportion of 19-year-olds who achieve this standard rises by 3 percentage points between 2002 and 2004, with a further increase of 3 percentage points by 2006.
Public Service Agreement 2002, DfES, Target 9				Improve the basic skill levels of 1.5 million adults between the launch of Skills for Life in 2001 and 2007, with a milestone of 750,000 by 2004.
Public Service Agreement 2002, DfES, Target 10				Reduce by at least 40% the number of adults in the UK workforce who lack NVQ2 or equivalent qualifications by 2010. Working towards this, 1 million adults already in the workforce to achieve Level 2 between 2003 and 2006.

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Improving participation and attainment of 14- to 19-year-olds	December 1997: introduced September 2000: widened	DfES	Careers service; schools	Targets (14-year-olds): • By 2007, 85% to achieve Level 5 or above in each of the Key Stage 3 tests in English, maths and ICT, and 80% in science. Targets (16-year-olds): • Increase the percentage of pupils obtaining 5 or more GCSEs at grade A*–C by 2 percentage points each year between 2002 and 2006. By 2004, all Local Education Authorities to have a rate of at least 38% of 16-year-old pupils obtaining five or more GCSEs at grade A*–C or equivalent. • Increase the percentage of pupils obtaining 5 or more GCSEs at grade A*–G (including English and maths by 2004. By 2004, 92% of 16-year-olds should reach this standard. Targets (19-year-olds): • By 2004, increase by 3 percentage points the number of 19-year-olds achieving a qualification equivalent to NVQ Level 2 compared with 2002.

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Education Maintenance Allowance	September 1999: pilot schemes introduced; September 2004: to be rolled out nationally	DfES	LEAs, schools, colleges, careers service	A budget of around £160 million for pilot schemes for 2001/02. The scheme will be rolled out nationally from September 2004, and will include a £30 weekly payment and periodic bonuses if the student keeps to the terms of their 'learning agreement'.
Connexions (replacing careers service)	April 2000: pilots; April 2001: phased launch; March 2003: extended to cover all of England	National Unit for Connexions Service	Local Connexions partnerships	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. A key objective is to increase post-16 participation and to reduce the number of young people not in education, employment or training. Various targets involving education, care, drugs, offending and teenage pregnancy. A budget of £320 million in 2001/02, covering both Connexions (£110 million) and the careers service (£210 million). A budget of £420 million for 2002/03, £460 million for 2003/04 and £455 million for 2004/05.

Indicator 21 Problem drug use
Relevant Public Service Agreement targets

Public Service Agreement 2002, Department of Health, Target 10: Increase the participation of problem drug users in drug treatment programmes by 55% by 2004 and by 100% by 2008, and increase year on year the proportion of users successfully sustaining or completing treatment programmes.

Public Service Agreement 2002, Home Office, Target 6: Reduce the harm caused by drugs by:
- reducing the use of Class A drugs and the frequent use of any illicit drug among all young people under the age of 25, especially by the most vulnerable young people; and
- reduce drug-related crime, including as measured by the proportion of offenders testing positive at arrest.

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
UK Anti-drugs Strategy	1998	Cabinet Office, Home Office, DH	Drug Action Teams	A 10-year programme with a variety of targets. As updated in 2002, these targets include: 1. Reducing the use of Class A drugs and the illicit use of any drug among the under 25s. 2. Increase the participation of problem drug users in drug treatment programmes by 55% by 2004, and by 100% by 2008. A budget of £3½ billion for 2000 to 2004. Local Drug Action Teams set up to develop and deliver local action plans to tackle drug misuse.

Unemployment

The unemployment rate for 18- to 24-year-olds has fallen by a third over the last decade. But it is now two and a half times the rate for older workers, which has halved over the same period.

Age 18 to 24 — Age 25 to retirement

ILO unemployment (%)

1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003

Source: Spring Quarters, Labour Force Survey, ONS 2003
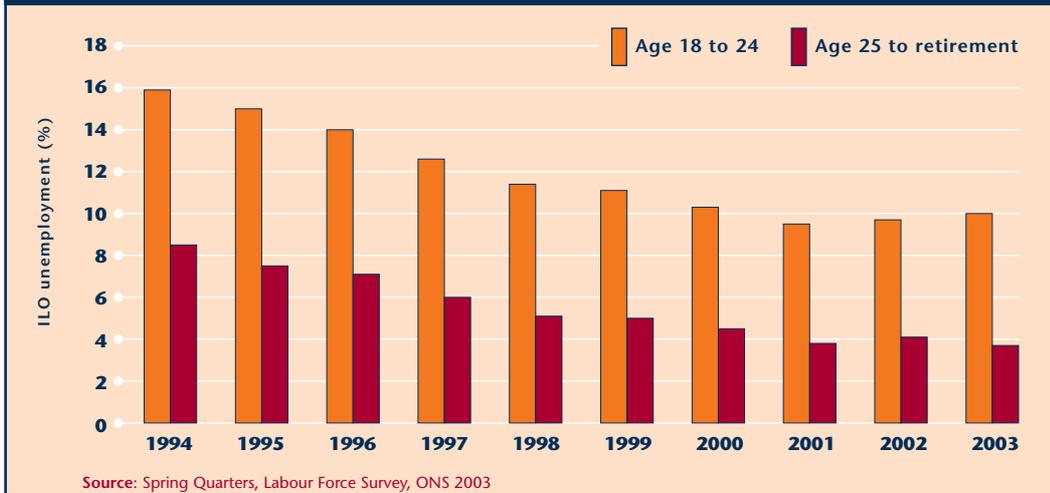
Unemployed rates for 18- to 24-year-olds in Wales and the North East are double the rates in the South (excluding London).

18- to 24-year-olds ILO unemployment (%)

Wales | North East | Scotland | London | North West | West Midlands | Yorkshire and the Humber | Northern Ireland | East Midlands | East | South West | South East

Source: Average for Spring Quarters 2001–2003, Labour Force Survey, ONS 2003
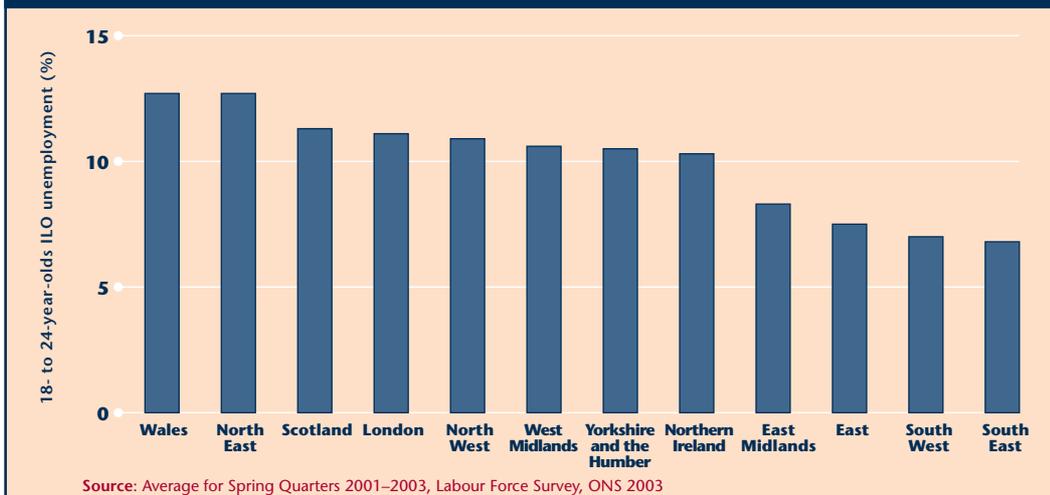
The first graph shows the rate of unemployment for those aged 18 to 24 compared with those aged 25 to retirement.

The second graph provides a breakdown of the rate of unemployment for those aged 18 to 24 by region. The figures are averages for the years 2001, 2002 and 2003.

The data source for both graphs is the Labour Force Survey (LFS) and the data for each year is from the Spring Quarter. The data relates to the United Kingdom and is not seasonally adjusted.

'Unemployment' is the ILO definition, which is used for the official UK unemployment numbers. The ILO unemployment rate is the percentage of the economically active population who are unemployed on the ILO measure (i.e. the total population for the relevant age group less those classified as economically inactive).

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

Low pay

The number of young adults aged 18 to 21 on very low pay did not change much between 1998 and 2002. A quarter of a million are paid less than the minimum wage for those aged 22 and over.

Employees aged 18 to 21 earning less than the hourly pay thresholds (millions)

Legend:
- Less than the young adult minimum wage
- Above the young adult minimum wage but less than the full adult minimum wage
- Above the full adult minimum wage but less than £4.00 in 1998 (uprated for inflation)
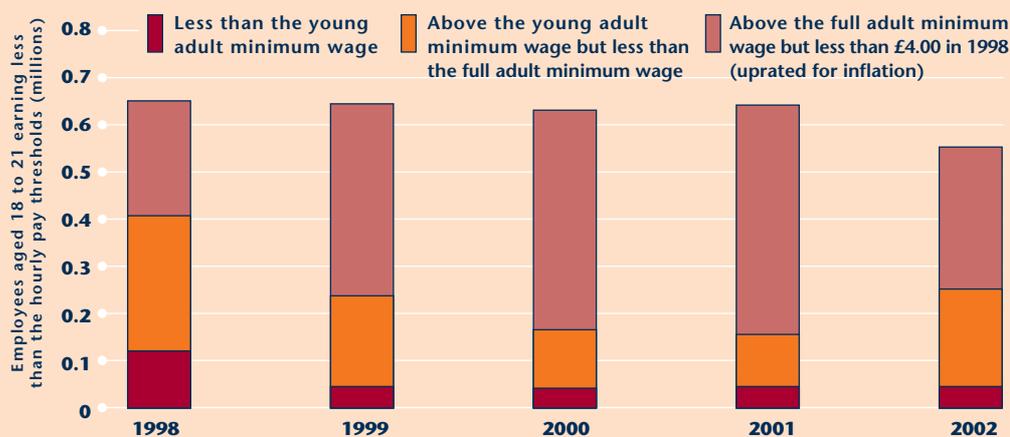
Source: ONS calculations based on the Labour Force and New Earning Surveys, 2002

Three-quarters of young adults on low pay work in the distribution, hotel and restaurant trades.

Other (5%)
Manufacturing (4%)
Public administration, education and health (6%)
Other services (8%)
Distribution, hotels and restaurants (77%)
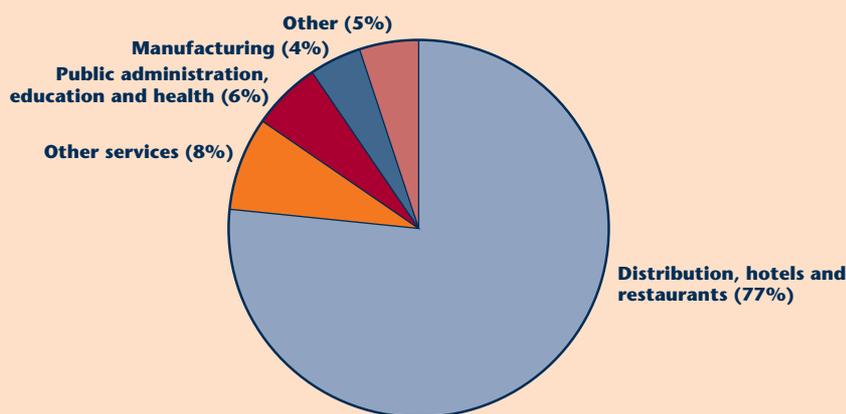
Source: Spring Quarter 2003, Labour Force Survey, ONS 2003

The first graph shows the estimated number of employees aged 18 to 21 who were paid below various hourly rate of pay in each year shown. No data is available for years before 1998 and the available data distinguishes between only the 18–21 and 22+ age groups.

The first threshold is the national minimum wage for those aged 18 to 21. The second threshold is the national minimum wage for those aged 22+. The third threshold aims to reflect inflation and rises in 10p increments from a base of £4.00 in 1998 to £4.40 in 2002.

The figures in the graph are from published ONS statistics, which were themselves derived from a combination of data from the Labour Force Survey (LFS) and New Earnings Survey (NES), with adjustments by the ONS.

The second graph shows the distribution of employees aged 16 to 24 earning less than £4.40 per hour across different sectors of the economy. The data source is LFS and relates to the United Kingdom. The data is from a direct question in the Spring Quarter of LFS 2002 and includes only those people who answered this question.

Overall adequacy of the indicator: limited. The LFS and NES are well-established government surveys, designed to be representative of the population as a whole. However, neither survey accurately measures low pay in its own right, the ONS methods for combining and adjusting the data are not available for public scrutiny, and the underlying dataset itself is not publicly available. In other words, outside researchers now have to rely on whatever data ONS decides to publish.

Destination of school leavers

The number of 16-year-olds not in education or training has been falling, but is still one in six of all 16-year-olds.
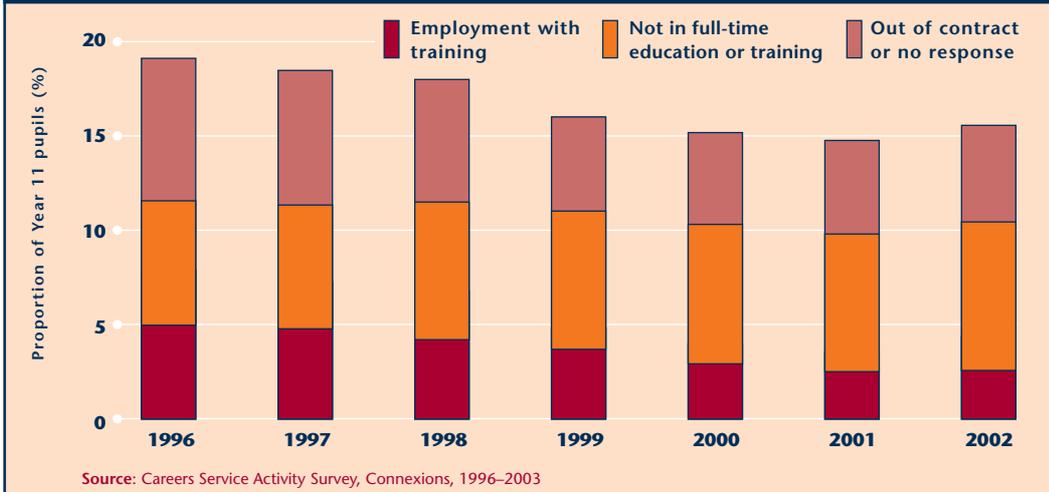
Proportion of Year 11 pupils (%)

■ Employment with training ■ Not in full-time education or training ■ Out of contract or no response

1996 1997 1998 1999 2000 2001 2002

Source: Careers Service Activity Survey, Connexions, 1996–2003

The proportion of 16-year-olds in England not in education or training ranges from a fifth in the North East to an eighth in the South East.

Proportion of year 11 pupils (%)

■ Employment without training ■ Not in full-time education or training ■ Out of contact or no response

North East | London | Yorkshire and the Humber | West Midlands | East Midlands | North West | South West | East | South East

Source: Careers Service Activity Survey, Connexions, 1996–2003
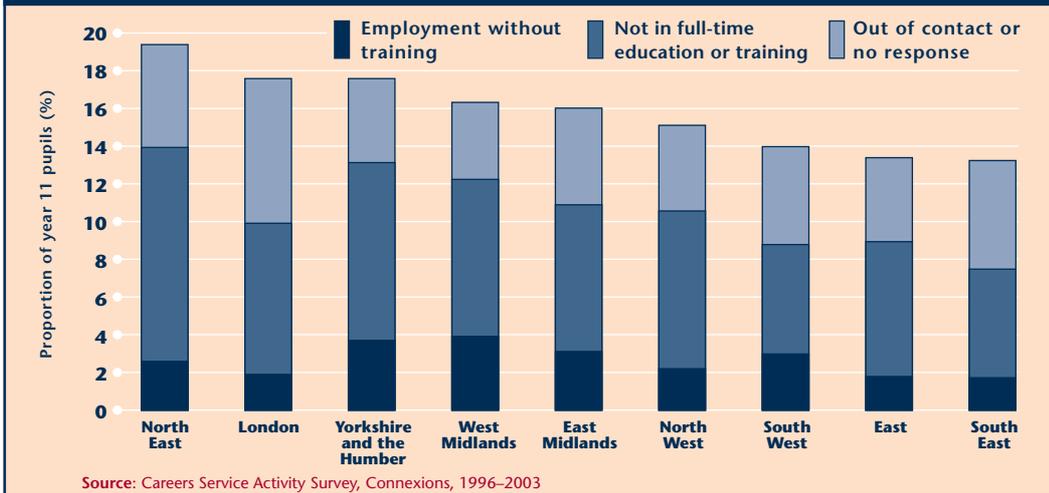
The first graph shows the proportion of year 11 pupils who are not in full-time education or training.

The second graph shows, for the latest year, how the proportions who are not in full-time education or training vary by region.

The data source for both graphs is the Connexions Careers Service Activity Survey. The data relates to England only. 'Out of contact or no response' effectively means that Connexions has lost contact with the person, in which case it has been assumed that the person is not in either full-time education or training.

*Overall adequacy of the indicator: **high***. *The Careers Service Activity Survey is a well-established government survey.*

A further graph showing how the proportions not in full-time education vary by ethnic group can be found at www.poverty.org.uk.

Problem drug use

The number of problem drug users aged 15 to 24 starting treatment has almost doubled since 1993.

Drug agency episodes started by users aged 15 to 24 (thousands)

| | Oct 93– Mar 94 | Oct 94– Mar 95 | Oct 95– Mar 96 | Oct 96– Mar 97 | Oct 97– Mar 98 | Oct 98– Mar 99 | Oct 99– Mar 00 | Oct 00– Mar 01 |
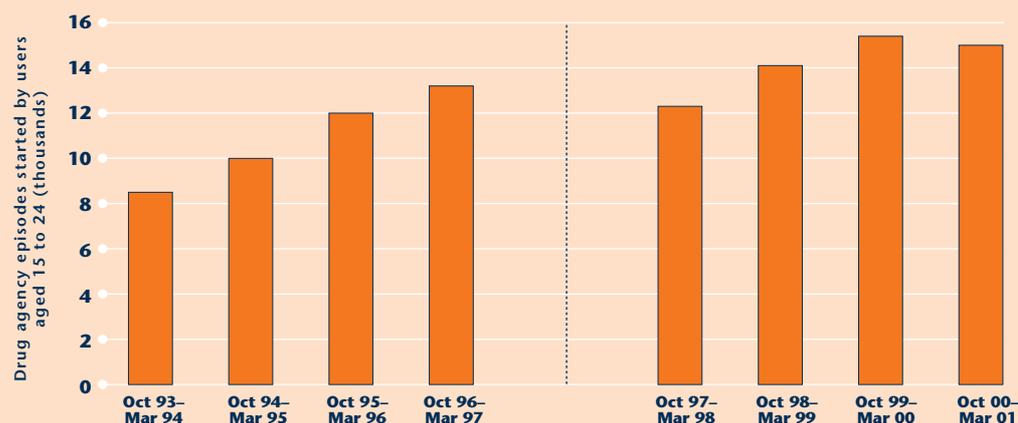
Source: Regional Drug Misuse Database, Department of Health, 1993–2003
Note: A new way of counting treatment episodes was introduced in April 1997

The number of problem drug users aged 15 to 24 starting treatment in Northern and Yorkshire is four times the level of that in the East and South East.

Drug agency episodes started by users aged 15 to 24 in the six months to March 2001 per 1,000 15- to 24-year olds

15- to 19-year-olds   20- to 24-year-olds

Northern and Yorkshire · Trent · Scotland · South West · Wales · West Midlands · North West · London · Eastern · South East
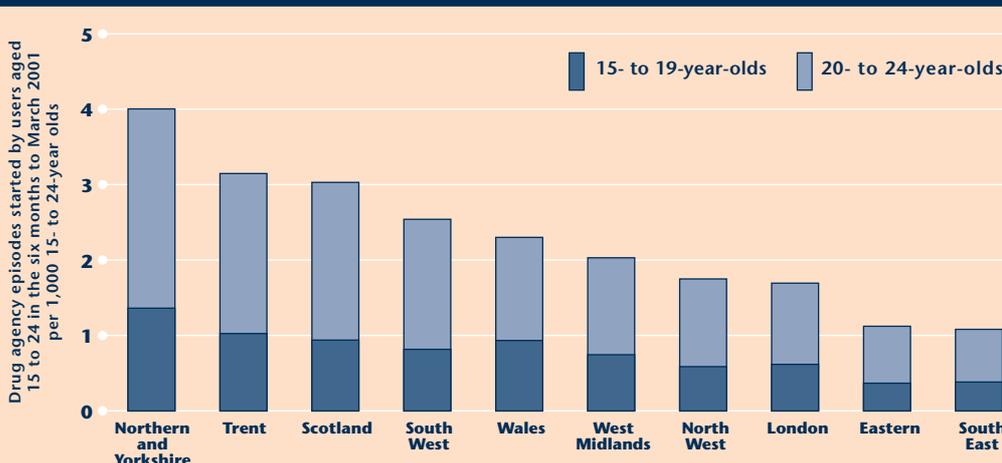
Source: Regional Drug Misuse Database for the six months to 31 March 2001, DH 2003

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 mis-users for each of the six month periods shown. 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. Note that a new way of counting treatment episodes was introduced in April 1997. Some of the earlier data for Scotland is estimated because of 'missing data' in one of the databases.

The second graph shows, for the latest year, a breakdown of these episodes by Regional Health Authority (2001 boundaries), expressed as a proportion of 15- to 24-year-olds in that region.

*Overall adequacy of the indicator: **limited**. The numbers count individuals presenting for treatment in each six-month period, but do not include those in treatment who presented in an earlier six-month period. Furthermore, services such as needle-exchange schemes, outreach work and most services for those in prison are excluded. Finally, many problem drug users do not present for treatment at all. So, in summary, it is not at all clear that trends in recorded drug treatment episodes are a true reflection of trends in drug usage.*

Without a basic qualification

One in four 19-year-olds (200,000 people) still fails to achieve a basic level of qualification. One in twelve (60,000 people) has no qualifications at all.
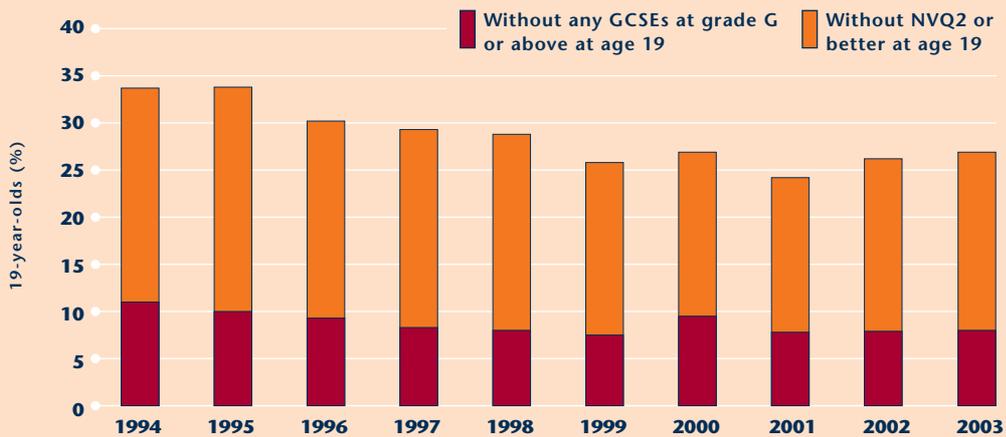
Source: Spring Quarters, Labour Force Survey, ONS 1994–2003

Half of all 24- to 29-year-old employees with no qualifications earn less than £200 per week. This compares with a third of those with GCSEs but without NVQ2 or equivalent, and a sixth of those with NVQ2 or better qualifications.
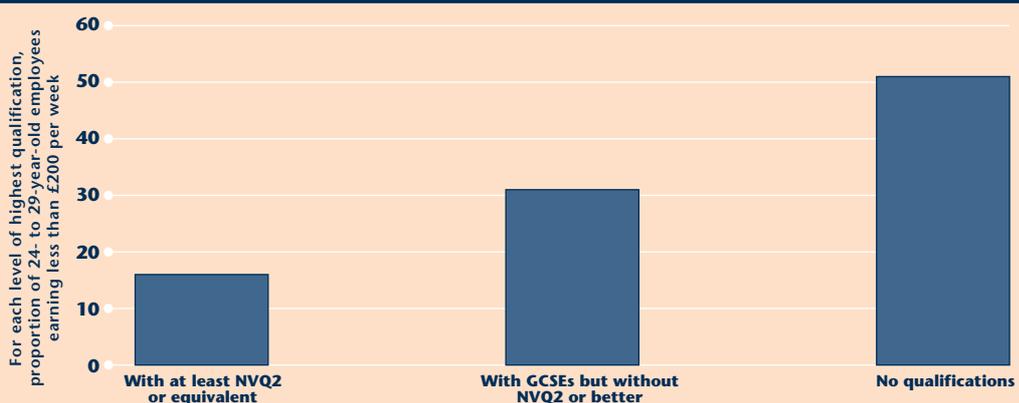
Source: Average for Spring Quarters 2001 to 2003, Laour Force Survey, ONS 2001–2003

The first graph shows the proportion of 19-year-olds without a basic qualification, with the data shown separately for those without NVQ2 or equivalent, and for those without any GCSEs at grade G or above.

DfES equivalence scales have been used to translate academic qualifications into their vocational equivalents. So, for example, 'NVQ2 or equivalent' includes those with five GCSEs at grade C or above, GNVQ level 2, two AS levels or one A level.

The second graph shows the proportion of 24- to 29-year-olds who are in employment who have an average weekly gross pay of less than £200, with the data broken down by level of highest qualification. The figures are averages for the years 2001, 2002 and 2003. The age of 24 has been chosen as the lower limit for this analysis on the grounds that a) the vast majority will have completed their formal education by that age and b) they will no longer be in casual employment (as, for example, students often are).

The data source for both graphs is the Labour Force Survey (LFS) and the data for each year is from the Spring Quarter. The data relates to the United Kingdom and is not seasonally adjusted. Respondents who did not answer the questions required to perform the analysis have been excluded from the relevant graphs.

*Overall adequacy of the indicator: **high**. The LFS is a well-established, quarterly survey designed to be representative of the population as whole. Note, however, that the low pay data in the second graph is considered by ONS to be less reliable than the non-income data in the first graph.*

With a criminal record

The number of 18- to 20-year-olds found guilty of an indictable offence has remained broadly unchanged since 1993.

Source: Criminal Statistics, England and Wales, Home Office 1992–2002

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

Source: Prison Statistics, England and Wales, 2001
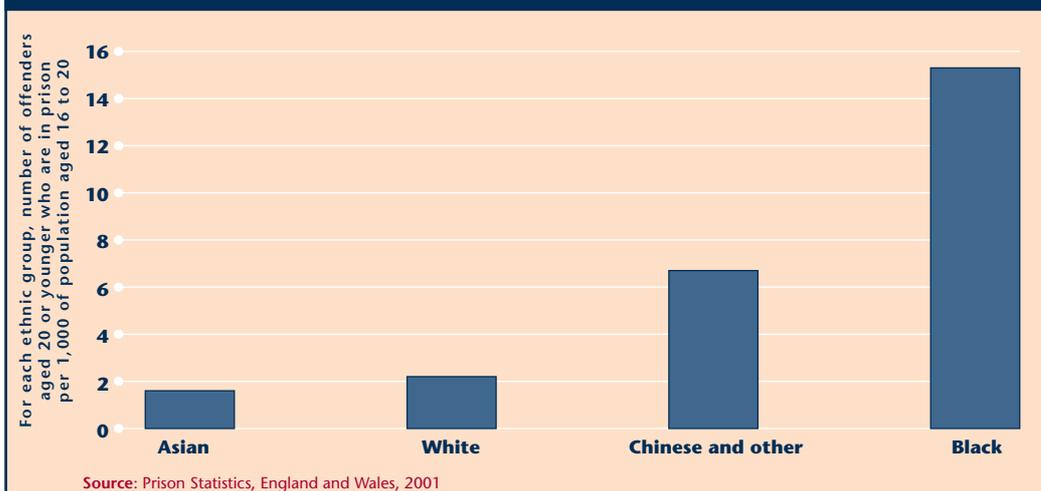
The first graph shows the number of young men and women aged 18 to 20 who were convicted of an indictable offence in each year. The data source is the Home Office's Criminal Statistics and relates to England and Wales.

The second graph shows the likelihood of being in prison under sentence across different ethnic groups in England and Wales in June 2001. These likelihoods are expressed in terms of the number of offenders aged 20 or younger sentenced and in prison in June 2001 per 1,000 population aged 16 to 20 of the relevant ethnic group.

The data source is the Home Office Prison Statistics for England and Wales.

*Overall adequacy of the indicator: **medium**. The data is dependent upon administrative practices of the police and the judicial system.*

4 Adults

How 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 numbers 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.

The second indicator, new to this year's report, is '**the number of jobs in the manufacturing, construction and other production industries**'. While the total number of jobs has been growing over the last decade, the mix of these jobs has also been changing. This has potentially important implications for poverty. In particular, production, construction and other production industries are typically dominated by full-time male manual jobs and the loss of such jobs can have a severe impact on the income of many households where the man is often the major earner of the household.

Disadvantaged at work

Even with the introduction of the National Minimum Wage, the pay of some workers is not, by itself, sufficient to take their families out of low income. The last 20 years has seen a gap open up between average earnings and the earnings of the lowest paid. The chosen low pay indicator is '**the number of working age adults on low rates of pay**', with trends for a selection of low pay thresholds shown.

The recently introduced system of tax credits is a major government initiative to tackle the continuing problems of low pay. These tax credits are more generous than the previous system of benefits that they replaced in terms of both the numbers of people who are eligible and the amounts of money that they are eligible for. The second indicator, new to this year's report, is '**the number of people in receipt of the Working Families Tax Credit**'. While this indicator does not meet the criterion of it being obvious which is the desired direction for change over time, it is clear that the trends in the last few years have been driven by the changes in eligibility rather than any underlying changes in need and thus that upward trends are currently to be desired.

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 '**the proportion of people making a new claim for unemployment benefit who were last claiming less than six months ago**'. The second graph for this indicator shows the proportion of temporary employees who would like a permanent job.

Work-related training and gaining new qualifications are both means of reducing the chances of negative labour market outcomes.[22] The chosen indicator on training is the '**the chance of receiving job-related training by level of qualification**', which examines the inequality in access to training between those with and without qualifications.

Health and well-being

The first health indicator is '**the proportion of those aged under 65 who die each year**', providing an overall indicator of premature death, with the second graph showing the inequalities between different parts of the country.

The second indicator is the '**the proportion of working age women who are obese.**' Obesity is a major risk factor for a range of lethal diseases, including heart disease, non-insulin dependent diabetes, high blood pressure and osteoarthritis[23] and, in the case of women, differs substantially by level of household income.

The third indicator is '**the proportion of the working age population who report a limiting long-standing illness, disability or infirmity.**' The biggest group of people who are economically inactive but want paid work are the long-term sick and disabled[24] and the prevalence of such illness or disability is much greater among those on lower incomes than among those on higher incomes.

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.[25] The chosen indicator of mental health is '**the proportion of adults classified at being at high risk of developing mental illness**', where this proportion differs substantially by level of household income.

What the indicators show

Indicator 24: Individuals wanting paid work
Whereas the number officially unemployed has halved over the last decade, the number who are 'economically inactive', but want work has remained unchanged.

The proportion of the working age population wanting paid work is one and a half times greater in the North East, London and Scotland as in the East and South East.

Indicator 25: Jobs
While the total number of jobs has been rising, the number of jobs in manufacturing, construction and other production industries has been falling.

Production, construction, energy and agriculture are the areas which are dominated by full-time male jobs.

Indicator 26: Low pay
The number of people aged 22 and over on very low pay fell sharply in 2002, following only moderate falls between 1998 and 2001.

More than half of female employees in manual occupations, sales, cooking, cleaning and caring earn less than £250 per week.

Indicator 27: In receipt of tax credits
The introduction of tax credits means that the number of working families who are in receipt of in-work benefits has more than doubled since 1994.

The proportion of families in London who are in receipt of tax credits is less than half that in the North of England.

Indicator 28: Insecure at work

Two-fifths of those making a new claim for Jobseeker's Allowance were last claiming less than six months ago.

Only 1 in 10 part-time employees want a full-time job – but a third of temporary employees would like a permanent job.

Indicator 29: Access to training

One in 10 people without qualifications receiving some job-related training in any three-month period. This compares to 1 in 3 for those with qualifications.

The proportion of people receiving job training is much greater for those with higher educational qualifications than for those with other qualifications.

Indicator 30: Premature death

Premature deaths fell by 15 per cent in the ten years to 2001. They are, however, still one and a half times as common among men as among women.

Premature deaths of men are much higher in Scotland than elsewhere.

Indicator 31: Obesity

A quarter of women aged 25 to 64 are now obese.

Women from below average income households are much more likely to be obese than women from richer households. There is less difference for men.

Indicator 32: Limiting long-standing illness or disability

A quarter of adults aged 45 to 64 suffer a long-standing illness or disability which limits their activity.

More than a third of adults aged 45 to 64 on below average incomes have a limiting long-standing illness or disability, twice the rate for those on above average incomes.

Indicator 33: Mental health

The proportion of adults aged 25 to 64 who are at high risk of developing a mental illness is lower than a decade ago. Women are more at risk than men.

Adults in the poorest fifth are twice as likely to be at risk of developing a mental illness as those on average incomes.

Indicator 24 Individuals wanting paid work

Relevant Public Service Agreement targets

Public Service Agreement 2002, DWP, Target 3

Demonstrate progress by Spring 2006 on increasing the employment rate and reducing the unemployment rate over the economic cycle.

Public Service Agreement 2002, DWP, Target 4

Over the 3 years to Spring 2006, increase the employment rates of disadvantaged areas and groups, taking account of the economic cycle – lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications, and the 30 local authority districts with the poorest initial labour market position, and significantly reduce the difference between their employment rates and the overall rate.

Public Service Agreement 2002, DWP, Target 7

In the 3 years to 2006, increase the employment rate of people with disabilities, taking account of the economic cycle, and significantly reduce the difference between their employment rate and the overall rate. Work to improve the rights of disabled people and to remove barriers to their participation in society.

Selected major initiatives under way

Policy	*Starting dates*	*Key department*	*Key delivery agency*	*Budget/target/comment*
New Deal for the long-term unemployed	June 1998: introduced for those 25 and over April 2001: became the enhanced New Deal in April 2001, extended to the under 25s	DfES/DWP	Employment Service	Government figures are that 150,000 people moved into jobs by March 2003, 80% of which were sustained jobs and 20% lasted less than 13 weeks.
New Deal for disabled people	September 1998: introduced April 2001: extended	DfES/DWP	Jobcentre Plus with variety of local partnerships	Government figures are that around 80,000 people entered the scheme between April 2001 and March 2003, of which around 30% moved into jobs. A budget of £20 million each year from 2000/01 to 2004.
New Deal for lone parents	July 1997: prototype. October 1998: national rollout. April 2000: uprated October 2001: uprated and extended	DfES/DWP	Jobcentre Plus with variety of local partnerships	Government figures are that 210,000 lone parents had found employment by June 2003. Around half of the leavers from the scheme leave for employment and a third leave for other reasons but remain on Income Support. Aims to achieve an overall 70% employment for lone parents by 2010. A budget of £100 million for 2001/02, £180 million for 2002/03 and £250 million for 2003/04.
New Deal for the over 50s	November 1999: pathfinders April 2000: implementation	DfES/DWP	Jobcentre Plus with variety of local partnerships	Government figures are that around 100,000 people have moved into jobs since April 2000. A voluntary scheme and, overall, 1 million people are eligible to participate. Includes payments of tax-free employment credit, a training grant, and support and advice. A budget of £20 million for each year from 2000/01 until 2004.
New Deal for partners of unemployed people	February 1999: started April 2000: became mandatory	DfES/DWP	Jobcentre Plus with variety of local partnerships	Aimed to move 3,000 eligible people into work in 2000/01 and a further 3,000 in 2001/02. A budget of £20 million for each year from 2000/01 until 2004.

Indicator 26 Low pay

Relevant Public Service Agreement targets

Public Service Agreement 2002, DTI, Target 9	By 2006, working with all departments, bring about measurable improvements in gender equality across a range of indicators, as part of the government's objectives on equality and social inclusion.

For details of relevant major initiatives, see those listed in the income chapter.

Indicator 30 Premature death

Relevant Public Service Agreement targets

Public Service Agreement 2002, Department of Health, Target 6	Reduce substantially the mortality rates from the major killer diseases by 2010: from heart disease by at least 40% in people under 75; from cancer by at least 20% in people under 75.
Public Service Agreement 2002, Department of Health, Target 7	Improve life outcomes of adults and children with mental health problems through year on year improvements in access to crisis and CAMHS services, and reduce the mortality rate from suicide and undetermined injury by at least 20% by 2010.

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Health Action Zones	April 1998: first wave April 1999: second wave	DH	Health partnerships (NHS, Local authorities, voluntary and private sectors	Aims to improve health and to modernise services in areas of high health need and deprivation. There are 26 zones that will operate for 7 years and collectively cover around 13 million people. A budget of £320 million for the 3 years from 1999/00.

Indicator 33 Mental health

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Modernising Mental Health Services 1999		DH	Health authorities	Aims to reduce mental health problems, including depression. The only specific target is on suicides: to reduce the rate of suicides by at least 20% by 2010. A budget of £700 million for 1999 to 2002.

Individuals wanting paid work

Whereas the number officially unemployed has halved over the last decade, the number who are 'economically inactive' but want work has remained unchanged.

Source: Spring Quarters, Labour Force Survey, ONS 1994–2003

The proportion of the working age population wanting paid work is one and a half times greater in the North East, London and Scotland as in the East and South East.
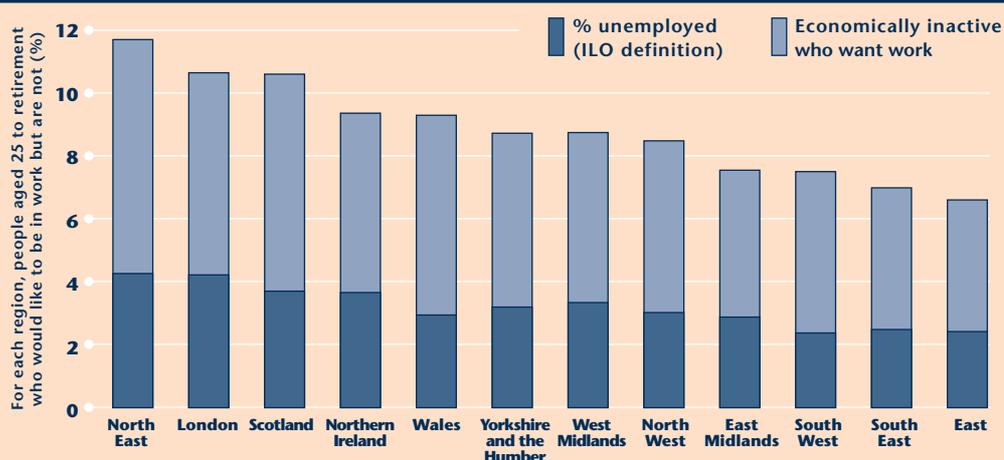
Source: Spring Quarters 2001–03, Labour Force Survey, ONS 2001–2003

The first graph shows the number of people aged 25 to retirement wanting work. It is divided between the unemployed (as defined by the ILO) and those counted as 'economically inactive' who, nevertheless, want work.

The second graph shows the proportion of the population aged 25 to retirement who want paid work by region. The figures are averages for the years 2001, 2002 and 2003.

The data source for both graphs is the Labour Force Survey (LFS) and the data for each year is from the Spring Quarter. The data relates to the United Kingdom and is not seasonally adjusted. 'Unemployment' is the ILO definition, which is used for the official UK unemployment numbers. The economically inactive who want paid work includes people not available to start work for some time and those not actively seeking work.

Note that the ILO unemployment rates in these graphs are not the same as in some of the other indicators, as it is percentage of the total population (whereas, in other indicators, it is expressed as a percentage of the economically active population).

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

A further graph showing how the proportion wanting paid work varies by ethnic group can be found at www.poverty.org.uk.

Jobs

While the total number of jobs has been rising, the number of jobs in manufacturing, construction and other production industries has been falling.

Source: Spring Quarters, Labour Force Survey, ONS 1994–2003 (via NOMIS)

Production, construction, energy and agriculture are the areas which are dominated by full-time male jobs.

Source: Annual Business Inquiry, 2001
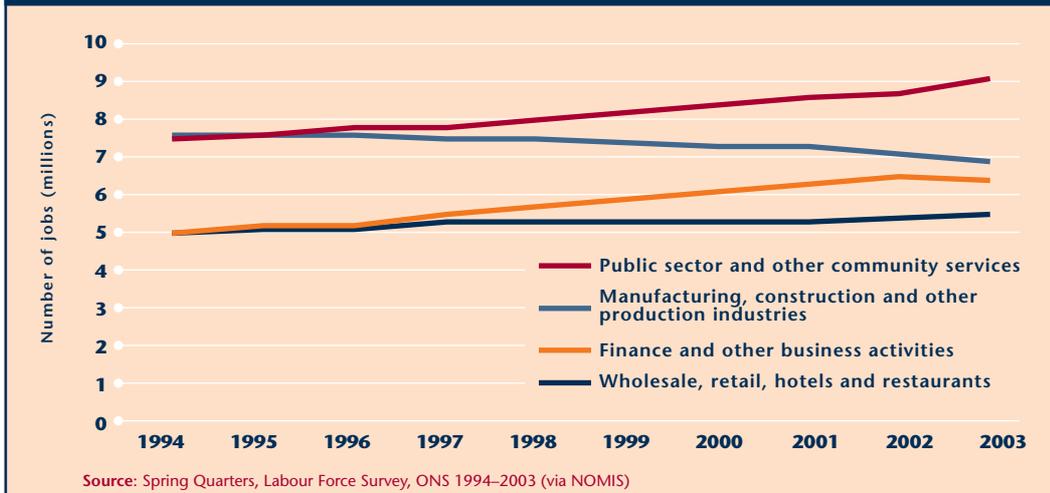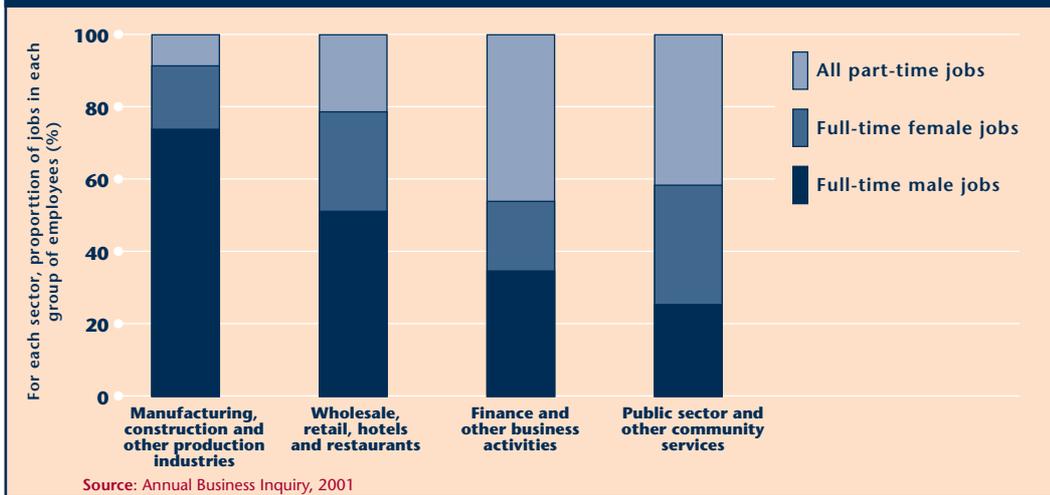
The first graph shows total number of jobs over time, with the data broken down into four sectors, namely: manufacturing, construction and other production industries (sec codes A–F); wholesale, retail, hotels and restaurants (sec codes G–H); finance and other business activities (sec codes I–K); and public sector and other community services (sec codes L–Q).

The data source is the Labour Force Survey (LFS) and relates to the United Kingdom.

The second graph shows, for the latest year (2001), how the total number of jobs in each sector is divided between full-time male jobs, full-time female jobs and part-time jobs (both sexes combined).

The data source is the Annual Business Inquiry (ABI) and relates to Great Britain.

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

A further graph showing how the number of different types of jobs has changed by region can be found at www.poverty.org.uk.

Low pay

The number of people aged 22 and over on very low pay fell sharply in 2002, following only moderate falls between 1998 and 2001.

Below minimum wage
Above minimum wage but less than £4.00 in 1998 (uprated for inflation)

Employees aged 22 to retirement age earning less than the hourly pay thresholds (millions)

1998 1999 2000 2001 2002

Source: ONS calculations based on the Labour Force and New Earnings Surveys, 2002

More than half of female employees in manual occupations, sales, cooking, cleaning and caring earn less than £250 per week.

Proportion earning less than £250 per week (%)

Women **Men**

Other manual | Sales | Cooking, cleaning, caring etc | Plant and machine operatives | Craft and related | Clerical and secretarial | Associate professional and technical | Managers and administrators | Professional

Source: New Earnings Survey 2002, ONS 2003
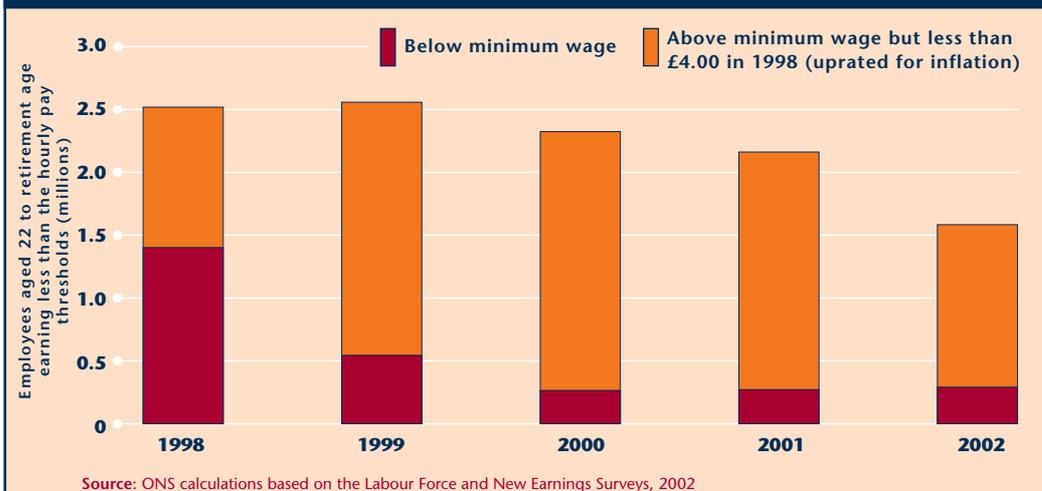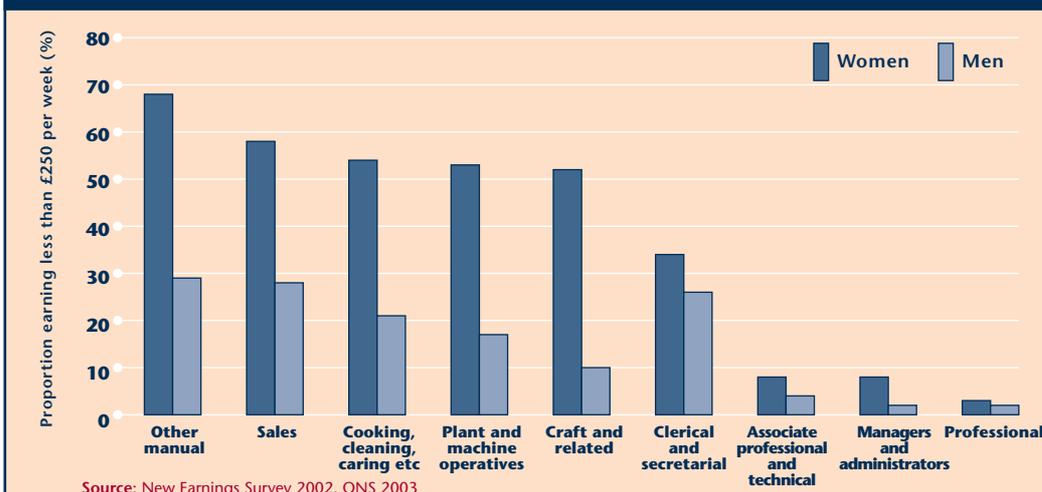
The first graph shows the estimated number of employees aged 22 to retirement age who were paid below various hourly rates of pay in each year shown. No data is available for years before 1998, and the available data distinguishes between only the 18 to 21 and 22+ age groups.

The first threshold is the national minimum wage. The second threshold aims to reflect inflation and rises in 10p increments from a base of £4.00 in 1998 to £4.40 in 2002.

The figures are from published ONS statistics, which were themselves derived from a combination of data from the Labour Force Survey (LFS) and New Earnings Survey (NES), with adjustments by the ONS.

The second graph shows, for 2002, how the proportion of employees paid less than £250 per week varies by occupation and gender. The data source is NES and relates to Great Britain.

Overall adequacy of the indicator: limited. The LFS and NES are well-established government surveys, designed to be representative of the population as a whole. However, neither survey accurately measures low pay in its own right, and the ONS methods for combining and adjusting the data are not available for public scrutiny. The underlying dataset itself is also not publicly available. In other words, outside researchers now have to rely on whatever data ONS decides to publish.

A variety of further graphs focusing on differences in pay between industries and between men and women can be found on www.poverty.org.uk.

In receipt of tax credits

The introduction of tax credits means that the number of working families who are in receipt of in-work benefits has more than doubled since 1994.

Recipients of WFTC and Family Credit as a proportion of all working age women (%)

Month	Value
May 94	3.3
May 95	3.7
May 96	4.2
May 97	4.5
May 98	4.6
May 99	4.7
May 00	6.0
May 01	7.1
May 02	7.5
Nov 02	7.7
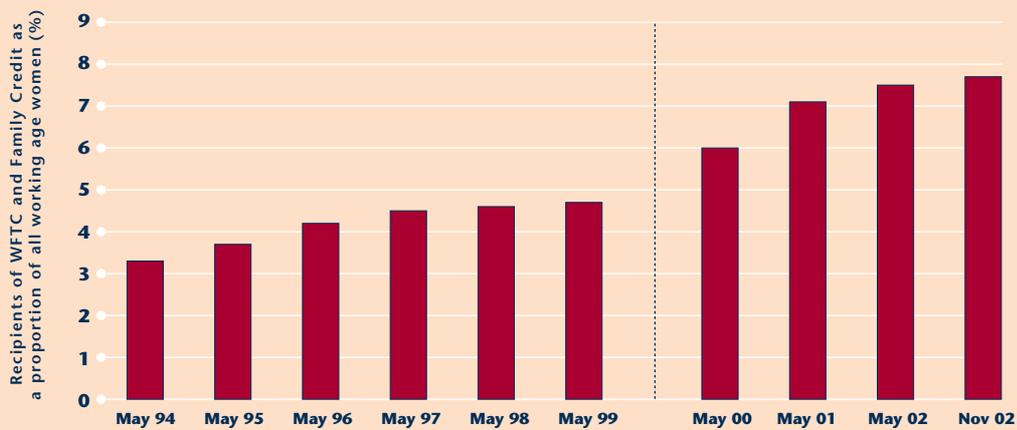
Source: Information Analysis Directorate, DWP (1994–99); Geographic analyses, Inland Revenue (2000–2003)

The proportion of families in London who are in receipt of tax credits is less than half that in the North of England.

Recipients of the Working Families Tax Credit as a proportion of all working age women (%)

Region	Value
North East	10.4
Yorkshire and the Humber	10.1
North West	9.7
Wales	9.6
West Midlands	9.0
East Midlands	8.8
Scotland	8.3
South West	7.9
East	6.1
South East	5.4
London	4.4
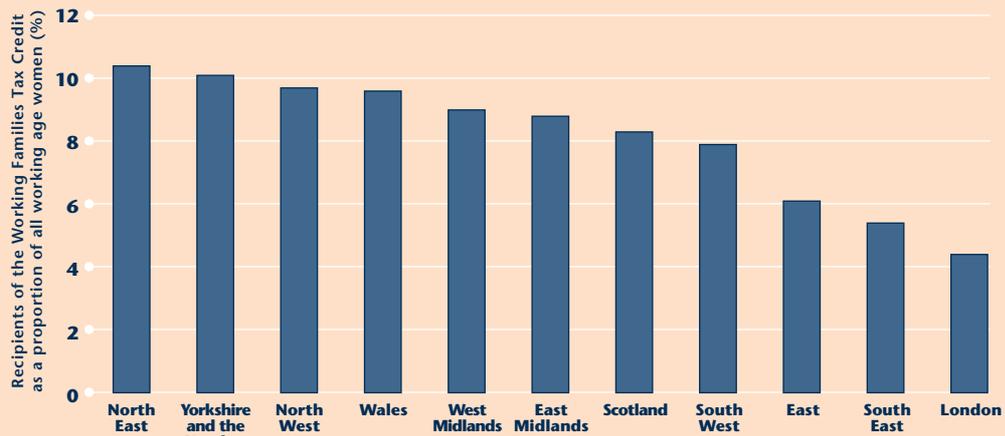
Source: Geographic analysis for November 2002, Inland Revenue, 2003

The first graph shows the number of recipients of Family Credit (1994 to 1999) and its replacement, the Working Families Tax Credit (2000 onwards), in May of each year, both being expressed as a proportion of all women of working age.

The second graph shows, for the latest year, how the number of recipients of the Working Families Tax Credit varies by region, with the data again expressed as a proportion of all women of working age.

The data in both graphs relates to Great Britain. The data source for the Family Credit numbers is the Information Analysis Directorate of DWP, with the estimates based on a 5 per cent sample of recipients. The data source for the Working Families Tax Credit numbers is geographic analyses by the Inland Revenue, with the estimates based on a 5 per cent sample of recipients for May 2000 and a 100 per cent sample of recipients for May 2001 and 2002. The source for the number of women of working age is ONS revised population estimates – which take account of the 2001 Census.

*Overall adequacy of the indicator: **high**. The data on both Family Credit and the Working Families Tax Credit is considered to be very reliable.*

Insecure at work

Two-fifths of those making a new claim for Jobseeker's Allowance were last claiming less than six months ago.

Source: JUVOS Cohort, first quarters of each year, ONS, 1993–2003
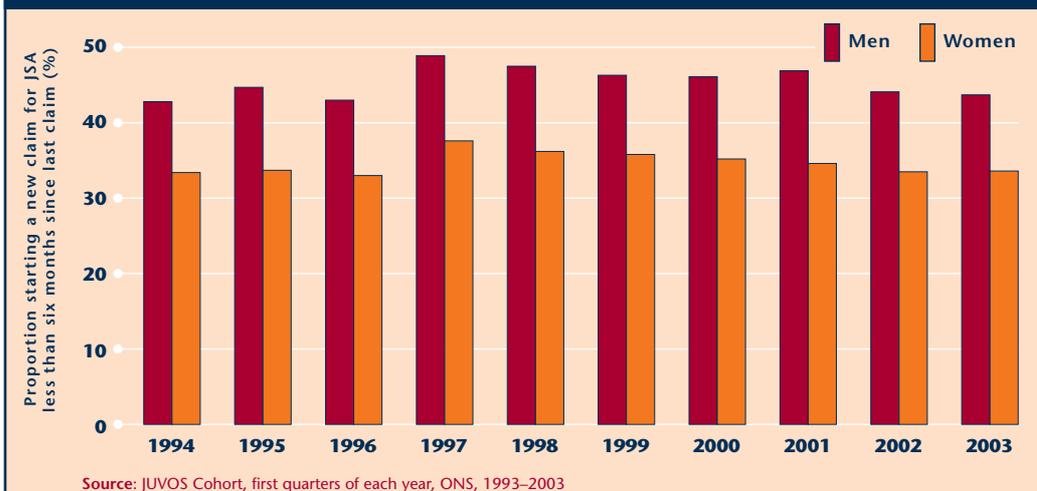
Only one in ten part-time employees want a full-time job, but a third of temporary employees would like a permanent job.

Source: Spring Quarters 2003, Labour Force Survey, 2003
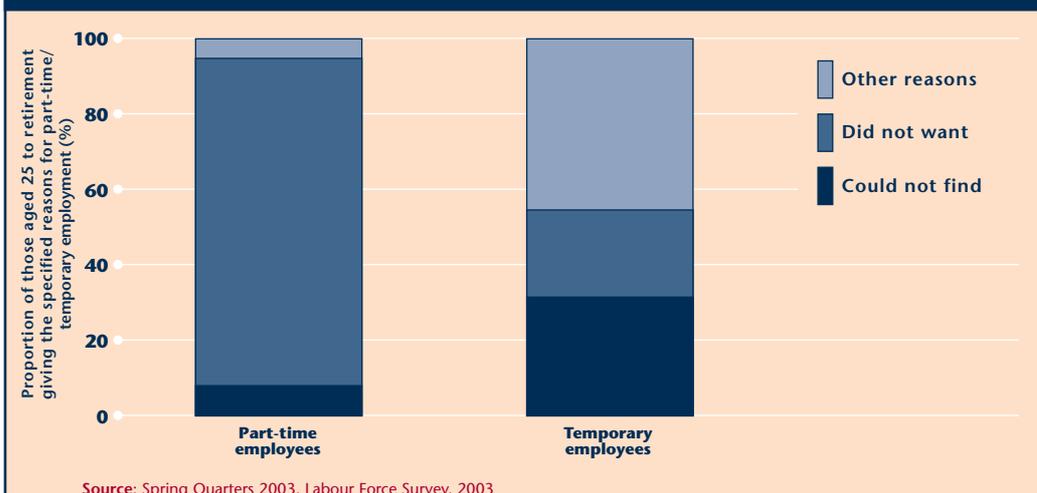
The first graph tries to measure job insecurity. It shows the probability that someone who makes a new claim for Jobseeker's Allowance was last claiming that benefit less than six months previously. Figures are shown separately for men and women. The data relates to Great Britain and, for each year, is taken from the first quarter of the Joint Unemployment and Vacancies Operating System (JUVOS) cohort.

The second graph shows data for all employees aged 25 to retirement in part-time and temporary jobs (shown separately) by reason for the part-time or temporary employment. The data source is the 2003 Spring Quarter of the Labour Force Survey (LFS). The data relates to the United Kingdom and is not seasonally adjusted.

*Overall adequacy of the indicator: **high**. Note, however, that 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 periods of joblessness.*

Access to training

One in ten people without qualifications received some job-related training in any three-month period. This compares with one in three for those with qualifications.

People aged 25 to retirement who received job-related training in the last three months (%)

With no qualifications   With qualifications

1995 1996 1997 1998 1999 2000 2001 2002 2003

Source: Spring Quarters, Labour Force Survey, ONS 1995–2003

The proportion of people receiving job-related training is much greater for those with higher educational qualifications than for those with other qualifications.

People aged 25 to retirement who received job-related training in the last three months (%)

Average | Higher education | A level or equivalent | GCSE grades A*–C | GCSEs below grade C | Other qualification | No qualifications

Source: Spring Quarter 2003, Labour Force Survey, ONS 2003
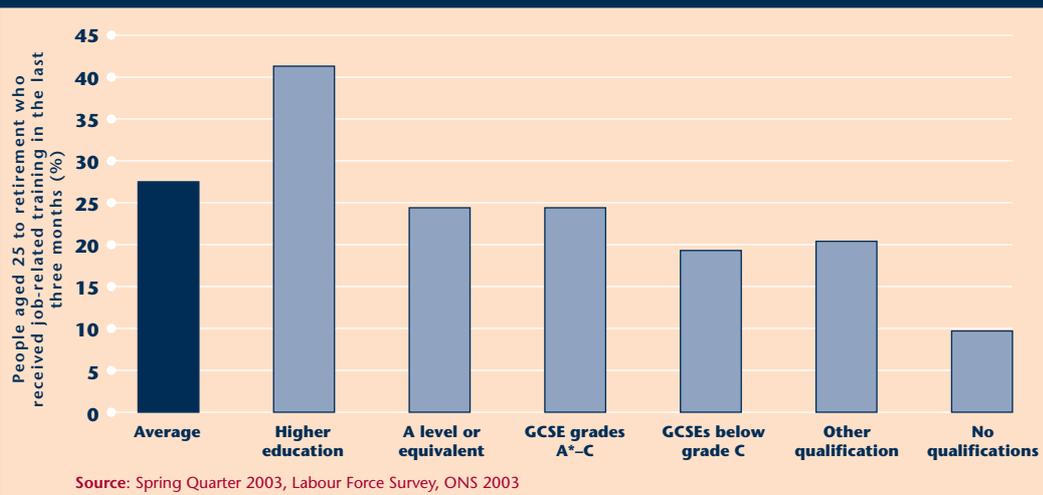
The first graph shows the proportion of employees aged 25 to retirement age and economically active who have received some job-related training in the previous three months, according to whether they have some educational or vocational qualification or not. The qualifications include both current qualifications (e.g. GCSEs) and qualifications that have been awarded in the past (e.g. O levels).

The second graph breaks down the latest year data according to the level of the employees' highest qualification. DfES equivalence scales have been used to translate vocational qualifications into their academic equivalents.

The data source for both graphs is the Labour Force Survey (LFS) and the data for each year is from the Spring Quarter. The data relates to the United Kingdom and is not seasonally adjusted.

Training includes both that paid for by employers and by employees themselves.

*Overall adequacy of the indicator: **medium**. The LFS is a well-established, quarterly 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

Premature deaths fell by 15 per cent in the ten years to 2001. They are, however, still one and a half times as common amongst men as among women.
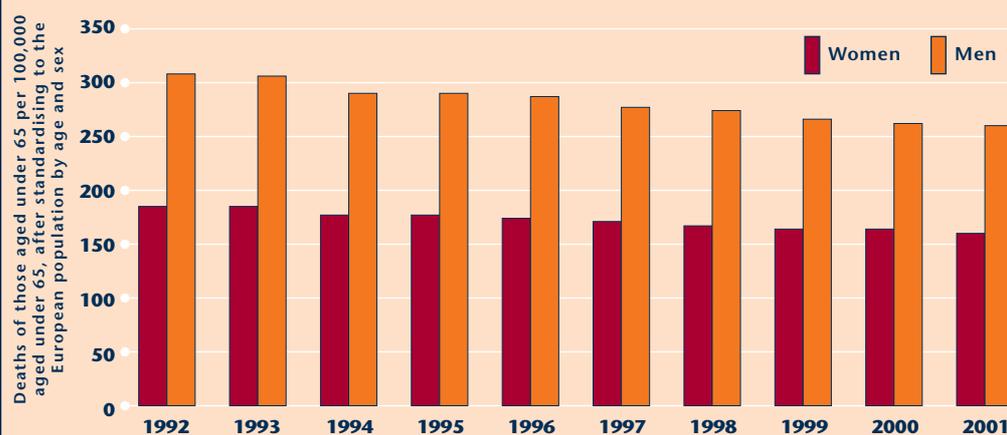
Source: Mortality Statistics Division, ONS 1992–2002

Premature deaths of men are much higher in Scotland than elsewhere.
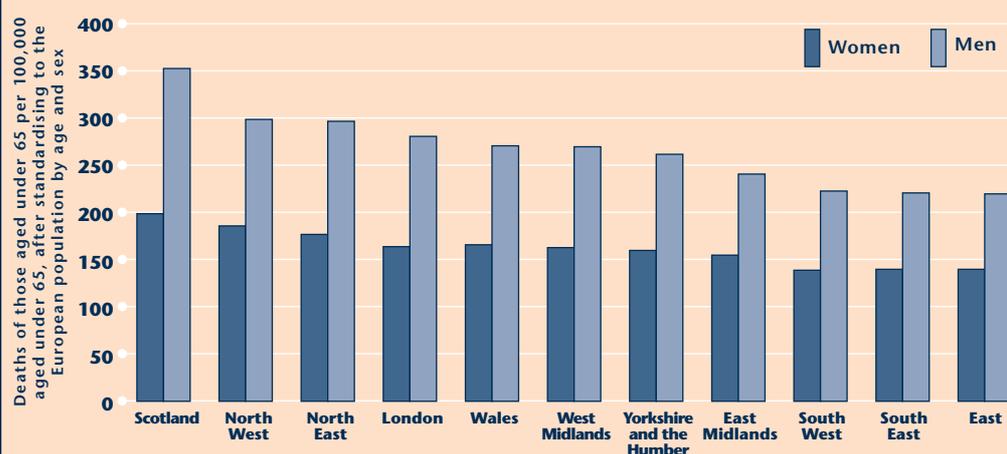
Source: Mortality Statistics Division (2001 data), ONS 2002

The first graph shows the number of deaths of people aged under 65 per 100,000 population aged under 65, with the data shown separately for males and females.

The second graph shows, for the latest year, how the proportion of the population aged under 65 who died varies by region. The data relates to Great Britain. In both graphs, the data has been standardised to the European population by both age and sex.

The data is actually published at local authority level. To combine the local authority figures and calculate regional figures, the 2001 Census population estimates for the numbers of males and females under 65 have been used as the weighting factors.

*Overall adequacy of the indicator: **high**. The underlying data are deaths organised according to the local authority area of residence of the deceased by the ONS, in England and Wales, and by the Registrar General for Scotland.*

Obesity

A quarter of women aged 25 to 64 are now obese.

Women aged 16 to 64 who are obese (%)

Year	
1991/92	15.5
1993	15.8
1994	16
1995	16.5
1996	17.3
1997	19
1998	20
1999	20
2000	20
2001	24.8

Source: Health Survey for England 1991–2001, DH 1991–2003

Women from below average income households are much more likely to be obese than women from richer households. There is less difference for men.

25- to 64-year-olds in each income quintile who are obese (%)

Income quintiles	Men	Women
Poorest fifth	24	30
2nd	26	32
3rd	25	25
4th	22	24
Richest fifth	20	16

Source: Health Survey for England 2001, DH 2003

The first graph shows the proportion of women aged 25 to 64 who are obese, where obesity is defined as having a body mass index greater than 30 kg/m². Only 'valid body mass index' values have been included (i.e. those where the interviewer was content that both the weight and height measurements were reliable). Only the statistics for women are shown, and not those for men, because it is only for women that the prevalence of obesity varies according to levels of income and social class.

Note that the equivalent graph in previous years was for the 16 to 64 age group, but this has been adjusted to 25 to 64 to bring it into line with the other graphs for adults (as opposed to young adults).

The second graph shows how the proportions for the latest year vary across income quintiles, with the data shown separately for men and women.

The data source for all the graphs is the Health Survey for England and relates to England only.

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

A further graph showing risk of obesity by region can be found on www.poverty.org.uk.

Limiting long-standing illness or disability

More than a third of adults aged 45 to 64 on below average incomes have a limiting long-standing illness or disability, twice the rate for those on above average incomes.

Proportion of 45- to 65-year-olds in each income quintile reporting a limiting long-standing illness or disability (%)

Men   Women

Income quintiles: Poorest fifth, 2nd, 3rd, 4th, Richest fifth

Source: General Household Survey 2001–02, ONS 2003
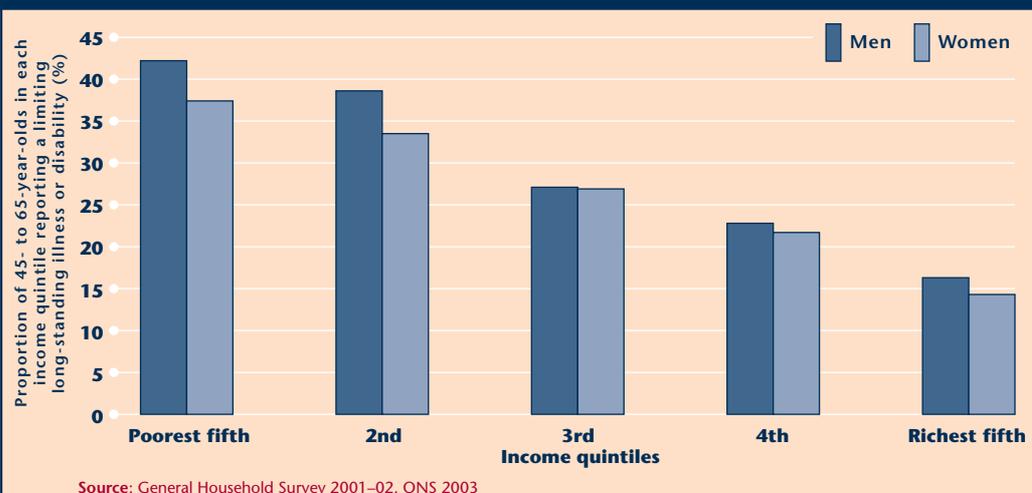
The proportion of adults aged 50 to 64 who have a limiting long-standing illness ranges from more than a third in Wales, the North East and Northern Ireland to a fifth in the East and South East.

Proportion of 50- to 64-year-olds reporting a limiting long-standing illness (%)

Wales, North East, Northern Ireland, North West, Scotland, Yorkshire and the Humber, West Midlands, London, East Midlands, South West, East, South East

Source: 2001 Census, ONS, General Register Office for Scotland and NISRA, 2003
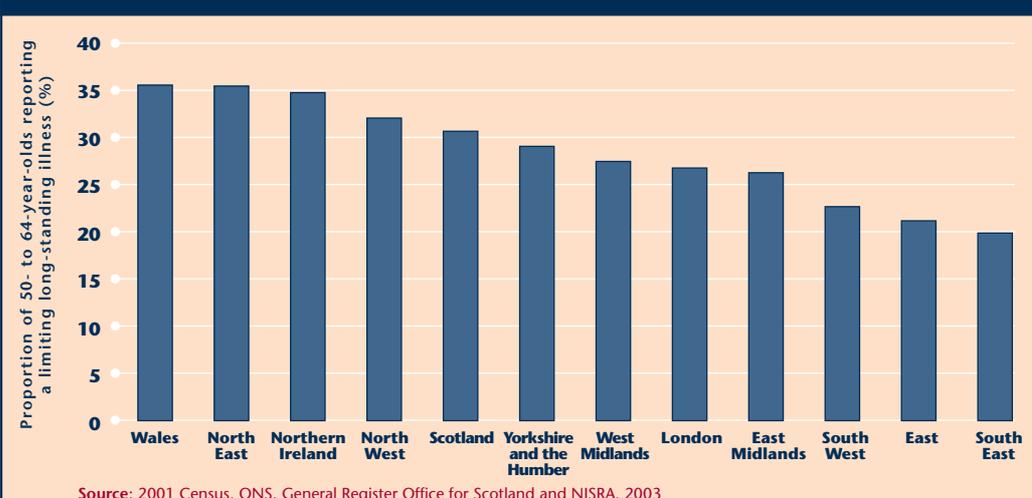
The first graph shows how the proportion of adults aged 45 to 64 who report having a long-term illness or a disability that limits their activities varies by income. The data is shown separately for men and women. The data is from the General Household Survey (GHS) and relates to Great Britain.

The second graph shows how the proportion of those aged 50 to 64 who have a self-defined limiting long-standing illness varies by region. The data is from the 2001 Census and relates to England and Wales.

*Overall adequacy of the indicator: **medium**. While the GHS 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.*

A further graph showing how the proportion of adults aged 45 to 64 reporting a limiting long-standing illness or disability has changed over time can be found at www.poverty.org.uk.

Mental health

The proportion of adults aged 25 to 64 who are at high risk of developing a mental illness is lower than a decade ago. Women are more at risk than men.

Source: Health Survey for England 1991–2001, DH 1991–2003

Adults in the poorest fifth are twice as likely to be at risk of developing a mental illness as those on average incomes.

Source: 2001 Health Survey for England, DH 2003
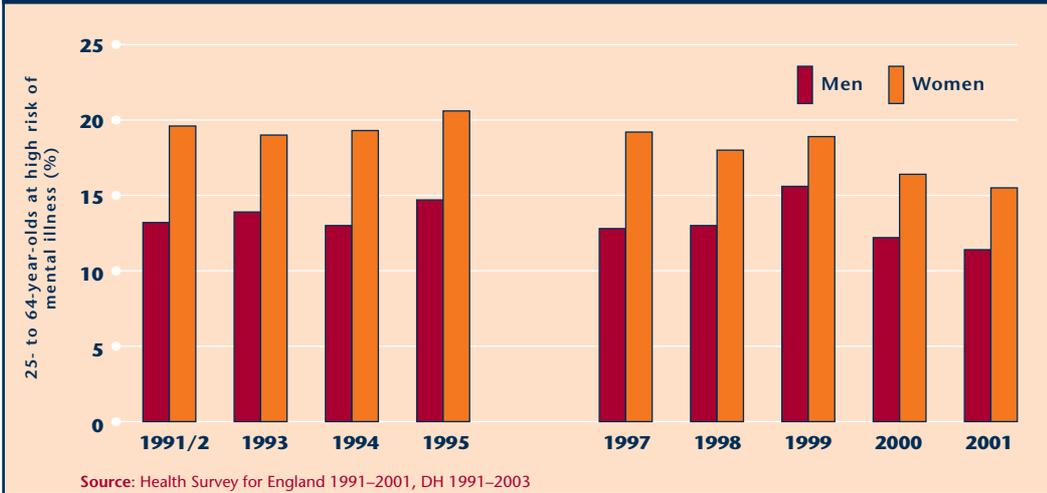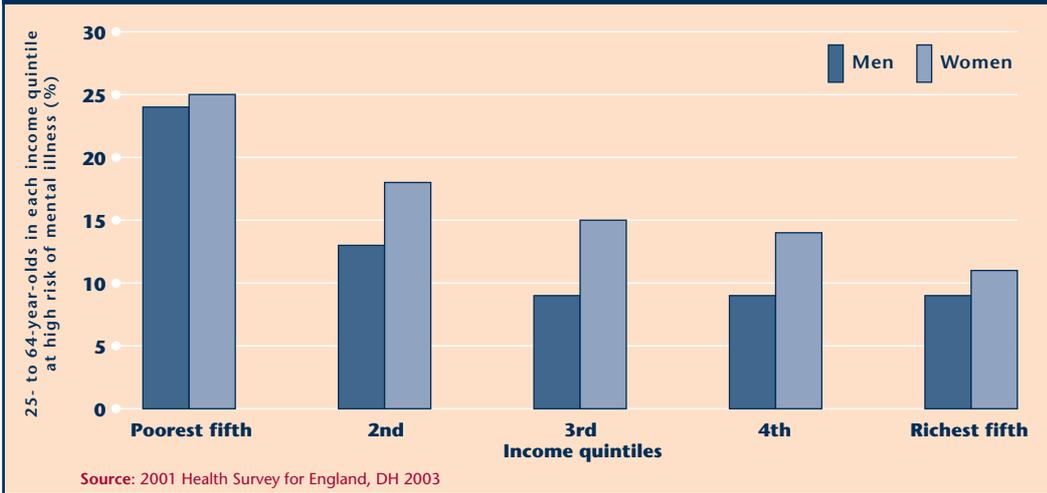
The first graph shows the proportion of adults aged 25 to 64 who are classified as being at high risk of developing a mental illness. This is determined by asking informants a number of questions about general levels of happiness, depression, anxiety and sleep disturbance over the previous four weeks: these are designed to detect possible psychiatric morbidity. A score is constructed from the responses, and the figures published show those with a score of four or more. This is referred to as a 'high GHQ12 score'.

The second graph shows how the proportions for the latest year vary across income quintiles, with the data shown separately for men and women.

The data source is the Health Survey for England (HSE) and relates to England only.

Overall adequacy of the indicator: **high**. *The HSE is a large survey that is designed to be representative of the population in England as a whole.*

A further graph showing risk of mental illness by region can be found on www.poverty.org.uk.

5 Older people

How the indicators were chosen
Economic circumstances

Although pensioners on average enjoy better incomes than they have in the past, this rising average conceals a large minority who have no additional resources other than the state retirement pension and means-tested benefits. The first indicator of economic circumstances is **'the number of pensioners without any private income (i.e. no income other than the state retirement pension and other state benefits)'**.

The second graph for this indicator looks at the proportion of people of working age who are not contributing to a second pension, thus giving some indication about the likely extent to which future pensioners will be solely reliant on the state.

A new indicator in this year's report is **'the proportion of pensioner households who are entitled to means-tested state benefits who are not taking up these benefits'**, covering the three major benefits of Income Support (the Minimum Income Guarantee), Council Tax Benefit and Housing Benefit. Older people's attitudes to claiming benefits are different from those of younger people and, for example, most of those not claiming the Council Tax Benefit to which they are entitled are pensioners.[26] Given that these benefits are targeted specifically at people with low income, any non-take-up is a cause for concern.

Health and well-being

As with other age groups, health problems among older people are not evenly distributed but are concentrated among the poorest. While life expectancy has been increasing overall, in many cases the number of years free of sickness and pain have not.[27]

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 among older people'**, with the second graph analysing the prevalence of energy inefficient housing by level of income and housing tenure.

Many disabled people are aged over 60 and the prevalence of disability and long-standing illness is much greater among those with low incomes than among those with higher incomes. The second indicator is **'the proportion of older people reporting ill health or a disability which limits their activities'**.

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 very unsafe out alone after dark'**.

Access to services

The quality and appropriateness of services that older people receive is critical to their well-being and quality of life.

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.[28] The first indicator is '**the proportion of those aged 75 and over who receive social services to help them to live independently at home**'.

A new indicator in this year's report is '**the proportion of rural pensioners without local access to selected essential services**'. The availability of many rural services has been declining for a number of years[29] and is a particular concern for pensioners given that only a minority of pensioner households – particularly single pensioners – have a car and can thus easily travel to distant services.

What the indicators show

Indicator 34: No private income

1.3 million pensioners (21 per cent of single pensioners and 8 per cent of pensioner couples) have no income other than state benefits.

The vast majority of working age adults on below average incomes are not contributing to a non-state pension (although many may belong to a non-contributory pension scheme).

Indicator 35: Benefit take-up

In 2000/01, around a third of pensioner households (1 1/4 million households) were not taking up the council tax benefit to which they were entitled.

Of the estimated £1.4 billion of unclaimed income-related benefits to which pensioners were entitled in 2000/01, the Minimum Income Guarantee accounted for almost a half, while Council Tax Benefit accounted for around a third.

Indicator 36: Excess winter deaths

Each year 20,000 to 45,000 more people aged 65 or over die in winter months than in other months.

It is owner-occupiers and private renters on below average incomes who are the most likely to live in energy inefficient housing.

Indicator 37: Limiting long-standing illness or disability

Adults aged 65 to 74 on below average incomes are more likely to have a limiting long-standing illness or disability than those on above average incomes. For those aged 75 and over, this has ceased to be the case.

The proportion of adults aged 65 to 74 who have a limiting long-standing illness is highest in the North and Wales and lowest in the South.

Indicator 38: Anxiety

Women aged 60 or over are three times as likely to feel very unsafe out at night as men.

Women from lower income households are one and a half times as likely to feel very unsafe out at night as women from higher income households.

Indicator 39: Help from social services to live at home
The proportion of elderly households helped to live at home by social services continues to fall and is now down by two-fifths since 1994.

Unitary authorities and county councils support fewer pensioners to live independently at home than either urban or Welsh authorities.

Indicator 40: Rural access to services
While four-fifths of the rural population have a shop in their parish, half of the people in parishes of less than 1,000 people do not.

More than half of single pensioners in rural areas do not have a car compared with 1 in 7 pensioner couples.

Indicator 34 No private income

For details of relevant major initiatives, see those listed in the low income chapter.

Indicator 36 Excess winter deaths

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Winter Fuel Payments (part of Fuel Poverty Initiative)	1997/98: introduced 2000/01: uprated 2003: annual payment for those aged 80 and over	DWP/Treasury	Benefits Agency	Eligible households received £100 in 1999/00 and £200 in 2000/01, 2001/02, and 2002/03 for single households or those in receipt of Income Support or Income Based Jobseeker's Allowance. £100 if not in receipt of these benefits and if there are others in the household who qualify. An additional payment of £100 for eligible households with an individual of 80 years old or over. All pensioners in receipt of the State Retirement Pension or a social security benefit (excluding Child, Housing and Council Tax Benefits) are eligible. Total government spending was £1.7 billion for 2001/02.
Warm Front	May 2000: introduced	DEFRA	Local authorities, health bodies and voluntary groups	Previously called the Home Energy Efficiency Scheme. Aims to improve heating and insulation of vulnerable households through grants of up to £2,500. Average grant in 2001–2002 was £445. Interim target for England: by 2004, 800 000 households will be assisted by the programme. Focused on the private sector. A budget of £600 million for 2000–2004.
Warm Zones	2001: pilot schemes introduced	DTI and DEFRA	Energy suppliers and other selected partners	Aims to facilitate the efficient, integrated and appropriate delivery of practical measures to alleviate fuel poverty and improve domestic energy efficiency in defined areas. Five pilot schemes. Three-year budget of £7 million from a range of sources.
UK Fuel Poverty Strategy	November 2001: launched	DTI and DEFRA	DTI, DEFRA and devolved administrations	Original aim to eliminate fuel poverty in vulnerable groups by 2010 in the UK through improved energy efficiency and reduced fuel costs. Amended in November 2002 to include seeking an end to fuel poverty for both vulnerable households and non-vulnerable households living in social housing as far as reasonably practicable by 2010. No specific budget.
Energy Efficiency Commitment	April 2002	DEFRA	Energy suppliers	Forces energy suppliers to focus at least 50% of energy savings on low-income consumers. Focused on those in social housing.

Indicator 39 Help from social services to live at home

Relevant Public Service Agreement targets

Public Service Agreement 2002, Department of Health, Target 8 — Improve the quality of life and independence of older people so that they can live at home wherever possible, by increasing by March 2006 the number of those supported intensively to live at home to 30% of the total being supported by social services at home or in residential care.

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Better Services for Vulnerable People Initiative	October 1997 April 1999: Joint investment plans for older people April 2000: extended to all care groups	Department of Health	Health authorities and local authorities jointly	£650 million over 3 years for the prevention and rehabilitation services.
Community Care (Delayed Discharges) Act 2003	2003	Department of Health	Health authorities and local authorities jointly	Aims to solve the problem of 'bed blocking' by: introducing a financial incentive for local authorities to assess hospital patients' need for community care or carer's services as soon as possible; makes intermediate care and certain community equipment services free of charge; ensuring 'seamless care' between local authorities, acute trusts and primary care trusts; and facilitating the move of older people to a more homely environment after hospital treatment as quickly as possible.
Carers' Grant	2002	Department of Health	Local councils	Local councils can use the grant to provide breaks for carers. A budget of around £85 million for England in 2002/03.

Indicator 40 Rural access to services

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Rural Bus Challenge	1998	Department for Transport	Local authorities	Aims to provide 39 local authorities with money to launch 58 rural transport schemes across England to tackle social isolation. Budget of £200 million for new or improved rural bus services across England in the current 3-year spending plan (2001/02–2003/04).

No private income

1.3 million pensioners (21 per cent of single pensioners and 8 per cent of pensioner couples) have no income other than state benefits

Pensioners solely reliant on state retirement pension and state benefits (millions)

Legend: ■ Pensioner couples ■ Single pensioners

Y-axis: 0, 0.2, 0.4, 0.6, 0.8, 1.0, 1.2, 1.4, 1.6

X-axis: 1994/95, 1995/96, 1996/97, 1997/98, 1998/99, 1999/00, 2000/01, 2001/02

Source: Households Below Average Income Series, DWP, 1995–2003

The vast majority of working age adults on below average incomes are not contributing to a non-state pension (although many may belong to a non-contributory pension scheme).

For each income quintile, proportion of working age adults who have ever worked who did not contribute to a pension in the latest year (%)

Y-axis: 0, 10, 20, 30, 40, 50, 60, 70, 80, 90

X-axis (Income quintiles): Poorest fifth, 2nd, 3rd, 4th, Richest fifth

Source: Families Resources Survey, 2001/02, DWP 2003
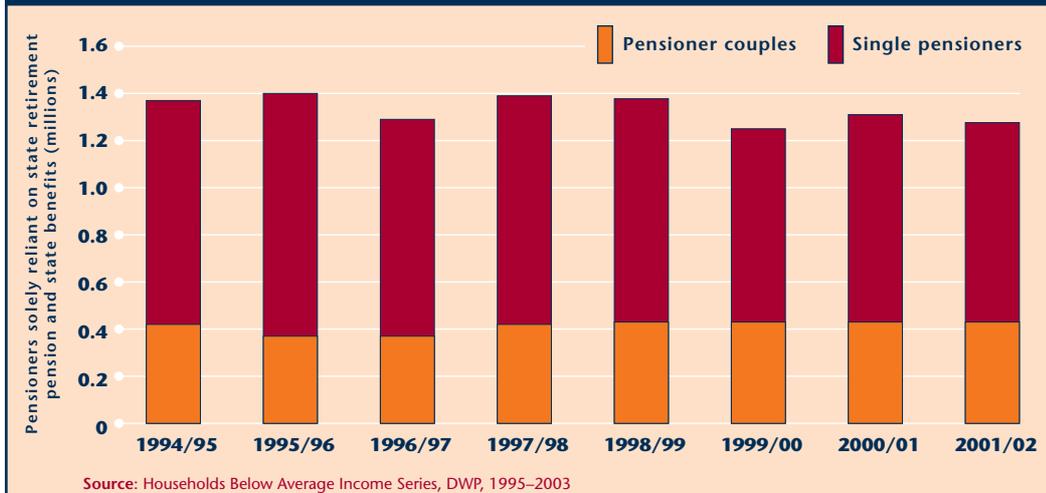
The first graph shows the number of pensioners with no income other than the state retirement pension and state benefits. Note that the figures exclude all those with any other income, even if very small. So, for example, the 600,000 pensioners with an additional income of less than £1 per week in 2001/02 are not included in the statistics. The data source is Households Below Average Income, based on the Family Resources Survey (FRS). The data relates to Great Britain.

The second graph shows how the proportion of working age adults not contributing to a non-state pension in 2001/02 varies by income quintile. Note that 'not contributing to a pension' is not the same as 'not having a pension' because a) some people will belong to a non-contributory pension scheme, and b) some people will have a pension to which they happen not to have contributed over the latest year. The data source is FRS. The data relates to Great Britain.

The income quintiles are defined in terms of disposable household income after deducting housing costs with all data equivalised (adjusted) to account for variation in household size and composition.

*Overall adequacy of the indicator: **high**. The FRS is a well-established government survey designed to be representative of the population as a whole. However, since it only covers people living in private households, and not residential institutions (such as nursing homes), it does leave out a significant group of older people.*

Benefit take-up

In 2000/01, around a third of pensioner households (1 ¹/₄ million households) were not taking up the Council Tax Benefit to which they were entitled.

Proportion of all entitled households not taking up the benefit (%)

Council Tax Benefit

Minimum Income Guarantee

Housing Benefit

1997/98　1998/99　1999/00　2000/01

Source: Income Related Benefits Estimates of Take-Up, DWP, 1997–2003

Of the estimated £1.4 billion of unclaimed income-related benefits to which pensioners were entitled in 2000/01, the Minimum Income Guarantee accounted for almost a half while Council Tax Benefit accounted for around a third.

Council Tax Benefit
£500m

Minimum Income Guarantee
£645m

Housing Benefit
£270m
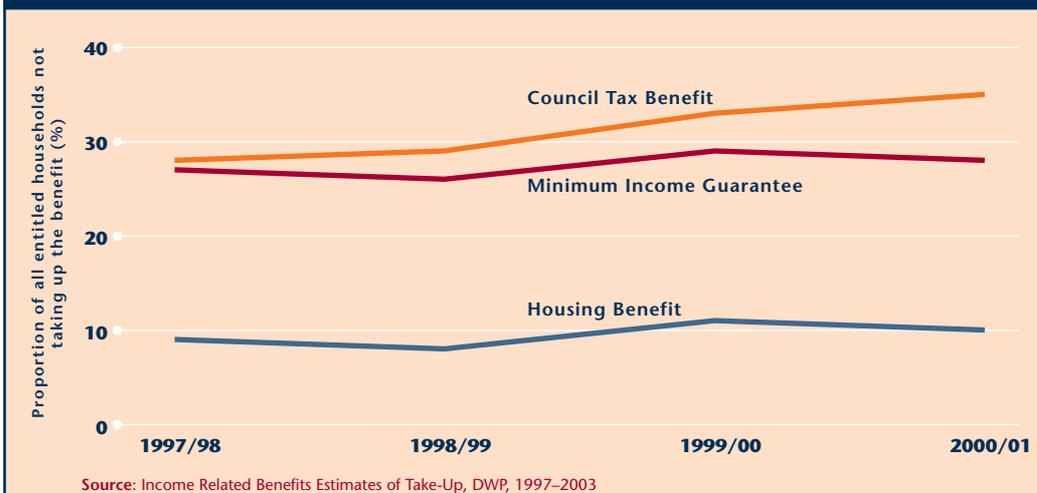
Source: Income Related Benefits Estimates of Take-Up 2001/02, DWP, 2003
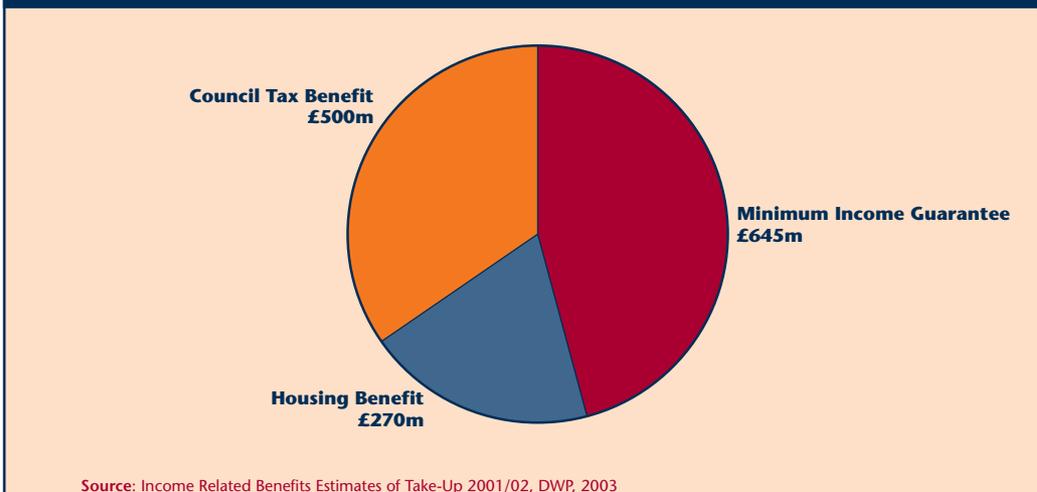
The first graph shows, for a number of selected benefits, the estimated proportion of pensioner households entitled to the benefit who were not taking up their entitlement. The benefits shown are the three major benefits of older people, namely Council Tax Benefit, Minimum Income Guarantee (part of Income Support) and Housing Benefit. In each case, the estimates are the averages for low-end and high-end estimates published by DWP.

The second graph shows, for the latest year, the estimated amounts of money not being taken-up by the pensioner households. Again, the estimates in each case are the averages for the low-end and high-end estimates published by DWP.

In both graphs, the estimates are the mid-points of quite wide range estimates, so the figures for any particular benefit in any particular year are subject to considerable uncertainty.

The data source is the *Income Related Benefits: Estimates of Take-Up* series published by DWP. The data relates to Great Britain.

*Overall adequacy of the indicator: **medium**. The figures are estimates only, based on the modelling of data from surveys such as the Family Resources Survey.*

Excess winter deaths

Each year, 20,000 to 45,000 more people aged 65 or over die in winter months than in other months.

Source: Mortality Data, ONS 2002. Data for 2001/02 is currently provisional

It is owner-occupiers and private renters on below average incomes who are the most likely to live in energy inefficient housing.

Source: English Household Conditions Survey 2001, ODPM, 2003
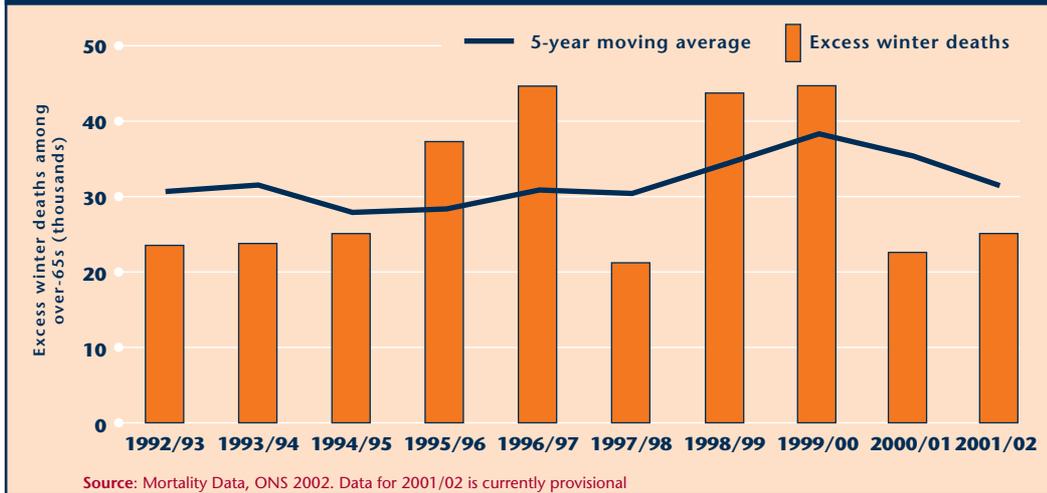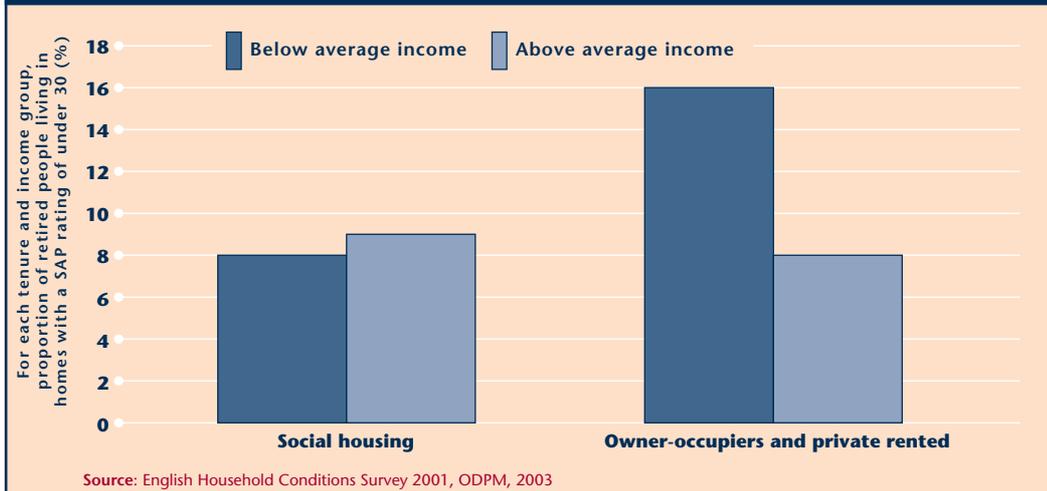
The first graph shows excess winter deaths each year in the 65 and above age group, where 'excess winter deaths' is defined as the difference between the number of deaths that occurred in winter (December to March) and the average number of deaths during the preceding four months (August to November) 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. Note that data for 2001/02 is currently provisional.

The second graph shows the proportion of retired people who live in homes with a Single Assessment Process (SAP) less than 30, with the data separated out by housing tenure and by level of household income. SAP ratings are a measure of energy efficiency (the higher the SAP rating, the better) and the threshold of 30 has been used following advice from ODPM. The average incomes used are those that pertain to the particular sector in questions (as, otherwise, there would be very few people in social housing on above average incomes). The data source is the 2001 English Household Conditions Survey and the data relates to England.

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

A further graph showing how excess winter deaths vary by region can be found at www.poverty.org.uk.

Limiting long-standing illness or disability

Adults aged 65 to 74 on below average incomes are more likely to have a limiting long-standing illness or disability than those on above average incomes. For those aged 75 and over, this has ceased to be the case.

Source: General Household Survey 2001, ONS 2003

The proportion of adults aged 65 to 74 who have a limiting long-standing illness is highest in the North and Wales and lowest in the South.

Source: 2001 Census, ONS, General Register Office for Scotland and NISRA, 2003

The first graph shows how the proportion of people aged 65 and over, who report having a long-term illness or a disability that limits their activities, varies by income. The data is shown separately for those aged 65 to 74 and those aged 75+. The data is from the General Household Survey (GHS) and relates to Great Britain.

The second graph shows how the proportion of those aged 65 to 74 who have a self-defined limiting long-standing illness varies by region. The data is from the 2001 Census and relates to England and Wales.

*Overall adequacy of the indicator: **medium**. While the GHS 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.*

A further graph showing how the risk of limiting longstanding illness or disability has changed over time can be found at www.poverty.co.uk.

Anxiety

Women aged 60 or over are three times as likely to feel very unsafe out at night as men.
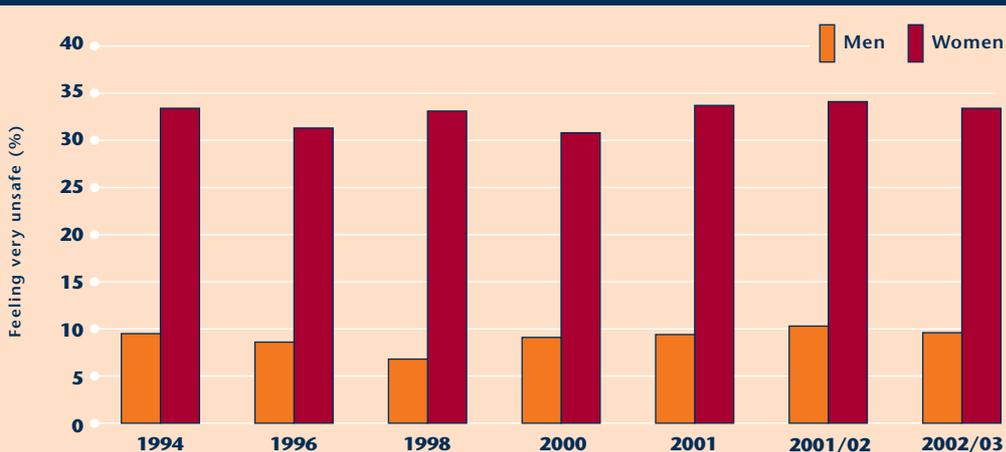
Source: British Crime Survey, 1994 to 2002/03, Home Office, 1994–2003

Women from lower income households are one and a half times as likely to feel very unsafe out at night as women from higher income households.
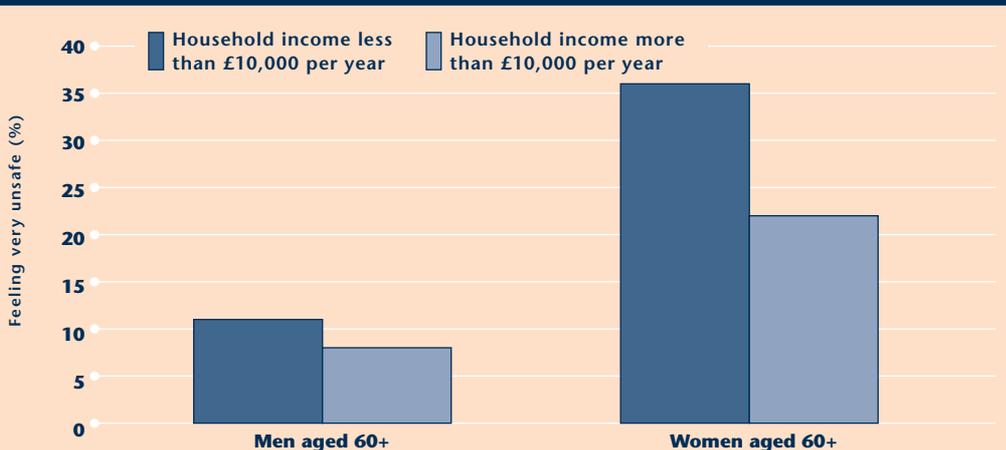
Source: British Crime Survey 2000, Home Office, 2003

The first graph shows the proportion of people aged 60 or over who say that they feel very unsafe walking alone in their area after dark, with the data shown separately for men and women.

The second graph shows, for the year 2000, a breakdown of the statistics according to whether the people lived in households with an annual income of more or less than £10,000.

The data source for both graphs is the British Crime Survey (BCS). The data relates to England and Wales. The reason that the second graph uses data for the year 2000 is that this is the latest data for which the actual dataset is currently available.

*Overall adequacy of the indicator: **medium**. The BCS is a well-established annual government survey and the fact that the proportions feeling very 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 continues to fall and is now down by two-fifths since 1994.

Households receiving home care/help (per 1,000 population aged 75 and over)

Year	
1993	151
1994	161
1995	148
1996	138
1997	133
1998	123
1999	116
2000	108
2001	102
2002	98
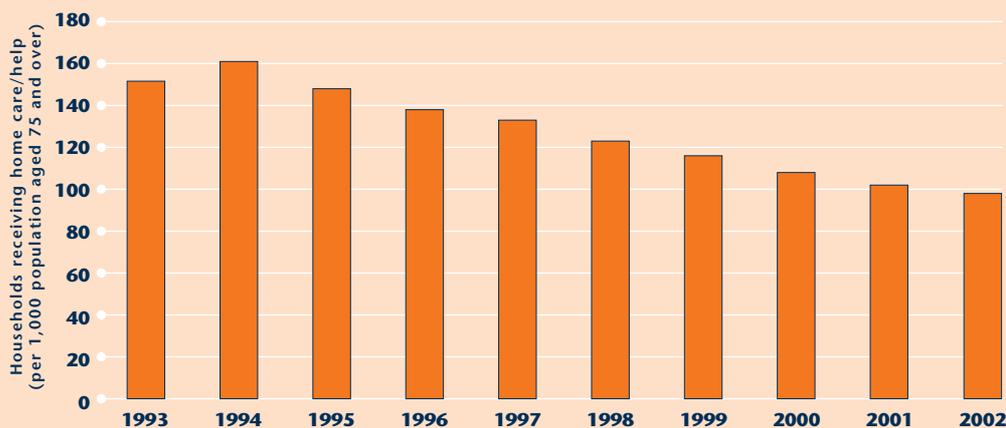
Source: Department of Health returns HH1 and ONS population estimates

Unitary authorities and county councils support fewer pensioners to live independently at home than either urban or Welsh authorities.

Proportion of the local authorities in each category who are providing help to live at home to an above average number of over-75s

Authority type	
County councils	30
Unitary authorities	40
Welsh authorities	64
London boroughs	66
Metropolitan authorities	71
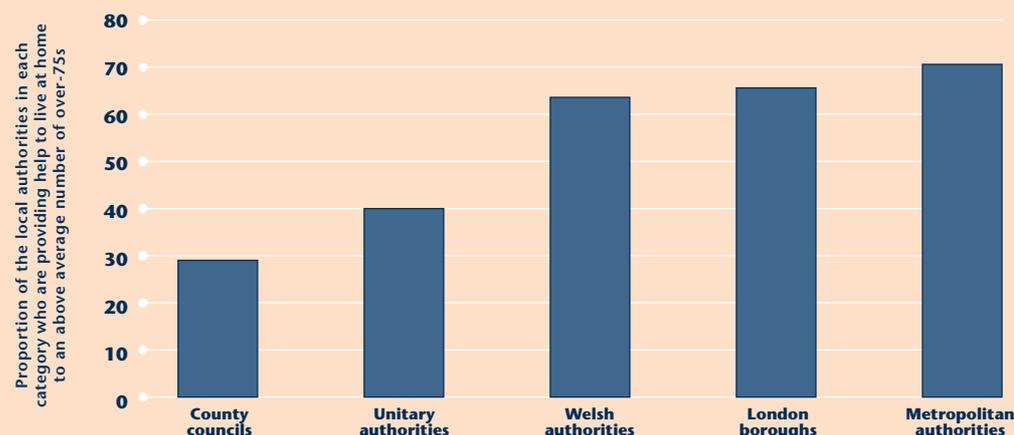
Source: Audit Commission Performance Indicators for England 2001/02, Local Government Data Unit for Wales 2001/02 and ONS population estimates

The first graph shows the proportion of households aged 75 and over receiving home help/care from their local authority. The statistics are collected by the DH from all local authority social services departments in England.

'Being helped to live at home' includes provision of the following services: traditional home help services, including home help provided by volunteers; practical services that assist the client to function as independently as possible and/or continue to live in their own homes; and overnight, live-in and 24-hour services. The data comes from the DH HH1 form and relates to England. Note that data is collected in a sample week in autumn of the year stated, and divided by the estimated population at 30 June in the same year.

The second graph counts local authorities in England and Wales according to whether they help an above or below average number to live at home, with the results shown by five types of authority. The data is for 2001/02 and relates to England and Wales.

*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.*

A further graph showing how the number of people aged 65 and over helped to live at home varies by region can be found at www.poverty.org.uk.

Rural access to services

While four-fifths of the rural population have a shop in their parish, half of the people in parishes of less than 1,000 people do not.

For each group of parishes, proportion of the population who do not have the stated service in their parish (%)

Legend: No GP surgery / No taxi or dial-a-ride service / No shop or store / No bus service

Parish size (in terms of number of people in the parish): All parishes, 0–999, 1,000–2,999, 3,000+

Source: Rural Services Survey, 2000, Countryside Agency

More than half of single pensioners in rural areas do not have a car compared with one in seven pensioner couples.

For each family type and geographic setting, households without a car (%)

Legend: Single pensioners / Pensioner couples

Rural districts, Urban districts

Source: 2001 Census

The first graph shows the proportion of the rural population who have local access to selected services, with the data shown separately for people living in parishes of up to 1,000 people, from 1,000 to 2,999 people, and 3,000 or more people. These parish groupings have been chosen on the grounds that, collectively, they each make up about a third of the rural population. The selected services are two basic essential services (shop/store and GP surgery) and the two main transport services (buses and taxis/dial-a-ride).

The data source is the 2000 Rural Services Survey undertaken by the Countryside Agency and the data relates to England.

The second graph shows the proportion of pensioners without a car, with the data shown separately for rural and urban districts and, within this, for single pensioners and pensioner couples.

The data source is the 2001 Census. The data relates to England. The classification of districts into rural and urban is that defined by the Countryside Agency.

Overall adequacy of the indicator: **high**. *The Rural Services Survey is a comprehensive and substantial survey, as is the Census.*

6 Communities

How 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

The indicator, '**the proportion of households in social housing who have a low income**' shows the extent to which low income is concentrated and reflects the polarisation that exists between areas of housing with large numbers of workless households and areas with a high proportion of two-earner households.

Access to services

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**', showing the variation in this level across the income distribution.

It is becoming increasingly important for people to have the benefits of modern financial services, which reduce costs and 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**', showing the variation in this proportion across the income distribution and for particular disadvantaged groups.

Crime

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.

One of the most common crimes is that of burglary. The first crime-related indicator is '**the total number of burglaries**' with the second graph showing the extent of the greater vulnerability of particular groups to that crime.

Property crime is particularly serious for those on low income without household insurance who, by definition, are less able to replace stolen goods themselves. The second indicator is '**the proportion of households without household insurance**', with the second graph showing the variation in this proportion across the income distribution.

The third indicator shows '**the proportion of individuals expressing dissatisfaction with their neighbourhood**', also showing the variation in this proportion across the income distribution and between types of housing tenure.

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. The main reason for a home being classified as 'non-decent' is lack of a reasonable degree of thermal comfort.[30] The first housing indicator is '**the proportion of households which do not have central heating**'.

Overcrowding is associated with a higher rate of child accidents;[31] it encourages infection;[32] and the resulting lack of privacy can be a considerable cause of mental stress.[33] The second indicator is '**the proportion of households which are over-crowded**'.

Homelessness causes, and is caused by, many other aspects of poverty and social exclusion, including financial problems, lack of work and deterioration in mental and physical health. It is also a much bigger problem than that of rough sleeping.[34] Local authorities have a responsibility to provide accommodation for many of 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, although much less of an issue than in the early 1990s, 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
Indicator 41: Concentration of poverty
Half of all people in social housing are on low incomes compared with one in six of those in other housing tenures.

Almost half of heads of households aged between 25 and 54 in social rented housing are not in paid work compared with 1 in 10 of those in other housing tenures.

Indicator 42: Transport
Spending on travel by households on low incomes is only a quarter as much as that of households on average incomes.

People without a car living in small settlements are more likely to say that their public transport is bad than those living in major towns.

Indicator 43: Without a bank or building society account
One in six of the poorest households still do not have any type of bank or building society account, even given the apparent improvement in 2001/02. This is four times the rate for households on average incomes.

Lone parent, unemployed, sick, disabled and black households are all much more likely to have no account than the average household.

Indicator 44: Burglaries

The number of burglaries is just over half the level of a decade ago.

The burglary rate is three times as high in Yorkshire and the Humber as in Wales.

Indicator 45: Without household insurance

Households with no insurance cover are much more likely to be burgled than those with insurance.

Half of the poorest households are uninsured, compared with one in five for households on average incomes.

Indicator 46: Dissatisfaction with local area

Low income households are twice as likely to feel very dissatisfied with the area they live in as richer households.

A third of social tenant households report that one or more of crime, vandalism and graffiti is a serious problem in their area, almost twice the rate as that for owner-occupiers.

Indicator 47: Without central heating

Although poorer households remain more likely to lack central heating, the proportion who do so is now actually less than that for households on average incomes in 1995/96.

The proportion of households without central heating is three times greater in Yorkshire than in the North East.

Indicator 48: Overcrowding

The proportion of people living in overcrowded conditions fell by more than a third between 1990 and 1998 but has not fallen since then.

A third of adults living in overcrowded conditions neither own nor rent the property they are living in.

Indicator 49: Homelessness

The number of households in temporary accommodation continues to rise sharply.

Statutory homelessness occurs across the country but is much more prevalent in London.

Indicator 50: Mortgage arrears

The number of mortgage holders in serious arrears is at its lowest for more than a decade.

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.

Indicator 41 Concentration of poverty

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Single Regeneration Budget	1994: introduced, with successive rounds over the years. 2001: announcement that there will be no further rounds – subsumed into the Regional Development Agencies Single Programme	ODPM; interdepartmental	Regional Development Agencies (RDAs)	The original objectives were to improve employment prospects, address social exclusion, promote sustainable regeneration, protect the environment and infrastructure, and support and promote economic growth. Under SRB rounds 1–6, 1,000 schemes have been approved worth £5.5 billion in SRB support over their lifetime of up to 7 years. From March 2001, RDAs were given more flexibility in the development of their strategies within 11 overall targets (which include a reduction of 10% in the deprivation of those wards that are currently in the bottom 20% of the regions identified by the Indices of Deprivation). A budget of £1.7 billion in 2003/2004.
Employment Zones	February 1998: initiated March 2002: extended to March 2004	DfES (DWP also involved)	Partnership of public, voluntary and private sector organisations	Each zone is situated in an area of high unemployment and aims to get 15–20% improvement in moving selected groups into work. There are 15 zones in total. From October 2003, the Employment Zone approach is being extended to people who would otherwise return to the New Deal for Young People for a second or subsequent time in existing Employment Zone areas. Government figures are Employment Zones had helped 37,000 people into work by May 2003. A budget of £250 million for 1998–2003.
New Deal for Communities	1998: first round of 17 areas announced 1999: 22 new areas invited to bid for funding 2000: implementation begins in the first round areas 2001: announced there will be no further rounds	ODPM leads a cross-Whitehall initiative	Partnerships of local people, business, community and voluntary organisations and local authorities. RDAs also involved	An initiative to tackle deprivation in selected areas. Aims to reduce poor job prospects, high levels of crime, educational underachievement and poor health in 39 of the poorest neighbourhoods. Within this, there are a variety of targets including a reduction by a third between 2001 and 2004 in the number of households living in social housing that does not meet defined standards. Each initiative focuses on a small geographic area of up to 4,000 households, with a 10-year timeframe, funding of £20–50 million, and some local flexibility in how the money is spent. England only, with the devolved assemblies/parliaments having their own programmes. A budget of £800 million over 1999–2002, with a 10-year commitment of £2 billion.
National Strategy for neighbourhood renewal	2001: strategy published 2001: Neighbourhood Renewal Unit (NRU) established	NRU leads a cross-Whitehall initiative	Lead government department varies by subject area	Two overall aims: 1. To bridge the gap between the most deprived neighbourhoods and the rest of England. 2. In the worst neighbourhoods to achieve lower long-term worklessness, less crime, better health and better educational qualifications. The strategy includes such schemes as Neighbourhood Renewal Fund, New

Indicator 42 Transport

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
				Deal for Communities, Local Strategic Partnerships, Neighbourhood Management, Street Wardens and Community Chests. A central concept is that of 'floor targets' which no neighbourhoods should be below. These floor targets cover the full range of government activity and many are incorporated into the relevant Public Service Agreements (for health, education, etc). Budget: funds are divided between various components of NRU. For example: a budget of £900 million to Neighbourhood Renewal Fund from 2001/02 to 2003/04 (for the 88 most deprived wards) and £400 million per year thereafter, £45 million for Neighbourhood Management and £50 million for Community Chest.
Rural Bus Challenge	1998	Department for Transport	Local authorities	Aims to provide 39 local authorities with money to launch 58 rural transport schemes across England to tackle social isolation. Budget of £200 million for new or improved rural bus services across England in the current 3-year spending plan (2001/02–2003/04).

Indicator 43 Without a bank or building society account

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Basic bank accounts	October 2000: all banks to have such accounts	Treasury	Banks and building societies	Most banks now provide basic bank accounts (no overdraft facilities, but direct debit and cash card available).
Universal Banking Services	2001: announced April 2003: start of rollout	DTI	The Post Office and individual post offices	An joint initiative between the government and the Post Office to provide access to basic bank accounts at post offices. Aims: to modernise welfare payments (i.e. benefits, pensions and tax credits) by making payments directly into bank accounts, reducing administrative costs and fraud; to increase financial inclusion; and to provide a means of generating replacement business for the Post Office network, helping to ensure it remains viable. From April 2003, benefit payments are being migrated to payment by Automated Credit Transfer (ACT). By the end of the migration period in 2005, it is intended that the normal method of payment will be into a bank account. Also envisages people being able to access their basic bank accounts at post offices. Major banks expected to contribute up to £180 million to the cost of running the Post Office accounts.

Indicator 44 Burglaries

Relevant Public Service Agreement targets

Public Service Agreement 2002, Home Office, Target 1

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

- vehicle crime by 30% from 1998/99 to 2004;
- domestic burglary by 25% from 1998/99 to 2005;
- robbery in the 10 Street Crime Initiative areas by 14% from 1999-2000 to 2005; and maintain that level.

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Crime Reduction Programme	April 1999: initiated Individual projects have varying start dates Now finished	Home Office	Police, and prison service	An umbrella scheme covering 15 separate projects aimed at the Government's general crime reduction targets. A particular target is to reduce domestic burglary by 25% from a 1998/99 baseline, with no local authority area having a rate more than three times the national average by 2005. A budget of £250 million for 2000–2003, with a further £150 million for the CCTV initiative. Local Crime and Disorder Reduction Partnerships now receive direct funding, with a budget of £84 million a year.
Reducing Burglary Initiative	April 1999: round 1 October 1999: round 2 April 2000: round 3 Now finished	Home Office	Local partnerships	Aimed to reduce burglary nationally by targeting areas with the worst domestic burglary problems. Round 1 and 2 applicants needed to have a level of burglaries twice the national average and schemes were limited to a duration of 1 year. Round 3 applicants needed levels of burglaries 1 1/2 times the national average and are of unlimited duration. Between 1999 and 2002, an estimated 2 million homes were covered, preventing an estimated 15,000 burglaries per year. A budget of £25 million over 3 years.

Indicator 47 Without central heating

Relevant Public Service Agreement targets

Public Service Agreement 2002, DEFRA, Target 6

Reduce fuel poverty among vulnerable households by improving the energy efficiency of 600,000 homes between 2001 and 2004.

Public Service Agreement 2002, Office Of The Deputy Prime Minister, Target 6

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

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Warm Front	May 2000: introduced	DEFRA	Local authorities, health bodies and voluntary groups	Previously called the Home Energy Efficiency Scheme. Aims to improve heating and insulation of vulnerable households through grants of up to £2,500. Average grant in 2001–2002 was £445. Interim target for England: by 2004, 800,000 households will be assisted by the programme. Focused on the private sector. A budget of £600 million for 2000–2004.
Warm Zones	2001: pilot schemes introduced	DTI and DEFRA	Energy suppliers and other selected partners	Aims to facilitate the efficient, integrated and appropriate delivery of practical measures to alleviate fuel poverty and improve domestic energy efficiency in defined areas. 5 pilot schemes. Three-year budget of £7 million from a range of sources.
UK Fuel Poverty Strategy	November 2001: launched	DTI and DEFRA	DTI, DEFRA and devolved administrations	Original aim to eliminate fuel poverty in vulnerable groups by 2010 in the UK through improved energy efficiency and reduced fuel costs. Amended in November 2002 to include seeking an end to fuel poverty for both vulnerable households and non-vulnerable households living in social housing as far as reasonably practicable by 2010. No specific budget.
Energy Efficiency Commitment	April 2002	DEFRA	Energy suppliers	Forces energy suppliers to focus at least 50% of energy savings on low-income consumers. Focused on those in social housing.

Indicators 48 Overcrowding; 49 Homelessness

Selected major initiatives under way

Policy	Starting dates	Key department	Key delivery agency	Budget/target/comment
Housing Investment Programme (HIP) reforms	Gradual	ODPM	Local authorities	A variety of targets including: (1) By March 2002, to reduce the backlog of council house repairs by at least 250,000 with more than 1¹/₂ million council houses benefiting from the new investment by March 2002. (2) To reduce the number of people sleeping rough by two-thirds from current levels by 2002 (achieved). An overall budgetary allocation of £2.65 billion in 2001/02 (HIP = £0.98 billion, MRA = £1.67 billion) and £2.55 billion in 2002/03. From 2002/03, HIP became part of the Single Capital Pot process whereby the bulk of capital resources are allocated to local authorities through a cross-service Basic Credit Approval.
The capital receipts initiative to release council house sale monies	1997	ODPM	Local authorities	Aims include tackling poor housing and poor health in run down estates. A budget of £1.3 billion over the 3 years to 1999/00.
Homelessness Act 2002	March 2002	ODPM	Local authorities, housing authorities, social services authorities	Aims to improve both the provision for those who are homeless (primarily by extending local authorities' duty to provide housing to a larger group of homeless people) and the quality and coherence of preventative work (through the introduction of a statutory duty on local authorities to conduct homelessness reviews and compile homelessness strategies). At around the same time, the Homelessness Directorate was formed, bringing together the Rough Sleepers Unit, the Bed-and-Breakfast Unit. In 2002/03, it had a budget of £100 million and it will be spending £260 million over the next 3 years.
Supporting People Programme	April 2003	ODPM	Working partnership of service users, support agencies and local authorities, NHS and probation services	Aims to improve housing-related support services for vulnerable people including those who might be at risk of homelessness. The type of provision offered includes housing management, housing-related support (such as independent living skills), home care, meals services and personal care.

Concentration of poverty

Half of all people in social housing are on low incomes compared with one in six of those in other housing tenures.

Proportions below 60% of median income, after deducting housing costs (%)

■ Households who are social renting   ■ Other households

60
50
40
30
20
10
0

1994/95   1995/96   1996/97   1997/98   1998/99   1999/00   2000/01   2001/02

Source: Households Below Average Income Series, DWP, 1995–2003

Almost half of heads of household aged between 25 and 54 in social rented housing are not in paid work compared with one in ten of those in other housing tenures.

For each combination of age group and tenure, proportion of households where the head of household is not in paid work (%)

■ Households who are social renting   ■ Other households

70
60
50
40
30
20
10
0

Aged under 25   25 to 54   55 to pensionable age

Source: 2001 Census

The first graph shows the proportion of people in low income households for people in social housing compared with people in other housing tenures.

The data source is Households Below Average Income, based on the Family Resources Survey (FRS) and the data relates to Great Britain. Income is disposable household income after deducting housing costs. All data is equivalised (adjusted), to account for variation in household size and composition. The self-employed are included in the calculations.

The second graph shows the proportion of households where the 'household reference person' (which is the person with the highest income in the household) is not in paid work, with the data broken down by age group as well as housing tenure.

The data source is the 2001 Census and the data relates to the United Kingdom.

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.*

A further graph showing how proportion of households without paid work varies by region can be found at www.poverty.org.uk.

Transportt

Spending on travel by households on low incomes is only a quarter as much as that of households on average incomes.
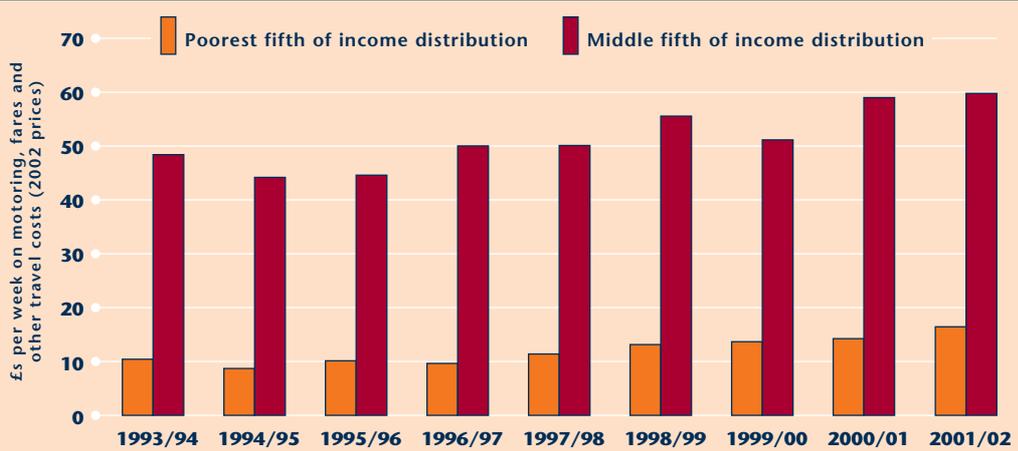
Source: The Family Expenditure and Expenditure and Food Surveys, ONS 1992–2003; and the Pensioner Retail Price Index, ONS, 2003

People without a car living in small settlements are more likely to say that their public transport is bad than those living in major towns.
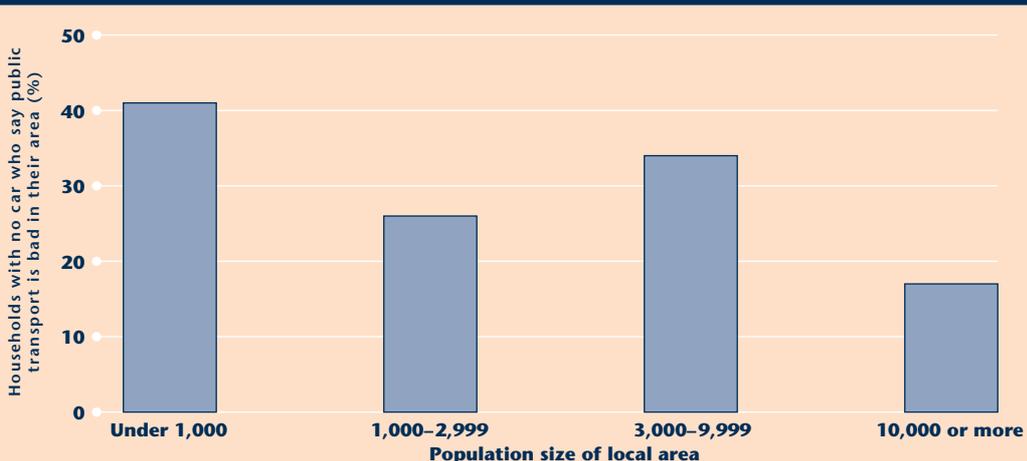
Source: Survey of English Housing 2000/01, ODPM 2002

The first graph shows weekly household spending on travel (on motoring, fares and other travel costs), with separate figures for households in the poorest fifth of the income distribution and for households on average incomes (middle fifth of the income distribution).

The data source is the Expenditure and Food Survey (EFS) and is unweighted. The data relates to the United Kingdom and is at prices for the latest year shown (with previous years' data inflated by the Retail Price Index excluding housing costs). Income is gross weekly household income.

The second graph shows the proportion of those households who do not have access to a car who say that public transport is bad in their area.

The data source is the 2000/01 Survey of English Housing (SEH) and the data is for England only.

*Overall adequacy of the indicator: **medium**. The EFS and SEH are both well-established annual government surveys, designed to be nationally representative, but it is not clear that the data fully captures the problems of transport in relation to poverty and social exclusion.*

Without a bank or building society account

One in six of the poorest households still do not have any type of bank/building society account, even given the apparent improvement in 2001/02. This is four times the rate for households on average incomes.

Legend: **Poorest households** | **Households with average incomes**

Y-axis: Households with no bank or building society account: by income (%)

X-axis: 1994/95, 1995/96, 1996/97, 1997/98, 1998/99, 1999/00, 2000/01, 2001/02

Source: Family Resources Survey, DWP, 1994–2003

Lone parent, unemployed, sick, disabled and black households are all much more likely to have no account than the average household.

Y-axis: For each group, proportion of households with no account (%)

X-axis: All households, Asian or Asian British, Black or black British, Sick and disabled, Unemployed, Lone parents

Source: Family Resources Survey 2001/02, DWP
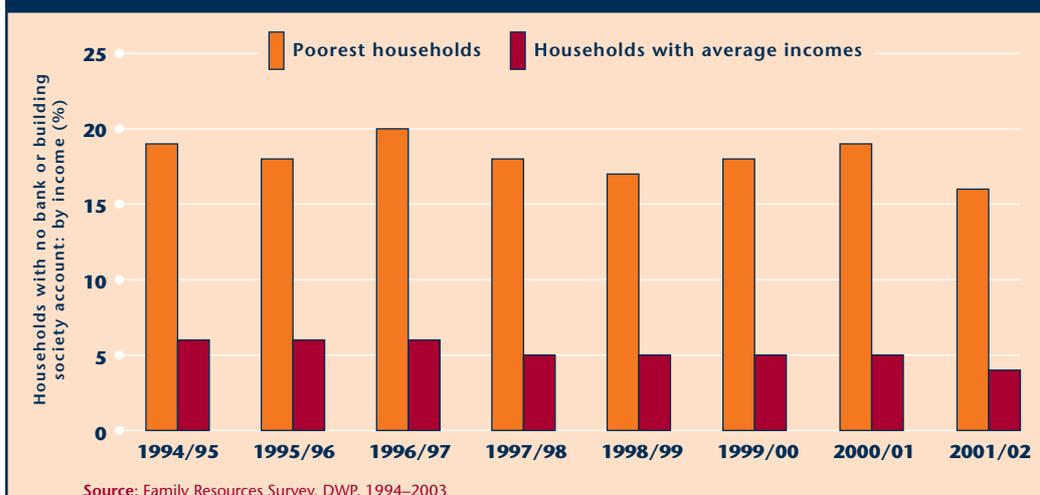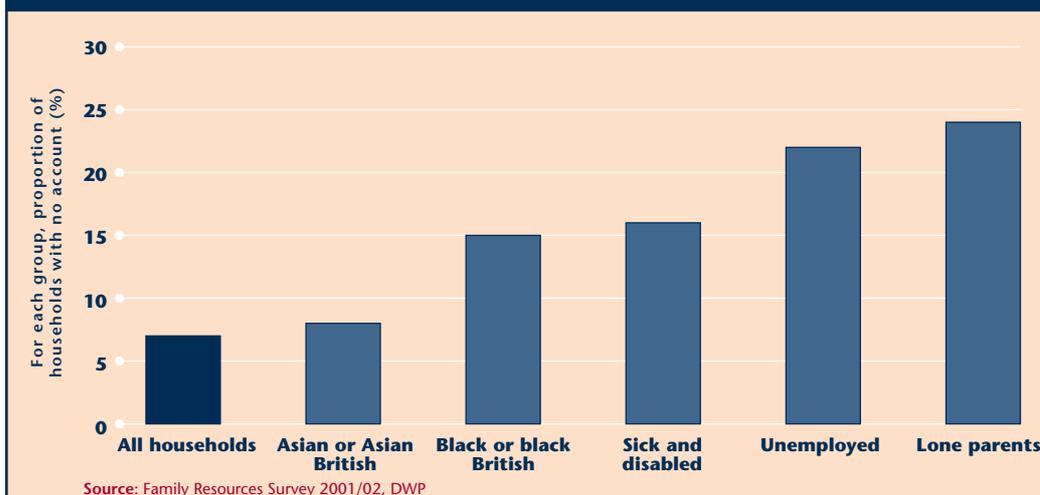
The first graph shows the proportion of households without a bank, building society, or any other kind of account. The data is split to show separately households in the poorest fifth of the income distribution and households on average incomes (middle fifth of the income distribution). 'Income' is household disposable income, equivalised to take account of household composition, and is measured before housing costs.

The second graph shows how the proportions vary for selected different household types (as determined by the head of household) in the latest year. A figure for all households is provided for comparison. 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 data source for both graphs is the Family Resources Survey (FRS) and relates to Great Britain.

*Overall adequacy of the indicator: **high**. FRS is probably the most representative of the surveys that gather information on the extent to which people have bank and other types of account.*

Burglaries

The number of burglaries is just over half the level of a decade ago.

Number of burglaries (millions)

	1993	1995	1997	1999	2001/02	2002/03

Source: British Crime Survey, Home Office, 2003

The burglary rate is three times as high in Yorkshire and the Humber as in Wales.

Households burgled at least once in a 12-month period (%)

Yorkshire and the Humber · North West · London · West Midlands · South West · North East · South East · East Midlands · East · Wales

Source: British Crime Survey 2002/03, Home Office, 2003

The first graph shows the number of burglaries committed in each year shown.

The second graph shows, for the latest year, how the risk of burglary varies by region.

The data source for both graphs is the British Crime Survey (BCS) and the data is for England and Wales (BCS only covers England and Wales).

Overall adequacy of the indicator: **high**. *BCS is a well-established government survey that is designed to be nationally representative.*

A further graph showing how risk of burglary varies by household type can be found at www.poverty.org.uk.

Without household insurance

Households with no insurance cover are much more likely to be burgled than those with insurance.

■ Households with insurance ■ Households without insurance

For each group, proportion of households burgled (%)

1999 — 2001/02 — 2002/03

Source: British Crime Survey, Home Office 1999–2003, Expenditure and Food Survey, ONS 2003, and NPI calculations
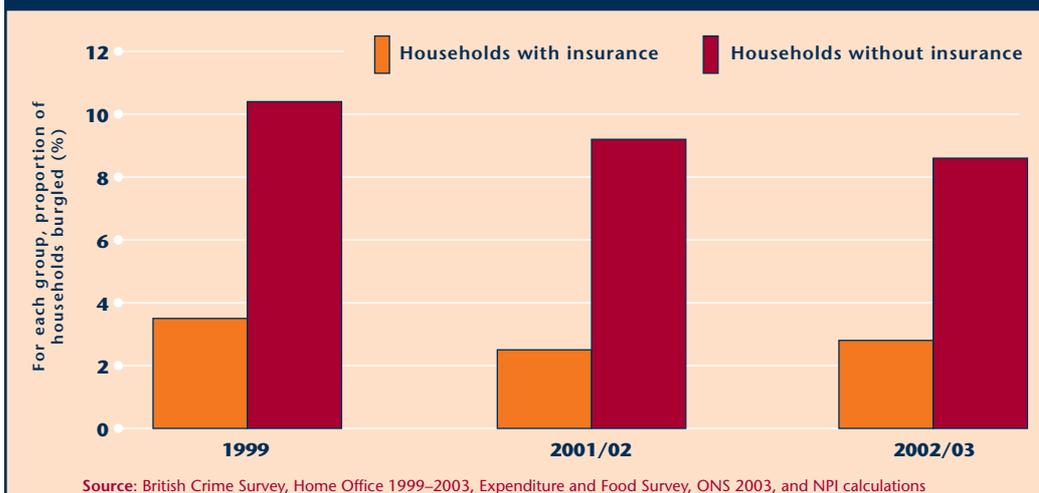
Half of the poorest households are uninsured, compared with one in five of households on average incomes.

Households in each income quintile without home contents insurance (%)

Poorest fifth — 2nd — 3rd — 4th — Richest fifth

Income quintiles

Source: The Expenditure and Food Survey 2001/02, ONS 2003
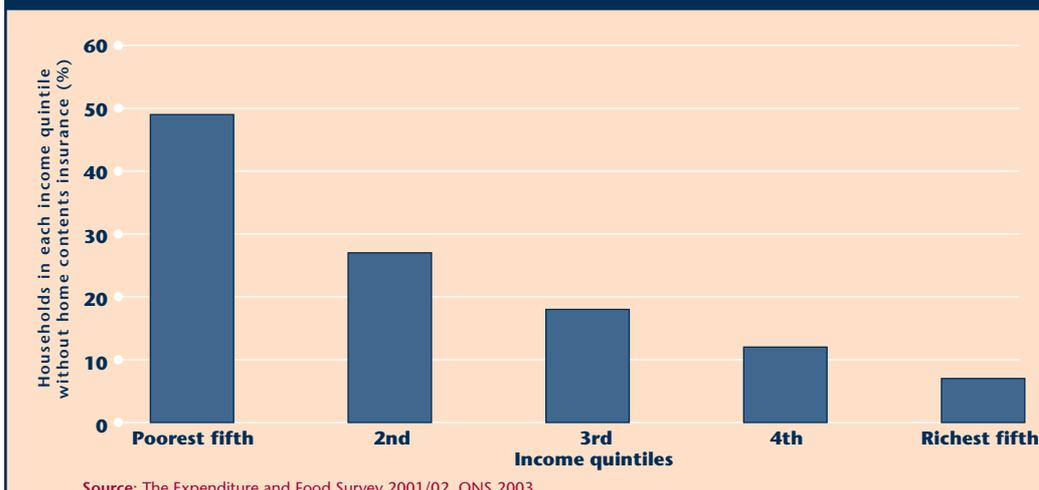
The first graph shows the proportion of households with and without home contents insurance that were victims of a burglary one or more times in each of the years shown. The rate is calculated by the New Policy Institute using data on burglaries from the British Crime Survey (BCS) and data on household insurance from the Expenditure and Food Survey (EFS). The estimates are for England and Wales.

Note that data for years earlier than 1999 has not been included in the graph as it was collected on a different basis (via a direct question in the BCS), and is therefore not directly comparable.

The second graph shows, for the year 2001/02, how the proportion of households without insurance cover for household contents varies according to the household's income. The division into income quintiles is based on gross, non-equivalised income. The data source is the EFS and relates to the United Kingdom.

*Overall adequacy of the indicator: **medium**. The BCS and EFS are well-established government surveys that are designed to be nationally representative.*

Dissatisfaction with local area

Low income households are twice as likely to feel very dissatisfied with the area they live in as richer households.

Proportion of households very dissatisfied with their area (%)

Head of household receiving less than £200 a week

Head of household receiving £200 a week or more

1994/95　1995/96　1996/97　1997/98　1998/99　1999/00　2000/01　2001/02　2002/03

Source: Survey of English Housing, ODPM 1994–2003
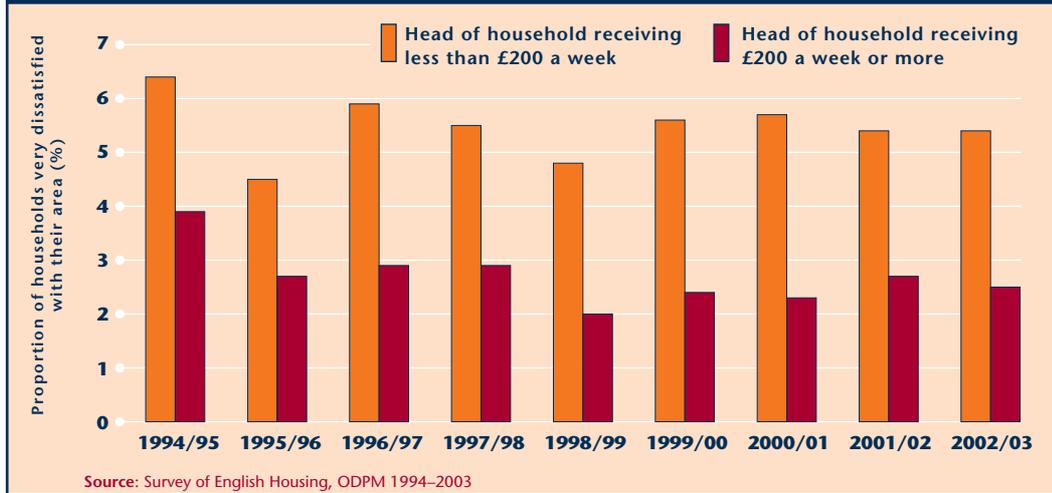
A third of social tenant households report that one or more of crime, vandalism and graffiti is a serious problem in their area, almost twice the rate for owner-occupiers.

For each tenure, proportion of households reporting serious problems (%)

2 or 3 serious problems

1 serious problem

Owner-occupiers　Private tenants　Social tenants

Source: Survey of English Housing, 2002/03, ONS 2003

The first graph shows the proportion of households who say they are very dissatisfied with their local area, with the data shown separately depending on whether the gross weekly household income is above or below £200. 'Household income' is the income of the head of the household and their partner (if any). The figures count those who replied 'very dissatisfied' to the question – the worst of five possible responses.

Note that, from 2001/02, the concept of head of household was replaced by that of household reference person (i.e. the person with the highest income in the household).

The second graph shows, for each housing tenure in the latest year, the proportion of households who say that one or more of crime, vandalism or graffiti is a serious problem in their area. The figures count those who replied both that there was a problem and that it was serious, the worst of three possible responses.

The data source for both graphs is the Survey of English Housing (SEH). The data relates to England.

*Overall adequacy of the indicator: **high**. SEH is a well-established government survey, designed to be nationally representative.*

Without central heating

Although poorer households remain more likely to lack central heating, the proportion who do so is now actually less than for households on average incomes in 1996/97.

Legend: Poorest fifth / Households with average incomes

Source: The Family Resources Survey 1995–2002, ONS 2003
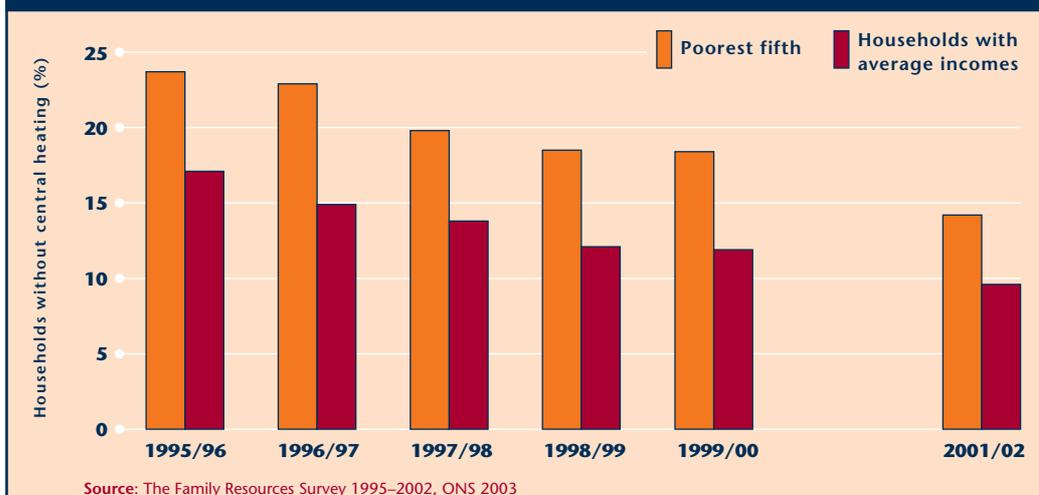
The proportion of households without central heating is three times as great in Yorkshire and the Humber as in the North East.

Legend: Social rented / Private rented / Owned

Source: 2001 Census, ONS, General Register Office for Scotland and NISRA, 2003
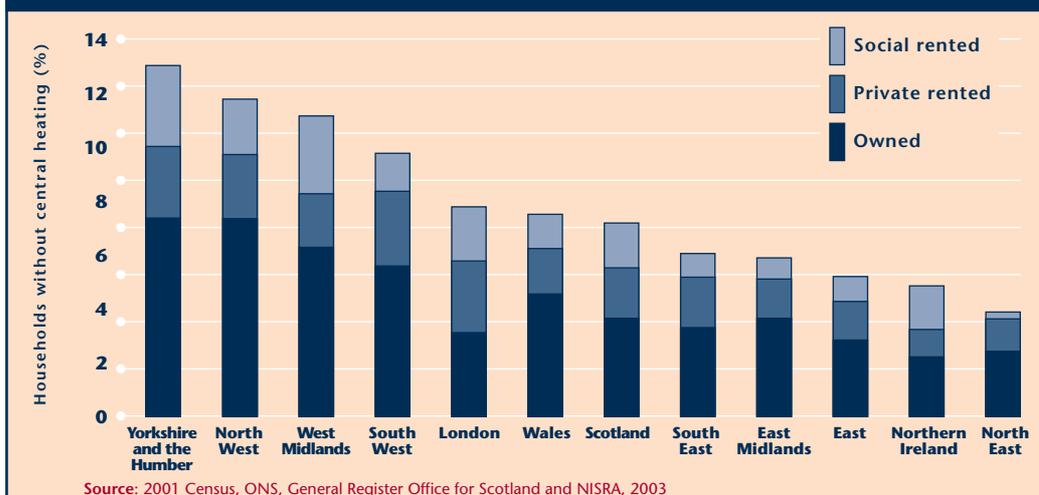
The first graph shows the proportion of households without central heating, with separate figures given for the poorest fifth of households and for households on average incomes. Income is gross unequivalised household income.

The data source is the Family Resources Survey (FRS) and relates to Great Britain.

The second graph shows how the proportion of households without central heating varies by region and housing tenure. The data is from the 2001 Census and relates to England and Wales.

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

A further graph showing central heating by type of housing tenure can be found at www.poverty.org.uk.

Overcrowding

The proportion of people living in overcrowded conditions reduced by more than a third between 1990 and 1998 but has not fallen since then.

Proportion of households/people who are living in overcrowded conditions (%)

1991/92 92/93 93/94 94/95 95/96 96/97 97/98 98/99 99/00 00/01 01/02

People
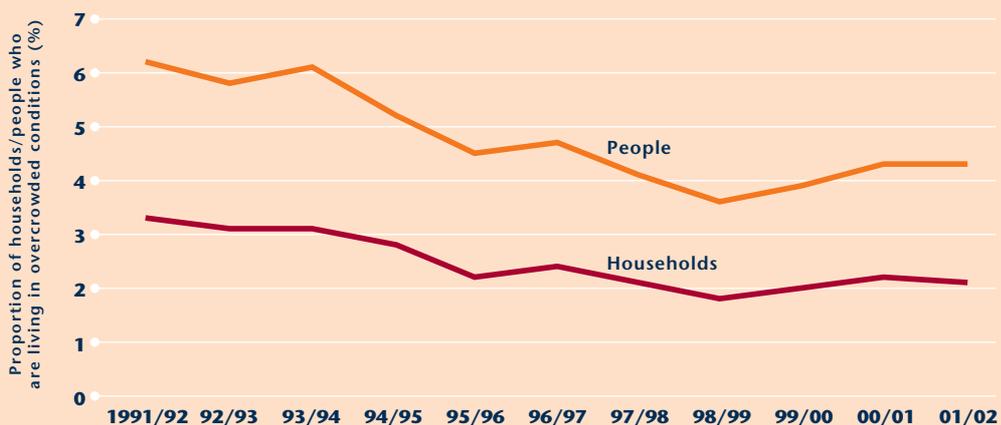
Households

Source: General Household Survey, 1991–2002, ONS 2003

A third of adults living in overcrowded conditions do not either own or rent the property they are living in.

Not an owner/renter and aged 25 or above
200,000

Young adult who is not an owner/renter
300,000

Owns/rents property (includes spouses)
900,000
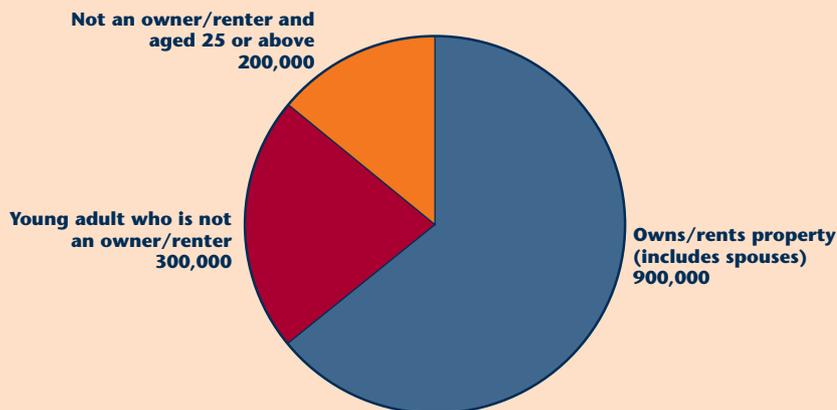
Source: Survey of English Housing, 2002–03, ONS 2003

The first graph shows the proportion of both people and households that fall below a measure of occupation density known as the 'bedroom standard'. Note that the proportion of people living in overcrowded conditions is much higher than the proportion of households. The data source is the General Household Survey and 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 provides a breakdown of those aged 16 and over who are living in overcrowded conditions, by age and status. The various statuses are owner of the property, renter of the property, spouse of the owner or renter, and neither owner/renter nor spouse. The data source is the Survey of English Housing and relates to England.

*Overall adequacy of the indicator: **limited**. The bedroom standard itself is considered by many to be low, particularly for those aged over 10, and the overall level of overcrowding shown by it may therefore be too low.*

Further graphs showing overcrowding by region and by housing tenure can be found at www.poverty.org.uk.

Homelessness

The number of households in temporary accommodation continues to rise sharply.

Source: Homeless Bulletins, ODPM, Statistical Bulletin Housing Series, Scottish Executive; Welsh Office Housing Statistics

Statutory homelessness occurs across the country but is much more prevalent in London.

Source: Statutory Homelessness England, Statistical Release, ODPM 2003
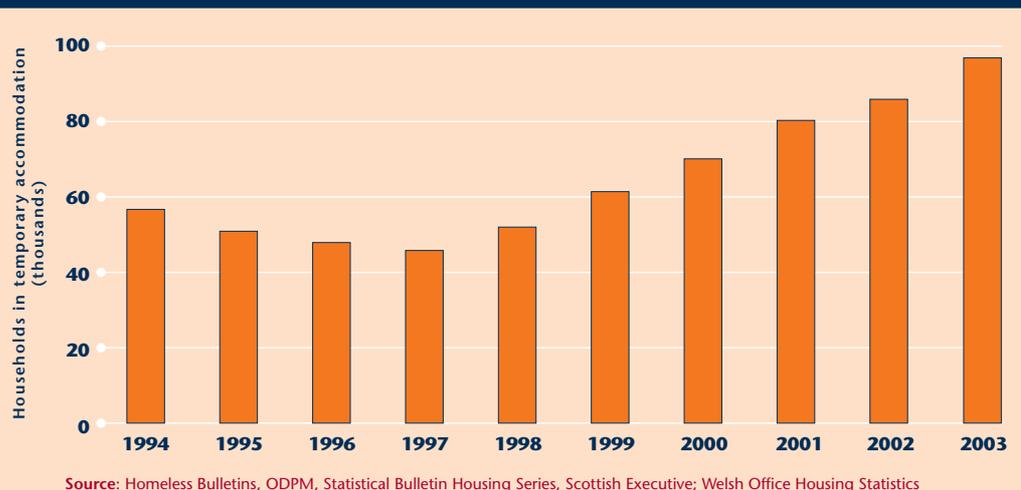
The first graph shows the number of households in temporary accommodation in Great Britain, measured at the end of the first quarter of each year. For Scotland and Wales, the first quarter data for 2003 is not yet available, so the latest available data was used (last quarter of 2002 and second quarter of 2002 respectively). 'Temporary accommodation' includes bed and breakfast, hostel accommodation, private renting, and other.

The second graph shows a breakdown by region of people accepted as homeless and in priority need in England in 2002/03.

*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 judgement is clearly unsatisfactory. In particular, the figures do not include many single people who are effectively homeless, as local authorities have no general duty to house such people.*

A further graph showing households in priority need by reason can be found at www.poverty.org.uk.

Mortgage arrears

The number of mortgage holders in serious arrears is at its lowest for more than a decade.

Mortgage holders more than twelve months in arrears (thousands)

160	
140	
120	
100	
80	
60	
40	
20	
0	

1988 89 90 91 92 93 94 95 96 97 98 99 00 01 02

Source: Council of Mortgage Lenders 2002

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 (%)

- Economically inactive
- Unemployed
- Part-time employment

1981   1993/94   2002/03

Source: LFS Housing Trailer, DoE (1981); Survey of English Housing, ODPM 2003 (1993/94 and 2002/03)
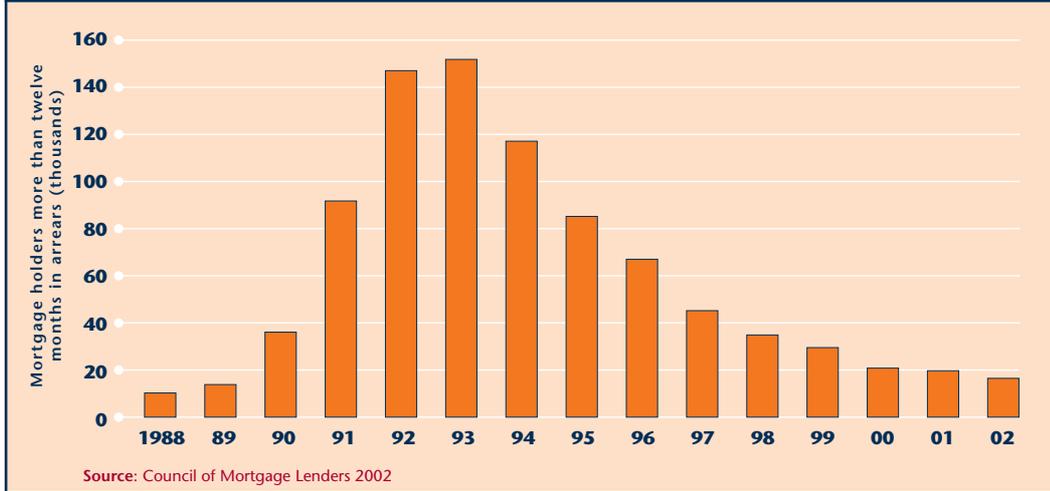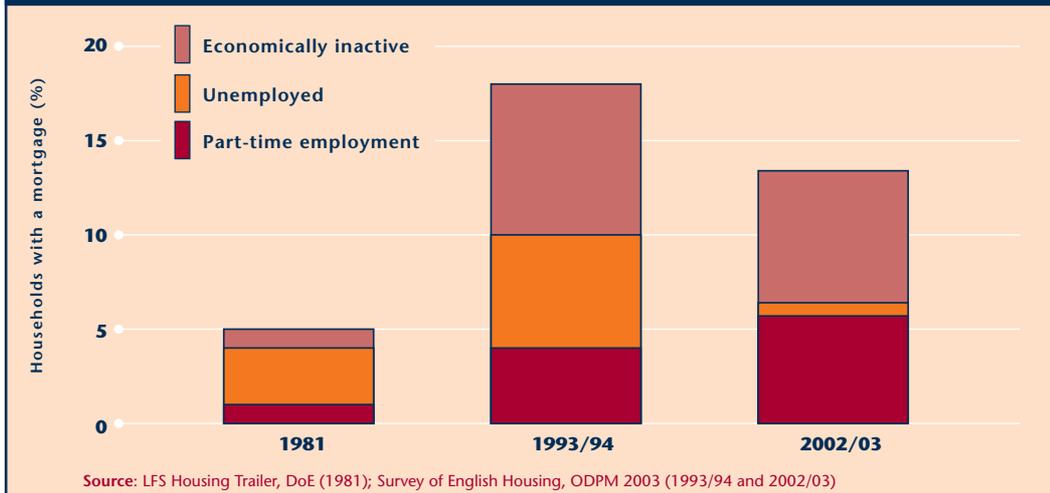
The first graph shows the number of residential mortgage holders who were 12 months or more in arrears with their mortgage repayments at the end of each of the years shown.

The data is from the Council of Mortgage Lenders (CML) and relates to the United Kingdom. The figures are based on a sample that typically averages 85 per cent of the total mortgage market in any given year.

The second graph shows the proportion of households with mortgages where the head of the household has the economic status shown. The data is from the Survey of English Housing (2002/03) 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.*

Notes

1   The New Earnings Survey under-estimates the numbers because it only covers PAYE employees. The Office for National Statistics has declared that the Labour Force Survey data on low pay is somewhat unreliable because of difficulties in eliciting truthful answers on matters of income and because of the high levels of non-response to the relevant questions.

2   Like both the UK government and the EU, our 'headline' indicator for low income is '60 per cent of contemporary median income', with all figures presented here being after housing costs have been deducted.

3   Public Service Agreement, 2002, using a baseline of 1998/99 and a low income threshold of 60% of median income. In 1998/99, there were 4.2 million children living in households below this low income threshold (after deducting housing costs). So the target is for there to be 3.2 million children or less below the threshold by 2004 and 2.1 million by 2010. In 2001/02, there were 3.8 million children below the threshold, so achieving the 2004 target will require a further fall of 600,000 over the following three years.

4   In 2001/02, there were around 3 million people in low income households without dependent children and with the head of the household aged 59 or younger. Of these, the head of the household was in their 50s in around 1 million.

5   The graph referred to relates to overall income inequalities and shows that the richest tenth's share of total income has grown in recent years. Another graph specifically on the relative earnings of the lowest and highest paid is provided on the www.poverty.org.uk website (indicator 26) and shows a similar trend.

6   See indicators 19 and 26 on the www.poverty.org.uk website.

7   See indicator 25 on the www.poverty.org.uk website.

8   *Monitoring Poverty and Social Exclusion in Scotland*, Kenway P., Fuller S., Rahman M., Street C. and Palmer G., Joseph Rowntree Foundation, 2002.

9   See indicator 25 on the www.poverty.org.uk website.

10 See indicator 39 on the www.poverty.org.uk website for a regional breakdown of the figures.

11 See indicator 14 on the www.poverty.org.uk website.

12 The table below is taken from Appendix 2, Households Below Half Average Income 1994/95 – 1999/00, where further details of equivalisation are also discussed. DWP 2001.

	After housing costs	Before housing costs
Head	0.55	0.61
Spouse	0.45	0.39
Other second adult	0.45	0.46
Third adult	0.45	0.42
Subsequent adults	0.40	0.36
Each dependant aged:		
0–1	0.07	0.09
2–4	0.18	0.18
5–7	0.21	0.21
8–10	0.23	0.23
11–12	0.26	0.25
13–15	0.28	0.27
16 and over	0.38	0.36

13 For example, see *Low Birth Weight – Evidence of Effective Interventions,* NHS Health Development Agency, 2003.

14 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.

15 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.

16 Atkinson A. in *Exclusion, Employment and Opportunity,* edited by Atkinson, A. and Hills, J., Case Paper No 4, Centre for Analysis of Social Exclusion, London School of Economics, 1998, page iii.

17 From the previous chapter on low income: 30 per cent of children are in low income households compared with 23 per cent of working age adults.

18 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.

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

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

21 *Employment and Training for Ex-Offenders,* Joseph Rowntree Foundation Findings, 1998.

22 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.

23 For example, see *Obesity: A Growing Concern,* NHS Health Development Agency, 2001, and McCormick, J. in *'Welfare in Working Order',* IPPR, 1998, page 177.

24 From the 2003 Spring Quarter of the Labour Force Survey: around 700,000 people are economically inactive, long-term sick or disabled, and want paid work. This is two-fifths of the total number of economically inactive people who want paid work.

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

26 Of the estimated 1.8 million non-recipients of Council Tax Benefit in 2000/01, 1.3 million were pensioners. *The Impact of Council Tax on Older People's Incomes,* Kenway P. and Pannell J., Help The Aged, 2003.

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

28 Clark et al., *The Importance of 'Low Level' Preventative Services to Older People,* Joseph Rowntree Foundation Findings, 1998.

29 *State of the Countryside,* Countryside Agency, 2003 and each year previously.

30 *English Household Conditions Survey 2001,* ODPM, 2003.

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

32 Woodruffe, C. et al. (1993) *Children, Teenagers and Health: The Key Data,* page 105.

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

34 As stated in the government report *MoreThan a Roof: A Report Tackling Homelessness,* ODPM, 2002: 'The vast majority of homeless people are actually families or single people who are not literally sleeping on the street but living with relatives and friends or in temporary accommodation.'
    Kenway P., Palmer G. and Parsons N., *How Many, How Much,* Crisis, 2003 estimates that the number of single people alone who are effectively homeless at any one time exceeds 300,000.