



# Opportunity for all

Fifth Annual Report 2003



**DWP**

Department for  
Work and Pensions



# Opportunity for all

Fifth Annual Report 2003

Presented to Parliament by  
the Secretary of State for Work and Pensions  
by Command of Her Majesty  
September 2003

**© Crown Copyright 2003**

The text in this document (excluding the Royal Arms and departmental logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Any enquiries relating to the copyright in this document should be addressed to The Licensing Division, HMSO, St Clements House, 2–16 Colegate, Norwich, NR3 1BQ.

Fax: 01603 723000 or e-mail: [licensing@cabernet-office.x.gsi.gov.uk](mailto:licensing@cabernet-office.x.gsi.gov.uk)

# Contents

<b>Foreword</b>	<b>vii</b>
<b>Introduction</b>	<b>1</b>
Our strategy	2
Making work possible	2
Providing financial security and inclusion	2
Breaking cycles of deprivation	2
Improving public services for all	3
Developing our understanding	3
Working in partnership	4
Annex: Indicators of progress	4
<b>Chapter one: Our strategy</b>	<b>5</b>
Introduction	5
Making work possible	5
A stable macroeconomy	6
Active labour market policies	9
Narrowing inequalities in employment	12
Flexible working	13
Helping lone parents into work	13
The role of childcare	14
New Deal for Partners	15
Helping disabled people into work	16
Help for recovering drug misusers	16
Improving opportunities for older workers	17
A refugee employment strategy	18
Disadvantaged neighbourhoods	18
Skills, productivity and prosperity	23
Enhancing basic skills	23
Skills Strategy	24
Providing financial security and inclusion	26
Making work pay	26
Reducing the financial risks of taking a job	26
Better off in work	29
Progression in work	31
Addressing debt problems	33
Support for those who cannot work	36
Support for pensioners	37
Pension Credit	38
Fuel poverty	40
80+ Annual Payment	40
Action on occupational pensions	40
Stakeholder pensions	41
State Second Pension	42
Pension forecasts	42
Delivering a modern service – The Pension Service	42
Third Age Service	44

Breaking cycles of deprivation	45
Financial support for families with children	46
Child Tax Credit	47
Child Trust Fund	48
Child support reform	49
The early years	49
Sure Start	50
The Children's Fund	51
Local Network Fund for children and young people	52
Local preventative strategies and identification, referral and tracking	53
Teenage pregnancy	53
Children in care	54
Parenting support	55
Delivering change and improving educational standards	56
Data collection	56
Performance standards	56
The Primary Strategy	57
Key Stage 3 National Strategy	58
Excellence in Cities	58
Curriculum	59
Leadership Incentive Grant	59
Behaviour and Attendance Strategy	59
Skill Force	60
The role of parents	60
Gifted and talented pupils	61
Creative Partnerships	61
Enterprise in schools	61
Transition to further and higher education and work	62
14–19 reforms	62
Education Maintenance Allowance	62
Connexions	63
Improving public services for all	66
Tackling health inequalities	68
Improving drug services	71
A better place to live	72
Decent housing	73
Tackling homelessness	74
Support services for elderly and disabled people	76
Improving the local environment	77
Crime and community safety	78
Anti-social behaviour	80
Access to justice	80
Conclusions	83

<b>Chapter two: Developing our understanding</b>	<b>85</b>
Introduction	85
Large families	85
Introduction	85
Definition	86
Family characteristics	86
Family type and composition	87
Ethnicity	89
Education, qualifications and skills	90
Children	90
Adult skills	90
Labour market activity	90
Workless households	90
Ethnic groups, family size and worklessness	93
Work search and childcare	95
Low income and hardship	97
Low income	97
Low income and work status	98
Hardship	100
Financial support	101
Housing	101
Fuel poverty	102
For the future	102
Disabled people	103
Introduction	103
Background	104
Rights and inclusion	105
Financial and social services support	105
Education, qualifications and skills	107
Early years education	107
School-age education	107
Post-compulsory schooling	109
Young adults	113
Work and disability	113
Active labour market policies	118
Rights and attitudes	122
Support for those who are not working	123
Older people	123
Friends, family and carers	124
Childcare	125
Young carers	125

Other issues	126
For the future	126
People from ethnic minority backgrounds	128
Introduction	128
Tackling educational disadvantage	130
Laying the foundations	132
How schools can tackle underachievement	134
Tackling labour market disadvantage	135
Ethnic Minority Employment Task Force	135
Closing the employment gap	136
The active role of Jobcentre Plus	137
Tackling health inequalities	138
Improving ethnic minority health	139
Other examples of tackling health inequalities	140
Neighbourhood renewal and race equality	141
Community cohesion	141
Housing issues	142
Action to tackle ethnic disadvantage in housing	142
Monitoring and driving up performance: Best Value	143
Allocations and homelessness	143
Young people	143
Older people	144
The Supporting People programme	144
Access to justice	145
Conclusions	146
<b>Chapter three: Working in partnership</b>	<b>149</b>
Introduction	149
Northern Ireland	149
Scotland	150
Wales	153
Partnership working	154
<b>Annex: Indicators of progress</b>	<b>157</b>
Introduction	157
Measuring child poverty	157
National Action Plan	158
Indicator summary table	159
Indicators for children and young people	162
Indicators for people of working age	183
Indicators for older people	199
Indicators for communities	211
<b>References</b>	<b>221</b>

# Foreword



Since 1997 we have been building a welfare system that meets the needs of the modern world. A system that tackles the poverty that blights people's lives now and denies opportunity to their children in the future. A system that reflects the choices we now make on how we work, how we bring up a family and when we want to retire.

As with previous years, this year's *Opportunity for all* monitors our progress towards the Government's goal of a fairer, more inclusive society where nobody is held back by disadvantage or lack of opportunity.

Our strategy is to tackle the root causes of poverty and make sure that children, families, disabled people and pensioners are offered the opportunity and security they deserve. We know that work is the best route out of poverty, so we are determined to give people the help and support they need to move from welfare to work and achieve our aim of full employment in every region.

To do this we have revolutionised the way benefits and help in finding a job are delivered, as well as tackling the discrimination that puts barriers in the

way of work. As a result, we have the lowest unemployment rate of any major industrialised country. Since 1997 we have helped nearly two million more people into permanent jobs and virtually eradicated long-term youth unemployment and, for the first time ever, over half of lone parents are in work.

The new Working Tax Credit and Child Tax Credit help people move from welfare to work – bridging the gap between support for those who are not working and help for those who are. As a result of the tax and benefit reforms since 1997, lone parents moving into full-time work at typical entry wages are up to £60 a week better off in work than on benefit. For pensioners, the new Pension Credit means around half of pensioner households stand to gain, on average, £400 a year.

However, we recognise that poverty is not just about income. We understand that people's opportunities and quality of life are also shaped by their education, by their skills, by access to quality health services, by decent housing and by the security and environment of areas where they live.

We want real lasting change to help individuals and communities take control of their lives. We are committed to improving public services, particularly for those people living in the most disadvantaged communities.

We have made great strides, but we realise that there is more that must be done. Poverty and social exclusion are deep-rooted problems that take time and effort to tackle. Our approach is evolving as we learn more about the barriers individuals face and what forms of support and intervention work best.

The first part of this year's *Opportunity for all* monitors progress against our strategy; the second explores issues relating to three vulnerable groups where we are aware that we need to develop

our understanding of the issues still further; and the third summarises arrangements for partnership and devolution on these issues throughout the United Kingdom.

I hope the indicators and analysis set out in *Opportunity for all* will inform the further action that we must take together to build a strong society where everyone can make the most of their potential.



**Rt Hon ANDREW SMITH MP**  
**Secretary of State for Work and Pensions**

September 2003

# Introduction

*Opportunity for all* was first published in September 1999<sup>1</sup>. In our first report we set out our evidence-based strategy for tackling poverty and social exclusion. We also established our indicators of progress to audit the effectiveness of this strategy. We consciously set indicators that would be challenging: indicators that would show what we had achieved but that would not disguise poor progress.

By this, our fifth annual report, we have much to report as good progress in many areas. But undoubtedly there are areas that will require further effort if we are to realise the full potential of our investments in making a material difference to individuals' lives.

With such an established strategy in this area, there is now less need to repeat the details of each policy instrument in the overall strategy – these can be found in previous reports in the series. And as so many elements of the strategy are now so well reported across government, we are able to refer you to more detailed source material where appropriate.

The Devolved Administrations produce their own reports on social inclusion, outlining work in relation to devolved matters (Chapter three). These publications should be read in conjunction with this report. Respecting the devolved responsibilities, *Opportunity for all* concentrates only on those matters that continue to be reserved to the United Kingdom (UK) Parliament.

In broad terms in Great Britain, the UK Government continues to have responsibility for employment, fiscal and economic policy, taxation, benefits and pensions. The Devolved Administrations, in varying degrees, have responsibility for health, education and training, law and order, housing and economic development.

A summary of *Opportunity for all – Fifth Annual Report 2003* is published to accompany this full report. It includes a summary of the indicators of progress and it is also available in Welsh, Braille and on audiocassette from the Welfare Reform Order Line on 020 8867 3201.

And an innovation this year is a special section of the Department for Work and Pensions website, to accompany *Opportunity for all*. It contains more detailed information on the indicators, which will be updated as new data become available. The website can be accessed at [www.dwp.gov.uk/ofa](http://www.dwp.gov.uk/ofa)

This introduction simply outlines the structure of the main report. The report is split into three chapters and is followed by an annex containing the indicators of progress.

## Our strategy

**Chapter one** summarises the four key elements of our strategy to alleviate poverty and social exclusion:

- making work possible (paragraphs 2–102);
- providing financial security and inclusion – primarily through work that pays (paragraphs 103–202);
- breaking cycles of deprivation (paragraphs 203–310); and
- improving public services for all (paragraphs 311–386).

### Making work possible

We outline how we have created a stable macroeconomy conducive to steady and rising demand for labour (paragraphs 9–17).

We include an appraisal of what we have done to improve the flexibility and operation of the labour market, through active measures to help unemployed people back to work as quickly as possible and by measures to enable inactive and disengaged people to make the transition back to work (paragraphs 18–82).

Finally, we detail our strategy to enable people in low-paid jobs to acquire the skills to become more productive, and so to earn more (paragraphs 83–102).

### Providing financial security and inclusion

Here we focus on the financial support we have established to boost the incomes of individuals – both in and out of work. For those of working age this is centred on making work pay, as this is the best route to escaping poverty and ensuring a comfortable retirement. We also address the issue of financial inclusion.

We begin by explaining how we are making sure that work pays, so that people will be better off in work than on benefit – through initiatives such as the National Minimum Wage and the Working Tax Credit (paragraphs 107–142). We also look at support for those for whom work is not an option (paragraphs 163–166), and at barriers created through problem debt (paragraphs 143–162).

We then move on to describe our efforts to provide financial security for pensioners, through both state and private pensions systems (paragraphs 167–202).

### Breaking cycles of deprivation

Here we summarise progress towards breaking cycles of deprivation, which can lead to intergenerational transmission of disadvantage. We centre on targeting financial support and effective services for children, to break the poverty incomes and outcomes cycle.

We begin our analysis by focusing on our reforms to the system of financial support for children, particularly the new Child Tax Credit (paragraphs 207–225).

We then move on to the first opportunity to break cycles of deprivation through direct intervention – the early years (paragraphs 226–245). This explains our efforts to ensure that all children get the best possible start in life – for instance through Sure Start, which promotes the development of young children in disadvantaged areas.

We follow this by looking at the services for children who are particularly at risk, including looked-after children and those facing family breakdown (paragraphs 246–262).

We go on to describe our strategy for raising standards in education to enable all children to realise their full potential (paragraphs 263–295).

We end by focusing on the services that support young people through the transition from school to work – addressing the lack of basic skills (such as literacy) that may contribute to disadvantage in adult life (paragraphs 296–310).

## Improving public services for all

We conclude Chapter one by returning to the theme of delivering high quality public services as a key part of our overall strategy to tackle poverty and social exclusion. Raising incomes is not the whole solution. Life chances are

significantly affected by people's social and economic background, and the quality of key public services has a vital effect on the well-being of many people.

We therefore describe our efforts to raise standards of delivery in healthcare (paragraphs 318–331), housing (paragraphs 332–360) and the environment (paragraphs 361–369), before concluding with details of crime and legal services (paragraphs 370–386).

## Developing our understanding

**Chapter two** is a new-look chapter for 2003. It explores issues relating to key vulnerable groups where we are aware that we need to develop our understanding of the issues still further. We would appreciate your views on these issues in particular.

First, we concentrate on an analysis by family size. We draw attention to an area that, up to now, has received little attention in research. We look to explore some of the risk factors faced by large families (paragraphs 3–64).

Next, we highlight analysis of the additional risk factors faced by disabled people, in particular the link between work and disability (paragraphs 65–179).

Finally, we draw together our current understanding of the additional risk factors faced by some people from ethnic minority backgrounds (paragraphs 180–256).

## Working in partnership

**Chapter three** highlights how the partnerships formed between the UK Government and other bodies (elected and non-governmental) have been crucial to delivering on our shared social inclusion agenda. It refers to the publication of the *UK National Action Plan on Social Inclusion 2003–2005*, as part of our commitment to this agenda in Europe.

The chapter briefly outlines the complementary social inclusion strategies of the Northern Ireland Executive (paragraphs 6–10), the Scottish Executive (paragraphs 11–27), and the National Assembly for Wales (paragraphs 28–31).

Finally, we describe the UK Government's partnership working with the voluntary and community sector in developing and evaluating policies to tackle social exclusion (paragraphs 32–37).

## Annex: Indicators of progress

We continue to report on the indicators of progress that we established in 1999. To maintain consistency with our reporting in previous years, the indicators are organised into lifecycle and area-based clusters. Feedback from readers tells us that the **Annex** is a widely used reference, and so we have kept a similar layout to previous years. It includes a summary table of overall progress (pages 159–161).

Our indicators are also available online at [www.dwp.gov.uk/ofa](http://www.dwp.gov.uk/ofa)