

LSIS Brief Guide

State of the nation report: poverty, worklessness and welfare dependency in the UK (May 2010)



Introduction

1. On 27 May 2010, just three weeks after the General Election, the Cabinet Office published *State of the Nation report: poverty, worklessness and welfare dependency in the UK*,¹ a cross-departmental report addressing 'poverty and inequality in Britain' (p. 3) and 'radical reforms to the welfare system' (p. 3). The report outlined the Coalition Government's intention to 'ensure that everyone has the best possible chance to fulfil their potential and leave poverty behind' (p. 6).
2. The report provides early background information for the Coalition Government as it develops its priorities for reducing inequality and promoting social mobility – key elements of the 'fairness' pillar of the Big Society. This is a brief guide to that report. As well as summarising the report's main findings, it identifies some initial implications for the sector and for LSIS. The close relationship between education and life chances highlights the vital role of further education in supporting those who were not successful in their school education or who are at risk of not being in education, employment or training. We hope this will be the start of a dialogue with you about how the sector can develop and articulate its contribution to this critical agenda and what LSIS can do to support you. As we exchange ideas and develop our thinking over the coming months, two related developments add to the context:
 - In June this year the government announced that Frank Field MP had been appointed to lead an independent review into poverty and life chances, the aims² for which include recommending potential action by government and other institutions to reduce poverty and enhance life chances for the least advantaged. The review is due to report its findings to the prime minister at the end of the year.
 - In August, the deputy prime minister announced that he will lead government efforts to improve social mobility and confirmed the appointment of Alan Millburn³ to undertake independent annual reviews of progress towards a socially mobile society, reviewing the effectiveness of the government's approach to increasing social mobility and the contribution of actions undertaken by civil society, employers, community groups and other non-governmental organisations.

¹ <http://www.cabinetoffice.gov.uk/publications/state-of-nation-report.aspx>

² For more information, please see <http://povertyreview.independent.gov.uk/>

³ Alan Millburn chaired the panel which published *Unleashing Aspiration: the final report of the panel on fair access to the professions*. We produced a brief guide to this report which can be found [here](#) and also produced a brief guide to the government response to this, available [here](#).

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Background

3. *State of the Nation* sets out 'a comprehensive assessment of poverty in the UK' (p. 6) at the start of the new coalition government. It uses a broad range of poverty and deprivation indicators (discussed in more detail in the rest of this brief guide) including income poverty, indebtedness, unemployment, welfare dependency, educational and health inequalities, family structure and community breakdown to show that despite progress in some areas, the government's performance in tackling poverty and inequality has 'stalled or deteriorated' (p.6) and multiple disadvantage remains a significant problem.
4. The report draws on several sources of information and statistics including internal and published material from the departments of Work and Pensions (DWP), Business, Innovation and Skills (BIS) and Children, Schools and Families (DCSF), and Communities and Local Government (DCLG), Save the Children, the Institute for Fiscal Studies, the European Union, Social Justice Policy Group, Office for National Statistics, Her Majesty's Revenue & Customs, the Organisation for Economic Cooperation and Development, the Centre for Economic Performance at the LSE, Labour Force Survey, NHS Information Centre, World Health Organisation, HEFCE and the Institute of Economic Affairs.
5. Some of the data outlined in the report document applies across the UK; some applies to England only, or England and Wales only. Also, many aspects of policy highlighted in the document are devolved, in differing settlements, to the administrations in Northern Ireland, Scotland and Wales.

Key statistics

- Almost one in 10⁴ people live in persistent poverty, and there are 800,000 more working age adults in poverty than in 1998/99;
- Income inequality in the UK is now at its highest level since comparable statistics began in 1961;
- 1.4 million people in the UK have been on an out-of-work benefit for nine or more of the last 10 years;
- The proportion of young people who are not in education, employment or training (NEET), is higher than in almost any other European country;
- An estimated 670,000 households in the UK are eligible for benefits and tax credits of over £15,600 per year;

⁴ In June 2010, the Office for National Statistics estimated that the resident population of the UK was 61,792,000 in mid-2009.

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- Health inequalities are higher now than they were in the 1970s;
- People living in the poorest neighbourhoods will, on average, die seven years earlier than people living in the richest neighbourhoods;
- There remains a large gap in educational achievement between children from rich and poor backgrounds, with a 39 percentage point gap in gaining 5+ A*-C GCSEs between those living in the most and in the least deprived areas; and
- 5.3 million people in the UK suffer from multiple disadvantages.

Income poverty, inequality and social immobility

6. Income poverty and inequality are serious problems in the UK. Although progress has been made on some measures, on others the situation has got worse and social mobility overall has deteriorated.
7. Living in income poverty means 'being unable to have the standard of living many take for granted' (p.14). It affects future chances and opportunities: if you live in income poverty as a child you are at risk of reduced education performance and increased worklessness; in older age it affects your chance of building up an adequate pension and financial security in retirement.
8. Although parenting, home environment and school experience all affect an individual's path through life, in 2010 low income 'remains a barrier to many people in the UK' (p. 7).
9. In general, relative poverty (that is, the proportion of people earning less than a particular percentage of median income) fell between 1997/98 and 2008/09 although there has been a rise since 2004/05. Absolute poverty levels (the number of people living in households with income below 60% of the 1998/99 real terms median income) also fell over the decade.
10. There is some evidence that severe income poverty (commonly defined as living on an income of less than 40% of median income) increased but this data must be treated with caution as there have been falls in persistent poverty, no change in severe expenditure poverty and it is difficult to get accurate measures at the lowest end of the income spectrum.
11. A greater proportion of the UK population lives on relatively low incomes than in many other European countries and the UK has higher levels of income inequality than Sweden, France, Germany, Australia, Canada, Japan and Spain (though lower levels than Italy and the USA). However, in terms of trends, inequality increased from 1990, peaking in 2000/01 before falling back slightly so that in 2005 it was at around the same level as in 1996.

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12. The elderly, disabled people and children in the UK are particularly vulnerable to poverty, with pensioners the group most likely to suffer from persistent poverty and disabled people twice as likely to be in persistent poverty as non-disabled people. The additional costs associated with disability mean that a narrow focus on income does not capture the levels of disadvantage experienced.
13. The types of household most vulnerable to income poverty are older, female and disabled pensioners, lone parents and disabled people. Risk of poverty is unevenly spread among different ethnic groups but relative poverty rates are highest among those of Pakistani and Bangladeshi background.
14. UK household debt is now among the highest of any developed country. Although this is not always a concern, 'debt problems generally seem correlated with groups most at risk of poverty' (p.19) including the long-term unemployed and lone parents with dependent children.
15. Social mobility is a key component of a fair society. There is some evidence that Britain is moving away from routine semi-skilled work and unskilled manual work but although the level of qualification at the low end is improving the demand for jobs requiring these qualifications 'is not growing in response' (p.23).
16. The *Fair Access to the Professions*⁵ report found that senior professionals increasingly come from wealthier than average backgrounds and children from these backgrounds have benefited disproportionately from the increase in educational opportunities. Britain remains a country in which 'family background is a bigger factor in determining life changes' (p. 8) than in many comparable countries.

Key statistics

- Poverty among single adults and couples without children has risen since 1997/98. Among single adults, for example, poverty has risen by about a third;
- The proportion living in severe income poverty has increased since 2004/05;
- Almost one in ten live in households that experience persistent income poverty;
- The UK has a higher proportion of the population on low incomes than many other European countries including France, Germany and Portugal;
- The top 10% of households possess 100 times the wealth of the bottom 10%;
- There were 10.9 million people living in relative income poverty in 2008/09, 300,000 fewer than in 1998/99, but up 900,000 since 2004/05;

⁵ <http://www.cabinetoffice.gov.uk/media/227102/fair-access.pdf>

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- Almost 7 million people live in absolute poverty;
- Although the number of children in relative poverty has fallen, according to Save the Children the proportion of children living in poverty in the UK has increased from 11% in 2004/05 to 13% in 2007/08;
- 7% of the population attend independent schools but they constitute over 50% of most of the professions including law, finance directors, top civil servants; and
- Britain has a higher correlation between sons' and fathers' earnings than other countries including Canada, Finland and Denmark where social mobility is greater.

Worklessness: unemployment and inactivity

17. 'In too many communities in the UK worklessness is prevalent' (p.27). There is clear evidence that this contributes not only to poverty but also to ill health, unhappiness and depression.
18. Worklessness needs to be considered on both an individual and household level as workless households are significantly more likely to experience poverty than households in which at least one adult is in work and children growing up in workless households are more likely to be workless or poor themselves as adults.
19. The workless household rate has remained constant at about 15% since 1999 and about a third of those have been workless for at least half of that period.
20. The overall employment rate has remained relatively constant at 72% but there has been a long-term decline in employment rates for men, alongside rising participation rates for women. Young people are disproportionately represented in unemployment.
21. Unemployment rates are particularly high among the long-term disabled, 16–17 year olds, 18–24 year olds, lone parents and ethnic minorities.
22. Unemployment rates also vary significantly between ethnic minorities. For example, the ethnic minority group with the lowest unemployment rates is Indians (6.8%), and the highest rate is among Pakistanis (19.0%), compared with an average unemployment rate among ethnic minorities of 12.8%.
23. Employment offers the best and most sustainable route out of poverty and worklessness. Further, people who move into work tend to 'report substantial improvements in mental health' (p. 27). However, almost one million people made five or more claims for Jobseeker's Allowance between October 2000 and March 2010. Although this suggests that people are seeking jobs rather than benefits, it also suggests a problem of 'churn' between low-paid jobs and out-of-work benefits.

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24. In addition to those who are unemployed and actively seeking work there are a record 8.2 million people classified as inactive – that is not seeking or not available for employment. 2.6 million people are on sickness and disability benefits and 39% of them have spent at least five years on benefits.
25. One of the fast growing inactive groups is the under-25s. In the first quarter of 2010 over half of the 1.4 million young people under-25 who are NEET were classified as inactive with the rest unemployed: 45% of those in this group have never had a job. The UK has a high number of young people who are NEET compared with most other EU and OECD countries and time spent NEET has a 'lasting impact on wages' (p.29).
26. Geographically the highest rates of workless households are in the North East, Wales, London and the North West, with the lowest rates in the East of England.

Key statistics

- More than one in four of the working-age adults are not working;
- The UK has the third highest overall rate of adults living in workless households in the EU and the highest rate of children in workless households;
- Children in households where two adults are in full-time work have a 1% chance of being in poverty compared with a 64% chance for children in two-parent households where neither adult works;
- A record 8.2 million people (21.5% of the working-age population) are classified as inactive – that is, not seeking or available for employment;
- A third of people in workless households live in 10% of local authority areas; half of workless households are in social housing;
- Some groups are particularly likely to be out of work. For example Black African workless household rates are 36% – more than double the national average;
- Over half of disabled people are not in work. with some groups such as people with learning disabilities having a significantly lower employment rate. Less than half of all people with no qualifications are in work; and
- The employment rate in the most deprived 10% of neighbourhoods was 54.9% in 2008/09 compared with 75% in the rest of England.

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Welfare dependency

27. 'Welfare dependency creates a number of costs for individuals and for society' (p.33). Individuals find themselves isolated from the rest of society and the longer they are out of work the more likely their health is to suffer and the less likely they are to find work. For society welfare dependency implies high expenditure and lower potential tax revenue.
28. Numbers of people claiming the main out-of-work benefits have reached their highest level since 1998/99 while numbers of people claiming in-work benefits, working-age children receiving benefit and pensioners receiving benefit have also risen substantially.
29. Many people have been claiming low-income and out-of-work benefits for a long time: a third of those who have been claiming out-of-work benefits for two years or more are aged over 55; a third are aged 45–54 and a third are under 45.
30. The groups most likely to be claiming benefits are those with no formal qualifications; lone parents; those outside the south east of England and those in the 20% most deprived neighbourhoods.
31. State support in the form of benefits and tax credits makes up 58% of the gross income of the poorest 20% of households. Even the top income quintile of households receives 2% of their gross income from the state.
32. As a result spend on working-age household benefits and tax credits have increased by almost 40% from 1996/97 to 2009/10 (£61 billion to £85 billion).
33. Meanwhile the benefits system does not provide enough incentives to work. The way separate benefits are withdrawn as income rises means there is sometimes little point in progressing in work; the extra costs associated with work (travel, clothes and so on) can mean that people may even have less money than they had on benefits; and the complexity of the benefits system can make it difficult to calculate the 'financial impact of work' (p. 38).
34. The benefits system may also create 'disincentives to save' (p. 38): for example, the introduction of Pension Credit means there are now over three million pensioner households receiving means-tested benefit.

Key statistics

- The number of working-age adults claiming Disability Living Allowance has increased by over 40% since 1997, from 1.2 million to 1.8 million;
- Spend on working-age household benefits and tax credits increased by almost 40% from 1996/97 to 2009/10;
- Around 2.6 million people spent at least half of the last 10 years on some form of out-of-work benefit;

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- Around 175,000 households in the UK are entitled to over £400 a week in cash benefits and tax credits, the equivalent of over £20,000 a year;
- Transfers from the state make up 58% of the gross income of the poorest 20% of households and 2% of the income of the richest 20% of households; and
- Some low-income families keep as little as five pence in every additional pound earned (not counting extra costs associated with work), while 70,000 families face deduction rates of over 90%.

Poor health and educational disadvantage

35. 'In 2010 the health gap, proxied by life expectancy at birth, between those from high and low socio-economic backgrounds is wider now than in the 1970s, while the gap in educational attainment between children from wealthy and deprived backgrounds remains high' (p. 40).
36. Life expectancy continues to increase but around 2.7 million adults in England (6%) report having bad or very bad health while around 18 million people have a long-term health condition.
37. The UK scored poorly on a range of social and psychological indicators of child well-being according to a recent World Health Organisation survey.⁶
38. Mental health problems have a profound effect on quality of life and over 40% of people claiming health-related social security benefits cite mental-health problems as the reason.
39. The UK has relatively high levels of risky behaviours such as alcohol consumption, smoking and drug dependency, with cannabis being the most common drug of dependency, and British teenagers drink more and earlier than their European counterparts.
40. Levels of obesity are also rising and the prevalence of obesity is much greater than the average for OECD countries, with only the USA and Mexico reporting higher rates in 2006.
41. Despite large increases in expenditure in education and a growth in the proportion of children achieving current expected levels of education achievement, many children and adults are still not achieving their full potential.
42. Social class is 'strongly associated with levels of development in the early years' (p. 45). Research suggests that children with low ability from better-off families overtake children with high ability from less well off families at around the age of six, although a recent study suggests that the link between parental income and child outcomes starts to weaken at age 16.

⁶ World Health Organisation Regional Office for Europe (2008). *Social cohesion for mental well-being among adolescents*. WHO/HBSC forum 2007 final report.

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43. At school there is a clear and consistent link between poverty and under-attainment both as judged by free school meals and by the level of deprivation in a neighbourhood, and a growing education gap for children in care. Furthermore, relatively high numbers of children from disadvantaged backgrounds are persistently absent from school with inevitable knock-on effects on their performance. At a later stage fewer than one in five young people from disadvantaged backgrounds go on to higher education compared with more than one in two for the most advantaged areas.
44. Despite a growing lifelong learning culture in the UK, 24% of adults in England lack a Level 2 qualification; they are also less likely than their professional counterparts to receive work-related training or take part in informal training.

Key statistics

- Nearly a third (32%) of disabled people report difficulties in accessing goods and services and 22% do not have frequent choice and control over their lives;
- Around 6 million adults aged 16 and over have at least one common mental-health disorder;
- Around 2.4 million adults regularly drink more than double the amount specified by NHS guidelines;
- 21% of adults smoke cigarettes;
- Each year abuse of alcohol leads to approximately one million incidents of violent crime, over 100,000 cases of domestic abuse and over 600 deaths from drink driving, with associated costs of £17–£22 billion;
- There is a high rate of dependency on drugs other than alcohol among adults in England (3.4%), particularly among 16–24 year olds (10.2%);
- 25% of the UK adult population was obese in 2008;
- A child in the UK who is eligible for free school meals is half as likely to achieve five or more GCSEs at grade A*–C as a child from a wealthier background;
- Children who are eligible for free school meals are three times more likely to be excluded from school than those who are not eligible;
- Only 1% of pupils eligible for free school meals go on to a Russell Group university compared with 7% of pupils who are not eligible;
- 10% of the working-age population still have no qualifications and this rises to 24% for working-age disabled adults; and
- 7.3 million adults in England (24%) lack at least a Level 2 qualification (i.e. academic or vocational qualifications equivalent to five GCSEs at A*–C).

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Families and communities

45. There are severe problems in the UK today related to ‘family breakdown, low levels of social capital, the shortage of good-quality housing and the extent of neighbourhood deprivation’ (p. 49).
46. Family structure has changed a great deal in recent years. Nearly half of all children are now born outside marriage and the marriage rate itself has declined by about 38% since 1970, although divorce rates have remained relatively stable since the 1980s.
47. Around 3 million children in the UK will have separated parents, and this is more likely to happen if their parents cohabit. Around 2 million families are headed by a lone parent – the rate varies significantly by ethnicity in the UK, with 56% of Black or Black British children living in lone parent families. Lone parent families and teenage pregnancies are heavily concentrated in deprived urban areas.
48. Family breakdown has implications for both adults and children. It is linked to adult ill-health, especially the mental health of mothers and children in lone parent families and stepfamilies are more than twice as likely to be in the bottom 20% of child outcomes as children in married families. Of the 142,000 most disadvantaged families in the UK under 20% were from married households.
49. The findings in the paragraph above should be greeted with some caution. Research indicates that *‘outcome gaps vary significantly within family structures and are relatively small compared with socio-economic factors’* (p. 53). However, evidence linking the experience of family breakdown and dysfunction to poorer outcomes for both adults and children indicates the importance of family structure and home environment for policy (p. 53)
50. The quality of social relations in a community plays an important role in determining well-being. Although the UK compares well with other countries on indicators of social capital such as willingness to donate to charity, there are many people, especially the elderly, suffering from loneliness and isolation.
51. The English Health Survey of 2005 found that one-quarter of the population suffered from some lack of social support, with 14% suffering a severe lack. Only half the population feel they can trust people in their neighbourhood.
52. Although nearly half of all people (49%) would like to be more involved in their community and about 47% carried out at least one form of civic engagement in the last year, only about 39% believe they can have any influence in their local area.
53. Some groups are also much more likely to be involved in civic engagement than others with White people are more likely than most other groups to get involved and young people aged 16–25 less likely. People with managerial and professional occupations are more likely to be involved than other occupational groups.

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54. Poor-quality housing remains a serious problem for many in the UK: for some that's because of overcrowding; others live in homes with potentially serious health and safety hazards. There are also those who have been accepted by the local authority as homeless and are living in temporary accommodation, while another small group are sleeping rough, out on the streets.
55. Around 540,000 people in England live away from their homes in institutions, mostly nursing and residential care homes, prison or local authority care. This does not necessarily imply disadvantage, but the quality of accommodation in some institutions can be poor.
56. 10% of households report that crime is a serious problem in their area, with London having the highest rate of police recorded crime and the East of England the lowest.
57. Poor social and economic conditions trap many of the people who live in deprived neighbourhoods – and disadvantage is consistently concentrated in some areas, many of them urban. Deprived neighbourhoods also house many of the people who suffer from multiple disadvantage.

Key statistics

- Between the 1950s and 2008 the proportion of children born outside marriage rose from under 5% to 45%;
- The UK has the highest teenage birth rate in Europe;
- Fewer than 20% of the most disadvantaged families are headed by married couples;
- Stepfamilies are the fastest growing family type in the UK;
- The children of divorced parents are twice as likely as children of non-divorced parents to get divorced themselves;
- Lone parent families are twice as likely to be in the bottom income quintile as two-parent families;
- Half of all people aged 75 and over live alone;
- Some 7.4 million homes were 'non-decent' in 2008; these included 4.8 million with potential serious health and safety hazards;
- 7% of households report noise as a serious problem; 9% report vandalism and hooliganism; 10% crime and 4% neighbours; and
- 50% of all children living in families that rely entirely on benefits and 42% of people out of work for mental health reasons live in the 20% most deprived neighbourhoods.

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Multiple disadvantage

58. It is often the interaction of the problems explored in previous sections that can lead to ‘*entrenched, deep-seated disadvantage*’ (p.59) that can cut people off from opportunities to participate in the normal activities of society and lead to a lifetime of dependency and wasted potential.
59. According to *Opportunity for all*⁷ in 2007 around 40% of indicators have ‘not moved in a positive direction in recent years’ and the Joseph Rowntree Foundation in 2009 suggested there had been even less progress with 60% of indicators not having moved in a positive direction in the past five years.
60. It is clear that a sizeable proportion of those suffering multiple disadvantage do so persistently over time. Analysis by Strategy Unit and Social Exclusion Task Force shows that:
- on a wide definition, 3.7 million people (7.7% of the population) are disadvantaged in three or more of six areas (education, health, employment, income, social support, housing and local environment) for five or more years out of 10;
 - on a tighter definition, flows in and out of severe deprivation are limited: 800,000 (1.7%) are disadvantaged in three of these six areas for five or more years out of 10 on a tighter definition; and
 - only 14% of the most multiply disadvantaged families are likely to be described as ‘not disadvantaged’ a year later.¹⁷⁷
61. Those most at risk of multiple disadvantage in key life stages are (p.61):
- families with some or all of the following characteristics: lone parents, those living in social housing or rented accommodation, those living in large families (i.e. three or more children), those who have a young mother, those who have a black mother, and those who live in urban and the most deprived areas. If one or both partners has a physical disability, limiting illness or mental health problem, these families are also most at risk of persistent multiple disadvantage;
 - young people aged 16–24 with some or all of the following characteristics: females, those living independently with their own children, those living with a lone parent, social and private renters, and those living in more deprived areas;
 - working-age people without dependent children with some or all of the following characteristics: women, older working-age people, those from manual occupational groups,

⁷ *Opportunity for all: indicators update 2007*. Department for Work and Pensions (2007)
<http://www.dwp.gov.uk/publications/policy-publications/opportunity-for-all/this-years-report/>.

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- home-makers, early retirees, sick and disabled people, those who never married, and those living in single-person households; and
- older people aged 60 and over with some or all of the following characteristics: those aged 80 years and over, those who live alone and those who have poor access to services.
62. Those with serious and enduring mental health problems; those with learning disabilities; those with physical disabilities or limiting illnesses; the homeless; those with drug and alcohol problems; offenders and ex-offenders; and children in care and care leavers are also significantly more likely to experience multiple disadvantages.
63. Disadvantage is also often passed from one generation to the next so that children who grow up in disadvantaged households are more likely to be disadvantaged themselves.

Key statistics

- Over 5 million people (11%) suffer from multiple disadvantages and 3.7 million suffer from persistent multiple disadvantages;
- Over 60% of indicators in one of the main annual reports of poverty and disadvantage have shown no progress or moved in the wrong direction over the past five years; and
- Just over a quarter (27%) of children from families with six or more parent-related disadvantages have at least three disadvantages themselves, compared with only 4% from families with no parent-related disadvantages.

Implications for the sector

64. The detail of this report provides a rich resource for providers with a mission to address social disadvantage. It highlights the challenges of addressing poverty, worklessness and welfare, but sets these in a wider social and economic context and indicates the need for education services to make their contribution to multi-agency approaches .
65. For example, the report highlights key groups in society who have significantly reduced chances of achieving and are significantly more likely to be not in education employment or training. The sector is well-placed as a key strategic partner to support these groups of learners and has experience of engaging with local strategic and community partners to work collaboratively.

Questions to consider

- How can providers use the data from the report to shape services and provision?
- What opportunities do the new and promised freedoms and flexibilities now offer to develop more responsive and joint provision to work with disadvantaged learners?

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- How can young people, particularly, be supported on pathways towards apprenticeships, which are becoming the main route to work-based learning under the new Government?
 - How should learning and skills providers work with local authorities and other local services to target particular at risk groups or disadvantaged neighbourhoods or communities?
66. Building intergenerational relationships is a critical factor in securing young people's resilience and the report highlights the knock on effects of adult worklessness on children and young people. We know that the more marginalised a young person is, the more closed they are to new ways of gaining skills and developing networks. Again, the sector has significant experience of working with disaffected young people and provides a multi-age environment which can help to overcome generational segregation.

Questions to consider

- Should we be thinking about how to identify household needs given the added impact of worklessness amongst multiple members?
 - What opportunities are there to work with partners – including those in charities and social enterprises – to build 'big communities' that can support and encourage intergenerational learning and promote social mobility?
 - Are there curriculum design implications that require support?
67. The Equality Act 2010 contains 'positive action' provisions that enable education providers to tackle particular disadvantages, different needs or disproportionately low participation of particular student groups. This report provides a wealth of information to highlight key issues which might be addressed through 'positive action', for example disproportionately high minority ethnic employment, or the strain that caring responsibilities can put on young learners' capacity to access provision.

Questions to consider

- In the light of this report, what opportunity does the positive action provision offer?
 - What action might the sector take in response to this?
68. Finally, the sector is currently being consulted on proposals for a simplified funding methodology and new ways of being held to account by local communities⁸.

⁸ BIS: A Simplified Further Education and Skills Funding System and Methodology Consultation Document July 2010.

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Questions to consider

- What measures are most likely to ensure fairness for disadvantaged learners?
- How might additional freedoms and flexibilities enable providers to be more responsive to these groups within the communities they serve?
- How might the inherent tension between the desire for a simplified funding system and the need to secure fairness for disadvantaged learners be addressed?

Implications for LSIS

69. LSIS is keen to consider how it can support the sector to develop and articulate its contribution to the communities it serves and indeed, to the creation of a Big Society. Current relevant LSIS activities include:

- consultation on a sector strategy for community development;
- a range of peer review and development activity linked to community development; and
- with the UK Commission for Employment and Skills, an action research project to explore what a 'community scorecard' might look like and how it might enhance accountability to citizens and civil society.

We will take account of the issues this report raises as we develop our work in these areas.

70. LSIS is keen to build on previous research on the issues facing people not in education, employment and training. We are working with BIS to ensure the findings from our research so far can inform the new Government's approach to addressing worklessness. In addition, we are working with partners in Coventry Solihull and Warwickshire to explore the leadership and professional practice challenges of developing genuinely multi-agency approaches to avoid young people dropping out.

71. We would welcome examples of where LSIS could, with the sector, support the development of specific approaches to supporting disadvantaged learners. For example:

- Are there particular strategies for inactive under 25s which might be employed? How could LSIS help to disseminate these?
- What examples do we have of the best practice in combating impacts of poverty and multiple deprivation through education and training, for example at the level of households or specific communities?

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