

**UK National Report on
Strategies for
Social Protection and Social
Inclusion**

2006-2008

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NATIONAL REPORT Introduction

Our economy and society are changing fast as a result of the challenges and opportunities that globalisation presents. Our welfare state must help us to respond to the challenges, whilst making the most of the opportunities, if our citizens are to continue to enjoy economic prosperity and social cohesion. Our reforms are designed to help us achieve our goals by tackling poverty and social exclusion, providing work and support in acquiring skills for those that can and security for those that can't, and helping Britain to grow and prosper. Much has already been achieved, but we recognise that our reform agenda must continue to adapt, both now and in the future, if we are to deliver on our commitment to all of our citizens

And it is because we recognise the need for further reform that the UK remains committed to the Lisbon Agenda goals of creating more and better jobs, greater social cohesion and making a decisive impact on poverty.

Achieving this requires delivery of co-ordinated and mutually re-enforcing national economic, employment and social policies.

This report outlines the most important social policy issues for the UK from 2006-2008 in contributing to these Lisbon goals. Economic and employment aspects, although integral to UK social policy making, are not repeated here, but are covered in the UK's National Reform Programme report.¹

Tackling the challenges set out in this report is the responsibility of UK authorities, whether central, regional or local. But the EU plays an important role by enabling the sharing of ideas and good practice between Member States. The development of this National Report therefore helps support the achievement of our Lisbon goals by facilitating this practical co-operation between the Member States, for example by helping to inform peer review. In order to enhance this mutual learning, the report has also been produced with reference to common objectives, indicators and an outline format agreed between the Member States and the European Commission².

This new UK report also builds on work that has been undertaken at national level since 1997 on improving consultation on inclusion issues, and subsequently engaging with the EU through the National Action Plans on Social Inclusion and National Strategy Reports on Pensions. It also provides greater detail on UK social policy than is in the UK National Reform Programme for Growth and Jobs.

Chapter 1 gives an overview of the economic, social and demographic context, the key challenges arising, and our overall strategy for addressing them.

Chapter 2 is the social inclusion pillar of the report, showing our priorities in combating poverty and exclusion and the main policies to allow us to achieve this. This is the UK National Action Plan for social inclusion.

Chapter 3 reports on the major developments with UK pension policy since our National Strategy Report on Pensions in 2005.

¹ http://www.hm-treasury.gov.uk/media/E60/3D/lisbon_jobs131005.pdf. 2006 report will be accessible via HMT website from October 2006 : http://www.hm-treasury.gov.uk/documents/international_issues/european_economic_reform/int_eerwp_indexmain.cfm

² Details will be posted on the Social Protection Committee web-site:
http://ec.europa.eu/employment_social/social_protection_committee/spc_topics_en.htm

Chapter 4 adds Health and Long Term Care to this reporting process for the first time, outlining the current UK strategies and systems, and identifying issues for future exchange of information and learning between Member States.

Statistical data is presented, wherever possible, in a format that is directly comparable with data from other Member States. In other cases we cite data from UK sources, for example because it is more recent or illuminates areas that EU comparable data cannot. For technical reasons, statistics produced using EU criteria may not be directly comparable with those produced using national ones.

CHAPTER 1 – COMMON OVERVIEW

1.1 Assessment of the Social Situation

Economy

1. The macro-economic fundamentals remain good:
 - In 2005, the UK economy was challenged by sustained rises in oil prices, weak euro area demand and a subdued housing market. In previous decades, such factors would have risked being accompanied by recession
 - By contrast, the Government's macroeconomic framework has continued to deliver an unprecedented period of sustained and stable economic growth
 - GDP has expanded for 55 consecutive quarters, the longest unbroken expansion since records began 50 years ago, and well over twice the duration of the previous period of unbroken growth. UK GDP has now been above growth in the euro area for 10 consecutive years
 - Inflation remains close to target and among the lowest in the EU, providing evidence of anchored expectations and the credibility of the Government's monetary policy framework. The UK is currently enjoying its longest period of sustained low inflation since the 1960's
 - The UK's fiscal position compares favourably with other countries with the deficit and debt below the OECD average and comfortably below the G7 average

Social Inclusion

2. Key employment indicators are all positive:
 - The UK currently has its lowest combination of unemployment and inactivity rates for 50 years
 - The UK has one of the strongest labour markets in the EU, reflecting a combination of macroeconomic stability and labour market reforms which have helped create and sustain high levels of employment and low levels of unemployment
 - The UK has the fourth highest employment rate in the EU25 at 71.7%, exceeding the Lisbon target of a 70% employment rate by 2010
 - The UK has also exceeded the other two core Lisbon goals of a 60% female employment rate at 65.9% and a 50% employment rate for older workers at 56.9%
3. And a lot of other progress has been made, *including*:
 - In 2004/05 there were 800,000 fewer children living in relative low income (after housing costs) than in 1996/97
 - In real terms families with children will be, on average, £1,500 a year better off, while those in the poorest fifth will be, on average, £3,400 per year better off
 - Average wages are high and growing fast compared to the rest of the EU, and the National Minimum Wage has risen well above the level of inflation

- Since 1997 more than 2 million pensioners have been lifted out of absolute poverty and 1 million out of relative poverty

4. But serious challenges remain:

- There are a high proportion of individuals living in jobless households
- The proportion of children living in a household at-risk-of-poverty has fallen from being amongst the highest in Europe with a rate of 27 per cent in 1997/98 to 22 per cent in 2004/05, closer to the EU-25 average of 20 per cent in the same period
- The distribution of income indicator (income quintile ratio - S80/S20) shows that income inequality remains higher than the EU average, although it has remained stable since 1997/98 as growth in the bottom quintiles has been offset by growth in incomes at the top end of the distribution
- The at-risk-of-poverty rate for pensioners has fallen from 27 per cent in 1997/98 to 23 per cent in 2004/05. This is still above the EU-25 average of 16 per cent in 2004/05, but we are making significant progress

Health

5. A major challenge is to continue the improvements of health care service quality and capacity (reducing waiting times) without increasing the public health expenditures (investments) above the average GDP-share for EU/OECD countries, and:

- build a service that is responsive to patients and their healthcare needs
- promote action on a broad front within the NHS and across government to help people to prevent ill health in the first place
- address health inequalities, including in access to health and care services

Demography

6. Demographic trends, including an ageing population, will have a significant effect on expenditure, particularly in the social protection field:

- Expenditure on pensions is projected to grow by 2 per cent of GDP, slightly below the estimated rise for the EU25. As a result, pension spending in the UK will remain relatively stable at about two-thirds the EU25 level by 2050³
- While pension generosity is set to decline across most European countries, it will remain relatively stable in the UK⁴. This mainly reflects the introduction of more generous pension arrangements in recent years and this Government's commitment to reduce pensioner poverty
- Public expenditure in the UK (and in the EU25) will increase as a result of ageing⁵. Spending will grow relatively more quickly in the UK, by 4 percentage points compared with 3.4

³ Reforms proposed in the white paper 'Security in retirement: towards a new pension system' are not taken into account in this exercise (as they have not been enacted yet and Government is still seeking consultation). However, it is expected that they would result in an increase in additional spending of up to 0.5 per cent of GDP, meaning that spending on pensions in the UK will rise at a faster rate than in the rest of Europe. Nevertheless, state spending on pensions in the UK in 2050 will remain significantly smaller than that currently spent by the EU25.

⁴ Estimates of theoretical replacement ratios made by the Indicators Sub-Group of the Social Protection Committee

percentage points in the EU25, but will remain significantly below the EU25 level. In fact, in 2050, the UK will be spending the same proportion of GDP that the EU25 spend now. The higher growth reported for the UK primarily reflects a faster expansion in spending on education, health and long-term care

7. **Annexes 1.1 and 1.2** report in detail on the UK socio-economic context, covering major trends and emerging challenges. They use statistics and Overarching and Context indicators agreed between the Member States (MSs) and European Commission, supported where necessary by national ones.

1.2 Overall Strategic Approach

8. The UK Government's overall economic objective is to build a strong, stable economy and a fair society with security and opportunity for all⁶.

9. In the face of globalisation, this is increasingly important to ensure that citizens experience the benefits of sustainable growth and social cohesion in the years to come. This is only achievable if our reforms continue to deliver full employment and extend opportunities to all members of society by combining flexibility with fairness. Our goals are consistent with the Lisbon strategy, which calls for more and better jobs, and long-term sustainable growth underpinned by a commitment to the shared European social values.

10. For the purposes of the exercise of reporting against the EU-level objectives shown below, we have concentrated on the building of a fairer society with opportunity for all. In reality the distinction between this report and the National Reform Programme is an artificial one for the UK, since the different elements of national policy making are integrated.

Objective (a): to promote social cohesion, equality between men and women and equal opportunities for all through adequate, accessible, financially sustainable, adaptable and efficient social protection systems and social inclusion policies

11. "An effective welfare system must always ensure that there is a floor below which no person can fall. But it should do much more than this. It must support and help people make the most of their talents and skills. It should provide a bridge to walk on – not a platform to stay on. It must help our economy and our people adapt to change."⁷

12. Active support measures such as Jobcentre Plus and the New Deals now deliver both rights and responsibilities. Services are tailored to the individual and, in return, people are expected to take advantage of the opportunities available to them.

13. Employment is at the heart of our approach, whilst ensuring security and support for those who cannot work.

14. The Skills Strategy sets out the Government's approach to ensuring individuals have the skills needed to be employable and personally fulfilled and employers have the skills needed to support the

⁵ Projections made by the Ageing Working Group of the Economic Policy Committee

⁶ The 2004 Spending Review and subsequent Budget Reports have set demanding performance targets and allocated record resources up to 2007-08 in support of this objective. This Objective is supported by five sub-objectives: maintaining economic stability, meeting the productivity challenge, increasing the employment opportunity, building a fairer society, delivering high quality public services, and protecting the environment.

⁷ John Hutton, Secretary of State for Work and Pensions, speech to Welfare to Work Convention 2006, Birmingham 19th June 2006

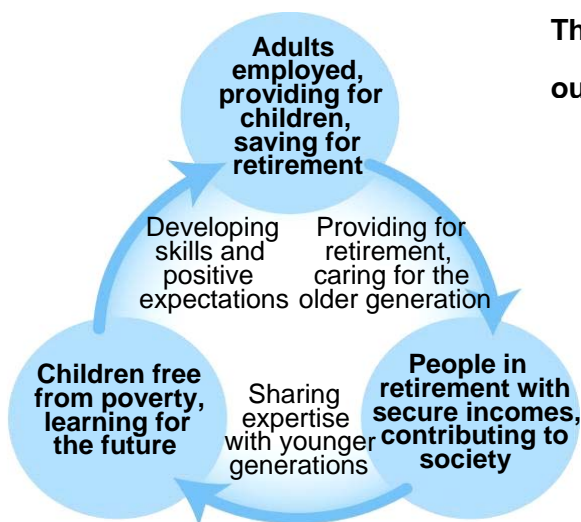
success of their businesses. The development of the skills of individuals serves the twin goals of social justice and economic success - they help businesses to create wealth and people to realise their potential. We have also provided sustained investment in school and early years education to ensure that every child is able to fulfil their potential, because early interventions are key to improving social inclusion.

15. Through work, people can lift themselves and their children out of poverty through raising incomes and aspirations. And having a strong work history is the best way to ensure security in retirement. It is also the only way to meet the challenges of an ageing and increasingly globalised society.

16. Poverty and worklessness are problems in themselves, but it is the way they reinforce one another and multiply the barriers for the individual that make them such complex issues to tackle. This is reflected in the key challenges for the UK, *for example*:

- **Workless households:** Where parents, particularly lone parents, are out of work for prolonged periods, it leads to poverty for their children;
- **Childhood poverty:** is a predictor of negative adult outcomes, including inactivity and unemployment;
- **Pensioners' retirement income:** is determined by patterns of working and saving during their working life;
- **Health Inequalities:** start early in life and persist not only into old age but subsequent generations.

17. To overcome these multiple challenges, which are more severe for groups such as disabled people (see chapter 2), Government strategy is moving even further away from a passive welfare system to one which encourages the development of potential across people's lives. Wherever possible, this entails a preventive approach to social problems by supporting people to develop skills and financial assets, and to properly manage their health throughout their lives.



The UK's strategic approach supports positive outcomes at each stage of the life cycle

18. The UK Government is committed to a range of demanding Public Service Agreement (PSA) targets to underpin its strategic approach here and in other priority areas (see objective c). These include a national PSA target (from the Government's 2002 Spending Review - SR2002) to reduce the proportion of children living in workless households over the three years from spring 2003 to spring 2006 by 6.5 per cent. National data shows that significant progress has been made in the reduction of children in households where no one is working with a fall of over 440,000 since spring 1997 (from 18.4% of children

in spring 1997 to 15.3% in spring 2006)⁸. The SR2004 PSA target aims to reduce the proportion of children in workless households by 5% between spring 2005 and spring 2008. The UK Government has also set itself the ambitious target of increasing the employment rate of lone parents to 70% by 2010. National data⁹ shows that the lone parent employment rate has increased by 11.3 percentage points since 1997 to 56.6% and independent analysis covering the period 1992 to 2002 suggests that around half of this increase can be attributed to the UK Government's policies post 1997, primarily New Deal for Lone Parent (NDLP) and Tax Credits¹⁰.

19. Key Government initiatives therefore *include*:

Workless households

20. In 2005, the UK had the highest rate of children living in jobless households in Europe. The latest comparable data shows that the UK has made progress, moving towards the EU-25 average. However, we need to improve on this progress if we are to improve the lives of those most at risk of being socially excluded. National data shows that around 67 per cent of children in workless¹¹ households live in lone parent households¹² therefore facilitating lone parents in their efforts to return to the labour market is a key strategy in reducing the instances of children living in workless households in the UK.

21. The overall UK strategy for lone parents implemented since 1997 has four main strands:

- Active labour market policies focussing on concrete actions that enable lone parents to realise their aspirations and help them progress once in work. Mandatory Work Focused Interviews (WFIs) and New Deal for Lone Parents (NDLP) have led to over 312,000 jobs being found through this route;
- Improving incentives to work through tax credits/housing benefit and measures to smooth the transition into work;
- Improving the availability of flexible and affordable childcare that meets lone parents' needs; and
- Creating a step-change in the ethos of clients, advisers, employers and the general public by promoting independence and work rather than payments and dependence.

22. To build on these successes for lone parents, but also to focus efforts on other most excluded groups, the Government maintains its aspiration of an overall employment rate equivalent to 80% of the working age population. The scale of such an ambition will mean 1 million fewer claiming incapacity benefit, 1 million more older people in work and an extra 300,000 lone parents off benefit.

⁸ Source: LFS

⁹ Source: Labour Force Survey

¹⁰ Gregg and Harkness (2003), Welfare Reform and Lone Parents Employment in the UK, CMPO working paper number 72.

¹¹ The Eurostat definition of jobless households and the UK definition of workless households differ slightly. Both definitions refer to households where no one works. However, Eurostat does not include students aged 18-24 who live in households composed solely of students of the same age class whereas the UK definition includes students as "inactive" and therefore workless.

¹² Source: LFS

23. Our Welfare Reform Green Paper - A new deal for welfare: Empowering People to Work¹³ sets out our proposals to build on the success of measures to assist hardest to help groups, including through Pathways to Work for people receiving Incapacity Benefit (details in the UK NRP).

Childhood poverty

24. Tackling child poverty is one of the Government's key priorities. The aim is to ensure that every child gets the best possible start in life and has the opportunity to fulfil their potential irrespective of their socio-economic standing. The UK Government has a PSA target to halve the number of children in relative low income households between 1998-99 and 2010-11, on the way to eradicating child poverty by 2020.

25. The Government is also committed to improving the outcomes for all children and young people in five key areas of life: being healthy; staying safe; enjoy and achieving; making a positive contribution; and achieving economic well-being. Through the cross-government Every Child Matters: Change for Children¹⁴ programme, the Government is working with its partners to improve these priorities for all children and young people. Evidence supports the arguments for earlier interventions being more effective¹⁵ which is why the Government has initiated this comprehensive programme. Only by combating inter-generational poverty and its effects by intervening at the earliest possible opportunity can we make a positive and lasting impression on the lives of our young people.

26. Most children in relative low-income live in couple families. However, the *risk* of being in low-income is around twice as high for children in lone parent families as in couple families. Children in workless households make up over half of all children in relative low income, whereas children where all adults in the family work full-time make up only 2% of all children in low income. There is a high *risk* of poverty for children in couple families where one or more adults are in part-time work and no one is in full-time work.

27. In 2004/05 there were 2.4 million children living in relative low income (before housing costs) and 3.4 million (after housing costs), a decrease of 700,000 and 800,000 respectively since 1996/97. The decrease in child poverty is linked to a number of Government strategies aimed at reducing child poverty, such as the Child and Working Tax Credits. The UK Government will continue to build on and improve this successful strategy by:

- Providing financial support to low-income families - helping more parents get back into work and supporting them in work through Working and Child Tax Credits. In real terms families with children will be, on average, £1,500 a year better off, while those in the poorest fifth will be, on average, £3,400 per year better off;
- Extending the entitlement and access to affordable childcare - there will be a place for all children aged 3 to 14 years, between 8am and 6pm each weekday by 2010, when there will be over 2 million sustainable places countrywide for children up to 14 years;
- Enhancing support for parents, the UK Government will ensure all parents are able to access parental support throughout the life of their child from 0 to 19 years, as and when they need it. This will include: improved access to universal information services, including enhanced helpline provision, and more focused services within early years setting; and

¹³ Department for Work and Pensions, 2006, A new deal for welfare: Empowering people to work, The Stationery Office

¹⁴ Department for Education and Skills, 2004, *Every Child Matters: Change for Children*, The Stationery Office.

¹⁵ OECD Employment outlook 2006

- Improving educational opportunities for all children, the UK Government will continue the emphasis on tailored intervention to ensure pupils get the support and opportunities their individual circumstances require. There will also be a stronger focus on interventions within failing schools.

28. We are currently updating the child poverty strategy and the outcome of this will be presented in Autumn 2006 (see chapter 2).

Income Inequality

29. The trend in the distribution of income (income quintile ratio-S80/S20) has remained the same in the UK at 5.6 in 1997/87 and 2004/05. The S80/S20 indicators show that inequality in the UK remains higher than the EU-25 average of 4.8 in 2004/05. But the UK government is achieving growth with fairness. Between 1996-97 and 2004-05, real income for the bottom two fifths of the income distribution grew faster than median income. This contrasts starkly with the period from 1979 to 1997 when the bottom fifth saw almost no real growth in their incomes. The income inequality indicators for the gini coefficient and the S80/S20 have remained constant as growth in the bottom quintiles has been offset by growth in incomes at the top end of the distribution¹⁶. In addition, wages are higher as a result of the National Minimum Wage rising well above the level of inflation.

30. Although income inequality is currently at effectively the same level as it was in 1997/98, the tax and benefit reforms introduced by the government over this time have been strongly redistributive, favouring lower-income families, especially those with children and older people. Modelling the impact of these reforms on the income distribution has suggested that without them, the distribution of income would have continued to become considerably more unequal¹⁷.

Pensioners' retirement income

31. Thanks to a higher basic State Pension, the Winter Fuel Allowance and the introduction of the Pension Credit, more money is going to all pensioners, but most is going to the poorest. Already we have lifted more than 2 million pensioners out of absolute poverty and 1million out of relative poverty.

32. The at-risk-of-poverty rate for pensioners in the UK has fallen from 27 per cent in 1997/98 to 23 per cent in 2004/05. This represents significant progress, but is still above the EU-25 average of 16 per cent in 2004/05. The fall can be mainly attributed to the decrease in the female over 65 at-risk-of-poverty rate because of Pension Credit: women have been more likely to be in low income, and so Pension Credit has benefited them most. The number of pensioners in relative poverty has fallen by half a million between 2002/03 and 2004/05, which is when Pension Credit came into effect,¹⁸ and the Government is actively promoting further take-up.

33. To ensure that pensions remain adequate over the coming years, the UK Government is committed to create an optimal environment that leads to private saving being in line with the level of income people would expect to have in retirement, while providing incentives towards extended working lives. The recently published White Paper - Security in Retirement: towards a new pension system¹⁹ includes

¹⁶ The share of those at the top 10% of the income distribution has increased from 26 per cent in 1997/98 to 27.4 per cent in 04/05.

¹⁷ Brewer et al (2005) Clark and Leicester (2004) and Adam and Wakefield (2005), cited in Poverty and Inequality in Britain: 2006 Mike Brewer, Alissa Goodman, Jonathan Shaw, Luke Sibieta.

¹⁸ National data from the Household Below Average Income (HBAI) surveys shows that between 1996/97 and 2004/05 numbers in relative low income, measured after housing costs (AHC), have fallen by over a third. The proportion in relative low income fell from 28% to 17%. This is a fall of 1 million (2.8 million down to 1.8 million).

¹⁹ Department for Work and Pensions, 2006, Security in Retirement: towards a new pension system, The Stationary Office

proposals that would set up a system of low-cost personal accounts, re-establish the link between the basic State Pension and earnings and increase entitlement to the full basic State Pension (amongst other things by reducing the number of qualifying years)²⁰.

Health Inequalities

34. Narrowing health inequalities is a major challenge, but it is achievable. For the first time ever, health inequality is one of the Department of Health's top six priorities for the NHS. This reflects a growing recognition of the impact of social disadvantage on the health of the population.

35. The focus now is on strengthening of the delivery chain to narrow inequalities in Life Expectancy across local, regional and national government with greater emphasis on effective communications and community engagement, and more robust performance management, with stronger accountability. We are starting to see some progress.

36. A programme of work is also being developed to narrow inequalities in infant mortality, with a particular focus on routine and manual groups, and in reducing inequalities in CVD and cancer death rates.

Objective (b): to promote effective and mutual interaction between the Lisbon objectives of greater social cohesion, greater economic growth and more and better jobs and with the EU's Sustainable Development Strategy

37. As already stated, the interaction of the Lisbon objectives mirrors our overall domestic objective to build a strong, stable economy and a fair society with security and opportunity for all.

38. There are clear and strong links between poverty, worklessness and economic stagnation. People in poverty are more likely to have low and basic skills, and hence less likely to participate in an expanding global economy. Their experiences of poverty will also impact on future generations.

39. Similarly, protecting and promoting population health is vital to a successful economy. It is recognised that being in employment is a key determinant of health, and that a healthy labour market is a key factor in developing a thriving economy.

40. For those able to work, employment is the best route out of poverty. It fosters greater social inclusion, strengthens independence and dignity, builds aspirations, and can improve an individual's health and well being.

41. Increasing social inclusion is a priority for the Government. This is built on high levels of job creation, resulting from a flexible labour and product market, combined with policies to encourage employment. We achieve this by combining a series of policy interventions that protect individuals' employability including retraining, up-grading skills levels, active labour market policies and providing incentives to make work pay.

42. It is also self-evident that more and better jobs and greater economic growth are fundamental to ensuring that social inclusion and protection schemes remain both adequate and sustainable in the long term.

43. We also recognise the important contribution that the social inclusion strategy can make to sustainable development. Poverty and the associated issues of low skills, ill health and neighbourhood

²⁰ Estimates of replacement rates under these proposals have not been included in this exercise, but if they are approved, the replacement rate of the UK state pension system would improve significantly, with the expected decline less than half that projected under current policy.

decline lead to a waste of human and other resources which must be addressed as part of any strategy for sustainable development.²¹

Objective (c): to promote good governance transparency and the involvement of stakeholders in the design implementation and monitoring of policy.

44. The Government's approach is underpinned by a series of Public Service Agreement (PSA) targets, which were agreed by Ministers as part of the 2004 Spending Review settlements and set out in the White Paper Stability, security and opportunity for all: investing for Britain's long-term future (Cm 6237, July 2004). Some of these targets are already set out, others appear in the relevant Chapters.

45. The PSA structure ensures that Government objectives are transparent and that Ministers and their Departments can be held to account for delivering to the public. Departments consult stakeholders to develop a stronger shared agenda to achieve the outcomes expressed in PSAs as well as reduce the risk of selecting the wrong priorities or creating unintended distortions to service delivery. For example, a new Department of Health target, which seeks a maximum pathway wait from GP referral to hospital treatment, responds to the views of patients but also addresses health professionals' concerns about the risk that perverse incentives could be created through setting limits on individual stages of treatment.

46. Several targets are shared across Ministers and Departments, reflecting our joined-up approach to economic, employment and social policy.

47. All are expressed in terms of outcomes, underpinned by more detailed output targets, with performance closely monitored and reported on. They are intended to be demanding, and the clear political commitment to them helps to drive-up behaviour in public sector delivery organisations, even flowing down to inform the personal objectives of individuals working in those organisations.

48. The close monitoring and reporting of performance against targets, together with the use of wider evaluation (as below), also improves the evidence base needed to inform Government strategy, policy making and delivery. Importantly, even where targets are missed, the shared commitment to them with stakeholders and the open reporting of performance (including analysis of the reasons for success or otherwise) can all help improve future dialogue and policy responses.

49. Other analytical activity in providing the evidence base and ensuring good governance is provided by:

- Administrative statistics provided internally, for example, the Department of Work and Pensions Longitudinal Study
- Regular surveys, usually undertaken by the Office for National Statistics, including the Family Resources Survey and the Labour Force Survey
- Economic and statistical analysis, modelling and forecasting undertaken by in-house analysts
- Operational research focussed on business systems and operations
- Economic and Social research projects that are commissioned from external organisations, and those undertaken by in-house analysts²².

²¹ The Sustainable Development Strategy (SDS) has identified poverty and social exclusion as one of the key non-sustainable trends, re-enforcing the need to focus on generating economic prosperity, more and better jobs and thereby increasing social inclusion.

50. Wide and effective consultation is also a key element of UK policy making. More detail is in the relevant chapters, but key recent consultation exercises have included:

- The Green Paper A new Deal for Welfare: Empowering People to Work resulted in over 600 organisations and individuals submitting feedback
- The production of the National Action Plan for Inclusion supports engagement across Government and with the voluntary and community sector, including via some 146 “Get heard” workshops (see chapter 2)
- The National Pensions Debate has heard the views of nearly 10,000 people (see chapter 3)
- The Department of Health’s wide-ranging consultation on the contents of the White Paper: Our health, our care, our say²³ culminated in a national Citizen’s Summit attended by almost 1000 people (see chapter 4).

1.3 Overarching Messages

51. The following chapters set out in more detail our strategies for combating poverty and social exclusion, report on the main developments with UK pensions, and outline our Health and Long-term care arrangements. Key messages include:

Chapter 2 – National Action Plan for social inclusion

The UK Government is strongly committed to:

- **Eliminating child poverty** - despite significant progress, children in the UK continue to be at greater risk of poverty than other age groups. Action under the child poverty strategy includes ensuring financial security for families (helping parents into work - in particular, lone parents; child care provision; financial support for families through tax credits and the minimum wage; financial inclusion and tackling debt); and breaking cycles of deprivation (through early years care, health and education strategies);
- **Increasing access to employment** - although the UK has one of the strongest labour markets in the world, the continuing high level of economic inactivity, which particularly affects people who have left work because of illness, disabled people, lone parents, partners and older workers is a cause for concern. Through the New Deals activity is focused on developing skills; easing the transition to work (including the employment retention and advancement project); helping ill and disabled people and supporting older workers;

²² The distinctive feature of this Economic and Social research is that it collects and interprets systematic data on the "outside world", for example on the knowledge, behaviour, views and perceptions of customers (actual and potential) and partner organisations. Social research is focused on specific issues, client/partner perspectives and policy problems and complements the administrative statistics and regular surveys that are undertaken. It also provides key data to the economic modelling that is undertaken.

²³ Department of Health, 2006, “Our health, our care, our say: a new direction for community services”, The Stationery Office

- **Improving access to quality services** – particularly the need to join up policies and services more effectively at local level including tackling health inequalities; services for older people; access to housing, and tackling fuel poverty;
- **Tackling Discrimination** - despite considerable progress over the last 30 years, some groups are still at greater risk of deprivation than others, in particular action is taking place with disabled people (including independent living, support for families with disabled children and support into employment) and people from ethnic minorities (employment and community cohesion).

Chapter 3 – National Strategy Report for Pensions (update)

- The UK Government is determined to face the challenge of profound social and demographic change. Since 1997 more than 2 million pensioners have been lifted out of absolute poverty and 1 million out of relative poverty.
- But the UK Government does not want the retirees of the future to be worse off than those today. Therefore, we have set out reforms which will strike a new balance between state, employers and individuals to share the responsibility to save and provide for the future.
- The reform package set out in the White Paper ²⁴ gives a new deal that is fair to society as a whole. It delivers a bold and lasting settlement to the pensions challenge. Our reforms are for the future - the blueprint for the next forty years and the central purpose behind the package is to encourage people to save more.
- The UK Government hopes the proposals will form the basis of a new consensus on a long term solution to how we provide an effective pensions system in our country. A consensus that has been shaped by all that has been learnt from both the Pension Commission Report and the National Pensions debate

Chapter 4 – National Strategy for Health and Long Term Care

- There has been unprecedented investment in healthcare systems since 1997, with the aim of ensuring both long-term sustainability and an increase in the quality of the services offered to patients. The various administrations have also designed policies for each of the four different national contexts that are aimed at providing a service that is more responsive to individual needs and preferences.
- There has also been a focus on health inequalities in all four administrations. For example, in England the Tackling Health Inequalities: Status Report on the Programme for Action²⁵ notes that the following headline indicators are moving in the right direction and showing a narrowing of inequalities:
 - reductions in child poverty
 - improvements in housing and
 - a reduction in the inequalities in CVD and cancer death rates (in absolute terms)

²⁴ Security in Retirement: towards a new pension system 'DWP publication 2006

²⁵ Department of Health, August 2005 "Tackling Health Inequalities: Status Report on the Programme for Action", The Stationery Office

- Health inequalities are however complex, intractable and persistent. While life expectancy has increased for both males and females for England as a whole and for the Spearhead Group of Local Authorities (broadly the bottom fifth local authorities for health outcomes and deprivation), life expectancy has improved more slowly in the Spearhead Group than for England as a whole, and inequalities have consequently widened.
- The target to reduce the gap in infant mortality (starting with children under 1) between routine and manual groups and the population as a whole by 10% by 2010 is still a challenging one. The new figures show no change in the gap between the “routine and manual” groups and the population as a whole, compared with last year. Over the period since the target baseline, the gap has widened, although there have been year-on-year fluctuations in intervening years. A new programme is currently being developed to help meet the infant mortality target.
- In terms of access to healthcare, by addressing the inverse care law, Primary Care Trusts and other trusts have a significant opportunity to make an impact on inequalities in health. A comprehensive programme is in place to improve access to healthcare for groups and areas most affected or at risk of health inequalities.

CHAPTER 2 - NATIONAL ACTION PLAN FOR SOCIAL INCLUSION

2.1 Key challenges, objectives and targets

52. In a time of rapid demographic change and rising global competition, the UK shares the EU's concern about jobs and growth. Social cohesion contributes to this agenda, and a concern for social justice is central to our strategy. Tackling poverty and promoting equality of opportunity lie at the heart of the UK's policy agenda and our vision for the future. All levels of government and the voluntary and community sector are engaged in action to tackle poverty and social exclusion. The UK Government and the devolved administrations have developed clear social inclusion strategies²⁶ Examples of the local government approach to social inclusion can be found on the Local Government Association's social inclusion web pages²⁷ The important work of the voluntary and community sector – both in providing services for people at risk of exclusion and in supporting government engagement with civil society – will be discussed in later sections. The recent appointment of a Minister for Social Exclusion highlights the Government's determination to tackle the issues facing the most socially excluded²⁸.

53. The open method of co-ordination²⁹ in the field of social inclusion offers new opportunities for strengthening social inclusion strategies. The National Action Plans (NAPs), in particular, allow us to join up action across the UK. We have used this process to ensure that planning incorporates an understanding of the challenges facing people in a situation of social exclusion. Empowering individuals and communities will remain at the heart of welfare and public service reform in the UK. Building on links with the voluntary and community sector and with local, regional and devolved governments is an essential part of this process. We have worked closely with a group of non-governmental organisations³⁰ in developing the NAP and have good links with devolved administrations and the Local Government Association. Over the past year, we have substantially increased the amount of information available through the Get Heard process, which is described in more detail in later sections.

54. In 1999, the UK Government set a historic target of eliminating child poverty by 2020 and pledged to tackle the legacy of pensioner poverty when one in four pensioners were living below the poverty line. As a result of reforms to make work pay, such as the introduction of a National Minimum Wage and a system of tax credits, 2.4 million people have been lifted out of relative poverty since 1997, including 800,000 children. Measures such as Pension Credit have lifted a million pensioners out of relative poverty since 1997 and pensioner poverty has fallen by 15 per cent in the last year. These achievements would not have been possible without action at regional and local level which is effective both in addressing national priorities and in tackling local issues.

²⁶ See: the UK Government's annual poverty report Opportunity for all (www.dwp.gov.uk/ofa/); the Northern Ireland Executive's strategy publication New Targeting Social Need (www.newtsnni.gov.uk/); the Scottish Executive's strategy Closing the Opportunity Gap (www.scotland.gov.uk/Topics/People/Social-Inclusion/17415/opportunity); and the Welsh Assembly Government's Third Annual Report on Social Inclusion in Wales (<http://new.wales.gov.uk/topics/socialjustice/?lang=en>)

²⁷ See <http://www.lga.gov.uk/OurWork.asp?lsection=59&ccat=869>

²⁸ The new approach to social exclusion at UK Government level is discussed in more detail in Section 2.6

²⁹ The open method of co-ordination is the process of policy exchanges and mutual learning by which member states co-ordinate their policies for combating poverty and social exclusion. It has five key elements: agreed common objectives; common indicators to compare best practice and measure progress; common reporting procedures; management of a Community Action Programme to promote policy co-operation; and transnational exchange of learning and good practice.

³⁰ Work with this group, called the Social Policy Task Force, is described in greater detail in Section 2.6.1 (see paragraph 142)

2.1.1 Key challenges

55. Overall, the EU and national indicators of poverty and social exclusion show that the UK continues to make significant progress. We have ensured that economic growth and development in the labour market have contributed to social inclusion, directing substantial additional resources to the poorest families and increasing the opportunities for the most disadvantaged. However, it is clear that significant challenges remain if we are to meet our goal of ensuring opportunity for all. These challenges can be summarised under five key headings: the economic situation; ensuring access to employment; tackling child poverty; ensuring access to services; and tackling discrimination.

Challenges: the economic situation

56. The UK's economy continues to grow strongly. It has one of the strongest labour markets in the EU, with the lowest unemployment and inactivity rates for 50 years, reflecting a combination of macroeconomic stability and labour market reforms. This is discussed in greater detail in Chapter 1. But it is clear that there are economic factors which may have an impact on levels of deprivation. As **indicator 1**³¹ shows, while the proportion of the UK's population at risk of poverty has fallen, it is still above the EU average. Further analysis shows that, of the whole population, children and pensioners continue to be at greater risk. The proportion persistently at risk of poverty, at 11 per cent, continues to be a matter for concern, although there has been a clear improvement in the latest reporting period (2001–04). Tackling child poverty is one of the Government's key priorities and, although we are now close to the EU average for child poverty, children continue to be at greater risk of poverty than other age groups. The UK fiche³² highlights the issue of relatively high levels of inequality. Average wages are high and growing fast compared with the rest of the EU. **Indicator 2** shows that income inequalities have increased since the baseline year but now appear to have stabilised. There has been a slight fall in the gender pay gap from 14.5 per cent in 2004 to 13 per cent in 2005. The fiche also draws attention to increasing health inequalities. Stakeholders have expressed concern about low wages, and the issue of in-work poverty has been increasingly debated in the UK. Debt and financial exclusion continue to be a matter of concern to stakeholders³³, with the UK fiche commenting that personal debt is at record high levels. The over-indebtedness picture has benefited from the stable macroeconomic situation. While most consumers use credit in a productive and prudent way, with over-indebtedness not seen as a threat to economic stability, a small and growing minority continues to see signs of financial distress. **Action to address these challenges cuts across many policy fields, and we will set out this action as appropriate under the four policy headings later in this plan.**

Here are some of the things people had to say about low pay:

- “Too much of working life is spent on the poverty line.”
- “You end up working on the same poverty line that you are trying to move on from.”
- “Many people have to have more than one job to make ends meet.”

Source: Social Policy Task Force submission to the UK Government

³¹ The indicators referred to (in bold) throughout this chapter are described more fully in Annex 3

³² The fiches are the country summaries in the EU Commission Staff Working Document Social Inclusion in Europe (see http://ec.europa.eu/employment_social/social_inclusion/jrep_en.htm)

³³ Internationally comparable figures are difficult to find, and some aspects of the UK economy, in particular the high levels of home ownership and hence mortgage debt, tend to overstate the problem

Challenges: eliminating child poverty

57. **Indicator 1** shows that, despite significant progress, children in the UK continue to be at greater risk of poverty than other age groups. The UK fiche comments that more will need to be done to meet the target of eliminating child poverty. A central challenge to the UK's anti-poverty strategy is to help parents to gain and retain jobs that will provide a regular family income while at the same time improving social support, increasing the educational attainment of children from deprived backgrounds and supporting the transition to adulthood. Forty-two per cent of poor children live in lone-parent households – and most non-working lone-parent families are poor. Helping lone parents back in to the labour market is the most effective way to ensure their social inclusion, and the best route out of poverty for their families. The lone-parent employment rate has significantly improved, increasing by 11 percentage points since 1997, but the number not working and claiming benefit is still too high. Since more than 90 per cent of lone parents are women, this is also a gender issue.

58. Access to childcare is a key challenge in helping parents enter the labour market. It is also clear that, for two-parent families, both parents need to be working enough hours to secure the family against the risk of poverty. Participants in Get Heard also raised concerns about access to childcare and the need for more support for parents, in particular for parents with disabled children. They also commented on tax credits, which were seen as making a real difference to family incomes, although too many had experienced problems with their claims. Delays in implementing changes to the child support system were also mentioned as a problem. **Action to eliminate child poverty will form Section 2.2 of this plan.**

Challenges: access to employment

59. The UK has one of the strongest labour markets in the world and, as the UK fiche observes, it exceeds all the quantitative labour market targets. A particular challenge is the continuing high level of economic inactivity, which particularly affects people who have left work because of illness, disabled people, lone parents, partners of benefit recipients and older workers. Access to the labour market is also unevenly spread across households, with the UK continuing to show an above-average proportion of its population in workless households (**indicator 5**). The proportion of the UK's children in workless households has decreased, but remains comparatively high. While **indicator 4** shows that the proportion of the UK's population with low educational attainment is well below the EU average and reducing, there are still substantial skills issues for some people seeking work. Get Heard participants, while generally in favour of training schemes, expressed concern about varied levels of provision. Concern about lack of support during the transition into work was also raised by this group. **Action to ensure access to employment will form Section 2.3 of this plan.**

Challenges: access to quality services

60. Quality services can have a substantial impact on poverty and social exclusion. Get Heard participants have drawn attention to the need to join up policies and services more effectively at local level. For older people in particular, accessible quality services can have a profound impact on quality of life. Increasing take-up of Pension Credit has been a particular challenge.

61. As the UK fiche comments, healthcare in the UK is provided free of charge at the point of need, which means that lack of income is not an issue in gaining access to treatment. However, there is evidence to indicate that health inequalities are strongly linked to social exclusion.

The experience of socially excluded parents³⁴

Almost all parents interviewed as part of the Homestart International Learning from Families survey had been in contact with health visitors, their GP and a variety of hospitals and health professionals. In the main, health visitors and GPs, where families had made contact, were found to be helpful, but parents often described hospital staff as more remote and abrupt. They said they felt shunted around from one consultation to another without being properly informed. Almost all referred to cost, the distance they had to travel and transport difficulties. Parents said how difficult it had been to ask for or to accept help.

62. Ensuring that living conditions are acceptable for all poses a number of challenges. Access to affordable housing is an issue and there are still too many people living in accommodation that fails to meet expected standards. Problems with payment of fuel bills is an issue for 6 per cent of all households. **Action to ensure access to quality services will form Section 2.4 of this plan.**

Challenges: tackling discrimination

63. The Government is strongly committed to tackling discrimination, ensuring diversity in the workforce and access for all to rights, goods and services. However, it is clear that, despite considerable progress over the last 30 years, some groups are still at greater risk of deprivation than others. In particular:

- disabled people have a higher risk of living in low-income households (29 per cent), and more than half of all households where no one has a job include a disabled person; and
- people from black and minority ethnic groups are still at greater risk of exclusion from the labour market (**tertiary indicator 5**). The employment rate of black and minority ethnic groups is 59.7 per cent compared with 74.7 per cent for the whole population and they have a higher risk of being in a household with low income.

64. Participants in Get Heard mentioned several examples of the link between discrimination and social exclusion. Disabled people referred to the need to enforce equal opportunities policies and to ensure that employers know about the law. The stigma surrounding mental illness was also mentioned as a concern. People from black and minority ethnic communities recounted many instances of racism and spoke of the need to enforce race legislation in employment and to end discrimination in the health service and housing. **Action to tackle discrimination will form Section 2.5 of this plan.**

2.1.2 Key objectives

65. In considering the challenges faced by the UK, we have identified four key policy areas from the seven discussed in last year's Joint Report on Social Protection and Social Inclusion³⁵, as set out in the preceding paragraphs. There are clear links between these priorities and the UK's strategy for jobs and growth. They also link with the common social inclusion objectives as follows:

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

³⁴ From Homestart International Learning from Families: Policies and Practices to Combat Social Exclusion in Families with Young Children in Europe: Report for England and Wales, see also Annex 4 (see www.home-start-int.org/publications/England%20and%20Wales%20National%20Report.pdf)

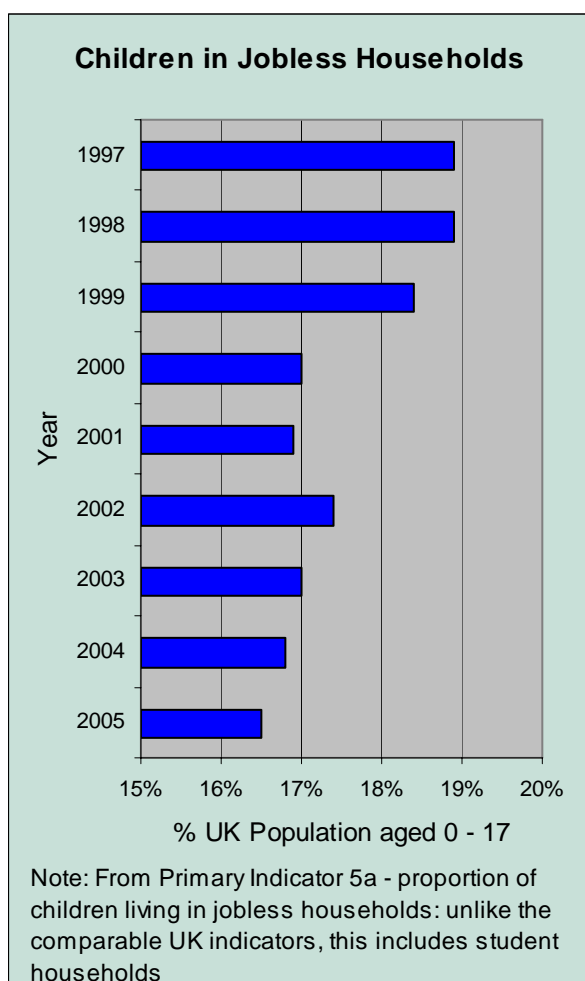
³⁵ See http://ec.europa.eu/employment_social/social_inclusion/jrep_en.htm

2.1.3 Targets

66. The UK has a detailed system of outcome-based targets, all of which are explicitly linked to budgets: these are set out in detail in Annex 2.

2.2 Policy objective 1: eliminating child poverty

67. In 1997, there were 4.2 million children living in households at risk of poverty in the UK. To address these problems, the UK has made tackling child poverty a priority. Indicator 1 shows that the proportion of children living in low-income households has fallen from being among the highest in Europe, with a rate of 27 per cent in 1997/98, to 22 per cent in 2004/05, which is now close to the EU average of 20 per cent in the same period. There are now 800,000 fewer children living in relative-low-income households than in 1997.



2007;

2.2.1 Policy measures

68. The key elements of our strategy to eliminate child poverty³⁶ are: supporting and promoting financial security for poor families in and out of work; and breaking cycles of deprivation through early-years support and education.

Ensuring financial security

69. To improve financial security for families, we have two key levers – helping parents gain and retain a job, and providing financial support, including through tax credits. This approach has been effective, with a significant increase in the employment rate for parents. As a result, poor families are on average £3,400 a year better off³⁷. But we need to do more, helping more lone parents find a job (we aim to have 70 per cent in work by 2010) and supporting partners in two-parent families into work. Our policies for making work pay and improving skills and progression in work are also an important part of this strategy. The strategy focuses on providing support for families at risk, including larger families and those with a disabled parent. The welfare reform Green Paper³⁸ set out proposals for helping more lone parents into work, including:

- changes to the work-focused interview regime. We aim to begin the first of these – work-focused interviews at six-monthly intervals for all claimants with a youngest child aged 13 or below – in April

³⁶ Department for Work and Pensions, March 2006, Making a difference: Tackling poverty – a progress report, www.dwp.gov.uk/publications/dwp/2006/poverty/tackling-poverty.pdf

³⁷ Average change in real terms for the poorest fifth of families with children, 1997 to 2006

³⁸ Department for Work and Pensions, January 2006, A new deal for welfare: Empowering people to work, www.dwp.gov.uk/aboutus/welfarereform/

- piloting the payment of a premium on top of Income Support to lone parents whose children are all aged at least 11, in return for undertaking work-related activity;
- looking at new ways of supporting more lone parents to stay in work;
- introducing in October 2006 a notional earnings rule, to help more people to take part in some training programmes (which will benefit all people on Income Support, not just lone parents); and
- working with employers to develop 'work taster' programmes for lone parents.

70. Both the child element of the Child Tax Credit and Child Benefit have been increased significantly compared with equivalent support in 1997. The child element will continue to rise at least in line with earnings until the end of this Parliament, directing more money to families with children. In future, all eligible children will receive a further payment of £250 into their Child Trust Fund account at age 7, with children in lower-income families receiving £500. These payments will be made on a similar basis to the initial birth endowments. The Local Government Association's 2003/04 Quids for Kids Project was aimed at getting local councils to promote the take-up of benefits and tax credits within their local areas. A NOP evaluation found that 30 per cent of local authorities had been instrumental in increasing take-up.

Child support

71. Non-resident parents can make a big contribution to the wellbeing of their children by paying child maintenance. Around 580,000 children and their resident parents, most of whom are mothers, are benefiting from maintenance collected or arranged by the Child Support Agency. It is estimated that child maintenance payments in the UK currently lift 100,000 children out of poverty. We recognise, however, the need to do more to ensure that money goes to more children.

72. In July 2006, the Government announced new policy and delivery arrangements for the child support system. There will be a simpler system that enables and encourages parents to take responsibility for making their own arrangements, but that delivers firmly and more effectively for parents who need help in arranging child maintenance. As part of these reforms, the Government will significantly increase the amount of maintenance that parents with care on benefit can keep, thereby lifting many more children out of poverty. The Government aims to publish its final, detailed proposals in autumn 2006. The ambition is to see some aspects of the new system in place from 2008. In the meantime, an additional £120 million is being invested to help stabilise and improve the performance of the Child Support Agency in the short term, helping 200,000 more children to benefit from maintenance payments and lifting 30,000 to 40,000 more children out of poverty.

Breaking cycles of deprivation

73. Too often in the past, poverty in childhood has led to poverty in later life. To break this cycle, we need to ensure that mainstream and targeted public services improve opportunities for poor children. The overwhelming majority of parents on a low income use childcare from informal sources. Encouraging parents to engage with formal childcare offers potential developmental benefits to the child which can help to break the cycle of intergenerational poverty and deprivation. Raising standards in education, particularly for those children who do least well at school, is also a vital part of our strategy.

Childcare, early years and Sure Start

74. The Government has invested over £20 billion on early-years and childcare services since 1997 – services with particular benefits for lone parents, most of whom are women. Annual spending on all Sure Start group programmes alone will double in the three-year period leading to 2007/08, reaching £1.8 billion. There has been a net increase of around 617,000 registered childcare places since 1997; the stock of places currently stands at over 1.25 million registered places and there is now a childcare place for one in four under-eights, twice as many as in 1997. By 2010, there will be a childcare place for all 3 to 14-year-olds between the hours of 8am and 6pm each weekday. We have already met the first part of the

Public Service Agreement target to achieve 10 per cent growth in registered childcare by 2008 and successfully introduced the Childcare Approval Scheme on time. Work is ongoing to ensure that the second part of the target is met. Jobcentre Plus will have a clear role, through its personal advisers, in ensuring that its customers are engaged with childcare provision locally.

75. Children's Centres, initially in the most disadvantaged areas, and building on the Sure Start local programme model, are offering access to a wide range of high-quality, integrated early-years services. By 2010, there will be 3,500 centres, so every community will have easy access to a centre, and the benefits of Sure Start will be felt nationwide. At 28 July 2006, 889 Children's Centres were open, offering services to over 711,000 young children. The Childcare Act 2006 gives legal force to key commitments set out in the Ten-Year Childcare Strategy. The Act will enable Jobcentre Plus and local authorities to work together effectively to ensure that all families on benefits and those on low incomes are able to benefit from the ongoing expansion and improvement in early-childhood services.

76. Lone parents living in disadvantaged areas of Scotland can also access additional childcare support and help through the Working for Families Fund – see Annex 1 for more detail. Other measures to help break the cycle of deprivation include: legislation to create a unified multi-agency approach to children's services; placing a duty on education authorities to identify and provide for the additional support needs of children, and on professionals within agencies to work together; a new target to increase the educational attainment level of the lowest 20 per cent; new measures to modernise and strengthen the children's hearings system, which uses panels of volunteers to make decisions on the supervision requirements of children and young people in need of care and protection and those who are offending; and a new £10 million strategy – More Choices: More Chances – to reduce the proportion of young people not in education, employment or training in Scotland, particularly care leavers.

77. In Northern Ireland, spending on Sure Start has increased to £9.1 million in 2005/06. There are currently 25 Sure Start projects across Northern Ireland delivering responsive services in local communities and developing new roles and new ways of working for individuals and organisations involved with children and families. The children and young people's package, which will be implemented over the two-year period 2006–08, provides for the expansion and enhancement of Sure Start in Northern Ireland.

Education

78. We are working to raise standards in education, focusing on those children who perform least well at school. Spending on education in England is set to rise by over £12 billion in the next three years. Budget 2006 announced new resources to transform the way pupils are taught in classrooms and to close the nation's skills gap. Young people are achieving record results in school, with schools in deprived areas improving faster than the rest. At the heart of the reforms³⁹ is a desire to see no child's talent left untapped and to rethink how teachers, individual schools and the education system as a whole can work in partnership to draw in fresh energy and ideas. Parents will play a key role and, if we are to drive up standards, we must ensure that all are fully engaged in their child's education.

79. We aim to focus attention on the most vulnerable by monitoring the achievements of particular ethnic and social groups, pupils with special educational needs and disabled pupils. Through the Every Child Matters: Change for Children programme, local areas are working to narrow achievement gaps in education, providing tailored support for those in need and reducing the proportion of young people who are not in education, employment or training.

80. Scottish education authorities have a legal duty to ensure that a co-ordinated support plan is prepared for each child with enduring complex or multiple needs who requires support from outside the

³⁹ The Education and Inspections Bill 2006, 14–19 reforms and Youth Matters proposals, and the Review of Teaching and Learning in 2020

education system. An integrated approach to children's services has also been developed following consultation in 2005. This requires agencies to identify children in need and plan together to ensure that needs are met in an integrated way. Similarly, in Wales, funding of £46 million will be available over the next two years for a programme targeted at 0 to 3-year-olds in disadvantaged areas called Flying Start. This programme will provide for Sure Start projects, working with families, good quality childcare, language and play programmes and more integrated centres.

2.2.2 Indicators and monitoring arrangements

81. Although we have made significant progress in tackling child poverty, the 2005 target⁴⁰ was narrowly missed. The UK Government has now announced a new target which will drive progress over the coming five years, and a strategy aimed at meeting this demanding target is being developed. Progress against the 2010 target⁴¹ will be measured using indicators based on the tiered measure developed following a consultation process in 2002/03. This measure, which is designed to capture the notion that poverty is about more than just a lack of income, consists of three indicators: absolute low income – to measure whether the poorest families are seeing their incomes rise in real terms; relative low income – to measure whether the poorest families are keeping pace with the growth of incomes in the economy as a whole; and material deprivation and relative low income combined – to provide a wider measure of people's living standards. The 2010 child poverty target will be monitored by reference to the second and third of these measures. We will also be monitoring progress against an absolute-low-income indicator, although this will not form part of the detailed definition of the target⁴².

2.3 Policy Objective 2: Increasing Labour Market Participation

2.3.1 Our strategy

82. The UK's National Reform Programme 2005–08 set out our strategy for building on the success of our labour market. In this plan, we focus on action to help those at risk of social exclusion to get a job and remain in work. Our achievements in reducing unemployment mean that we are now well placed to provide more help for groups of people who have been excluded from the labour market, and proposals for reform were published in January 2006⁴³. Key targets included reducing the number of people claiming incapacity benefits by a million in a decade, helping 300,000 more lone parents into work,¹⁹ and increasing the number of older workers⁴⁴ by a million. Tackling the problems in cities and other disadvantaged areas is central to meeting these goals, increasing prosperity and reducing poverty and social exclusion. Housing Benefit is also in need of further reform. This approach has been widely welcomed and the Government is now in the process of implementing the reforms. Although the employment indicators show that the UK has one of the strongest labour markets in Europe, indicator 5 shows that there is a high proportion of individuals and children living in jobless households. Links to the European Social Funds

⁴⁰ The 2002 Spending Review announced a Public Service Agreement target to reduce the number of children living in low-income households by at least a quarter by 2004/05, as a contribution towards the broader target of halving child poverty by 2010 and eliminating it by 2020.

⁴¹ To halve the number of children in relative-low-income households between 1998/99 and 2010/11 on the way to eliminating child poverty by 2020

⁴² Department for Work and Pensions, January 2006, A new deal for welfare: Empowering people to work, www.dwp.gov.uk/aboutus/welfarereform/

⁴³ The strategy to achieve this is set out in Section 2.2.1 (see paragraph 69)

⁴⁴ Workers aged 50 and over

The European Social Fund provided about £5 billion in the UK from 2000 to 2006 to help people develop their employability and skills, with a particular focus on unemployed and economically inactive people. Target groups include disabled people, lone parents, older workers, people from black and minority ethnic groups and people with low or no qualifications. The European Social Fund is therefore supporting both the employability and the social inclusion agenda by promoting employment opportunities for all.

The mid-term review of the 2000–06 European Social Fund Objective 3 programme resulted in a stronger focus on targeting groups that face particular barriers to entering and making progress in employment. The Government has proposed that this should continue to be an important focus within the new European Social Fund programmes for 2007–13. More information about how European Social Fund programmes support this plan is provided in Annex 6.

2.3.2 Policy measures

83. The New Deal has helped hundreds of thousands of people into a job. The core programmes have been supplemented with area-specific initiatives, using innovative approaches tailored to individual needs. Jobcentre Plus provides labour market support for people who need help in finding employment. Programmes specifically for people with health conditions and disabilities include the New Deal for Disabled People and Pathways to Work pilots. Action to support lone parents into work is discussed in Section 2.1 and support for older workers will be covered later in this section.

84. In England, we are working with local authorities and their partners to tackle worklessness and poverty. Local authorities have contributed to the achievement of government outcomes through targets for which they receive a financial reward from central government. Local authority target setting is discussed in more detail in Section 6.2 (paragraph 100). The Scottish Executive published a new Employability Framework⁴⁵ in June. The framework is intended to increase the chances of sustained employment for people from vulnerable and disadvantaged groups. It sets out how the many organisations in Scotland can work together at both national and local level to provide appropriate interventions to enable individuals, including those furthest from the labour market, to access training for work, get into employment and continue to develop their skills once in work.

Jim McDougall, Barrhead, Glasgow

Jim is aged 50 and had been unemployed for five years: “I was keen to get back into work having been unemployed for a number of years due to health problems. I undertook some voluntary assistance work at the Jobcentre Plus office itself and my ultimate goal was to gain work in the care sector. Jobcentre Plus paid for me to do a first aid certificate, after which I obtained work with Alzheimer Scotland. The help I received from Jobcentre Plus Barrhead gave me a real sense of direction and the team were very friendly. The encouragement they gave me kept me focused on my goal and I have now secured work with the Mungo Foundation.”

85. The Government’s Skills Strategy⁴⁶ is reforming the adult skills system to tackle skill shortages, ensuring adequate skill levels for employers to support the success of their businesses and for individuals to be employable and personally fulfilled. The strategy continues to provide free training in basic literacy, language and numeracy skills. We are making free training available across the country to

⁴⁵ Scottish Executive, 2006, Workforce Plus: An Employability Framework for Scotland, www.scotland.gov.uk/Publications/2006/06/12094904/0

⁴⁶ Set out in two White Papers: 21st Century Skills (July 2003), www.communities.gov.uk/index.asp?id=1501928, and Skills: Getting on in business, getting on at work (March 2005), www.dfes.gov.uk/skillsstrategy

allow all low-skilled adults to achieve their first full Level 2 qualification⁴⁷. The New Deal for Skills is a package of measures aimed at improving the skills of individuals for whom lack of skills is the main barrier to getting a job, or making progress in work. It includes a package worth £50 million aimed at helping women return to and progress in work. The New Deal for Skills comprises four elements:

- skills coaching, which provides individually tailored support to help unemployed people develop the skills necessary to sustain and progress in employment;
- skills passports, which help individuals and employers by identifying, planning and recording skills and qualifications;
- the adult learning option: full-time training for benefit recipients with qualifications below Level 2, including a training allowance which does not affect their benefits; and
- strategies to improve the employability of low-skilled benefit recipients and provide support into sustainable employment.

Knowsley Metropolitan Borough Council is recognised for its innovative work in removing barriers to employment for excluded groups, for which it was awarded Beacon status in 2003/04. It has joined forces with local partners such as Connexions, Jobcentre Plus, the Chamber of Commerce, the Learning and Skills Council and the Northwest Development Agency to develop a single employment and skills strategy to target groups and areas of greatest disadvantage. Targets include a borough-wide employment rate target of 70 per cent by 2010, and ward-level targets for disadvantaged groups.

86. Through the National Minimum Wage and tax credits, the Government has boosted in-work incomes, improving financial incentives to work and tackling poverty among working people. Many who benefited from the introduction of these provisions were women. The rate of the National Minimum Wage is informed by the recommendations of the Low Pay Commission. The increases recommended by the Commission added a further 4 per cent last year – broadly in line with average earnings – and will add 5.9 per cent in October 2006. It is anticipated that 1.3 million workers will benefit from the October 2006 increase.

87. Working Tax Credit provides financial support on top of earnings for households with low incomes. By April 2006, over 2.2 million working families and 300,000 low-income working households without children were benefiting from Working Tax Credit. Some 374,000 families were benefiting from the childcare support available through tax credits. Housing Benefit has been simplified, with Local Housing Allowance introduced in certain areas. Local Housing Allowance removes the link to housing costs, basing support on the size of a claimant's household and the area in which they live. A simpler and more transparent system will help to speed up administration and provide greater certainty about what help is available, as well as offering tenants more choice when deciding where to live and the type of property to rent.

88. The Employment Retention and Advancement project is testing out a range of post-employment interventions to determine what is effective in helping people retain and advance in work. The interventions being tested are: 33 months of support from a dedicated adviser; access to a discretionary in-work emergency fund; training fees; a training bonus; and a retention bonus for those who work over 30 hours per week for 13 weeks in a 17-week period. The first findings will be available at the end of the

⁴⁷ Level 2 qualification – five GCSEs at grade A*–C or equivalent. National Vocational Qualifications are work-related, competence-based qualifications. Achievement of Level 2 requires the application of knowledge in a significant range of varied work activities, performed in a variety of contexts. Some of these activities are complex or non-routine and there is some individual responsibility or autonomy. Collaboration with others, perhaps through membership of a work group or team, is often a requirement

year. These will look at how well those who have received Employment Retention and Advancement services have done in terms of remaining in and progressing in work, compared with those who have just received pre-employment support.

2.3.3 Proposed new measures

Helping ill or disabled people

89. Access to work is important for disabled people and those with ill health. The Government aims to improve access by: a focus on rights and responsibilities; intervention to avoid the drift onto benefits; advice on returning to work at the beginning of a claim for Incapacity Benefit, and a focus on capability in the medical assessment. We must also ensure that work pays. Swift and appropriate health interventions are needed which help people to manage their condition and make a quick return to work. Pathways to Work offers a dual approach to assistance, providing people with financial support while facilitating their return to independence and the ability to earn the means to live by addressing a number of the health-related, personal and external barriers to returning to work. **Tertiary indicator 5** shows that the employment rate of disabled people has increased from 38.1 per cent in 1998 to 46.6 per cent in 2005. The New Deal for Disabled People has now helped almost 75,000 people into jobs.

90. Changes to the benefits system from 2008 will provide more money in return for work-related activity. Employers, trade unions and healthcare professionals are working in partnership with government to improve the general health and well-being of our working-age population, create healthier workplaces and ensure provision of good occupational health services and enhanced rehabilitation support. As part of its Closing the Opportunity Gap approach, the Scottish Executive has recently introduced a target to tackle economic inactivity and unemployment, by reducing the number of benefit claimants in deprived areas. The client group includes people on incapacity benefits, Income Support and Jobseeker's Allowance. Delivery will require partnerships between agencies such as Jobcentre Plus, local authorities, Scottish Enterprise, Communities Scotland and local health boards⁴⁸.

Extending Pathways to Work pilots

91. Delivering the UK Government's radical programme requires a delivery network that is effective, accessible and flexible. The experience of the private sector and voluntary sector offers new opportunities for improving delivery. To draw on this, the Government will invite new voluntary sector and private sector providers to manage Pathways to Work⁴⁹ in new areas, testing innovative approaches and focusing on improving job entry and retention. The Pathways to Work programme will be extended to cover every part of Britain by 2008.

City Strategy

92. Like other aspects of social exclusion in the UK, labour market disadvantage tends to be concentrated in deprived areas, many of which are in cities. To address this, the Government is piloting a new initiative in cities to support jobless people, especially the most disadvantaged, into work, securing better job outcomes and improved skills. The aim of the City Strategy is to test whether a local consortium or partnership of agencies, coming together with the shared aim of improving employment rates, can provide the drive and focus for cross-agency efforts to help jobless people. It is a bottom-up approach where we are looking to empower local areas through the opportunity to put forward proposals to government about how employment-related services should be delivered locally, based on their knowledge of their area and the key priorities for action.

⁴⁸ www.scotland.gov.uk/Topics/People/Social-Inclusion/17415/CtOG-targets/ctog-target-a

⁴⁹ Pathways to Work pilots offer early sustained support from Jobcentre Plus, the NHS and the voluntary sector for people with health conditions and disabilities

Helping older workers

93. By 2024, around half of the adults in the UK will be over 50 years old. There have been improvements in employment rates for older workers since 1997, but older people who want to work can face difficulties. These can include the lack of current skills and age discrimination. Employment support for the over-50s will be increased to help more people to get jobs, and we will run pilots to provide guidance on options for working and retirement. We will also work with employers to increase opportunities for flexible working and gradual retirement.

94. Age discrimination legislation is being implemented on 1 October 2006. This will prohibit unjustified direct and indirect age discrimination in employment and training, and all harassment and victimisation on grounds of age. The Age Partnership Group's Be Ready campaign, which was developed in conjunction with leading business organisations, aims to encourage age diversity in employment and provide employers with practical help and information in order to prepare for the legislation. Additionally, the Age Positive campaign and website strongly promote the business benefits of employing older people as part of a mixed-age workforce.

Rural exclusion

95. While rural areas are on average less deprived than their urban counterparts, there are still significant numbers of disadvantaged rural residents. Disadvantage is dispersed widely across rural England. The broad features of disadvantage are similar wherever you live – financial exclusion, lack of skills, lack of affordable housing and limited social mobility. But the spatial characteristics that define rurality can create particular challenges and often require imaginative, innovative and tailored delivery solutions. The Rural Strategy reflects the wider government agenda on social exclusion, which aims to break the intergenerational cycle of disadvantage⁵⁰.

2.3.4 Indicators and monitoring arrangements

96. Although we have shown considerable success in promoting participation in the labour market, we know there are key areas where there is more to do. The Government has a number of clear targets which focus on increasing the labour market engagement, now and in the future, of those most at risk of poverty and social exclusion. There are a number of commonly agreed EU and national indicators underpinning these targets, which help to ensure that continued progress is maintained in this key area. These indicators cover a range of measures including employment, health and education. We have already shown some success – the employment rates of key disadvantaged groups such as lone parents, older workers and black and minority ethnic communities have all shown improvement.

2.4 Policy Objective 3: Improving access to quality services

97. Public services that are efficient, effective, excellent, equitable, empowering and constantly improving can play an important part in tackling social exclusion, as well as providing a higher quality of life for all. There is, however, evidence of longstanding inequalities in public service provision in the UK with the most disadvantaged receiving poorer services than everyone else. For example, higher socio-economic groups are 40 per cent more likely to have a heart bypass than those from lower socio-economic groups, despite a much higher mortality rate from heart disease among the latter⁵¹.

98. Since 1997, the Government has substantially increased investment in public services. Alongside an ambitious programme of reform, this has produced significant improvements in education, health and

⁵⁰ See Department for Environment, Food and Rural Affairs, 2004, The Rural Strategy 2004, www.defra.gov.uk/rural/strategy/default.htm

⁵¹ Dixon A, Le Grand J, Henderson J, Murray R and Poteliakhof E, 2003, Is the NHS Equitable? LSE Health Discussion Paper

other areas. But increased spending on its own is not enough to ensure improvements. Reform is needed to improve efficiency, quality of service and the fairness of provision. The current approach to public service reform combines pressure from central government (top-down performance management); pressure from citizens (choice and voice); more competition in the provision of services; and measures to build the capability and capacity of civil and public servants. Our strategy is also informed by the findings of the former Social Exclusion Unit's work programme, which was focused on improving delivery of public services to the disadvantaged⁵².

2.4.1 Further and higher education⁵³

99. In further education and training, over 1.25 million adults have improved their literacy, numeracy and language since 2001, and over 800,000 more adults have Level 2 qualifications than in 2003. The Government has proposed further changes⁵⁴ aimed at enabling colleges to achieve their full potential as powerhouses of economic prosperity and social mobility. These proposals set out a comprehensive and ambitious programme of reform for the learning and skills sector and confirms the new central purpose for further education to equip young people and adults with the skills for productive and rewarding employment in a modern economy. With the aim of collaborating to improve 14–19 education and training, local authorities with local Learning and Skills Councils are developing partnerships to be in place by autumn 2006 which will bring together schools, further education colleges and work-based training providers.

100. In higher education, we are committed to providing predictability and stability in policy and funding so that universities can plan and innovate, transforming individual lives and developing communities. We will continue to promote fair access to universities for those of all backgrounds. Participation in higher education has increased in the face of significant demographic expansion, with 42 per cent of young people now participating and completion rates among the highest in the OECD. Careers Wales Online (www.careerswales.com) is the world's first all-age, bilingual virtual careers information, advice and guidance service. It has won the BAFTA Interactive Award for technical and social innovation. This will help people to develop the skills to manage their own career development and learning. It also has the potential to bring added value to traditional face-to-face guidance as well as being a key supporting resource in the delivery of 14–19 learning pathways.

2.4.2 Tackling health inequalities and empowering users of social care

101. The UK Government has made tackling health inequalities one of the top six priorities for the NHS⁵⁵. This will help to provide a stronger focus on the delivery of the target and reflects a growing recognition of the impact of social disadvantage on the health of the population. A substantial and wide-ranging programme of work is being taken forward to address health inequalities. For example, in the 'Spearhead' group of those local authorities with the most disadvantaged populations in the country (70 local authority areas, comprising 28 per cent of the population of England) initiatives such as the Healthy Schools programme and the School Nurse programme are being rolled-out. **Tertiary indicator 17** monitors the gap in life expectancy between the Spearhead group and the population of England as a whole. While life expectancy has improved for England as a whole and the Spearhead group in recent years, it improved more slowly in the Spearhead group areas (and widened the life expectancy gap between these areas). The National Service Framework for Children, Young People and Maternity has a

⁵² Improving Services, Improving Lives was a Social Exclusion Unit programme of five integrated projects which looked at how to improve service delivery for disadvantaged adults in order to improve their life chances

⁵³ The schools strategy is discussed in Section 2.2.1 (see paragraph 78 onwards)

⁵⁴ Department for Education and Skills, 2006, Further Education: Raising Skills, Improving Life Chances

⁵⁵ See Department of Health, 2005, The NHS in England: the operating framework for 2006/07

strong focus on improving maternal and infant care. The National Service Framework on Coronary Heart Disease and the NHS Cancer Plan both have a focus on improving access and services to disadvantaged groups. Local authorities also have a major role to play. The Local Government Association Health Inequalities Shared Priority aims to build the capacity of local authorities to enable them to work with primary care trusts and regional partners to promote healthier communities and narrow health inequalities.

102. We are tackling health inequalities in childhood by providing additional support for those on the lowest incomes. The Government is working to halt increasing obesity among children⁵⁶. Local authorities, in partnership with the NHS and other key bodies, are also working on projects to tackle childhood obesity, and there is evidence to suggest that they are taking steps to offer healthier school meals. Opportunity for all indicator 13(b) monitors a reduction in smoking rates among children. Smoking prevalence for children has fluctuated between 10 per cent and 9 per cent since 1992, with no clear trend over time.

103. The Welsh Assembly Government's £5.9 million Inequalities in Health Fund is currently supporting 62 ongoing projects primarily focusing on coronary heart disease, through services including screening, lifestyle change advice, cardiac rehabilitation and workplace health. Working with partners, including local government, the voluntary sector and frontline primary care and NHS trust staff, action is being targeted across Wales' most disadvantaged communities⁵⁷. The Scottish Executive's new Prevention 2010 programme aims to tackle health inequalities and improve the health of people with particular risk of preventable, serious ill health living in deprived communities. From 2005 to 2007, £25 million will be spent piloting the approach in the five community health partnerships which have the largest populations in the most deprived areas of Scotland. More than 13,000 Scots die every year from tobacco use⁵⁸. Smoking in public places is now prohibited by law in Scotland⁵⁹, helping to tackle this single greatest cause of preventable ill health and premature death.

104. At any one time, up to 1.5 million people are relying on social workers and support staff for help. Proposals for further empowering social care users include: changes to funding arrangements to enable greater choice and tailoring to meet individual needs; a commitment to developing 'information prescriptions' for people with long-term conditions and long-term support needs, giving information about their condition and advice on where they can access support; and a New Deal for Carers which includes a helpline offering advice to carers, short-term, home-based respite support to carers in crisis or emergency situations, and an Expert Carers Programme providing training for carers to develop the skills they need to take greater control over their own health and the health of those in their care.

2.4.3 Reducing re-offending

105. Nearly two-thirds of all offenders in the UK re-offend within two years. Many have low skills and are likely to be unemployed. This significantly increases the likelihood that they will commit further crimes. The future strategy for tackling these problems⁶⁰ is based on the clear understanding that sustained

⁵⁶ Joint Public Service Agreement target (Department of Health, Department for Education and Skills and the Department for Culture, Media and Sport) to tackle the underlying determinants of health and health inequalities by halting the year-on-year rise in obesity among children under 11 by 2010, in the context of a broader strategy to tackle obesity in the population as a whole

⁵⁷ See www.cmo.wales.gov.uk/content/work/inequalities-in-health-fund/index-e.htm

⁵⁸ See www.clearingtheairscotland.com

⁵⁹ The Smoking, Health and Social Care (Scotland) Act 2005

employment is key to leading a crime-free life. It brings together private and public sector employers, and others with skills in the business world, to find ways of increasing the number of offenders going into jobs. Jobcentre Plus is actively involved in the strategy and will work closely with the Probation and Prison Services to develop joined-up support for offenders. Bringing together employment and criminal justice policies in this way offers new opportunities for helping offenders become resettled in society. We have also introduced a new Offender Learning and Skills Service, which will be planned and funded by the Learning and Skills Council⁶¹. The involvement of the Learning and Skills Council offers a single channel for planning, commissioning, funding and overseeing post-16 learning delivery.

106. European programmes are playing a significant role in developing ways of working with offenders in the UK. The second round of the Equal programme, for example, contains a high proportion of projects focusing on offender employment with partnerships headed up by a mix of the Prison Service, Probation Service and voluntary sector organisations. The UK is leading a network on offender issues across the EU. Inclusion⁶², as manager of the European Offender Employment Forum is currently heading up a transnational employment programme focusing on the unemployed. The Local Government Association has published Going Straight⁶³, which shows the important role local government plays in reducing re-offending, and encourages local authorities to prioritise this issue. Scottish developments include a new strategy for offender management⁶⁴, a national advisory body, community justice authorities, pilot support projects for women and offenders with families, and an integrated case management system.

2.4.4 Services for older people

Purri Folkie Gypsy and Travellers Group, Leeds

Leeds Gypsy and Travellers Exchange has secured Community Chest funding to establish a group supporting older people from the Gypsy and Traveller community. The group, called Purri Folkie (old people), will aim to promote participation and reduce isolation within the target community. Purri Folkie will meet regularly and will provide information, support and advice to elders, carers and other family members. One of its main aims will be to improve the mental and physical well-being of the Gypsy and Traveller community, whose average life expectancy is just 50 years compared with the Leeds average of 78 years

107. Pension Credit is a major tool in tackling pensioner poverty by targeting money at those who need it. It guarantees an income of £114.05 a week for people aged 60 and over, and £174.05 for couples. These amounts may increase if pensioners have severe disabilities, caring responsibilities and/or relevant housing costs. Pension Credit also rewards people aged 65 and over who have made modest provision for their retirement. Although over 2.7 million households are receiving Pension Credit, there are many more that are eligible. Estimates of Pension Credit take-up in 2004/05, which were released on 11 May 2006, show that between 61 per cent and 69 per cent of those eligible were receiving their

⁶⁰ See Department for Education and Skills, December 2005, Reducing Re-offending through Skills and Employment - <http://www.dfes.gov.uk/publications/offenderlearning/docs/Green%20PaperReducing%20Re-Offending%20through%20Skills%20&%20Employment%20Final%20version.pdf#search=%22Reducing%20re-offending%20through%20skills%20and%20employment%22>

⁶¹ The Offender Learning and Skills Service (OLASS), www.dfes.gov.uk/offenderlearning/index.cfm?fuseaction=content.view&CategoryID=3&ContentID=4

⁶² The London Centre for Economic and Social Inclusion manages and administers the European Offender Employment Forum, which aims to contribute to a reduction in offending by promoting the social integration and reintegration of offenders through employment and training

⁶³ Local Government Association, 2005, Going Straight: reducing reoffending in local communities, www.lga.gov.uk/Publication.asp?lang=_e&id=SX1069-A782B110

⁶⁴ www.scotland.gov.uk/Resource/Doc/121591/0029340.pdf

entitlement. The Pension Service has written to every pensioner household and is using data matching to help identify people likely to be entitled to Pension Credit but not claiming, so that it can approach and persuade them to take up their entitlement. A direct mail initiative, 'It's time you stopped missing out', was targeted at 1 million people most likely to be entitled to Pension Credit over the three months from April to June 2006.

108. The Pension Service has a network of pension centres across England, Scotland and Wales, providing a primarily telephone-based service. In addition, a local service, working closely with local partners, offers a range of services tailored to customers' needs. This service provides an alternative for customers who are unable to use the telephone. The local service visits around 20,000 people likely to be entitled to Pension Credit every week, providing advice on a wide range of benefits, not just Pension Credit. LinkAge is a partnership delivery model which enables improved integration of health, housing, benefits and social care for older people based on joint teams that offer an integrated service, which provides a full personal care, benefits, heating and housing check for older people. The Alternative Office is an arrangement that enables older people to lodge claims for benefit with voluntary or community organisations or local authorities, to avoid the need to send personal documents through the post. These arrangements are supported by the Partnership Fund, a one-off project providing short-term funding to not-for-profit organisations to increase the take-up of benefits by older people.

109. LinkAge Plus is a pilot programme which will expand the principles of joined-up working and provide access to a wide range of services, such as housing, transport, health and social care, and work and volunteering opportunities, as part of a seamless service for older people. Development of the LinkAge Plus model was mentioned in a recent report⁶⁵. The model builds on the principles of service delivery developed for children in the Sure Start programme to ensure a service that is locally owned, joined up, non-stigmatising, accessible and economically effective. This approach brings a range of services together designed to meet the needs of each local area and driven by the needs and aspirations of older people themselves. The pilots will be designed to tackle inequality and promote social inclusion.

2.4.5 Access to decent and affordable housing

110. The latest national statistics (October to December 2005) show a 27 per cent reduction in the number of households becoming homeless compared with the same period in the previous year. This is the lowest number of new cases of homelessness at this time of year since 1985, and the latest in an overall downward trend since the beginning of 2004. In addition, the number of households in temporary accommodation has also fallen below 100,000 for the first time since 2004. But there is still more to do. The Homelessness Strategy for England aims to halve the number of households living in temporary accommodation by 2010. This will be achieved by investing in more social housing, as well as increasing funding to prevent homelessness and building more homes. The supply of new⁶⁶ social homes will be increased by 50 per cent by 2008, providing 75,000 new social homes over the next three years. More than £80 million is being allocated to local authorities over the next two years to invest in further prevention schemes which have demonstrated considerable success, in addition to the £1.7 billion already invested in preventative housing support services through the Supporting People programme. **Tertiary indicator 8** shows that, since 1996, the proportion of both social tenants and private sector vulnerable households living in non-decent homes has fallen by an average of over 2.5 percentage points each year, compared with around 1.5 percentage points for other households.

111. In conjunction with housing associations, the Northern Ireland Housing Executive is in the process of delivering a major Traveller accommodation programme. Over £11 million has been allocated to

⁶⁵ Cabinet Office, Social Exclusion Unit, A Sure Start to Later Life, Ending Inequalities for Older People, www.socialexclusionunit.gov.uk/page.asp?id=573

⁶⁶ See Department for Communities and Local Government, June 2005, Sustainable Communities: settled homes; changing lives, www.communities.gov.uk/index.asp?id=1149785

schemes to provide group housing and upgrade existing serviced sites. A further £3.5 million has been set aside to provide additional schemes over the next three years. An interdepartmental, cross-sector working group has been set up to address the issue of homelessness in the context of promoting social inclusion. The working group's remit is to consider how government departments, agencies and non-departmental public bodies can best work together to ensure that the risk of homelessness is reduced and that the full range of appropriate services is available to homeless people. The strategy being developed by the working group, which must be affordable and deliverable, will aim to ensure that better services are delivered by using existing resources in a more joined-up way.

112. The revised Welsh National Homelessness Strategy was launched in 2005, setting out the joined-up agenda for tackling homelessness in Wales, and includes an action plan with Assembly commitments and expectations of others, including local authorities. Implementation is being supported with legislation, guidance, funding and promotion of good practice. The Homelessness Grant programme has grown by over 900 per cent since 1998, to £5.99 million in 2006/07. Significant results are already evident; latest statistics indicate a fall of 35 per cent in the number of households accepted as homeless over the previous 12 months, and a 22 per cent reduction in the number of those housed in bed and breakfast accommodation⁶⁷. Scottish homelessness action⁶⁸ includes banning unsuitable temporary bed and breakfast accommodation for homeless families, a fund for unique local authority projects, the Response programme for women fleeing domestic violence and 21,500 new and improved affordable homes.

2.4.6 Transport

113. Local transport authorities are expected to work with partner organisations, such as primary care trusts, local education authorities and Jobcentre Plus to identify and address accessibility problems. Local authorities are required to set at least one accessibility indicator and target relating to their local priorities, which will demonstrate improvements in accessibility over time, and which will be reported in their progress reports. From April 2006, the Scottish Executive has extended, Scotland wide, its free local bus travel scheme for older and disabled people introduced in 2002, including a minimum of two return ferry trips for islanders. A national bus, rail and ferry concessionary travel scheme for young people will be introduced in early 2007. Remote rural communities are being sustained through the Rural Community Transport Initiative, currently supporting 161 projects across rural Scotland, and the Rural Petrol Stations Grant Scheme, currently helping to maintain 120 rural petrol stations.

114. In England, the Neighbourhood Road Safety Initiative is funding 15 councils with high child pedestrian casualty rates to deliver improvements across their deprived communities. Projects under way aimed at tackling child pedestrian accidents include provision of and improvements to safe play areas, safe access to play areas, after-school projects about the journey to school, child pedestrian training and education, and publicity campaigns. Opportunity for all indicator 41 monitors the reduction in the proportion of all road accident casualties in disadvantaged districts against that for England as a whole. The number of casualties in road accidents in disadvantaged districts in 2004 has fallen by 15.8 per cent since the baseline period⁶⁹, compared with a 12.3 per cent fall in England as a whole.

2.4.7 Tackling Fuel Poverty

115. The UK Government is working with the devolved administrations to tackle fuel poverty, defined as where a household has to spend more than 10 per cent of its income on fuel to maintain an adequate

⁶⁷ See <http://new.wales.gov.uk/topics/housingandcommunity/housing/publications/homelessnessstrategy?lang=en>

⁶⁸ See the 'Housing and regeneration' section on the Scottish Executive website, www.scotland.gov.uk/Topics/Housing

⁶⁹ The baseline period is the average of figures for 1999, 2000 and 2001

standard of warmth⁷⁰. Progress is summarised in the following table. There are also many initiatives at local authority level which are contributing to our aim to eradicate fuel poverty in vulnerable households by 2010 (see Annex 7).

Country	Scheme	Year	Services	Households Helped	Investment
England	Warm Front	2000	Heating and Insulation	1.1 million	£750 m
Northern Ireland	Warm Homes	2001	Heating	11,000	£38 m
			Insulation	29,800	
Scotland	Warm Deal	2001	Heating	65,000	£265 m
			Insulation	224,000	
Wales	Home Energy Efficiency Scheme	2001	Heating and insulation	57,000	£68.5 m

116. Energy companies help their most vulnerable customers in several ways. All are going beyond their statutory duties and offering a range of assistance, including social tariffs, provision of energy efficiency advice and assistance, and trust funds. As well as their own individual efforts to tackle fuel poverty, energy supply companies worked together to develop the Home Heat Helpline, launched in 2005. This provides vulnerable customers and their representatives with a central source of information relating to the help available – including energy efficiency measures and tariff advice – from their energy supplier. The helpline links with assistance from Warm Front and The Pension Service. Discussions continue with the energy companies about what more they and others can do to address fuel poverty.

2.4.8 Tackling over-indebtedness and financial exclusion

117. While the majority of consumers use credit prudently, a significant minority are in a situation where their debt has become a major burden. Responding to concerns about the links between debt and social exclusion, the Government developed a cross-government over-indebtedness strategy in July 2004, overseen by a ministerial group. Its two objectives are to minimise the number of people becoming over-indebted and improve the support process for those already in debt. A wide range of measures designed to combat over-indebtedness has been developed.

118. The Government recognises that access to mainstream financial services, including affordable credit and debt advice, can often be limited for individuals from low-income households. For example, in 2002/03 there were 2.8 million adults in households without access to a bank account of any kind – over two-thirds of whom were in the lowest income deciles. Since 2004, the Government’s strategy for financial inclusion has focused on the three priority areas of access to banking, access to affordable credit and access to face-to-face money advice, with a £120 million Financial Inclusion Fund to deliver new policy initiatives, and an independent Financial Inclusion Taskforce to oversee progress:

- Banking: The banks and the Government agreed in December 2004 to work together towards the goal of halving the number of adults in households without a bank account, and making significant

⁷⁰ See Department for Environment, Food and Rural Affairs, 2004, Fuel Poverty in England: The Government’s Plan for Action and Department of Trade and Industry, 2003, Our energy future: creating a low carbon economy

progress in that direction within two years. In its first progress report, published in March 2006, the Taskforce noted that steady progress towards the goal had been made.

- **Affordable credit:** In June 2006, the Department for Work and Pensions announced the first successful bids for the Growth Fund, a £36 million fund available to credit unions and other third-sector lenders working towards increasing the availability of affordable credit for lower-income groups.
- **Money advice:** For those who do get into debt or who struggle to make payments, the supply of free face-to-face money advice falls far short of demand. In April 2006, the Department of Trade and Industry announced the 14 successful bids for its £45 million face-to-face debt advice project. This will provide 450 new debt advisers to help people get their debts under control.
- **Scotland:** Through its Financial Inclusion Action Plan, the Scottish Executive is providing £10.6 million of funding to the 11 most financially excluded local authorities in Scotland, frontline money advice in every local authority in Scotland, encouraging the growth of credit unions and the services they offer, and promoting financial capability, to help people learn how to manage their money better⁷¹.

2.4.9 e-Government

119. In April 2005, the Government launched Connecting the UK: the Digital Strategy⁷². The overall aim of the strategy is to ensure that society benefits from digital media and information communication technology. The Digital Strategy seeks the transformation of the delivery of public services through the effective use of modern technology. At its core are three themes: services enabled by information technology must be designed around the citizen or business; government must become more joined up and efficient; and there must be greater government professionalism. The local e-Government programme is also working to ensure that all local services can be delivered through electronic channels. An example is the Digital Challenge competition, which offers a prize worth £7 million for building a world-class digitally inclusive city/region. We aim to improve accessibility for the digitally excluded and ease of use for the disabled. Specific initiatives include building on the network of UK online centres and ensuring that disabled people can access all government online services. This work is being taken forward by the Digital Inclusion Team, which is working to develop the potential of digital technologies to benefit the socially excluded, following up the opportunities identified in the report Inclusion through Innovation, published in 2005⁷³.

120. Communities@One is the Welsh Assembly Government's initiative to 'enable communities to use information communication technology in ways relevant to them to enhance their quality of life, overcome difficulties and allow them to fulfil their social, economic and cultural potential'. Targeted at the 132 Communities First geographic areas⁷⁴ across Wales, it will provide a framework of support for communities, building on what already exists, to strengthen community organisations' and individuals' information communication technology skills to help achieve social inclusion⁷⁵.

⁷¹ See www.scotland.gov.uk/Publications/2005/01/20544/50280

⁷² See www.strategy.gov.uk/downloads/work_areas/digital_strategy/digital_strategy.pdf

⁷³ See www.socialexclusionunit.gov.uk/page.asp?id=583

⁷⁴ Communities First is a Welsh Assembly Government programme aimed at tackling poverty and social disadvantage in the most deprived areas across Wales. Some of the eligible areas under the programme are the 100 most deprived electoral divisions as identified by the Welsh Index of Multiple Deprivation 2000 and 32 sub-ward pockets of deprivation, which are areas smaller than electoral division level showing comparative deprivation

⁷⁵ See www.walescoop.com/site/template.asp?PID=1&SID=68&IID=1

e@SY CONNECTS delivers public services electronically across South Yorkshire local authorities in partnership with health authorities, emergency services, the voluntary sector, Jobcentre Plus, Yorkshire Forward and the South Yorkshire Passenger Transport Executive. Launched in 2004, the primary aim was to offer easy access to public information and services to those people not familiar with the internet. It ensures that citizen sectors such as the growing 'silver economy' are supported and promoted in such innovation. One of the first interactive services offered to the public via e@SY was the ability for benefits payment progression to be monitored by the citizen to ensure that the process could be 'managed' easily by the customer and the authority, which allows rapid response to any issues, thereby preventing a protracted benefit claim with all the real-life problems which can result from late or non-payments.

2.5 Policy objective 4: tackling discrimination

121. The UK draws great strength from the diversity of its population. And we have some of the strongest equal opportunities legislation in Europe, which provides a right to equal treatment for all. However, it is clear that certain groups within the population are more at risk of poverty and social exclusion than others:

- Disabled people are more at risk of poverty than the general population, with more than a quarter of households with one or more disabled adult living on less than 60 per cent median income⁷⁶. In a separate survey, 40 per cent of disabled people reported difficulty in accessing services because of their disability.
- People from black and minority ethnic groups are also more at risk of poverty with, for example, 39 per cent of people from an Asian or Asian British background living in low-income households⁷⁷. People from a black and minority ethnic background also tend to be disadvantaged in the labour market, with an employment rate more than 15 per cent lower than the UK average⁷⁸.

122. There are many factors that contribute to the disadvantage faced by these and other groups, but it is clear that discrimination has a significant impact on the lives and living conditions of many disabled people and people from black and minority ethnic groups. This is why tackling discrimination is recognised as having a key role to play in the fight against poverty and social exclusion and in developing labour market policies.

2.5.1 Disabled people

123. The UK Government's future strategy to promote the social inclusion of disabled people is set out in the Prime Minister's Strategy Unit report⁷⁹. The report's aim is to consider what can be done to improve opportunities for Britain's 10 million plus disabled people of all ages, and it sets out a 20-year vision: 'By 2025, disabled people in Britain should have full opportunities to improve their quality of life, and will be respected and included as equal members of society.' The Government has also established a comprehensive framework of civil rights for disabled people.

Policy measures

124. The Government has set up an Office for Disability Issues (ODI), focusing on four key areas:

⁷⁶ 60 per cent median income (after housing costs), from table 3.6, Households Below Average Income survey

⁷⁷ 60 per cent median income (after housing costs), from table 3.5, Households Below Average Income survey

⁷⁸ Opportunity for all indicator 19, from Opportunity for all 7, 2005

⁷⁹ Prime Minister's Strategy Unit, 2005, Improving the Life Chances of Disabled People, www.strategy.gov.uk/work_areas/disability/

- helping disabled people achieve independent living;
- improving support for families with young disabled children;
- facilitating a smooth transition into adulthood; and
- improving support and incentives for getting and staying in employment.

125. ODI is working with partners across government to pilot new ways of providing support for disabled people. The basic legal framework of disability rights is provided by the equal opportunities legislation introduced in 1995⁸⁰, which has been significantly amended and extended by the current Government. There is now in place a comprehensive and enforceable set of civil rights for disabled people, covering a wide range of areas, which include employment, education, transport and access to goods and services.

Proposed new measures

126. A priority for the Government is the implementation of the new legislation⁸¹. For example, from December 2006, the new Disability Equality Duty, which will require all public bodies to promote equality of opportunity for disabled people and require listed authorities to publish and implement Disability Equality Schemes. Under this new duty, public bodies will need to take account of the needs of disabled people in all areas for which they have responsibility, and consider outcomes for disabled people, taking steps to reduce any disadvantage that they may experience. From December 2006, the use of land-based transport services will be brought within the scope of the access provisions of the Disability Discrimination Act 1995 (DDA). By building upon legislative requirements governing accessibility of transport vehicles themselves, this will improve access for disabled people to public transport services thus overcoming a significant barrier to many disabled people's participation in society. In addition, public authorities will be subject to new duties under the DDA when fulfilling public functions, such as the issuing of licences.

Indicators and monitoring arrangements

127. We are continuing to monitor the impact of the DDA on those with duties under the Act, to further our understanding of how those with duties are responding and the extent to which attitudes and behaviours are changing. Our latest research project, Organisations' Responses to the Disability Discrimination Act, is currently in the fieldwork stage and will report by the end of the year. This research explores organisations' attitudes and behaviour towards disabled people. We are also scoping a new research project into the experiences and expectations of disabled people. This will look at disabled people's lives and how they are changing. Included in this will be attitudes towards disability, experiences of discrimination and exclusion in society and expectations for the future. DWP regularly surveys the population to track awareness levels of the DDA⁸².

CONCEPT is a social enterprise pilot project run by the Royal National Institute for the Blind in Birmingham. The overall aim is to develop the project into a stand-alone sustainable social firm model, which could be replicated in other geographical and vocational areas. The project provides paid employment for a core staff team and paid work experience for trainees. The project has generated significant income over the past three months, selling conferencing space and on-site catering. The project has secured a grant from Birmingham City Council under European Social Fund co-financing to

⁸⁰ The Disability Discrimination Act 1995, as amended by the Disability Discrimination Act 2005

⁸¹ The Disability Discrimination Act 2005

⁸² Awareness currently stands at 72 per cent; our target is 75 per cent by March 2008. Awareness is lower among people covered by the DDA than among non-disabled people (65 per cent versus 74 per cent respectively)

provide paid work experience placements over the next 18 months for blind and partially sighted jobseekers in a number of vocational areas, including: catering, administration, hospitality, event marketing and cleaning. The project has also secured funding to provide life skills training for cooking, budgeting and healthy eating.

Resource allocation

128. The Government sponsors the Disability Rights Commission (DRC), which works to eliminate discrimination against, and to promote equal opportunities for, disabled people through, for example, guidance and information on rights and responsibilities under the DDA. Currently, the Government allocates some £20 million a year to the DRC. The Government spent around £6 million over the past two years on promoting awareness of the DDA among employers and service providers, particularly small and medium-sized enterprises. Around £2 million is already committed in the current year.

129. The Government is also planning to spend £346 million in 2006/07 on disability employment and training programmes. This specifically excludes the Pathways to Work pilots as they are aimed at all Incapacity Benefit recipients who, as they can claim benefits for a range of sickness and health conditions, are not necessarily disabled. The sum drops to £330 million in 2007/08.

2.5.2 People from black and minority ethnic groups

130. The Government's strategy to tackle disadvantage associated with ethnicity includes action to improve access to employment and work on community cohesion. In Wales, the Race Equality Scheme (2005–08) commits the Assembly to becoming an exemplar public authority by developing long-term positive change to eliminate unlawful racial discrimination, promote race equality and promote good race relations. In addition, the Assembly is working to develop effective, sustainable links with communities not previously reached. A Muslim Women's Forum and Minority Ethnic Youth Forum have been created to take this forward.

131. The Racial Equality Strategy for Northern Ireland is intended to provide a framework that will allow the Government – and others – to tackle racial inequalities in Northern Ireland and to open up opportunity for all; to eradicate racism and hate crime; and to initiate actions to promote good race relations. The strategy contains six shared aims that the Government in Northern Ireland will pursue in tackling racial inequalities and eradicating racism⁸³. In Scotland, the Government is tackling racism through its One Scotland Many Cultures campaign⁸⁴. An action plan⁸⁵ will be published in 2006. This will be supported by a new £2 million Race Equality, Integration and Community Support Fund. Stakeholders will be involved in policy development through a National Coalition on Race Equality.

132. The Commission for Racial Equality has been developing an integration agenda for Great Britain⁸⁶, which is based on a 'virtuous triangle' of: equality (meaning non-discrimination), participation (of all communities in political and community decision making on all levels) and interaction (between all communities in various localities, such as schools and neighbourhoods). Some of the other good practice models to be seen across the UK are outlined in this plan.

⁸³ See Office of the First Minister and Deputy First Minister Northern Ireland, 2005, A Racial Equality Strategy for Northern Ireland 2005–2010, www.ofmdfmi.gov.uk/race-equality-strategy.pdf

⁸⁴ See http://www.onescotland.com/onescotland/osmc_display_home.jsp;jsessionid=82E0DA0182C4152196C26E59E1CDDF27?p_applic=CCC&p_service=Content.show&pContentID=3&

⁸⁵ Informed by the Review of Race Equality Work in Scotland (November 2005), www.scotland.gov.uk/Publications/2005/11/1881943/19435

⁸⁶ See www.cre.gov.uk

Our long-term aspiration is that 'In ten years' time, ethnic minority groups should no longer face disproportionate barriers to accessing and realising opportunities for achievement in the labour market'.

Employment

133. Although legislation has been in place for many years, there is still ample evidence that people from black and minority ethnic groups in the UK are less likely to find jobs, even when they have the same qualifications as white people. This difference, after accounting for other factors, is known as the 'ethnic penalty'. The ethnic penalty has persisted over three decades and is one of the major contributors to discrimination. The UK Government's strategy to improve employment rates of black and minority ethnic groups requires changes to the practices of public services and to popular attitudes. The focus of this strategy is on improving the outcomes delivered by existing skills and employment programmes and by pursuing the City Strategy initiative. This will be done firstly through piloting, ensuring that government and the businesses that we work with meet their responsibility to employ a diverse workforce, and secondly through seeking further changes to employer attitudes by engagement, advice and guidance. The London Olympics in 2012 also offer opportunities for improving access to employment for people from black and minority ethnic groups.

Community cohesion

134. The UK Government's race equality and community cohesion strategy⁸⁷ aims to bring together practical measures across government to improve opportunities for all in the UK – helping to ensure that a person's ethnicity or race is not a barrier to their success. We recognise that many members of black and minority ethnic communities are already thriving in the UK today, but the picture is not uniform: certain communities still suffer poorer outcomes in education, health, housing, employment and in the Criminal Justice System. The strategy therefore gives greater emphasis to tailored initiatives that meet the specific needs of particularly disadvantaged communities, rather than treating all communities in the same way. The strategy is supported by a Public Service Agreement to reduce race inequality and build community cohesion which will have been achieved if there is: a decrease in the percentage of people from black and minority ethnic communities who feel that one or more of the key public services would treat them worse than people of other races by 2007; a decrease in black and minority ethnic perception of discrimination in the labour market by 2007; and an increase in perceptions of community cohesion in the majority of areas where the risk of disturbance is high.

Indicators and monitoring arrangements

135. We are seeking a significant increase in the employment rate of black and minority ethnic communities⁸⁸, and to close the gap between black and minority ethnic employment and the national average.⁸⁹ The black and minority ethnic employment rate is based on aggregated data for all respondents to the Labour Force Survey, a quarterly survey of 60,000 households in Great Britain, who classify themselves as belonging to a non-white ethnic group. The Labour Force Survey is also used to measure progress. A full year's progress report, up to spring 2006, is now available. The previous Public Service Agreement (PSA) target for Spending Review 2002 is now complete and has been met for black and minority ethnic employment. The black and minority ethnic employment rate is 59.7 per cent, up by 0.4 percentage points over the year, but up by 1.9 percentage points since the PSA baseline of spring 2003. The employment rate gap has closed to 15.0 percentage points, a reduction of 1.9 percentage

⁸⁷ Home Office, January 2005, Improving Opportunity, Strengthening Society, www.homeoffice.gov.uk/documents/improving-opportunity-strat

⁸⁸ This is defined in the Public Service Agreement Technical Note as at least a 1 percentage point increase in the Spending Review period

⁸⁹ The gap with the overall rate has to close by at least 1 percentage point

points since spring 2003, the start of the PSA period. A formal monitoring mechanism, the 'Balanced Scorecard', is being developed for measuring the progress of the Ethnic Minorities Employment Task Force.

136. Progress on the race equality and community cohesion PSA is measured by a survey⁹⁰ that collects people's views and experiences covering a range of issues, including racial prejudice, their local area, and volunteering and participation. Progress on the PSA is reported annually through the Autumn Performance Report which can be found on the Home Office website.⁹¹ In addition, the first annual progress review of the race equality and community cohesion strategy was published in July 2006⁹². This includes a statistical annex, Race Equality in Public Services, which brings together race equality performance data for the key public service areas: the labour market, education, housing, health and the Criminal Justice System.

2.6 Better governance in the field of social inclusion

137. The UK has a complex system of government and an active voluntary and community sector (VCS). The wide range of actors involved in the social inclusion field – and the complexity of the issues involved – provide a range of challenges. The NAP process provides an important means of linking action at central government level with the wide range of actors across the UK who are concerned with social inclusion. It is, however, part of a broader strategic attack on poverty and social exclusion. In particular, social exclusion issues have been brought into greater focus by the appointment of a Minister for Social Exclusion and a Social Exclusion Taskforce to support her.

138. This taskforce has begun its work by focusing on severe deprivation and those who are most at risk of social exclusion. The Social Exclusion Action Plan – which will be launched in the autumn of 2006 – will propose tackling the social exclusion of vulnerable groups on a number of levels. It will examine how tackling systemic reforms across public services can improve the delivery of services to those most at risk of exclusion. Specifically, it proposes new incentive models to support early interventions, cross-agency working, information sharing and the spread of best-practice early interventions. It will also detail a series of pilots to establish the effectiveness of the most promising interventions, so that we can start to make an immediate difference to people's lives.

139. The second Comprehensive Spending Review (CSR), reporting in 2007, will set departmental spending plans and priorities for the years 2008/09, 2009/10 and 2010/11. A decade on from the first CSR, the 2007 CSR will provide the opportunity for a fundamental review of the balance and pattern of public expenditure, taking stock of what the investments and reforms have delivered to date and identifying what further steps are needed to meet the challenges and opportunities of the decade ahead. Against a background of continuing technological and economic change, the Government is committed to making further progress on tackling social exclusion and increasing fairness and social justice, including eliminating child poverty by 2020.

140. Public services have a key role to play, and the CSR will be informed by policy reviews on children and young people and on mental health and employment outcomes. Spatial dimensions of disadvantage will be addressed through the review of regional economic development and regeneration. However, the Government alone cannot meet the challenges ahead: citizens, communities, businesses and non-governmental organisations (NGOs) will all play a vital role in shaping the future of UK society. To inform

⁹⁰ The Public Service Agreement is measured through the Home Office Citizenship Survey, a biennial survey which asks a representative sample of 10,000 adults in England and Wales for their views. There is an additional minority ethnic boost of 5,000 people, to ensure the views of these groups are accurately reflected

⁹¹ www.homeoffice.gov.uk/about-us/publications/our-service-to-you/

⁹² See www.communities.gov.uk/index.asp?id=1501928

the CSR and develop a shared understanding of how the country must respond to the challenges of the decade ahead, the Government has launched the largest ever consultation with the third sector as part of a review of the third sector's future role in social and economic regeneration.

2.6.1 Preparing the NAP

141. The NAP provides a new way of supporting engagement across government and with the VCS. Over the past three years, we have built on the progress made in developing the 2003 NAP. However, the UK Government recognises that there is more to do both in incorporating the widest range of views and experiences in the strategy and in ensuring that social inclusion is mainstreamed across all relevant policies and services. This, the third UK NAP, shows the effect of work that has been going on continuously since the 2003 NAP was published. The aim of this work is threefold:

- firstly, to raise awareness of the NAP process and, in particular, to encourage a shared ownership of the process;
- secondly, to ensure that there is a shared understanding of the issues which people facing social exclusion are experiencing – and of the strategy to tackle these issues; and
- thirdly, to identify what is going well – and what is not going so well – so as to inform future developments in the strategy and the policies and services that support it.

142. The NAP process has been characterised by an increasing engagement at all levels of government with the social inclusion process, the development of fruitful partnerships with a range of civil society organisations and the creation of links between the NAP and other processes – in particular the transnational exchange projects (see Annex 4). The Social Policy Task Force⁹³ (SPTF) has played a key role in developing this process. At the suggestion of the SPTF, a time-limited Participation Working Group was established in 2002 to advise on future engagement with people experiencing poverty in developing social inclusion strategies. A key recommendation of the working group was the development of a toolkit to enable 'grassroots' organisations to gather opinions on social inclusion to inform the development of the 2006 NAP. The toolkit, badged Get Heard⁹⁴, was published in the autumn of 2004. A total of 146 Get Heard workshops have been held around the country: 81 in England, 45 in Scotland, 14 in Northern Ireland and 6 in Wales. The project has been run with funding supplied principally by the EU but with some 'match funding' from the UK Government. The issues raised in these workshops have informed the production of this document and a summary can be found in Annex 4.

143. The NAP process has supported some mutual learning across the UK and is beginning to show the possibility of policy transfer across the EU. In the policy areas of over-indebtedness⁹⁵ and in-work poverty, the NAP process has supported policy development. There are, however, still some concerns. The UK Government has always seen the NAP process as a means of drawing together action and resources from across a wide range of fields, and has been concerned to avoid creating new bureaucratic structures. However, there is an argument for clearer accountability on the part of government and greater financial support for the process of engagement with NGOs. We are currently considering the development of a formal stakeholders group, which would give the NAP process a clearer legitimacy, and seeking new ways of providing support for the NGOs with whom we work.

⁹³ A grouping of NGOs with a particular focus on social exclusion, formed to support the UK Government in the development of the NAP and other aspects of the open method of co-ordination

⁹⁴ See <http://www.ukcap.org/getheard>

⁹⁵ See Section 2.4.8.

What works?

‘The external driver of the NAP Inclusion keeps the process moving and provides timelines and deadlines.’

‘The methodology of standing dialogue on an ongoing process has led to each party increasing their capacity to understand the priorities and working methods of people experiencing poverty, social NGOs and governmental actors.’

‘The methodology has allowed the development of initiatives to support the process, and through direct encounters it has introduced some reinforcement of the policy priorities of people experiencing poverty and exclusion.’

Source: From the Social Policy Task Force’s submission to the UK Government

Policy co-ordination and mainstreaming

144. Social inclusion is at the heart of the UK Government’s agenda, and this commitment is fully reflected in strategies at devolved, regional and local level. Rigorous planning and clear targets are central to the UK’s approach to strategy and, at central government level, a concern for social inclusion is clear in the Public Service Agreement (PSA) targets⁹⁶ agreed by each government department. The link between central and devolved government has less in the way of formal control systems, but there are two forums in which poverty and social exclusion issues are discussed – the Joint Ministerial Committee on Poverty and the British–Irish Council.

145. The development of NAPs facilitates practical co-operation between the member states. This approach provides scope for shared learning, exchanges of best practice and joint working across national boundaries. Poverty and social exclusion affect the quality of life of families and communities across the island of Ireland. Creating a more inclusive society by alleviating social exclusion, poverty and deprivation is a continuing challenge for administrations in Northern Ireland and Ireland. There are strong commonalities shared by those communities which have facilitated the establishment of a number of areas of cross-border co-operation. Progress has been significant in recent years, particularly through the work of the North–South Ministerial Council and the EU-funded Peace Programmes in Northern Ireland and the border region of Ireland.

146. The Irish and UK Governments are committed to developing and promoting further North–South consultation, co-operation and common action concerning policies on poverty and social exclusion over the period of this plan. To this end, a report outlining common and current areas of cross-border work and initiatives between Northern Ireland and Ireland will be prepared. Potential areas suitable for further cross-border co-operation will be identified, as will the mechanisms by which this work could be undertaken and delivered.

147. The relationship between central and local government is vital. The UK Government is committed to delivering better local services by working on a shared local agenda to achieve faster progress towards ambitious targets. This involves more devolution and decentralisation to the local level. Close working with local authorities helps to increase employment rates, improve benefit delivery, cut the number of work-related accidents, increase benefit and Pension Credit take-up and deliver services for older people⁹⁷. The DWP/LA Strategic Forum has provided the opportunity for senior officials to meet to discuss current and future policies and improve ways of working together. The forum has encouraged

⁹⁶ See Annex 2.

⁹⁷ See Section 2.4.4, paragraph 108

Partnership Accords in England, Scotland and Wales, focusing on helping the hardest to reach into work. Pension Service and Child Poverty Accords have also been agreed and partnership work is underway to deliver the LinkAge Service.

The Northern Ireland Executive is a partner in a two-stage European Commission-funded project which, firstly, compared approaches to mainstreaming social inclusion policy across different EU member states and, secondly, has been developing practical guidance on the different approaches to mainstreaming social inclusion considerations into policy, budget and programme development. The project is one of 64 being progressed within the Transnational Exchange Programme (TEP). The primary objective of TEP is to support mutual learning between member states.

Mobilisation and involvement of all the actors

148. The production of the NAP has allowed for the development of real partnerships between the devolved administrations, central and local government, and other organisations active in this area. In addition to feeding in to the Government's social inclusion strategy, the Get Heard process has created many other opportunities: people experiencing poverty have had the chance to get involved in their local communities and to make a difference to policies and services which affect their lives; and those working in the voluntary and community sector have been able to engage in discussing the anti-poverty strategy and to increase the extent to which their contribution to tackling social exclusion is reflected in national strategies. In the East Midlands, a distinctive Community Empowerment Strategy was developed for European Social Fund-funded inclusion work after consultation with community groups involved in tackling problems of exclusion. The Catalyst Local Social Capital Programme is proving very successful at enabling people in very disadvantaged areas to use small grants to make their ideas a reality, building community spirit and participation. 'Catalyst' uses community selection panels, so that the community benefits from ownership of the programme 'process' as well as 'product', further increasing social capital. Projects have involved local people in creating new networks, social structures, and learning and job creation opportunities.

2.6.2 Monitoring arrangements

149. As mentioned in paragraph 144, central government departments in the UK are committed to meeting clearly defined targets, known as PSAs. An example of a PSA is the commitment to halve the number of children in poverty by 2010. Many of these PSAs – and, in particular, the floor targets – are specifically aimed at focusing policies and services on the most disadvantaged people and communities. At UK level, poverty outcomes are monitored using 60 indicators: the progress on these indicators is reported annually⁹⁸. The devolved administrations publish similar strategy documents which allow outcomes to be tracked in Northern Ireland, Scotland and Wales.

Targets agreed with local authorities

150. Through Local Public Service Agreements, LAs in England have contributed to the achievement of government outcomes – for which they will receive a financial reward paid by central government. From the first round (2001–04), LAs committed to helping 21,000 people into jobs and ensuring correct benefit and pension entitlement to an extra 10,000 people over a three-year period. Further commitments were made to improve the delivery of Council Tax Benefit and Housing Benefit. Over 60 per cent of authorities submitted DWP-related targets.

151. Local Area Agreements in England are the next stage in the evolution of the central and local government relationship. By March 2007, Local Strategic Partnerships and Government Offices will have agreed three-year outcome targets for a whole range of government-related business in their areas.

⁹⁸ Through the annual poverty reports *Opportunity for all* – see <http://www.dwp.gov.uk/ofa>

Local Strategic Partnerships have been promised the opportunity to pool more area-based funding, and freedoms and flexibilities to achieve their objectives. Some of their targets will continue to receive a financial reward.

152. In Scotland, Community Planning Partnerships are the vehicle for the co-ordination of local service deliverers, including a range of public, private, community and voluntary bodies, working with communities. Regeneration Outcome Agreements set out how Community Planning Partnerships will use the Community Regeneration Fund and their own mainstream budgets to deliver improvements in the most deprived areas. A grouping of NGOs with a particular focus on social exclusion, formed to support the UK Government in the development of the NAP and other aspects of the open method of co-ordination⁹⁹.

⁹⁹ See <http://www.scotland.gov.uk/Topics/Housing/regeneration-/intro>

CHAPTER 3 - ADEQUATE AND SUSTAINABLE PENSIONS

3.1 Updating the 2005 National Strategy report

Introduction

153. The future of the pensions system is one of the most important public policy challenges facing the UK. Ensuring security and dignity for everyone in old age is an essential responsibility of a modern society, and one which must continue to meet the changes in cultural and demographic change in the future.

154. In May 2006 the Government published *Security in retirement: towards a new pensions system*. It set out a bold, long-term solution to the pensions challenge. The proposals will make it easier for more people to save more for their retirement through a system of personal accounts, striking a new balance of responsibility between employer, State and individual. In order to achieve this, the pension's Act, which received Royal Assent in July 2007, sets out reform to the state system to provide a solid foundation for private savings. The Government plan to introduce further legislation in a future session of Parliament to set up the framework to deliver a system of employer specific personal accounts.

155. Other developments include the implementation of 'A' day, where from 1st April 2006 simplification rules on taxation now apply, further developments with the Pension Protection Fund (PPF), and the continued work of The Pensions Regulator (TPR).

The need for reform

156. There is no immediate general pension crisis in the UK. Many of today's pensioners are receiving State earnings-related provision that is more generous than in the past, and many are receiving historically high provision from private and occupational sources. Since 1997, more than 2 million pensioners have been lifted out of absolute poverty and 1 million out of relative poverty.

157. However, without reform of the current system tomorrow's pensioners are likely to be relatively worse off compared to the rest of the working age population. Increasing longevity, whilst being something to celebrate, raises significant challenges for the pension system in the long term. In addition, the current UK pensions system is highly complex and difficult to understand.

158. Furthermore, for a variety of reasons, individuals are not saving enough for their own retirement. They are liable to face an unwelcome decline in their standard of living when they do retire.

The Reform Package

159. There is, therefore, a clear case for reform of the state pension system to provide a credible and reliable foundation for additional private savings in the face of future demographic shifts.

160. Having assessed the recommendations of the Pensions Commission, the UK Government will introduce low-cost personal accounts to give those without access to occupational pension schemes the opportunity to save. People will be automatically enrolled into either their employer's scheme or a new personal account, with the freedom to opt out. Employers will make minimum matching contributions.

161. In order to make the system of personal accounts effective we need to reform the state system, in order to provide a solid foundation for all while continuing to tackle pensioner poverty. This will better reflect the needs of a modern society and work towards redressing existing gaps in pension provision. To achieve this, the Pensions Bill introduced in November 2006, which received Royal Assent in July 2007:

- reduces the number of years it takes to build a full basic State Pension from 44 years for men (39 for women) to 30 years for everyone reaching state pension age on or after 6 April 2010;

- simplifies both state and private pensions, including simplification of State Second Pension and the abolition of contracting out for private defined contribution schemes;
- raises the State Pension age over time from 2024 to reflect increasing longevity, supporting extending working lives, to 66 in 2026, 67 in 2036 and 68 in 2046;
- establishes a body, utilising the skills of the private sector, to help Government understand and plan for the introduction of personal accounts.

162. The Government plans to introduce legislation in a future session of Parliament to extend the delivery authority's remit and give it executive powers to assume responsibility for delivering the personal accounts scheme.

163. The reforms, taken as a whole, will make an immediate difference to those working and saving for retirement. At the same time, they will continue to protect the poorest pensioners from poverty, and will ensure that all pensioners share in rising national prosperity. Prior to the reform, the generosity of pension provision was set to decline significantly, and even persons on average earnings would be eligible for income-related benefits. Following reform, individuals will be able to look forward to replacement rates of close to two-thirds average earnings, without recourse to income-related benefits. The changes introduced in this bill have nearly halved the projected decline in gross and net replacement rates for someone on average earnings. If personal accounts lead to higher level of overall pension provision, the trend in replacement rates would be even more positive. The reform will increase replacement rates for people on lower incomes and broken careers, increase the progressiveness of the UK system and reduce future dependence on income-related benefits. At the same time, the reform does not place unsustainable burdens on public finance, as it achieves an equitable distribution of the future cost of ageing by providing the right framework for individuals to save and work more.

3.2 Wider welfare reforms

164. Effective and longer working and saving for retirement is central to the UK Government's long term vision of personal responsibility and planning over the life cycle. Entering the world of work confers multiple advantages that go beyond real increases in income. Employment opportunity is the means to tackle poverty, enabling people to provide for themselves, for their children and for their future retirement.

165. The UK Government has made clear its commitment to achieving a fairer and more inclusive society, through active encouragement for people to develop their financial assets and skills, and to manage their health conditions throughout their lives.

166. The Government's welfare reform policies have been based upon this vision. Earlier this year the UK Government published 'A new deal for welfare: Empowering people to work'¹⁰⁰, a paper which sets out proposed measures for the future of welfare reform, and for achieving an employment rate equivalent to 80 per cent of people of working age. This would mean 2.5 million more people in work than are today in the UK, including as many as 300,000 lone parents, one million fewer people on incapacity benefits (over 50% of whom are over 50) and an increase of a further one million of older workers over and above the increases due to demographic change.

Health as a contributor to employment

167. The 'Health, Work and Well-being' strategy¹⁰¹ plays a vital role in moving towards an 80% employment rate and getting full benefits from the equalisation of state pension age. The strategy supports the current sick and disabled population with rehabilitation and/or by encouraging them to take

¹⁰⁰ DWP, 2006, 'A new deal for welfare: Empowering people to work' (Cm6730), DWP.

¹⁰¹ DWP, DH and HSE, 2005 'Health, work, and well-being-Caring for our future.'

part in some form of work, thereby leading to longer healthier life expectancies which will influence individuals' decisions to work longer. These issues are explored in more depth in the social inclusion chapter.

Working for longer¹⁰²

168. The fundamental link between the outcomes an individual enjoys during their working life and those they experience in retirement means that choosing to remain in work for longer is one way in which people can ensure that their income in retirement meets their expectations. The longer and more productive a working life is, the better the opportunities to save for retirement. Significant progress has already been made. In addition to the steady increases in employment rates for older workers since 1997, over 1 million people are now working after State Pension age.

169. The employment programme to help older workers, New Deal 50 plus, has supported over 170,000 entries into work since its launch in April 2000, and back-to-work help is now available to people claiming Pension Credit (from age 60). The UK's Age Positive campaign continues to influence employers by promoting the business case for age-diverse workforces, and every year sees increasing interest from employers in adopting non-ageist employment practices.

170. The UK Government have taken action to ensure that those already choosing to work for longer are given the opportunity to do so. In October 2006, new legislation came into force, which, for the first time, will give people the right to challenge age discrimination in the workforce. It also introduces a default retirement age of 65, below which employers will not be able to force people to retire on the grounds of age unless, in their particular case, it can be objectively justified.

171. In addition to the default retirement age, the legislation introduced for employees a right, and a formal procedure, to request working past their employer's normal retirement age, which the employer is obliged to seriously consider.

172. The default retirement age will be carefully monitored and after five years, in 2011, there will be a formal, evidence-based review. The default retirement age will be abolished if this review concludes that it is no longer appropriate. Of course, employers can operate without a retirement age and many, including a number of government departments, are already realising the benefits of doing so.

Tax simplification¹⁰³

173. From 6 April 2006 (A-Day), the many existing sets of rules governing the taxation of pensions were replaced with a single, unified regime. The new regime introduced simplified rules around the tax treatment of pensions, offering less complex and more flexible retirement arrangements for individuals and employers. There is now no limit on the amount of pension saving an individual can build up in a pension scheme or the number of pension schemes they can save in – although there are limits on the amount of tax relief individuals can get.

174. A simpler and more accessible environment for pensions saving – this will make it easier for individuals to plan with confidence for a comfortable retirement. Transparency, clarity and a reduction in the administrative burden for pension schemes, their members, operators and sponsors – including employers – and financial advisers, removing much of the complexity, need for specialist advice and cost that have previously hindered retirement provision.

¹⁰² For further information on extending working lives: Chapter 4 of 'Security in Retirement: towards a new pension system' DWP Publication May 2006.

¹⁰³ For further information on tax simplification and other incentives to save refer to the NSR 2005.

The Pension Protection Fund¹⁰⁴

175. The level of compensation offered by the PPF illustrates the Government's commitment to supporting occupational pension's provision by providing meaningful security. The PPF currently has 68 schemes in an assessment period, accounting for approximately 30,000 members.

The Financial Assistance Scheme

176. The Financial Assistance Scheme (FAS) helps those who lost out before the PPF was established. The UK Government has decided to extend the FAS to cover all members of pension schemes that wound up between 1st January 1997 and 5th April 2005. This will ensure that around 125,000 people who lost significant amounts when their pension schemes were wound up, will see their pensions topped up to 80% of the expected core pension they would have received (subject to a raised cap).

The Pensions Regulator

177. The shape of the Pensions Regulator was developed on the principle that resources are concentrated on schemes where the greatest risk to the security of members' benefits is identified, so well-run schemes have a lighter regulatory burden than before.

178. A consultation document describing how TPR proposed to regulate the new scheme funding requirements for defined benefit schemes was published on 31 October 2005¹⁰⁵. The Regulator's final statement on these proposals was published in May 2006¹⁰⁶. TPR has produced a range of codes of practice providing practical guidelines on the requirements of pension's legislation and setting out the standards of conduct and practice expected of those who must meet these requirements.

Transparency and Public Debate

179. The National Pensions Debate was established in February 2005, with the second phase beginning in December that year. Overall, the UK Government has heard the views of nearly 10,000 people in face-to-face discussions and via the UK's Department for Work and Pensions website. This was just part of an extensive programme of Government consultation with stakeholders. The UK Government are confident that the solution which has been reached strikes the right balance between the views of all those parties affected. The National Pensions Debate clearly shows that out of the four alternatives identified by the Pensions Commission, people want a solution that strikes a balance between saving more, redirecting state spending on pensioners, and a rise in the average retirement age. The UK Government's proposed reforms strike exactly that balance.

Conclusion

180. These reforms set the direction for the long-term future of pensions and retirement savings. They will create a system that is coherent, comprehensive and which will stand the test of time. The reforms meet the UK Government's five key tests and strike the right balance between the responsibilities of the state, the individual and the employer to ensure adequate, sustainable incomes for people in their retirement phase.

¹⁰⁴ For further information on the PPF and FAS refer to para 109 – 115 of the NSR 2005.

¹⁰⁵ 'How the Pension Regulator will regulate the funding of defined benefits': Consultation document published October 2005.

¹⁰⁶ The Regulator's Statement on Scheme Funding': published May 2006.

CHAPTER 4 - NATIONAL PLAN FOR HEALTH AND LONG TERM CARE

4.1 Summary

181. Health and social care policy and delivery are devolved to the component parts of the UK. This report therefore deals with each country in turn.

England

182. The Department of Health has set out a vision for the development of the health and social care system, and for the promotion of public health, in a series of major policy documents, notably *The NHS Improvement Plan* (June 2004), *Choosing health: making healthy choices easier* (November 2004), *Health Reform in England: next steps* and *Our health, our care, our say* (January 2006); there will be an update paper on health reform in summer 2006. The Government is committed to creating a system whereby health and social care services are focused around the needs and wishes of the individual. To achieve this, unprecedented investment is being made in the NHS; this investment is funding a dramatic expansion of capacity in both primary and secondary care, including new service providers. This additional capacity, combined with significant increases in the numbers of clinical staff, is enabling waiting times to be reduced and is making possible the introduction of much greater choice for patients as to where and when they are treated. A system of tariffs will ensure that money follows the patients, rewarding the best providers and giving clear incentives to others to improve. The Government is introducing a system whereby all clinicians will be able to access the electronic record of any user of health or social care services by 2010, to ensure more coordinated care.

183. The Government is committed to moving many more services out of hospitals into local communities, closer to people's homes by improving GP services and developing new community hospitals closely linked to social care services.

184. The Government is also committed to taking positive steps to improve public health, most notably banning smoking in public and work places from summer 2007; and encouraging individuals to take steps in their own lives to improve their health. The Government is committed to tackling health inequalities, as set out in section 4.2.4

Scotland

185. The Scottish Executive Health Department set out its vision for the NHS in Scotland in *Delivering for Health*, published in October 2005, as well as the key issues to be faced: an ageing population, the growth in long term conditions, the trend of rising emergency admissions; and the growth in health inequalities. It sets out a programme of action for the NHS based on shifting the balance of care from the acute sector to the community. NHS Scotland will reduce its reliance on episodic, acute care in hospitals for treating illness increasingly through emergency admissions. Instead, it will move towards a system which emphasises a wider effort on improving health and well-being, through preventive medicine, through support for self care, and through greater targeting of resources on those at greatest risk, with a more proactive approach in the form of anticipatory care services. *Delivering for Health* seeks to break down the barriers between social, primary and secondary care so that patients experience a smooth 'journey of care'.

186. Community Health Partnerships (CHPs) have been established in Scotland in order to make measurable improvements in local population health and to provide higher quality, accessible joined up services for local communities. CHPs have two key aims:

- Shifting the balance of care to local communities
- Improving the health of local people and reducing inequalities.

187. CHPs are a central plank of the vision set out in *Delivering for Health*. They are local service delivery mechanisms through which health improvement, and shifts in the balance of care, will be delivered by the NHS, local authorities and the voluntary sector, with greater involvement of service users, carers, staff and independent contractors. In addition, CHPs are fully involved in local NHS strategic planning, priority setting, decision making and resource allocation and play a lead role in wider community planning processes led by local authorities. Targeting services on individuals at risk, and helping people with long-term conditions manage their care are key priorities for CHPs.

188. *Changing Lives*, the report of the 21st Century Social Work Review sets out a complementary set of goals for social work services. Their implementation will ensure an integrated approach to supporting the most vulnerable people. The emphasis on integrating care will require collaboration and co-ordination between professionals and across organisational boundaries.

Wales

189. *Designed for Life* (2005) sets out the Welsh Assembly Government's aspirations for achieving world-class health and social care over the next ten years. The aim is integrated high quality local services across Wales, with both staff and service users having a strong influence on service improvement. At present, a major public consultation process is taking place on the future pattern of hospital services. A single electronic patient record is also under development.

190. The main focus of *Designed for Life* is health services and this is to be complemented by a more detailed set of proposals for social services. The Welsh Assembly Government has made a commitment to the development of a formal strategy setting out the future policy direction for social services and social care in Wales over the next decade. The Social Services Policy Directions Paper will be aimed primarily at local authorities in the discharge of their statutory social services functions. It will set out the Welsh Assembly Government's vision for social services, social care and associated community-based services for the next 10 years.

Northern Ireland

191. In December 2004 the Department of Health, Social Services and Public Safety published a twenty-year regional strategy for health and wellbeing in Northern Ireland, focusing on:

- investing in public health, with an emphasis on cooperation across organisational and sectoral boundaries to tackle the determinants of inequalities in health and wellbeing;
- involving people and communities to improve health and wellbeing;
- developing new, more effective and efficient ways of working through multi-disciplinary teams
- developing responsive and integrated services which will aim to treat people in communities rather than in hospitals, and
- improving the quality of health and social care services.

192. Northern Ireland's public health strategy *Investing for Health* aims to shift the emphasis from treatment to prevention of ill health and acknowledges the wide range of factors that impact on health. The Strategy contains a framework for action which is based on multi-sectoral partnership working amongst government departments, public bodies, local communities, voluntary bodies, District councils and social partners. A number of strategies across government, such as Neighbourhood Renewal and Fuel Poverty, are linked to and will contribute to the achievement of *Investing for Health* objectives.

193. Targets set to reduce waiting times have been achieved through changes in the way hospitals manage waiting lists and robust performance management arrangements. In cases where Trust performance fell short, patients were offered the opportunity of a transfer to an alternative provider under the Alternative Offer scheme, with the cost of the treatment being met in full by the original provider.

194. In January 2006 the next stage in the reform programme was announced. A key feature of this policy is establishing integrated multi-disciplinary teams of health professionals to provide a range of services in a variety of primary and secondary care settings. An electronic referrals management system will register all primary care referrals to be assessed and responded to within 72 hours. There will also be improved management of outpatient services, including the introduction of partial booking systems to reduce non-attendance and increase efficiency, comprehensive reviews of clinic templates to ensure that reasonable time is allocated to see new referrals, and the appointment of Outpatient Improvement Managers in Trusts to oversee the implementation of these reforms.

Section 4.2 Healthcare

4.2.1 Brief description of the healthcare system

195. The government is the dominant supplier of health care to the population of the UK, through the National Health Service (NHS), which provides comprehensive and universal coverage. Primary care is provided by family doctors (GPs), dentists, optometrists and pharmacists who are predominantly contractors rather than employees of the health service. Secondary care is provided by NHS employees in hospitals and treatment centres. Visits to the doctor and treatment in hospital are provided free of charge at the point of delivery; there are a limited number of co-payments, the most notable being a flat charge for prescription drugs. However children, elderly people and those on various benefits do not pay this charge. Since the NHS is funded by taxation and National Insurance, enrolment is effectively compulsory and based on residency in the UK. People can choose private health care, with or without private insurance, without affecting their access to NHS treatment.

196. Responsibility for health and social care is almost completely devolved to the constituent countries of the UK. The Health Departments agree with the Treasury how much money is to be allocated to the NHS on a two-or three-year cycle. Similar negotiations take place for the government-funded elements of social care.

197. The Welsh Assembly Government receives a block grant and determines how this is allocated in Wales to health and social care and other devolved functions

198. The division of money throughout the United Kingdom is partly constrained by a formula designed to improve the geographic distribution of medical resources. Funding and decision-making are increasingly devolved to a local level.

4.2.2 Priority policies related to Common objective (j)

199. As noted above, there is in effect compulsory coverage of the resident population. Access to some services, particularly elective care, have been constrained by lack of resources, but the significant increased investment being made in the NHS, has led to reduced waiting times, most significantly in England.

England

200. In England the Government has taken various steps to improve access, including introducing new services such as walk-in centres and NHS Direct, a telephone advice service staffed by nurses, which has now been extended to NHS Direct Online. The Department of Health is running a national procurement to provide more GP services in the 30 most underdoctored Primary Care Trusts. These new services will be available towards the end of 2007.

Scotland

201. The Executive's health improvement policy aims to improve the health and wellbeing of everyone in Scotland but there is an overarching focus on tackling health inequalities. Record levels of additional resources have been put into health improvement

202. The Health Department supports a number of initiatives and programmes to help Boards optimise the use of acute hospital beds. This includes programmes to manage acute hospital admissions, so that where possible patients are treated in other settings without the need for admission to hospital; targets and funding aimed at reducing delayed discharge of patients from acute beds; initiatives to increase the proportion of surgery that is carried out on a daycase basis, reducing the demand on overnight beds; and the "streaming" of elective and emergency work to reduce disruption to elective surgery schedules as a result of emergency demands.

203. These programmes and initiatives are consistent with and in many cases flow from *Delivering for Health*, published in November 2005, which set out the Executive's vision for the future of the NHS. We recognise the importance of shifting away from a model of treating illness based on episodic, acute care in hospitals, increasingly through emergency admissions, towards a model of anticipatory and preventative care. In particular, *Delivering for Health* placed a requirement on all NHS Boards to develop a three year development programme to introduce a number of changes, including treating day surgery (rather than inpatient surgery) as the norm for planned procedures, and actively managing discharge and length of stay.

Wales

204. Equity Training and Advocacy Grants have funded projects to provide an opportunity for health care professionals to reflect on issues of inequity of access to health care services and if appropriate to make changes in services to address issues that are identified. The grants have also enabled healthcare professionals to engage in advocacy to address issues identified outside the health sector which adversely impact on the health of individuals. Following a successful pilot in 2003-2004, twenty-two projects are being funded with a further nine planned for 2006-07. It is planned to roll-out the scheme across the three regions for a second round of funding during 2007-08.

4.2.3 Priority policies relating to common objective (k)

205. There are a number of common threads to the theme of promoting quality across the UK, including greater investment (by 2007/08 the UK will spend around 9.2% of its GDP on healthcare). The UK government will also be introducing core standards and new national service frameworks and GP contracts. Greater patient choice, coupled with more comprehensive information made more easily available to patients, will also contribute to the promotion of quality in the healthcare service.

England

206. The Government's strategy to promote quality includes the following elements: a small set of national targets to achieve key priorities, for example on reducing waiting times; a set of standards (core, and developmental) applying to all NHS healthcare providers (private providers are required to meet a set of National Minimum Standards which are very similar); inspection and assessment of providers by an independent regulator, the Healthcare Commission (whose reports are publicly available); greater choice for patients on when and where they are treated, underpinned by a new system of tariffs which ensures that money follows the patient (so good providers are rewarded and others encouraged to improve); binding guidance to the NHS on the use of new drug therapies from the National Institute of Health and Clinical Excellence (NICE).

207. The Government has had marked success in reducing waiting times from a maximum of 18 months for inpatient treatment in 1997 to a maximum of six months at the end of 2005. The aim is that by 2008 patients will be admitted for treatment within a maximum of 18 weeks from referral by their GP, with urgent cases seen more quickly. Focus is increasingly on improving the quality of care, on making more treatment and care available closer to home, and on improving care for those with long-term conditions, as well as in helping communities and individuals improve their health and well-being. So, for example, patients will, in the future, have access to a wide range of services in primary care, including access to services nearer their workplace; people with complex long-term conditions are supported locally by

community matrons; major investment in services closer to home aims to ensure more appropriate support for patients who have long-term conditions, enabling them to minimise the impact of these on their lives; and the NHS will, in partnership with other stakeholders, make further in-roads into reducing levels of smoking, obesity and the other major causes of disease.

Scotland

208. Scotland has a poorer record on healthy life expectancy than most other western European nations, and there are larger gaps between the health experience of rich and poor people in Scotland. A key objective of the NHS in Scotland and of Scottish Ministers is to improve health generally through persuading and supporting people to make healthy lifestyle choices (diet, exercise, smoking, drinking). These services are aimed particularly at people with the poorest health record, to try to narrow the health gap between rich and poor.

209. Ministers have set 28 Key Targets for the NHS in Scotland. These targets encompass the whole range of NHS activity i.e. health improvement, efficiency and effectiveness, waiting times and quality of treatment. NHS Boards produce Local Delivery Plans which set out how these targets are going to be met and these Plans form the basis of an agreement between the Health Department and NHS Boards. Progress is closely monitored and intervention and support is provided when performance is not on track.

210. NHS Quality Improvement Scotland (NHS QIS) was set up by the Scottish Executive in 2003 to take a lead in improving the quality of care and treatment delivered by NHSScotland. A major part of NHS QIS remit is to develop and run a national system of quality assurance of clinical services. NHS QIS work in partnership with healthcare professionals and members of the public, setting standards for clinical services, assessing performance throughout NHS Scotland against these standards, and publish findings.

211. The Scottish Medicine Consortium provides guidance to the NHS on the use of new drug therapies.

Wales

212. Parts of Wales, particularly the former mining and industrial areas in the South Wales Valleys, have some of the worst health indicators in Europe, with reduced life expectancy and high levels of heart disease and cancer. Despite greatly increased funding for the NHS in Wales, the demand on acute hospitals is considerable, with very high levels of emergency admissions (as opposed to planned operations), resulting in long waiting times for treatment. The causes are complex but contributing factors include a large population of elderly people and widespread poor health.

213. A new resource allocation model is targeting resources to Local Health Boards on the basis of the direct health needs of their residents. Local Health Boards are working very closely with local stakeholders, in particular Local Authorities, who have a particular role to play in relieving pressure on the acute sector of the NHS through better care at home, especially of the elderly (see 4.3 below).

214. The aim is to reduce the emphasis on acute hospital treatment by improving illness prevention, developing more comprehensive primary care to reduce the need for people to be admitted to hospital, and encouraging better social care provision to help them to return home quickly with the necessary support. Patients and the public are being given a greater role in local decisions about the NHS in a variety of ways.

215. The Healthcare Inspectorate for Wales monitors quality of care, including safety, against the *Healthcare Standards* (2005) and regulates providers of private and voluntary healthcare. The Advisory Board for Healthcare Standards in Wales has been set up to manage the process of adopting the Welsh Assembly Government's healthcare standards. A new Quality Improvement Plan is due to be issued in the near future, which will aim to ensure that all important elements of quality are measured and the focus of constant attention and improvement.

216. The Welsh Assembly Government sets standards and targets for the NHS in Wales to meet. This has been broadened to include a system based on a balanced scorecard approach, which looks at each organisation not only on delivery of targets, but on its internal systems, infrastructure, staff leadership and external relationships. This also aims to encourage organisations continuously to improve.

Northern Ireland

217. The Government aims that all residents should receive consistent, high-quality services. There has been a statutory duty of quality in place in NI since 2003. Improvements in quality and safety of local services are centred on five broad themes, to be further developed over the next three years:

- Improvements in governance arrangements within the HPSS;
- The setting of standards against which service providers can be measured;
- New arrangements for the regulation, inspection and review of services;
- Improved accountability arrangements; and
- Links with national standard setting and patient safety bodies.

218. To support HPSS bodies in this work, a range of controls assurance standards has been introduced on a phased basis since 2003-04. In addition, the DH Modernisation Agency has been contracted to provide support to HPSS organisations in implementing clinical and social care governance. A Safety Framework, launched in 2006, sets out a clear policy statement on safety in the HPSS, based on the promotion of an informed safety culture which recognises the social economic and human cost of adverse incidents. A number of new standards will be introduced over the coming years including further controls assurance standards; care standards and quality standards supporting implementation of clinical and social care governance. All of these standards will assist HPSS organisations in assessing risk and in the reporting on the quality of service provision. They will also provide greater transparency for the public on what care they are entitled to expect from the HPSS, and facilitate organisations in the demonstration of good governance.

219. Northern Ireland's public health strategy, *Investing for Health*, aims to improve health and reduce inequalities in health between geographic areas, socio-economic and minority groups. The successful implementation of the strategy is dependent on engagement with individuals, local support networks and the community sector. A range of initiatives are underway which concern the wider determinants of health. There are also underpinning strategies which encourage and support people to make healthy choices with the aim of reducing preventable illnesses and premature deaths.

4.2.4 Priority policies relating to common objective (I)

England

220. As well as making historic levels of investment, the Government is creating a healthcare system where there will be stronger incentives for providers to deliver high quality care whilst controlling costs. This system is outlined above under 4.2.3. At the same time, the Government recognizes the importance of promoting healthy lifestyles, not only for individuals and communities, but also for ensuring that the healthcare system is more sustainable in the longer term. Initiatives include banning smoking in work and public places, following the lead of the devolved administrations (it this comment relates to smoking should go before the ban comment), action to improve information to the public about healthy living, and investment in new services, such as health trainers to support those trying to live healthier lives. The pilot health trainer schemes are being taken forward in some of the most disadvantaged areas of England.

Scotland

221. The 2006-07 budget for health and community care services in Scotland is £9.5bn, the majority of which is allocated directly to the 14 NHS Boards and 8 Special Health Boards. This represents an historic level of investment in health and community care services in Scotland and is supported by a fresh focus on delivery and performance through the implementation of "Delivering For Health". The Scottish Executive Health Department is committed to Best Value and the Department's Delivery Plan sets out this commitment, underpinned by specific programme of Best Value reviews, for both the Department and NHS Boards.

222. The Executive is providing support for local authority community care funding of £1,707m in 2006-07. Authorities also receive transfers from Health Boards of around £240m per year for community care. Added to the above allocations, this brings available resources for 2006-07 to around £1,947m.

223. The Scottish Executive is committed to managing public sector resources more effectively, contributing to a growing economy, and to modernise and improve Scotland's public services by attacking waste, bureaucracy and duplication. As part of the Executive's Efficient Government Programme, the Health Department has identified £342m cash savings and £173m time releasing savings over the 3 year period to 2007-08, giving a total of £515m savings. The savings include 1% efficiency savings across all NHS Boards, a Shared Services Project for Financial Processing and Reporting and NHS Payroll Services, a Logistics project and specific savings against procurement, improved prescribing of drugs, and drugs pricing.

224. Although the Scottish Executive Health Department is not adopting the English Payments by Results System, a Scottish National Tariff is being implemented against cross boundary flows in Scotland over a 3 year period to 2007-08. The tariff is the average cost of providing most hospital based procedures to inpatients and day-case patients and will create a set of standard prices for most procedures in a system that is transparent and fair, which creates an incentive for efficiency and improves the accuracy of financial data. The Scottish Executive are concentrating on identifying efficiencies, benchmarking services and improving the accuracy of our hospital data.

225. Scotland's health is improving. There are fewer deaths from cancer, stroke and heart disease. However, the health gap between the most and least affluent is widening and people living in deprived areas have a significantly shorter life expectancy than those in more affluent areas. *Improving Health in Scotland: The Challenge* (March 2003) set out a strategic framework to support the delivery of a more rapid rate of health improvement. Health improvement policy is aimed at supporting people to make healthier lifestyle choices, particularly children and young people, adults of working age and those who are socially excluded or are 'hard to reach'. Some examples of current activity are detailed below.

226. Prevention 2010 is a preventative medicine approach which will be delivered through NHS Primary Care in Community Health Partnerships (CHPs) to those at greatest risk of disease in deprived communities. It will identify people at particular risk of preventable ill health, and provide access to a range of services and treatments appropriate to their needs. It will also ensure that those with existing disease are having their conditions properly monitored and managed. Up to £25m has been identified for piloting this approach over the next 2 years in five of the most deprived areas in Scotland. A second wave of pilots is planned for next year and the anticipatory care approach will be extended to all those at risk through deprivation.

227. The Executive is also providing £15m over two years for Unmet Needs projects to test what is effective in improving access to healthcare for those in Scotland's most deprived communities in Glasgow, Argyll and Clyde and Tayside.

228. The Executive's Fair for All programme strives to ensure that there are no barriers to accessing NHS services based on gender, age, disability, race and religion and sexual orientation.

229. The *Closing the Opportunity Gap (CTOG)* work includes a target to reduce health inequalities by increasing the rate of improvement for under 75 Coronary Heart Disease mortality and under 75 cancer mortality (1995-2003) for the most deprived communities by 15% by 2008. The NHS is also a major player in respect of the CTOG targets to improve access to rural services, to create employment opportunities by offering 1,000 employment and training opportunities nationwide, and to contribute to regeneration of the most deprived communities in Scotland.

230. The implementation of the Scottish Diet Action Plan 1996 is a key action identified within *Improving Health: the Challenge* and *Eating for Health: Meeting the Challenge* 2004. This includes a whole school approach to the provision of healthier school meals, funding and support for local community food initiatives, and the creation of a Scottish Food and Health Council

231. Scotland was one of the first countries to have its own Physical Activity Strategy - 'Lets Make Scotland More Active' was published in 2003. The Strategy sets tough targets and by 2022 the aim is to have 50% of adults and 80% of children achieving the minimum levels of activity required to maintain health.

232. Since January 2003 the Scottish Executive has run a *healthyliving* campaign centred around a TV campaign with strong links to web advice, telephone advice, support materials. The initial phase of the campaign focussed on food and diet, with phase 2 widening this out to include physical activity. Phase 3 is currently in development and will target the impact of parents' behaviours on their children's health. In addition, the smoking campaign successfully raised awareness of the dangers of smoking and passive smoking leading up to the smoke free public places legislation in March 2006. This campaign is ongoing and will continue to focus on smoking prevention.

Wales

233. The Welsh Assembly Government recognises that strong services require high levels of investment coupled with clear and effective governance arrangements. Incentives have a role in this alongside other mechanisms. A major focus is the need to ensure that the system of commissioning, under which Local Health Boards use their resources to secure services for the local population, is as strong and effective as possible.

234. Commissioning arrangements are currently being strengthened, drawing on experience in Wales and elsewhere to ensure that the skills and processes are in place to drive change and improvement more quickly. In addition, there is a new focus on developing clinical leadership and engagement.

235. Promoting better health, while reducing inequalities, is a major policy aim. *Health Challenge Wales* has raised the profile of health improvement across the country, and the Health Inequalities Fund has generated considerable local creativity and enthusiasm for practical action.

Northern Ireland

236. Demographic trends indicate that there will be an increase in demand for health and social services over the next twenty years. Health and Social Services are in a unique position to influence people's attitudes and behaviours related to health and well-being and to support action to tackle the wider influences on people's health. HPSS organisations are working towards a position where people are actively involved in their own care, and in promoting their own health and well-being and that of their communities. To do this there needs to be continued emphasis in working with communities through cross-sectoral partnerships in a concerted effort to address local health and well-being needs and reduce health inequalities. It will also require a re-focussing of the efforts of HPSS staff and services towards prevention, early detection and effective management of chronic illnesses.

Section 4.3 Long-Term Care for elderly

4.3.1 Systems for Long-term care of the elderly

237. As with healthcare, responsibility for long-term social care of elderly people is devolved to the constituent parts of the UK. This report is therefore divided into separate country reports.

England

238. For approximately 70% of people in England, local authorities with social services responsibilities commission social care. Approximately 30% of people organise and self-fund their social care. Providers of social care are largely private and voluntary organisations, however some local authorities also provide services. The majority of local authorities means test for social care services, and apply eligibility criteria. There are 150 councils which have responsibilities for social care (district councils do not have this responsibility). At any time, up to 1.5 million people rely on social workers and support staff.

239. Instead of receiving pre-determined care services, in some circumstances people can choose to take money from their council to arrange and manage their own social care services – known as "direct payments". This mechanism gives them greater choice and control over the services they receive.

240. In England, a number of different types of NHS funded care may be provided on the basis of assessed need, including fully funded National Health Service (NHS) continuing care, NHS-funded nursing care and personal care may also be provided as part of a package of Continuing Care, although this type of care is not provided on its own by the NHS.

241. We are currently consulting publicly on a national framework for Continuing Care. The consultation was launched on 19 June 2006 and runs to 22 September 2006. It also covers NHS Funded Registered Nursing Care.

Scotland

242. The Scottish Parliament confers on Scottish Ministers the Powers to provide comprehensive social care services in Scotland. Scottish Ministers in turn delegate these functions to 32 local authorities which are responsible for the delivery of services.

243. The local authorities have a duty under the Social Work (Scotland) Act 1968 to assess the needs of and provide appropriate services to people who appear to need them and decide, in the light of the assessment, whether they should arrange any services and, if so, which services. Any decision taken about care needs by social work departments should be based on a detailed assessment of the individual's needs and wishes. It is for the local authorities to determine how to manage their services to ensure they meet their statutory requirements.

Wales

244. In all, Social Services in Wales support 150,000 people. This service accounts for nearly £1.1 billion in public spending and employs over 70,000 people, and is governed by extensive legislation. Services are delivered by around 1,800 statutory, private and voluntary organisations. Often social services do not act alone, and partnership is crucial in much of what they do.

245. In Wales most social services are commissioned by Local Authorities. The twenty-two Local Authorities have the legal responsibility for planning, commissioning and providing services and for safeguarding individuals. The Welsh Assembly Government is responsible for setting the policy direction, setting standards, regulating and inspecting services, providing funding and guiding local authorities on their social services functions. Most services are provided by the independent sector who have a legal duty to provide support in ways that meet individual's needs.

Northern Ireland

246. The Health and Personal Social Services (HPSS) has a duty to provide, or secure the provision of personal social services designed to promote the social welfare of the people of Northern Ireland. Any resident of Northern Ireland who is assessed by their local HSS Trust as requiring social services is entitled to have those needs met subject to available resources. Social services are also required to carry out regular reviews, including a reassessment of the individual's needs, to ensure that any changes to the client's needs are being met.

247. These services are provided in a range of care settings: residential (in a residential or nursing home), domiciliary (at home or in supported housing) and day care. Whereas there is a general, permissive legislative authority to recover such charges as are considered appropriate, Trusts are specifically required by Regulation to assess the ability of each client to pay for the cost of those services where they are delivered in a residential setting. There are nominal charges for services such as meals on wheels, and meals provided by Trusts to those in day centres and for persons aged under 75, there may be a charge for home help services.

4.3.2 Priority policies relating to common objective (j)

England

248. All people who are resident in a local authority's area are eligible for an assessment of their social care needs. Councils with social services responsibilities are responsible for determining eligibility for adult social care following a national eligibility framework which sets out 4 bands of need, ranging from "critical" to "low", describing levels of need against the seriousness of the risks to independence, or other consequences, if the needs are not met. Councils have discretion to decide which needs are eligible to be met against this framework. Guidance requires reviews at regular intervals to ensure that the care provided is still required, including a reassessment of the individual's needs.

249. Unlike healthcare, social services are not free to all, but are means-tested. Some people pay for all their social care out of their own money. Many people receive help from the state with this, either through welfare benefits or through social services funding. For example over 70 per cent of older people living in care homes get all or some of their costs met by their local council. In 2003-04 £3.4bn was spent on attendance allowance which is just one of the benefits paid by central government that helps people to stay living at home – which is what most people want.

250. An increasing number of people are experiencing direct control over their lives by using direct payments. This means that they are given a budget by the council to spend as they see fit to meet their needs, for example by employing someone directly.

251. Most people rely on families and friends rather than formal social care, for at least part of their needs. The Government values the contribution that informal carers, such as friends and family, can offer to disabled people and the wider community and has taken a number of steps to support carers including:

- increased financial support for certain carers through enhanced social security provision
- statutory changes to increase flexibility for carers who want to access short breaks, with the introduction of a short-term voucher scheme
- the introduction of a Carers (Equal Opportunities) Act 2004 which improves the rights of carers to receive appropriate assessment of their needs.

252. The Government set up a Royal Commission on Long Term Care in 1997 which reported in 1999. The Commission recommended that the provision of personal care (i.e. services that involve touching the

individual) should be free. Instead the Government decided to invest additional resources in the current system which focuses on assisting those with the highest needs and least means, as well as accepting the other recommendations of the Commission.

Scotland

253. Following on from the work of the Royal Commission Scotland introduced Free Personal and Nursing Care in July 2002 and was aimed at providing support to those people who were expected to pay for their care. People who live in care homes and pay their own fees will receive payments of £65 per week if they require nursing care and if they are aged 65 and over they are also eligible for payments of £145 per week towards the cost of their personal care. People at home aged 65 and over who receive personal care services from the local authority are not charged for them.

254. Unpaid carers' major contribution to Scottish society and the importance of supporting carers as partners in the provision of care are both well established aspects of Scottish Executive policy. This was most recently reinforced in April's Response to *The future of Unpaid Care in Scotland* which set out priorities for improving support for carers. Carers now have the right to have their support needs assessed by their local authority. Health Boards are currently developing local Carer Information Strategies to set out how they will identify carers and help them assess the information and training they need for their caring role.

Wales

255. Services in Wales are broadly similar to those in England. The Welsh Assembly Government acknowledges the vital contribution made to society by the many unpaid carers in Wales, who look after relatives or friends who are frail, sick, disabled or vulnerable. The Welsh Assembly Government is committed, through its Carers Strategy, to supporting carers, enabling them to obtain the information they need, and ensuring that they have access to relevant and flexible services and support at local level.

256. In February 2006, the Welsh Assembly Government announced a significant package of investment to support older and disabled people through a range of initiatives. These will reduce for disabled and older people the burden of paying for home care while at the same time offering them, and their carers, additional services and support.

Northern Ireland

257. In May 2001 the former Northern Ireland Assembly Executive asked that an Inter-Departmental Group be established to examine the costs and other implications of introducing free personal care for residential care and nursing home residents, drawing on the report and findings of the Scottish Care Development Group which led to introduction of free personal care for the Elderly by the Scottish Executive in July 2002. Following the collapse of the Executive in October 2002, successive NIO Ministers have taken the line that, as the Executive had specifically commissioned this work, further consideration of the very significant implications, financial and other, should await the return of a devolved administration.

258. Direct Payments, which are cash payments in lieu of social services provision, have been available in Northern Ireland since 1996, however, the uptake among service users has been historically low. The Department initiated a Review of Direct Payments in 2004 in order to promote their use in Northern Ireland and to increase uptake. The work of the review group has resulted in the number of users increasing by almost 300% in two years.

259. Many older people with long-term care needs rely on the assistance of a friend or family member who adopts the role of an informal carer. The latest census figures for Northern Ireland show there to be approximately 185,000 informal carers providing an extremely valuable service, which would otherwise fall to the HPSS. In January 2006, the Department published a strategy document setting out a long term plan of action to deliver a range of practical support services to carers. In addition, it has:

- allocated increased recurrent funding to HSS Boards to allow for the provision of responsive and flexible respite services for carers; and
- brought into force legislation in 2003, which provides the right for carers to have their needs assessed. In response to assessment, HPSS bodies are empowered to provide a range of services within local priorities and available resources. In addition, carers have also been able to access Direct Payments in lieu of services from April 2004.

4.3.3 Priority policies related to community objective (k)

England

260. Users of services generally prefer to be supported to stay at home if at all possible and the Government has made this a priority, setting a target to increase the number of people supported intensively to live at home to 30 per cent of all those being supported by social services at home or in residential care. The figure rose from 29 per cent to 30 per cent in 2003-04; this means the target was met two years ahead of the target date.

261. The National Service Framework for Older People was published on 27 March 2001. This set out a comprehensive ten year strategy to ensure fair, high quality integrated health and social care services for older people.

262. The Government has sought to improve joint working between health and social services. For example The Health Act 1999 introduced new powers to allow councils to set up new joint working arrangements with the NHS to pool funds, delegate functions to enable integrated provision and lead commissioning. The Health and Social Care Act 2001 further promoted the aims of integrating health and local authority services for vulnerable people, introducing a new policy for the formation of Care Trusts.

263. The White Paper *Our health, our care, our say* published in January 2006 sets out the Government's vision for the future of social care as part of an integrated service outside hospital.

264. Social services providers are regulated and inspected by the Commission for Social Care Inspection (CSCI), which is independent of government. The Government are committed to merging the healthcare regulator, the Healthcare Commission with CSCI to create a single, integrated regulator of health and social care.

Scotland

265. In Scotland, social care services and independent healthcare services are regulated by the Care Commission under the Regulation of Care (Scotland) Act 2001. The Care Commission regulates these services against the requirements in the Act, the associated regulations and taking account of the National Care Standards (of which there are currently 21 sets) published by Scottish Ministers.

266. For many years community care policy in Scotland has been to enable people to live as normal a life as possible in their own homes. *Better Outcomes for Older People* (May 2005) is a framework for joint services for older people. The Framework signposts the way that joint and integrated services should be provided – in partnership between individuals and their carers, health, housing and social care organisations, in the statutory and independent (voluntary and private) sectors.

267. Its aim is to ensure older people get the services they need, regardless of which agency provides the service. By improving the quality and access to many services outside the NHS - these include housing, transport, social care, physical activity - older people will gain an improved quality of life and health problems can be mitigated or prevented.

268. *The Future Care of Older People in Scotland* (May 2006) sets out a vision for care that has to be worked out locally, with an emphasis on:

- health improvement – keeping people well, maximising their independence and well-being in later life, so they are healthy when they are older
- care provided at home, within an agreed risk assessment and resource framework
- care that provides benefit, is the minimum required, and takes account of the wishes of the person
- care based on the person's individual needs, so they get the service they need when they need it, regardless of who provides it
- older people seen as citizens, with important roles in supporting families and within communities, the biggest providers of support to other older people, and having both rights and responsibilities.

269. To deliver these, quality and flexibility are vital.

270. The Social Work Inspection Agency was established in 2005, replacing former inspection arrangements with a much more rigorous approach, based on a national Performance Inspection Model.

Wales

271. The Welsh Assembly Government has developed a comprehensive and integrated Strategy for Older People in Wales following extensive consultation with all partners including older people themselves. It provides a 10 year framework for statutory bodies in Wales to plan for the implications of an ageing society and improve services to older people. The Strategy was launched in January 2003. The Welsh Assembly Government has also pledged to establish a Commissioner for Older People in Wales, who will speak up on behalf of older people and be their champion. He or she will have an important part to play in taking forward the Assembly Government's agenda of tackling age discrimination wherever it occurs, promoting positive images of ageing and giving older people a stronger voice in society. The legislation necessary to establish the Commissioner is currently being considered by Parliament and it is anticipated that he or she will be appointed during 2007.

272. *Making the Connections* (2005) sets a vision for Welsh public services, and expects that they will share common goals and work well together, are citizen-focused, responsive to community needs, more efficient, and driven by a commitment to equality and social justice. In support of this strategy, Local Authorities are considering the benefits of commissioning specialist services on a regional basis and of building on joint agency initiatives with the NHS and other partners in care.

273. Care providers are inspected by the Care Standards Inspectorate for Wales (CSIW), and the Social Services Inspectorate for Wales (SSIW) evaluates the performance of social service authorities and undertakes joint reviews with the Wales Audit Office. SSIW also collaborates with Health Inspectorate Wales when reviewing services at the interface of health and social care.

Northern Ireland

274. Comprehensive and consistent assessment of care needs is absolutely central to the development and delivery of appropriate, safe and effective care services. With this in mind, the DHSSPS in Northern Ireland has commissioned the development of a single comprehensive assessment process. The principle product of this work will be a single tool for assessing the health and social care needs of older people but the learning and outcomes arising from this project could also inform further projects to apply common principles to the assessment of needs amongst other groups.

275. Recognising that older people prefer to remain in their own homes wherever possible, the Department has included a target in its latest Priorities for Action document stating that by 31 March 2007, 42% of people in care management should have their assessed care needs met in a domiciliary setting. This represents a 2% increase on current figures.

4.3.4 Priority policies related to community objective (I)

England

276. There have been substantial increases in the level of Government funding provided for social services in recent years. From 1997 to 2005 local authorities have increased spending on social services by c. 70% in real terms.

277. Over the three years 2005-06 to 2007-08, the average real terms increase in resources for Personal Social Services (PSS) in England will be 2.7% a year over and above inflation. In 2005-06, the Government provided £11.5bn for local councils in respect of adult personal social services (PSS) – £850m more than was provided for 2004-05. This will rise to just under £12bn in 2006-07 and to nearly £12.5bn in 2007-08.

Scotland

278. There have been substantial increases in the level of provision made by the Scottish Executive to local authorities through the local government revenue settlement for community care adult services, with the sum increasing from £1.6bn in 2005-06 to £1.7bn in 2006-07 (a 6.7% increase).

Wales

279. In 2005-06 the Revenue support Grant included an extra £12 million provided to help local authorities to address pressures in the health and social care system including supporting more people to be cared for at home and in communities and the costs associated with meeting higher standards of care.

280. In 2006-07 the Revenue support Grant included an extra £45 million provided to help local authorities to address pressures in the social care system, including supporting more people being cared for at home and in communities, avoiding admissions to hospital, improving commissioning and addressing the costs associated with meeting higher standards of care and other pressures identified by the Expenditure Sub Group from an ageing population. There was also an additional £1 million for more investment in direct payment arrangements.

Northern Ireland

281. There have been substantial increases in the level of Government funding provided for social services in recent years. In 2004/05 £708m was provided for Personal Social Services as a whole. This rose to £720.4m in 2005/06 and will rise again by 7.1% in 2006/07 to £771.3m. Over £250 million has been invested in the Community Care Programme for elderly and other vulnerable people since the introduction of the 1993 Community Care changes which moved service provision away from institutional and hospital settings to community and domiciliary care services.