



HM Government

Social Justice: transforming lives

Progress report

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Social Justice: transforming lives

Progress report

Presented to Parliament
by the Secretary of State for
Work and Pensions
by Command of Her Majesty
November 2014

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The Government's social justice ambitions apply to the whole of the United Kingdom, as set out in this document. However, we recognise that the devolved administrations in Scotland, Wales and Northern Ireland are responsible for their own devolved policies and are therefore not bound by this strategy.

The UK Government will continue to work closely with the devolved administrations to promote the principles of social justice.



Foreword by the Secretary of State for Work and Pensions

At the start of this Parliament, I set out my vision for transforming the lives of the most disadvantaged in our society, under the banner of Social Justice.

My commitment to, and passion for, this cause is as strong today as it was when I set out that vision.

Social Justice: transforming lives published in 2012 opened with a real-life story, and two years later, it is right that this progress report does too.

Earlier this year, a group of care leavers came to the Social Justice Cabinet Committee. They told us that care leavers are like anyone else – they have emotions, they have pride, and they have ambition. They told us that going into care is like a car crash in your heart. They asked my Committee whether we could remember going to bed without knowing where we would sleep the following night. They told us that most care leavers want to succeed.

And yet of the 10,000 young people who leave care in England each year, only 37% of them achieve 5 GCSEs at grade A-C, compared to 80% for children who have not gone into care. This gap is appalling; for we know that one route to stopping poverty is equality in education attainment.

I am proud that we are the first government to have brought together nine departments in delivering a strategy dedicated solely to care leavers. A strategy aimed at addressing the unique problems they face, improving their outcomes, and giving them a start in life which lets them realise their hopes and dreams.

Social Justice is about these types of life change. I believe we can change lives one life at a time. In turn, each life change goes towards achieving Social Justice.

But this is not something the Government can achieve on its own.

Social Justice is about partnerships across government and across sectors. Social Justice is our collective duty and our collective responsibility.

For too long, family breakdown, debt, educational failure, addiction and worklessness have been carried as intractable problems. Working together, Social Justice breaks this illusion – instilling basic concepts such as love, compassion and trust. Above all, it is underpinned by the belief that no one is beyond our reach and that no one should be written off.

Following the worst recession since the Second World War, this Government has set forth on a recovery that has seen employment increase by over 1.7 million since 2010, youth unemployment fall to levels lower than at the election, and the lowest rate of workless households on record.

But it would be no recovery worth its salt if people were left behind. I have always said, and continue to believe that, work is the best route out of poverty. Yet when I came into this job as Work and Pensions Secretary, the benefits system – the vehicle by which people find work – was broken. That is why alongside economic reform, I have been steadfast in my commitment to social reform.

As a result, we are now delivering the biggest transformation of the benefits system in the last 60 years. With national roll-out beginning in early 2015, Universal Credit is central to the Government's long-term economic plan, with the potential to contribute £35 billion to the economy in the next decade.

Alongside improving employment outcomes, we have always talked about Social Justice in terms of going beyond poverty, looking at the root causes, rather than rigid notions of income transfers that previous governments were wedded to.

The key to change is sustainment, making a lasting difference.

Addicts and alcoholics I speak with tell me it's not about getting sober or clean; it's about staying sober, staying clean.

Families tell me that it's not about getting married or having a child; it's about staying married and staying with your child.

Children tell me that it's not about getting to school; it's about staying in school, and attaining the education that so many take for granted.

And the same principle applies to work; it's not just about getting a job it's about keeping that job, and staying employed.

In delivering this real and long-lasting change, Social Justice is about changing fates, about moving people beyond the circumstances they find themselves in.

Each statistic in this report is a life transformed. For that I would like to thank all of those whose efforts and dedication have contributed to making our vision a reality.

Let us continue to work together to build on this promising work. Our aim is not just about Social Justice in this Parliament; it is about Social Justice for years to come.



The Rt. Hon. Iain Duncan Smith
Chair, Social Justice Cabinet Committee
Secretary of State for Work and Pensions

Introduction

This report sets out the remarkable progress that the Government has made, in delivering on its commitment to Social Justice.

Each action, each programme, each intervention and each policy is working to make a meaningful difference to people's lives. The results are clear to see:

- 70,000 troubled families have had their lives turned around
- 250,000 more children are living with both their birth parents
- 387,000 fewer children living in workless households
- 2,100 former gang members on the straight and narrow with the help of specialist Jobcentre advisers
- 38% of children receiving free school meals now getting 5 good GCSEs
- 53,000 parents working together in their children's best interests, through our Help and Support for Separated Families Innovation Fund
- 305,000 households in which no one has ever worked; down 14 per cent since 2010
- Over 48,000 couples have participated in relationship counselling; nearly 160,000 people have accessed preventative relationship support
- Over 12,000 practitioners trained to help support families experiencing relationship difficulties
- £600m to help build the burgeoning social investment market

And next year we can expect more big change, more lives transformed:

- Relationship support policy brought under one department, the Department for Work and Pensions
- Through the Troubled Families Programme we will support an additional 400,000 families, with Jobcentre Plus doubling its force of specialist jobs advisors
- Our new Family Test creates an explicit focus on families; improving family stability, relationships and wellbeing

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- A recognition of marriage and civil partnerships in the tax system through transferable tax allowances
- Family Nurse Partnerships expanded to 16,000 places

The report is presented using the five founding principles of our Social Justice vision, as set out in the *Social Justice: transforming lives*:

1. A focus on prevention and early intervention.
2. Where problems arise, concentrating on recovery and independence rather than maintenance.
3. Promoting work for those who can as the most sustainable route out of poverty, while offering unconditional support to those whose disability or circumstances mean they cannot work.
4. Recognising that the most effective solutions will often be designed and delivered at a local level.
5. Ensuring that interventions provide a fair deal for the taxpayer.

Whilst we have seen progress, whilst we are seeing evidence in many places of a profound cultural shift, whilst thousands of changed lives are making Social Justice a reality, now is not the time for complacency, for resting on our laurels, or for relinquishing the pressure and groundswell we have created.

Now is the time for a redoubling of efforts, a renewal of our commitment to this agenda.

Chapter 1: Supporting families

Our starting point in 2010

“The family is the first and most important building block in a child’s life and any government serious about delivering Social Justice must seek to strengthen families.”

“So many of the early influences on a child relate to the family setting in which they grow up. When things go wrong, we know that this can increase the risk of poor outcomes in later life. Even more importantly, we know that family breakdown and other risk factors – worklessness, educational failure, mental health or drug and alcohol dependency – can feed off one another, compounding their effects, and leading to outcomes that can be very damaging for those affected and costly to society as a whole

“We should be concerned about the long-term trend in all types of family breakdown: marriage rates have more than halved in the last 40 years, while the number of lone parent households increased by an average of 26,000 a year from the early 1980s to 2010.”

“But we also know that past government policy across a range of areas, from welfare to the legal system, has exacerbated the rising trend in family breakdown.”

We need to row back from that approach.”

Social Justice: transforming lives

Our approach

In *Social Justice: transforming lives*, we sought to put families first, being explicit about the role that a stable, safe and loving family can play in giving children the best start in life. Our ambition is to ensure proactive support for strong parental and family relationships, particularly for those families facing the most significant disadvantages.

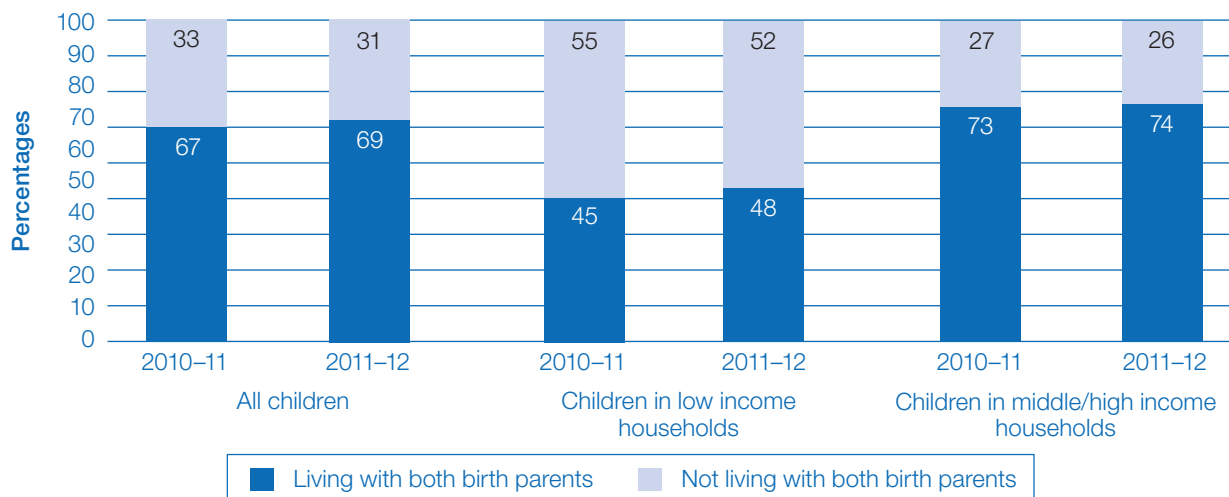
In doing so, early intervention is central to our reforms of children and family services. We need to ensure families can access the support they need to prevent problems arising in the first place, and tackle issues before they become embedded. Equally, we want parents to get the support they need when their children are born and during their formative years, to ensure that the most vulnerable children are protected and get the best start in life. To implement our aim we have brought together multiple services at a local level, using innovative payment by results mechanisms.

Yet we also know that in some cases separation is unavoidable, but that negative impacts can be mitigated. Where families do separate, we want to ensure that government is supporting parents in making the right decisions for them and their children. This requires services that encourage parents to work together in the best interests of their children, reducing conflict and resolving disputes.

Achieving meaningful change in this area is no small task: the causes of relationship breakdown are complex, and the decline in the stability of family relationships over the last four decades is the result in part of changing demographics, and long-term economic and social trends. However, given the role that stable families play in giving children the best start in life, government cannot ignore the implications of family breakdown, and has an important role to play in supporting strong and stable family relationships. Our Family Stability indicator will help us in understanding the trends, and illustrates the greater prevalence of family breakdown in lower income families. That we have seen a small improvement in stability from 2010-11 to 2011-12 is positive given the evidence finding that the recession has impacted couple relationships.

Indicator 1: Family stability

Percentage of children living with both birth parents, and the percentage of children in low-income households living with both birth parents compared to children in middle to high-income households



Source: Understanding Society, 2010-2012; SJOF Indicator 1: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325831/social-justice-frameworkindicator-1.pdf

In 2011-12, 31% of children did not live with both birth parents (compared to 33% in 2010-2011); 52% of children in low income were not living with both birth parents in 2011-12 (compared to 55% in 2010-11); 26% of children in middle to high income households were not living with both birth parents in 2011-12 (compared to 27% of children in 2010-11).

Progress since 2012 – realising our ambition

Family stability

We have re-established families as a vital priority for this Government and signalled our commitment to strong and stable relationships. Through the breadth of support available we will do all we can to support sustainable and healthy parental relationships, and to help parents give their children the best start.

- Drawing on expertise outside and across government, the Family Stability Review assessed the evidence on family formation, stability and breakdown; re-evaluating the role of policy in supporting families, ensuring action is effective, evidence-based, and better coordinated.
- The Family Test was introduced in October 2014 bringing a family perspective to policy making across Whitehall, and anticipating the potential impact of new domestic policy on families. The focus of the test is on the strength and stability of relationships at the heart of family life, not particular family structures.
- Relationship support policy has been brought under one department, the Department for Work and Pensions, and £30 million has been invested to successfully deliver marriage preparation, couple counselling and relationship education.
- Through the tax system, the Government has signalled its support for marriage and civil partnerships through the introduction of transferable tax allowances worth up to £200 a year, benefiting 4 million couples.
- In 2015, we will pilot relationship support as part of antenatal classes in six areas across the country, preparing couples for the transition to parenthood and encouraging the father's involvement.
- Underpinning their importance as trusted professionals in supporting new parents, national guidance for health visitors will be introduced in 2015 outlining how to recognise and respond to the signs of relationship difficulties.

Family Stability Review: A summary of the findings

In December 2013, the Government announced a cross-government review of family stability to review the evidence around family formation, stability and breakdown in order to inform policy development. The review team engaged with a wide range of stakeholders and an expert group peer reviewed the collected analysis. This is an incredibly complex area and it is inevitably difficult to always separate the underlying causes of behaviour, and to separate causation from association in the patterns and trends we see. There is more work to do in filling in the evidence gaps, but it is possible to draw out some key findings from the evidence we have.

Trends in family stability

- The evidence shows that family structure is changing – marriage rates have decreased and cohabitation rates have increased – although marriage is still the most common family structure. Since the 1970s families with children have become more diverse, with increases in the proportions of step-families and lone parent households.
- Divorce rates have been declining since the 1980s, but the propensity for cohabiting couples to separate has been increasing over time.

Why couple relationships break down

- The evidence shows that there are a number of demographic, socio-economic and cultural characteristics associated with divorce (e.g. early age at marriage) and separation (e.g. experience of unemployment, or financial problems / debt). Partners' perception of low levels of relationship quality and satisfaction are also associated with separation and divorce. However, these associations may only be correlations and cannot be assumed to be causal.
- A number of stress points for relationships are also highlighted, for example having a child, work pressures and health issues, which can create and compound instances of conflict and strain in relationships. However, evidence from relationship behaviour research shows that couples can possess and develop effective problem-solving and coping behaviour to effectively manage stressful life events.

The consequences of family breakdown

- Much research suggests that the majority of children are likely to experience short-term distress at the time of break-up, including behavioural and educational difficulties and poor emotional and physical health, but most are resilient and relatively few experience enduring adverse outcomes. However, for a minority of children negative outcomes arising from separation, including poverty and socio-economic disadvantage endure in the long term.
- Separation can also have negative effects for adults, particularly women, including increased stress and increased risks of poverty and mental health difficulties.
- Some children will benefit from parental separation when it brings a harmful or high conflict family situation to an end, e.g. when a family suffers from domestic violence.
- Evidence suggests there are a number of risk factors and protective factors affecting whether children experience negative effects from parental separation, including: family income, maternal mental health, number of transitions into and out of step families, quality of parent-child relationship (including with non-resident parent) and quality of parental relationship.

Father's engagement post-separation – what are the drivers, moderating factors and barriers?

- A growing number of children are living apart from their father and evidence points to potential negative impacts of this on child outcomes. Key factors associated with fathers' engagement post-separation include co-operative parental relationships (apart) and more advantageous socio-economic factors e.g. income and housing.

How might government best support families to: (a) stay together; (b) improve the quality of their relationships; or in the case of separation, (c) form a stable parental relationship apart? (What works?)

- The evidence highlights a number of important issues in how the Government can support families. It is important that family services support families at all key transitions in family life, and that those services are joined up at a local level to provide personalised and inclusive support for families when they need it.
- Although much of the robust assessment of interventions (e.g. Randomised Control Trials) is based on US rather than UK interventions, there is positive evidence for a range of interventions, such as relationship education, parenting courses and training frontline practitioners.

Supporting separating families

When relationships do break down, we are helping parents to work together in order to minimise the negative impacts – promoting effective collaboration and post-separation contact between separated parents and their children.

- The Children and Families Act (2014)¹ replaces contact and residence orders with new more neutral Child Arrangement Orders, reducing conflict and litigation.
- We are making clear in law that the involvement of each parent in a child's life is good for the child's welfare, unless the contrary can be demonstrated, thereby focusing on what is best for children, not parents' own perceived rights.
- We have fundamentally reformed the child maintenance system to support parents in thinking about their responsibilities if their relationship breaks down, and limit the damage that is created by disputes over financial support for children. Under the new arrangements, maintenance is seen in the broader context of family needs during separation, not treated in isolation. Parents are encouraged and supported to make their own maintenance arrangements. Where they are unable to do so, the new Child Maintenance Service is more transparent, efficient and responsive, and takes into account the needs of vulnerable adults, such as the victims of domestic violence.

As recommended by the Family Justice Review² we are helping more separating parents to resolve disputes outside of the court system through the promotion of mediation.

- Through provisions in the Children and Families Act there is a new statutory requirement for people to consider mediation before applying for court orders over children and financial disputes.

¹ Department of Education, 2014, Children and Families Act.

² Ministry of Justice, 2011, Family Justice Review Final Report.

- A Family Mediation Task Force of external experts was convened to consider the key issues facing family mediation practitioners. The Task Force submitted their recommendations³ to government in June 2014. The Government accepted many of the recommendations including funding both people for the first mediation session after the Mediation Information and Assessment Meeting (MIAM), where one of the people is already legally aided.
- To support better access to information on mediation for parents and couples, the Government has supported the Family Mediation Council to develop a new national find your local mediator search tool.
- Through our ‘Sorting out Separation’ website and app, we have made advice and guidance accessible for couples and parents, enabling them to make the right decisions for them and their children.
- We are investing £10m in 17 Innovation Fund projects to support parents going through separation to work together in the best interests of their children.

Family Services and Support

The Government has an important role in providing support for all families, and in particular those who face the greatest disadvantages. *Social Justice: transforming lives* put the principle of early intervention at the centre of our approach to delivering high quality family and children’s services.

Support during children’s formative years

In *Social Justice: transforming lives* the Government signalled the importance of early interventions, providing support where they can have the greatest impact on children’s life chances, with a particular focus on the most disadvantaged families.

- Through the Family Nurse Partnership programme, the most vulnerable new mothers are getting one to one support from a specialist nurse during pregnancy, and until their child reaches the age of two. The programme is now operating in over 100 local authority areas and has been expanded to support 16,000 places by 2015.
- Huge progress has been made to increase numbers of health visitors and we are on track to recruit an additional 4,200 by 2015.
- Building on the enhanced entitlement to free early education for all 3 and 4 year olds, from September this year, the national entitlement of 570 free hours of early education for 2 year olds was extended further to reach around 260,000 children from low income families in England.
- From autumn 2015, a new tax-free childcare offer will help two million families with 20% of their childcare costs, up to a maximum of £10,000 per child per year, for those working parents not receiving childcare support through the Tax Credit system or Universal Credit.
- Lower income families, including those working less than 16 hours a week, will receive extra support for childcare through a £600 million investment in childcare in Universal Credit. From April 2016 they will be able to claim 85% of their eligible childcare costs.

³ http://justice.dialogue-app.com/what-more-can-be-done-locally-and-nationally-to-encourage-more-people-to-use-family-mediation-to-resolve-their-disputes/home?sort_order=rated

- Sure Start children's centres play an important role in supporting families, offering all families access to a wide range of local, flexible services, tackling disadvantage and preparing children for life. Across the country, they provide access to integrated services for young children (aged under 5) and their families, focusing on those in greatest need of support, and reducing inequalities (particularly around child development and school readiness; parenting aspirations, and family health and wellbeing).
- A '4Children' children's centre census (published October 2014) showed a record number of parents – more than a million – are now using children's centres and this has increased since last year. Figures (published 12 June 2014) from the on-going Evaluation of Children's Centres in England (ECCE) estimate that centres are successfully reaching out to 90% of eligible families. The research also found that over 88% of families using Sure Start children's centres rated the services provided as good. It shows that Sure Start children's centres provide a multitude of invaluable services for all parents and families, including: 98% of centres offering outreach services, providing support to the hardest to reach families in their communities, and 95% of centres offering individual home-based family support, reaching out to those parents most in need.

Parenting support

Raising children can be challenging; we want to ensure parents get the help they need to develop their resilience and improve their parenting ability. We are testing a number of ways of delivering effective, stigma free parenting support.

- Through the CANparent trials⁴ we have been testing how government can stimulate the demand for and supply of universal parenting classes. We have invested over £4.5 million in CANparent to offer high quality, universal classes for parents. These have had very positive outcomes with nearly 3,000 parents participating. The final evaluation report published in July this year showed that the approach had been successful on both fronts. The pilot has been extended for another year, and further measures are being taken to develop the sector across the country.
- We are extending telephone and internet support services for parents of teenagers, particularly those in disadvantaged and vulnerable families.

Improving the care and adoption systems

It will not always be possible to ensure all children are living in a safe and nurturing environment at home. The care and adoption systems play a crucial role in keeping children safe, but the process for placing children with adoptive parents has been unnecessarily slow in the past, and the family justice system has been taking too long to make decisions on care and supervision cases.

- We are making good progress in removing unnecessary delays in the adoption system and finding more people willing to adopt. In 2013/14, 5,050 children were adopted, up 63% since 2010 and the highest number of adoptions since comparable data collection began in 1992. Over the same period there has been a 55% increase in the number of approved adopters to 5,450.
- We are investing £17m to double the capacity of voluntary sector adoption agencies, and a further £200m to reform local authority adoption services.

⁴ <http://www.canparent.org.uk/trial>

- The new £19m Adoption Support Fund is providing additional support for adoptive parents to provide the best possible care for children who may have been the victims of abuse or neglect. The fund is currently being tested in 10 local authorities and will be extended nationally in 2015.
- As a result of the introduction of a revised process for dealing with care and supervision cases, the average length of care and supervision proceedings has fallen from 56 weeks to 30 weeks in April – June 2014.

There remains a wide gap between the outcomes for children who come into care and other children. The Government is committed to improving these children's life chances. In Chapter 5 we set out what we are doing to improve outcomes for those leaving the care system.

Supporting troubled families

Troubled families have multiple, high cost problems: including worklessness, children regularly truanting, and involvement in crime and anti-social behaviour. The children in these families often have a poor start in life, and disadvantage can pass from one generation to the next. In addition to the human cost, troubled families can also place a strain on the communities in which they live, and place a great financial burden on the taxpayer.

The Prime Minister committed to turning round the lives of 120,000 families in England by 2015 through the Troubled Families programme, making £448 million available over a three year period.

- By September this year, the programme was working with over 117,000 and local authorities reported in August that they had successfully turned around the lives of 70,000 troubled families⁵. In these families, children are now regularly in school, crime and anti-social behaviour has been significantly reduced and adults are in continuous employment.
- From next year, the programme is being expanded to help up to 400,000 more families over five years. £200 million has been announced for the first year of the expanded programme will reach out to families with a broader range of problems, including those affected by domestic violence, families with vulnerable younger children, and families with mental and physical health problems.
- To build on the momentum of the current programme, 51 local authorities areas have already started to deliver the expanded programme early with 40,000 of the new cohort of families being worked with in 2014-15.

⁵ <https://www.gov.uk/government/publications/troubled-families-programme-progress-information-and-families-turned-around--2>

Putting strategy into practice

Things weren't looking good for Stephen, who hadn't worked for four years and whose wife was suffering from depression.

Stephen was 25 when he developed serious health problems, meaning he had to stop work. During his recovery, his wife started work to support him and their four young children, but it wasn't long before they started struggling financially and emotionally. At one point, they only had £16 a week to live on, and most of the time they were stuck inside the house. Social services became concerned about the children, who had problems at school and were often skipping it altogether. Stephen and his wife felt they were at risk of losing their children. They had reached a low point in their lives.

That is when Stephen and his family were referred to the Family and Parenting Team at Southampton City Council. The family was allocated one key worker who was able to work intensively with them to address their problems as a whole. Their key worker also ensured they received the right help from other agencies including housing, education, health, employment and benefit support.

One of the biggest problems facing the family was their very low income and mounting debt. The key worker ensured they received the right benefits, helped them sort out rent and council tax arrears and organised intensive debt advice.

With their financial situation being addressed, Stephen was encouraged to consider volunteering to rebuild his confidence and work readiness. He began volunteering at a local charity called SCRATCH, which runs projects aimed at helping local people in poverty. Soon his confidence grew, and along with the support his family received, he could finally see a light at the end of the tunnel.

Stephen is now employed by SCRATCH and a couple of years down the line things are looking good. The children's attendance at school has vastly improved, the family is much happier, and they have now got high hopes for the future.

Tackling domestic and sexual violence

Domestic violence and sexual violence has a destructive impact on family life and leaves lasting scars on the lives of the victims and children exposed to it. The latest figures estimate that in 2012/13, 1.2 million women experienced domestic violence and 330,000 women were sexually assaulted. There can be no excuse for these horrific crimes and the Government is committed to nothing less than ending violence against women and girls.

- The causes and consequences of domestic and sexual violence are complex, these crimes are often committed behind closed doors, and we know that victims often fail to report them to the police. But it is not enough just to think about this as a criminal justice issue. Only effective cross-government action can succeed in preventing the violence happening in the first place and providing the victims with the support they need. That is why 13 government departments have come together and are working with local authorities, the police, health services and a range of other agencies to take forward our strategy *Call to End Violence against Women and Girls*.⁶

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97905/vawg-paper.pdf

- The strategy is focused on early intervention to prevent violence by tackling attitudes and behaviours; partnership working to support victims and their families and action to reduce the risk to victims by ensuring perpetrators are brought to justice. The updated action plan was published in March 2014. Real progress is being made on agreed actions and new areas for action identified, including tackling Female Genital Mutilation (FGM) and forced marriage here in the UK and across the world.
- To help raise awareness of domestic violence, particularly amongst young women aged 16-19 who are particularly likely to be victims of abuse, and to encourage them to come forward and access support available, a new extended definition of domestic violence and abuse was introduced in March last year to include 16 and 17 year olds, and to cover coercive and controlling behaviours.
- To ensure victims of domestic violence who are claiming benefits get the time and space they need to restore stability to their lives, and provide additional care and support for their children, Jobcentre Plus advisers are able to ease the normal job-seeking requirements for claimants who are victims of actual or threatened domestic violence or abuse. Since April 2012, over 2,400 claimants have had easements of between four and 13 weeks.
- Within Universal Credit, victims of domestic violence with children may have job-seeking conditions suspended for up to 26 weeks plus three additional periods of up to one month in a two year period to allow them to provide additional care and support for their children.
- Child sexual exploitation is a reprehensible crime which the Government is determined to stamp out. Both the historical cases of child abuse and recent cases of organised child sexual exploitation, such as Rotherham, raise a number of important issues for government, social services, the police, the criminal justice system and others. To ensure agencies are working together to better identify those at risk, create a more victim-focused culture within the police, health and children's services and strengthen how all parts of government work together to address these issues, the Home Office has set up a national group of experts to coordinate and implement learning from reviews of historic sexual abuse and current cases.
- Furthermore, in September 2014 the Government announced an independent inquiry into historical child sexual abuse. The inquiry will consider whether and the extent to which public bodies and other institutions have taken seriously their duty of care to protect children.

Chapter 2: Keeping young people on track

Our starting point in 2010

“The family is the most important influence in a child’s life. But in cases where the family is unable to provide a stable and safe environment for a child to grow up in it often falls to schools and the education system to provide the positive foundations that young people need.”

“Schools also provide a safety net for vulnerable children; ensuring young people do not fall out of mainstream provision and into criminal activity or the hands of gangs.”

“However, in recent years many schools have struggled to provide sufficient support for children from the most disadvantaged backgrounds.”

“It is unacceptable that young people should have their future life chances determined by their upbringing.”

Social Justice: transforming lives

Our approach

Families come first, they are the bedrock of our society; but education comes next. School should provide a stable, structured environment for all children to get the education and support they need to fulfil their potential. This is particularly important for children who are from the most economically disadvantaged or troubled backgrounds who are already falling behind their peers when they start school, and too often fall further behind as they move through the school system.

It is unacceptable that young people should have their future life chances determined by the economic situation and their upbringing. The Government’s ambition to level the playing field starts with schools and a commitment to closing the attainment gap between children from low income families and their peers. As shown by Key Indicator 2 in the *Social Justice Outcomes Framework* when children from low income families start school there is a gap between their attainment and that of their peers, and this gap widens as they move through the school system. The latest figures show a decrease in the gap in year 2013 at age 11, and a small increase in the gap in the year 2012/13 at age 16. The Government is committed to reducing the attainment gap and has put in place a range of measures and significant additional funding targeted at the most disadvantaged pupils.

Where young people are not engaging with the education system or are beginning to go off course, our strategy is to intervene early, supporting schools to tackle absenteeism and poor behaviours. Pupils who are excluded should still get the highest quality education.

A focus on prevention and early intervention guides our approach to youth crime and involvement with gangs. We want to stop young people from getting involved in crime and gang life in the first place, but where they do, we want to ensure that a reformed youth justice system focuses on helping them turn their lives around, and that we can provide an exit from and alternative to destructive gang life.

The Government cannot meet these challenges alone. We are working with local government, the education system and a wide range of local voluntary and community organisations to deliver change. This includes radical new approaches to designing and funding evidence based interventions, including our Innovation Fund and Youth Engagement Fund.

Indicator 2: Realising Potential in the Education System

Table 1 Attainment gap at age 11 by free school meal (FSM) eligibility (2008 to 2013). Percentage of pupils achieving Level 4 or above in English and mathematics (2007 to 2012) and reading, writing and mathematics (2012 onwards) at Key Stage Two

Coverage: England, state-funded schools (including academies and CTCs)

	2008	2009	2010	2011	2012	2012	2013
Free school meals	54.1%	53.6%	55.9%	57.9%	65.6%	58.8%	59.9%
All other pupils	76.3%	75.6%	77.1%	77.9%	82.4%	77.9%	78.7%
Gap	22.2%	22.0%	21.2%	20.0%	16.8%	19.1%	18.8%

Source: National Pupil Database; Neighbourhood statistics in England: academic year 2012 to 2013, Underlying data: SFR16/2014.
Note: 2012 figures under new progress measures; these figures are not comparable with figures pre-2012.

Table 2 Attainment gap at age 16 by free school meal (FSM) eligibility (2007/08 to 2012/13). Percentage of pupils achieving an A*-C grade in English and mathematics GCSEs at Key Stage Four

Coverage: England, state-funded schools (including academies and CTCs)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Free school meals	24.4%	27.1%	31.8%	35.1%	36.8%	38.7%
All other pupils	52.4%	54.8%	59.3%	62.5%	63.0%	65.3%
Gap	28.0%	27.6%	27.6%	27.4%	26.2%	26.5%

Source: National Pupil Database.

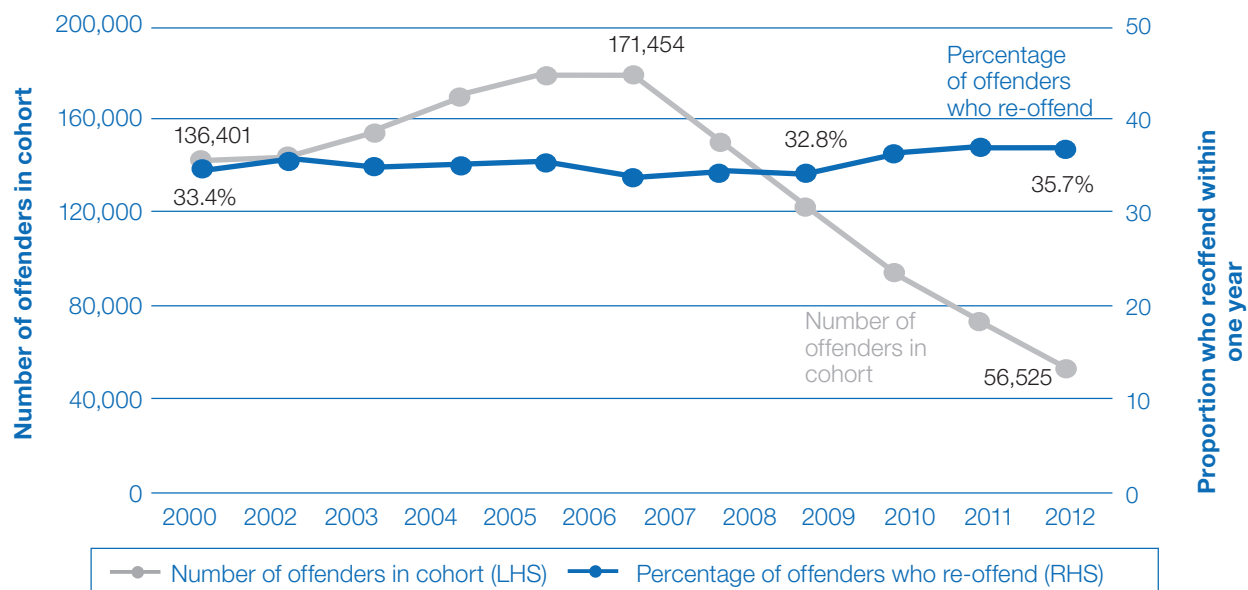
The indicators show children from disadvantaged backgrounds have consistently performed less well than their more advantaged peers at age 11 and age 16. The gap in attainment for 11-year-olds has been decreasing over time, from 22.2% in 2008 to 16.8% in 2012. The gap has also reduced when using the new measures – from 19.1% in 2012 to 18.8% in 2013.

Also, the attainment gap for 16-year-olds has decreased, from 28.0% in 2007/08 to 26.5% in 2012/13. However, it has increased by 0.3 percentage points in the last year.

For further information: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325834/social-justice-framework-indicator-2.pdf

Indicator 3: Proven re-offending rate by offenders under the age of 18

The number of juvenile offenders has fallen steeply since 2007



Source: Ministry of Justice, 2014; SJOF Indicator 3.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/342705/social-justice-framework-indicator-3.pdf

The number of juvenile offenders has fallen steeply since 2007, and the number of re-offences committed by this group has fallen from 149,948 in 2002 to 59,570 in 2012. The cohort has changed considerably over this time: it has more than halved in size due to a substantial decrease in the number of offenders with no previous offences and for those receiving a reprimand or final warning. As such, the cohort is now comprised of offenders whose characteristics mean that they are more likely to re-offend. The chart shows the changes in the size of the cohort and the re-offending rate over time. Given the changes in the cohort the proportion of young offenders who re-offend has seen an overall increase of 2.4 percentage points since 2002.

The Government's Child Poverty Strategy

Tackling child poverty is an important part of supporting the Social Justice agenda. Published in June 2014, the Government's 2014-17 Child Poverty Strategy sets out the fundamental aims of supporting families into work, improving living standards and raising educational attainment. As part of this Government's long term economic plan to build a fairer society, the strategy sets out what is being done to tackle the root causes of child poverty, building on the first strategy published in 2011.

The Government remains committed to the goal of ending child poverty in the UK by 2020. Our approach is to break the cycle of disadvantage, based on the principle that where someone starts in life should not determine where they end up. The government is taking decisive action based on a thorough assessment of the evidence of the drivers of child poverty. The evidence is clear that work remains the best route out of poverty; children are around three times as likely to be in poverty if they live in a workless family. The government is making work pay and tackling low pay by:

- **Cutting tax for millions of people** by announcing six increases to the personal tax allowance, from £6,475 in 2010 to £10,500 from April 2015 onwards. The personal allowance has cut income tax for those working full time on the minimum wage by almost two thirds
- **Reforming the welfare system through Universal Credit**, which will lift up to 300,000 children out of poverty, and cover 85% of childcare costs for every hour worked
- **Increasing the National Minimum Wage** to £6.50 per hour from October 2014. This is the biggest cash increase since 2008 and will increase the pay of more than one million people

The Strategy also sets out how government is supporting the living standards of poor families by:

- **Reducing costs of living**, for example by reducing the typical energy bill this year by around £50 on average and extending the Warm Home Discount to 2015/16
- **Tackling rising housing costs** by increasing the supply of new housing – we are investing £11.5 billion, including £4.5 billion in affordable housing, to get Britain building more homes in the four years to 2015, and a further £13 billion, including £3.3 billion in affordable housing, over the 3 years from 2015 to 2018
- **Increasing access to affordable credit** through expanding credit unions and cracking down on pay day lending (including by imposing a cap on the cost of credit)

Poor children are four times as likely to become poor adults compared to other children. We are breaking this cycle through increasing poor children's educational attainment. The Government is:

- **Funding 15 hours of early education places** a week for all 3 and 4 year olds and extending 15 hours of free education and care a week to around 260,000 two year olds from low income families
- **Introducing an Early Years Pupil Premium** worth £50 million in 2015/16 to help ensure 3 and 4 year olds from the most disadvantaged backgrounds get the best start in life
- **Introducing the Pupil Premium**, worth £2.5 billion of extra money to schools and reforming school accountability so that funding is directed effectively
- **Providing free school meals** for all infant school children from September 2014;
- **Improving teacher quality** by raising qualification requirements, introducing rigorous new Teacher's Standards and incentivising and rewarding high performing teachers by linking pay to performance

Good progress has already been made in tackling child poverty. Despite the tough economic climate, employment has increased by over 1.75 million since 2010 and unemployment is down by over 529,000 in the past year. Since 2010, the number of children aged under 16 in workless households has fallen by around 390,000 and there are 300,000 fewer children living in relative income poverty.

Progress since 2012 – realising our ambition

Educational attainment of the most disadvantaged children

We must continue with our mission to break the cycle of poor children going on to be poor adults. Poor children are four times as likely to become poor adults as other children. We will only succeed in ending child poverty if we break this cycle. This means supporting poor children and families and raising their educational attainment. We know that children's life chances are shaped in the first years of life and that good schools can make a real difference to children's achievement.

The Government introduced the Pupil Premium in 2011 to provide extra funding for schools, to support them in raising the educational attainment of the most disadvantaged children. Our approach is making a real difference; poor children are doing better than ever at school, with the proportion of children on free school meals getting 5 good GCSE's including English and Maths increasing from 31% in 2010 to 38% in 2013. We are continuing to build on this progress. Funding has increased from £625 million in 2011-12 up to £2.5 billion in 2014-15, as the premium has been expanded to cover a wider range of children from low-income families. Alongside the increased funding, schools are being held more accountable for how they use the fund to improve attainment through Ofsted inspections and performance tables.

- Increased funding in 2012-13 allowed for eligibility to be extended to include pupils who have been eligible for free school meals at any point in the last six years
- An increased premium has been introduced for pupils who are in, or have previously been in, the care system
- The third Ofsted report, published in July 2014, showed that the pupil premium is driving improvement in attainment and is making schools more accountable for how they support the most disadvantaged pupils
- The Pupil Premium Summer Schools programme is helping disadvantaged Year 6 pupils move successfully to Year 7. In 2013, over 58,000 pupils from nearly 2000 secondary schools took part. To ensure children from the most disadvantaged backgrounds are prepared for school, from April 2015, a new Early Years Pupil Premium will be introduced to target extra resources at the most disadvantaged 3 and 4 year olds.

Putting strategy into practice

Pakeman Primary was the national primary school winner in the Pupil Premium Awards 2013 for raising the attainment of its disadvantaged pupils.

The school is in an area of high social deprivation in Islington, and is a one and half entry school meaning that the intake over two years is spread over three classes. In 2012-13, 85% of the pupils attracted the pupil premium and the school received £145,000 in pupil premium funding.

Pakeman found that the challenges for improving outcomes for disadvantaged pupils are varied and there is no 'one size fits all'. So they took a multi-strand approach, together with rigorous tracking and assessment procedures.

They built belief within their staff that ALL children can succeed – with no excuses for underperformance and no ‘artificial ceilings’.

They focused on analysing data and identifying pupils underachieving at any level, not just those with lower attainment. A Team Leader Model was established, which allocated non-class based team leaders to three classes across two year groups in order to increase pupils’ exposure to outstanding teaching at each phase and to increase the percentage of outstanding teaching. The impact of team leaders is carefully monitored.

By 2013, Pakeman had significantly improved the attainment of all its pupils, the vast majority of whom are disadvantaged – with 82% of all pupils achieving level 4 in reading, writing and maths at the end of key stage 2 in 2013. This is up from 2010 when 52% of all pupils achieved level 4+ in English and Mathematics (a less challenging measure).

Exclusion and tackling absenteeism

There is a clear link between poor attendance at school and academic attainment, compounding the disadvantage that some children face and further undermining their life chances. The Government asked Charlie Taylor, an expert on behaviour in schools, to review the problem of truancy and make recommendations to improve attendance. We have accepted and implemented the majority of the recommendations⁷.

The Troubled Families Programme is tackling truancy and exclusion through targeted interventions with families who have high cost problems.

- New guidance on attendance has been issued to schools and local authorities and they have received new statutory guidance on their responsibilities towards Children Missing Education.
- There is no longer ambiguity about holidays during term time. Absence can only be agreed in exceptional circumstances. Fines have been increased for parents who fail to ensure their children attend school regularly, with a new lower threshold introduced for defining persistent absence.
- We have given teachers more power to tackle disruptive behaviour and bullying. New advice was published in February 2014 setting out a range of sanctions that teachers can use to discipline pupils as evidence suggested that teachers lacked confidence in this area.
- We have been trialling the benefits of schools taking greater responsibility for pupils at risk of exclusion and those permanently excluded. The indications are that the approach supports a reduced need for exclusion. A final report was published in July 2014 and the Government is considering the findings.
- Where children are in alternative provision, guidance published in January 2013 sets a clear expectation that the education they receive should be at least on a par with that of mainstream schools. Ofsted are placing a greater inspection focus on alternative provision and Government has commissioned them to carry out a review of the use of alternative provision by schools. The first report from the review was published in July 2014 and indicates that many aspects of schools’ use of alternative provision are improving.⁸

⁷ Department for Education, April 2012, Improving Attendance at School.

⁸ <http://www.ofsted.gov.uk/resources/alternative-provision-report-findings-first-year-of-three-year-survey>

Offering an alternative to gangs

Involvement in gangs can have a devastating impact on the lives of young people. Gangs and youth violence are a blight on our communities. Our landmark report *Ending Gang and Youth Violence*, published in 2011⁹, brought together an analysis of the problem of gang and youth violence for the first time, including the work set out in the highly influential 'Dying to Belong: An In-depth Review of Street Gangs in Britain' report¹⁰.

The report recognised that criminal justice interventions alone are not enough. Prevention and early intervention are crucial, and tackling the problem requires a fully co-ordinated, multi-agency response and leadership at a local level. A cross-Government Ministerial Group now drives a programme of action forward, ensuring that all parts of government are working together to tackle the root causes of young people's involvement in gang life.

- Across 33 priority areas, over 80 experts are working with local partners to tackle specific local gang issues. Our December 2013 review found real progress being made in local strategic leadership, increased partnership working among agencies and improved approaches to specific issues, for example, identifying and supporting young women associated with gangs. This year the programme is being extended to a further 10 areas, making 43 in total.
- Dedicated Jobcentre Plus gang advisors are providing employment support for young people involved with or at risk of involvement with gangs in the 20 most affected London boroughs. By June 2014 they had worked with over 2,000 young people, 60% of whom had moved into work, education or training.
- Our Innovation Fund, discussed further in Chapter 5, uses social impact bonds to support young people aged 14 years and over. Some projects are working with young people in gangs or at risk of becoming involved in gang activity. Building on that approach, the new Youth Engagement Fund will support projects aimed at the hardest to help young people, a group which includes offenders, and those at risk of offending.
- Young women who come into contact with gangs face an increased risk of violence, particularly sexual violence. Young People's Advocates are providing direct support to victims of these crimes, and raising awareness of the issue in schools, amongst police officers, youth offending teams and children's services across the country.
- To help identify those young women most at risk of gang-related sexual assault, the Department of Health has worked with professionals to develop new screening tools, and the Home Office is working with the police and other agencies to develop new profiling tools to identify which girls and young women are most vulnerable.
- When gang members are convicted for offences, they need help whilst in custody or under licence in the community to turn their lives around. The National Offender Management Service has piloted and evaluated a new 'Identity Matters' programme which works with those affiliated with gangs to address the factors and attitudes which lead to offending behaviour and prevent them from committing future violence. The pilot concluded in May 2014 and the interim evaluation has found it to be an effective intervention. The full evaluation will be completed later this year.

⁹ Home Office, November 2011, *Ending Gang and Youth Violence*: cross-government report.

¹⁰ <http://www.centreforsocialjustice.org.uk/publications/dying-to-belong>

Rehabilitation through the youth justice system

Preventative measures and early intervention will not always succeed. When young people do become involved in criminal activity or are committing anti-social behaviour, it is essential that the youth justice system not only punishes but also rehabilitates and gives young people a chance to turn their lives around. Indicator 3 shows that the number of young people offending is continuing to fall steeply. Reoffending rates have remained broadly stable because the much smaller group of offenders is now more likely to have the characteristics of those most likely to reoffend. More needs to be done to help the most persistent offenders turn their lives around.

- Where a young person receives a custodial sentence, it is vital that they get a high quality education in custody if we are to prevent reoffending. In January 2014 we announced the establishment of a pathfinder Secure College in the East Midlands, starting in 2017. The college will put education and multiagency support for substance abuse, health and other needs at the heart of the regime. If successful, the pathfinder will inform our future vision for the system as a whole.
- A custodial sentence will not always be the best option. The Crown Prosecution Service can now give young people a caution with conditions attached where the offence does not necessarily warrant a prosecution. Following a second or subsequent caution the Youth Offending Team are required to make an assessment and put in place a rehabilitation plan.
- To ensure that young offenders get the support they need on release and tackle barriers to effective resettlement, the Youth Justice Board is establishing four new resettlement consortia in the high custody areas of North East London, South London, the East Midlands and South and West Yorkshire. The consortia will drive partnership working between Youth Offending Teams, local authorities and other agencies.
- Employment opportunities can be crucial in preventing reoffending and the Youth Justice Board with the support of DWP is working to ensure these young people get the support they need to move into work. The Turn Around to Work Initiative is creating employer forums to bring together committed groups of employers to provide young people leaving custody with access to work placements and further training opportunities.

Supporting young people leaving the care system

Around 10,000 young people aged 16-18 leave the care system every year, and we know that, unlike their peers who are normally still living in the family home, they often face an abrupt transition to adulthood. Their first decade of adult life is often disrupted, unstable and troubled. They often struggle to cope and this can lead to social exclusion, long term unemployment and involvement in crime. In October 2013 the Government published the first ever cross-departmental care leaver strategy. This sets out the steps the Government is taking to support young people leaving the care system – from housing to health services, from the justice system to educational institutions, and from financial support to work.

Real progress is being made to better understand the needs of this group and ensure that services recognise the particular needs of this group of vulnerable young people. A One Year On report has been published in October 2014¹¹, during National Care Leavers Week, highlighting government's progress over the last year, how each department has met its milestones and what more will be done to improve support for care leavers.

¹¹ [https://www.gov.uk/government/uploads/attachment_data/file/368235/Care Leavers Strategy update.pdf](https://www.gov.uk/government/uploads/attachment_data/file/368235/Care_Leavers_Strategy_update.pdf)

- To address the risk of care leavers becoming long-term unemployed, Jobcentre Plus has been routinely identifying them in the benefit system since October 2013; this is a significant step forward and is allowing the Department for Work and Pensions to track and evaluate how they are supporting care leavers. New adviser guidance has been published to raise awareness of the issues that care leavers face in the transition to independent living and work.
- Since September this year, care leavers can access tailored employment support from the start of their claim for JSA by being referred to the Work Programme straight away. Jobcentre Plus are working with local authorities and other local partners to provide the additional support care leavers may need to move into work.
- All existing mechanisms for supporting care leavers in the benefit system will be incorporated into Universal Credit. This will include care leavers being able to make a claim to Universal Credit in advance of leaving care, access to personal budgeting support including the option to have Universal Credit payments paid more frequently and to have housing costs paid direct to landlords.
- Second Chance Learning allows care leavers to continue to claim Income Support and Housing Benefit if they return to full-time education, to make up for time they have missed. We have extended this for care leavers aged up to 21 years.
- In May this year, new guidance on the further education and skills system was published for care leavers and those who work with them. This brings together all the advice they need on careers advice, eligibility for free training, grants and the range of other support available.
- The Department for Education introduced a new duty, taking effect from May 2014, to promote the educational achievement of looked-after children which extends to young people aged 16 and 17 preparing to leave care.
- The Department of Health is supporting the Care Leavers Association Caring for better health project. The project, which will be in place from 2014/17 is using the voice of care leavers to support more effective commissioning and delivery of physical and mental health services.
- Local authorities have a new legal duty to support care leavers to continue living with their foster families once they turn 18. Now all young people in foster care can remain with their foster family until age 21 if both the young person and the foster carer want it.
- The Ministry of Justice has appointed a new Care Leavers Champion and issued guidance to staff in probation and prisons on ways of identifying care leavers. Care leavers will be identified on custodial databases to help ensure they get the support they need.

Chapter 3: The importance of work

Our starting point in 2010

“Work has the potential to transform the lives not just of individuals but of whole communities.”

“We know that work provides a sense of purpose and personal responsibility and enables parents to act as role models for their children. For people recovering from problems like substance dependency or mental ill-health, work can provide a route towards recovery.”

“Worklessness is a significant problem in many parts of the UK, with around 3.9 million households where no-one works – nearly one in five of all households. In about 1 million of these households, there are children who have no adult to look up to as a role model.”

“To make a difference, we need to focus our efforts on reaching those families and communities where worklessness has become all too common. We want to equip people with the skills and ability to find and flourish in work.”

“This Government wants to change the way people think about work and its wider benefits. We are encouraging people to make choices that have the potential to transform their lives, ensuring that work rewards those who take it, and making it clear that choosing not to work when you are able is no longer an option.”

Social Justice: transforming lives

Our approach

Work is central to our Social Justice strategy. Getting more people off benefits and into sustainable employment is not just an economic imperative, but is vital if we are to improve the lives of the most disadvantaged people in our society.

For those who can work, getting a job is about more than just money; it shapes people, gives them purpose and allows them to provide security for their families. That is why across the range of social disadvantages our approach focuses on making sustainable employment a key outcome. That means ensuring people released from prison have the support they need to find work and break cycles of reoffending, that full recovery from drug or alcohol dependency means economic independence through work, and that young people have the skills they need to get into work and avoid exclusion that might lead to involvement with crime or gangs.

We are making sure work pays through the introduction of Universal Credit and providing the support claimants need to find sustainable employment. For those who have been out of work for a long time, and may face multiple challenges in getting into work, the Work Programme is harnessing the expertise of the private and voluntary sector. We are also targeting additional support at those young people who are finding it difficult making the transition from education into working life, including through the use of innovative social impact bonds.

Employers have an important role to play in providing opportunities for the most disadvantaged people in our labour market. Some are making an enormous contribution but we believe business can do more. We are working with employers to draw out the benefits for their business, and the role they can play, in helping us get the lives of the most disadvantaged back on track through sustained employment.

The UK's labour market recovery

The UK labour market has proved remarkably resilient in the face of the deepest recession of modern times. There are record levels of people in work, an average of 13,000 more people in jobs every week over the last year. The employment rate of 73% is now back to pre-recession levels. Since 2010, of the major advanced economies only Canada and the United States have seen a significantly stronger recovery. The return to growth, supported by welfare and other supply side reforms, has provided a foundation for significant improvements in the labour market.

The number of women in work has seen the fastest growth in the last year of all G7 economies. There are now record numbers of women in employment, with 774,000 more in work than in 2010. Over 60% of the annual rise in female employment is in managerial, professional and associate professional occupations. Of those women who are working part-time, nearly 90% of them do so by choice. The proportion of women working part-time that want full-time work is falling, down 43,000 over the last year.

Most notably, the number of people in employment has risen to a record 30.8 million. This is driven by continued growth in private sector employment – up by 965,000 in the last year alone. Compared to 2010 there are now 2 million more people in private sector jobs. At the same time, unemployment has fallen to below 2 million people, down by 550,000 since 2010. The total number claiming the main out of work benefits has fallen to its lowest since 1990, down by over 855,000 since May 2010.

The sharp fall in the proportion of people outside the labour force has taken the inactivity level down nearly half a million since 2010 meaning more people are in the labour market. The claimant count has come down considerably and it is now over half a million lower than May 2010. Compared with 2010, 214,000 fewer lone parents are claiming benefits, there are 98,000 fewer people claiming incapacity benefits and 210,100 fewer 18-24 year olds on Jobseeker's Allowance.¹³

Progress since 2012 – realising our ambition

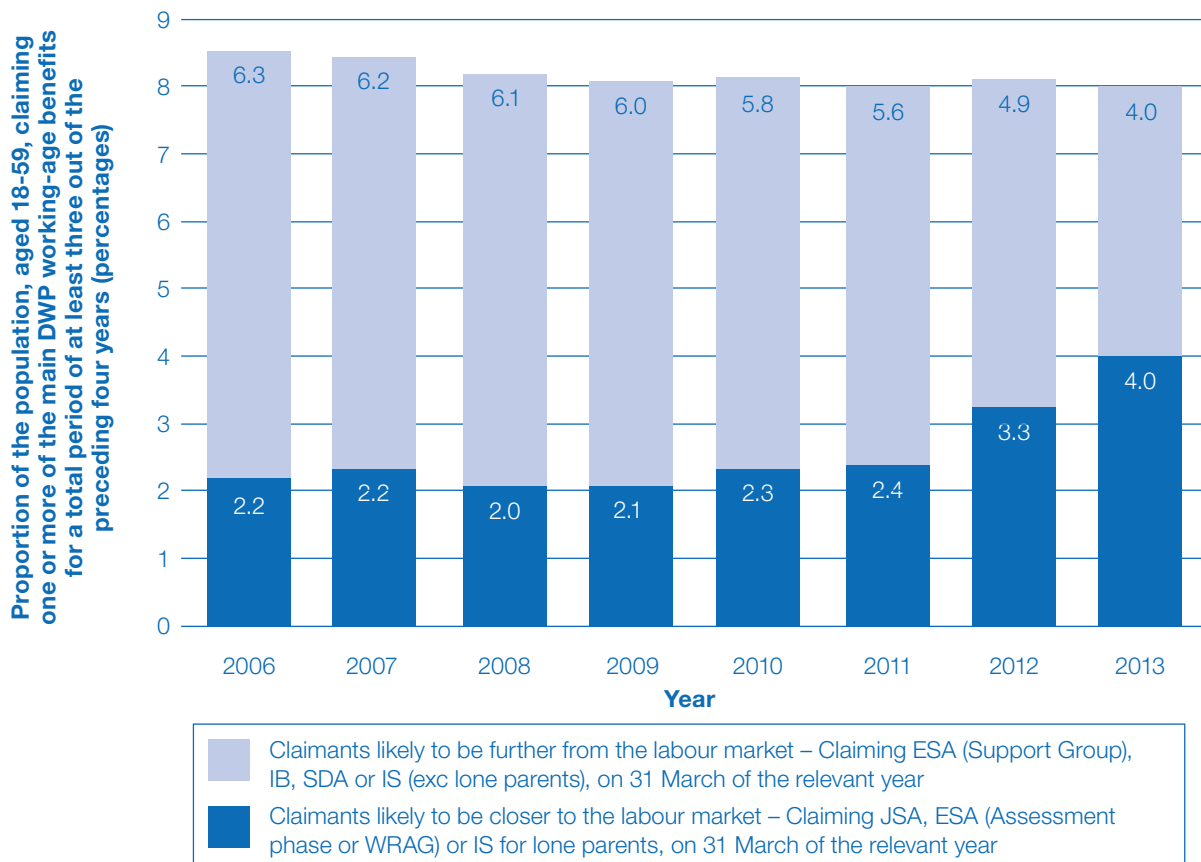
The strength and dynamism of the UK labour market is one of our economic success stories. It has proved to be incredibly resilient. There are now 30.8 million people in work, at the highest level on record, and over the last year unemployment fell by over half a million. The labour market recovery has been stronger than in previous recessions and the Government is determined to ensure that the most disadvantaged are not left behind in this recovery.

¹² UK Labour Market, November 2014, ONS

Our labour market interventions are ensuring that the most disadvantaged groups are actively engaging with the labour market, the economic inactivity rate is close to an all-time low, and the number of people on the three main working-age benefits is under 4 million, the lowest since 1990. The number of people living in workless households fell by over 650,000¹³ between 2010 and 2014, and is now the lowest since records began in 1996. Of those households in social housing, 41% are workless, an all-time low and down from 48% in 2010.

Indicator 4: Entrenched Worklessness

Proportion of the population aged 18-59 over the preceding four years who had been claiming benefits for at least three of these four years



Source: National Benefits Database, GB; SJOF Indicator 4.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325838/social-justice-framework-indicator-4.pdf

The proportion of the working-age population who are claiming a working-age benefit indicating that they are likely to be closer to the labour market, and who have been in receipt of a working-age benefit for at least three out of the past four years, rose from 3.3% in 2012 to 4.0% in 2013. This increase coincides with the continued migration of claimants to Employment Support Allowance (ESA).

¹³ <http://www.ons.gov.uk/ons/rel/lmac/workign-and-workless-household/2014/index.html>

Indicator 4 shows that, despite the progress we are making in reducing unemployment and inactivity, the proportion of people who are defined as in Entrenched Worklessness has remained stable at around 8% of the working-age population. A positive factor is that an increasing proportion of this group are on those benefits which keep claimants closer to the labour market. This coincides with the migration from Incapacity Benefit (IB) to Employment and Support Allowance (ESA). More progress needs to be made in reducing Entrenched Worklessness; it is this group that is more likely to suffer from multiple disadvantages and we are continuing to focus on how we can support this group, in particular through Universal Credit and joined-up services at a local level.

Putting strategy into practice

Using a mixture of willpower and tenacity, Jobcentre Plus has helped those furthest from the labour market find employment.

Jobcentre Plus work coaches identified the 200 longest term unemployed claimants across London and the Home Counties and worked with them to understand their barriers to employment, provided encouragement and motivation and identified the right level of support to help them back to work. The initiative proved so successful each separate District identified their own 200.

John from Woolwich had been unemployed for over four years, with no recent work history or current work reference. His work coach referred him to an IT company to gain vital work experience. Within two weeks of starting his work experience placement he began to receive positive responses from potential employers. Within eight weeks he received a job offer from a school in Hackney where he is now employed as an IT technician.

John was very grateful for the support he received from his work coaches.

“Thank you for the efforts put in to get me back to work. Engaging in the work experience programme is a great asset for getting you in front of potential employers.”

The Jobcentre Plus Manager said: “Our teams of work coaches are working tirelessly with these customers to understand what’s preventing them getting into work.”

“Earning a wage is the best route out of poverty and every day our work coaches help thousands of people find work and stay in work, transforming individual lives and society for the better.”

Across London and Home Counties, 1,400 claimants were identified for extra help with 38% moving into work. Of those, 259 are moving into work and 67% have been working for 3 months or more.

Universal Credit

Universal Credit is at the heart of fundamental transformation of the welfare state – restoring fairness and renewing the incentive to get a job by ensuring that work always pays. It is currently being rolled out across the North West of England, and national roll-out to all Jobcentres and local authorities will begin from early 2015. This will better support individuals to find work, progress in work and increase their income, in doing so lifting them and their families out of poverty.

- Paid online, monthly and direct to claimants themselves, Universal Credit promotes personal responsibility and work readiness, smoothing the move into employment. Equally, for the more vulnerable, Universal Credit offers better support to manage this transition. For the first time, under Universal Support, delivered locally, providers will be brought together through the Local Support Services Framework to deliver joined-up services that improve claimants' digital and budgeting skills, preparing them for the world of work.
- The emerging picture so far is positive. In *Universal Credit at Work* published in October 2014 we set out early analysis of progress¹⁴. We have started to see evidence of behavioural change in claimants' approaches to finding work. Claimant surveys show that they are spending twice as much time looking for work as JSA claimants. Two thirds of those who previously claimed JSA think Universal Credit creates stronger work incentives, and two thirds also feel that their obligations are clearer under Universal Credit.
- The move from fortnightly to monthly payments is underway, with over three-quarters of Universal Credit claimants saying they feel confident about managing their money. We know that not everyone will be able to manage monthly payments and Chapter 5 sets out how we are putting in place flexible arrangements for vulnerable groups and ensuring independent advice on managing money and dealing with debt is available.
- As we continue to introduce Universal Credit across the country, we are continuing to test and explore how claimants, particularly the most disadvantaged, can be supported through partnership with local agencies, voluntary and social sector groups. We are committed to ensuring that Universal Credit acts as an engine for tackling social disadvantage and delivering our social justice outcomes.
- Universal Credit is not just helping claimants; it is also bringing significant benefits for employers and will boost the wider economy by £7bn every year once it is fully rolled out. The legacy system undermined work incentives and distorted decisions about how many hours people could work. Under Universal Credit employers will be able to offer a wider range of hours to meet the needs of their business and employees will have more flexibility to work the hours that suit them, and keep more of what they earn.

The Work Programme

For those people who have been out of work for some time, the Work Programme is continuing to transform the lives of those furthest from the labour market, with specialist providers delivering personalised support based on individual need. Not only does the Work Programme support people into employment, it also aims to keep them there.

Introduced in a challenging labour market environment, the Work Programme has been successful in getting large numbers of people back into work.

The Work Programme is succeeding in transforming the lives of those furthest from the labour market. It is getting people into sustained jobs and is designed to give taxpayers a good deal.

- Over 1.6m people have joined the Work Programme since it was introduced with almost 600,000 having started a job. Performance has continually improved since it was introduced in June 2011. Up to June 2014 over 330,000 participants have escaped long-term unemployment and found lasting work. This is more than double the number (168,000) who had secured employment up until the end of June 2013.

¹⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/365703/uc-at-work.pdf

- Only 8.4% of the initial intake from June 2011 found lasting employment after 12 months on the scheme, compared to 13.8% for the latest intake who joined in June 2013, which demonstrates the progressive improvement in performance of the Work Programme.
- The proportion of each intake to reach 24 months on the programme achieving Job Outcome payments was initially steady but has been on an overall upward trend. For the June 2012 intake this was 28.6% compared to 22.3% for the June 2011 intake.
- In the third financial year of the Work Programme all contracts have achieved the Minimum Performance Levels (MPLs) for the Payment Groups which have MPLs set against them.
- Of the 568,000 who returned to Jobcentre Plus after two years on the programme, 43,000 had found sustained employment. Many of those who do not move into sustained work during their time on the Work Programme will be among the hardest to help. For those returning to Jobcentre Plus, more intensive support is in place through the Help to Work Scheme which includes referral to Community Work Placements.
- Working with Work Programme providers, DWP is testing how to best provide employment support to the most vulnerable claimants, including those with drug or alcohol problems. We have also introduced early access to the Work Programme for offenders on release from prison. This support is covered in more detail in Chapter 5.

Putting strategy into practice

Amanda is a lone parent with three young children. She was unemployed for five years but had previous experience in the care and retail sector. Although Amanda had enjoyed working in the care sector she was concerned over the gap in her work history and reluctant to hand over childcare responsibilities to a nursery. Amanda was also very apprehensive about approaching employers.

The DWP work coach arranged a meeting with the local family information service to make Amanda aware of the services available regarding local childcare provision, to meet staff and carers and to reassure her of the quality of the service and the benefits for her young children of social interaction with other toddlers.

The work coach continued to build trust with Amanda and increase her motivation through regular one to one meetings. Once Amanda felt confident with childcare, the work coach rang local employers on her behalf and arranged an interview for a care position in the community. A bespoke in-house training course was put in place based on the needs of the employer, to bring Amanda's knowledge up to date. On completion of the course Amanda was offered full time work. Amanda has been supported in variety of ways to make sure she could take up the post.

The work coach has continued the relationship with Amanda, offering support to ensure Amanda can remain in work.

Supporting disadvantaged young people

Periods of unemployment can have a lasting impact on the employment prospects and lives of young people, and compound the problems that the most disadvantaged young people face. The Government is committed to ensuring young people are not left behind and are able to take advantage of the opportunity that our strong economic recovery is bringing. We are making significant progress in tackling youth unemployment. The number of 18-24 year olds claiming Jobseeker's Allowance has fallen every month for the last 34 months with the fall over the last year the largest on record.

- In addition to support through the Work Programme, a range of specialist interventions are being deployed to help young people back into education, employment or training, including a range of innovative commissioning approaches.
- Through the Youth Contract Jobcentre Plus is providing a range of additional support in youth unemployment hotspots. Almost 150,000 young people have benefited from work experience, with 40% of participants moving into work following their placement and 60,000 starting sector-based work academy training which includes a work placement and guaranteed job interview.
- From September 2012 to the end of March 2014, the Education Funding Agency – led strand of the Youth Contract has provided support to over 18,500 16 and 17 year olds who are not in employment education or training (NEET) and have low levels of attainment to help them to re-engage into a positive outcome of education, training or employment with training.
- It is important to ensure those young people at the highest risk of long-term unemployment get support early, so we are providing extra funding for additional day one support for 18-19 year olds in high youth unemployment areas, including black and ethnic minority young people.
- Young people with no or low levels of qualifications face poor employment prospects. We have been testing innovative ways to support new Jobseeker's Allowance claimants aged 18-21 without a Level 2 qualification in Maths and/or English. Those who have been unemployed for six months are required to engage with additional support such as work experience, a traineeship, or by taking a place at a sector-based work academy.
- To support the most disadvantaged young people who choose to remain in education after age 16, the 16-19 Bursary Fund was established in 2011. By 2012 over 390,000 bursaries had been awarded. In an independent evaluation, 78% of the institutions surveyed through the scheme were effective in targeting those young people facing the greatest barriers to participation.
- Traineeships are providing young people aged 16-24 with the skills and experience they need to access an apprenticeship or sustainable job. Traineeships are off to a good start with provisional data showing 10,500 young people starting programmes in the first year and commitments from a host of major national employers.
- There have been 1.9 million apprenticeship starts since 2010 and we are on track to achieve two million apprenticeship starts in this Parliament.
- It is important that agencies and the education system work together to support young people as they transition into adult life, and move into the labour market. For the first time, the Department for Work and Pensions (DWP), in partnership with local authorities, is providing personalised employment support to help 16-17 year olds. Across 34 areas we are testing new support to help this group re-engage with education, find employment or get the training they need.
- To the end of June 2014, 14,200 young people have received support from the Youth Unemployment Innovation Fund projects resulting in 13,200 behavioural, educational and employment outcomes. The fund was launched in April 2012 and uses social impact bonds to support the most disadvantaged young people aged 14 and over. In Chapter 5 we set out in more detail how we are using social impact bonds help young people into employment.

The role of employers

Employers and business more broadly have a crucial role to play in supporting Social Justice, not just in terms of Corporate Social Responsibility, but as a means of supporting economic growth, investing in their communities and reducing the demands on the tax payer. Every time an employer offers a young person a job or takes them on as an apprentice they are acting to break potential cycles of disadvantage and investing in our economy. Many employers have a strong track record in employing young people and adults from the most disadvantaged groups, but there is much more that can be done.

Chapter 5 sets out the progress we are making on growing the UK's social economy, but we are making real progress too in engaging with business as employers in communities across the country. We have been working with groups of employers and their representatives to design and develop opportunities for disadvantaged people to engage with the labour market and find jobs.

- DWP's National Employer Services Team is working with over two hundred employers. Their focus is on understanding the needs of employers and engaging them on the benefits of providing opportunities for those most disadvantaged in their local labour markets.
- Through Sector Based Work Academies employers are providing job specific training, a work placement and a guaranteed job interview for unemployed young people. This is allowing employers to recruit young people with the skills they need to sustain and grow their businesses. Employers are encouraged to consider whether filling their vacancy through an apprenticeship would benefit their business.
- Working with Business in the Community (BITC), DWP has developed Generation Talent, an initiative to support employers in increasing the number of unemployed people they recruit by ensuring their recruitment practices connect with a generation of talented young jobseekers. So far over 90 large employers have taken part in the initiative.
- Building on the work with BITC on Generation Talent, eight Youth Hubs have been established to facilitate employer support and engagement with unemployed 18-24 year olds. Activities include support with CVs and interviews, mentoring, business awareness sessions, and employer engagement with Jobcentre Plus advisors to discuss their recruitment needs.
- Over 150 businesses have signed up to the Social Mobility Business Compact. These businesses are helping to raise the aspirations of young people from their local communities and ensuring all young people can access the opportunities they need to get a foot on the employment ladder.
- Employing disabled people benefits business, it helps them to increase the diversity of their workforce, raise awareness of disability issues and broaden their customer base. Through the Disability Confident campaign the Government is working with over 1,100 employers including KPMG, Barclays and Fujitsu to remove barriers, increase understanding and ensure disabled people have the opportunities to fulfil their potential and realise their aspirations.

Putting strategy into practice

The West Midlands's biggest bus operator and Birmingham's biggest private sector employer, National Express West Midlands, has launched a new Sector Based Work Academy, the first in Britain to focus on driving skills.

National Express West Midlands will take skills training and job opportunities to communities across the region. The Academy will showcase the skills training the company has on offer and help people in Birmingham, the Black Country and Coventry decide on careers in the business.

The academy is the final pledge to be delivered on by the Routes to Work partnership between National Express West Midlands and Jobcentre Plus. Routes to Work was the first agreement of its kind and saw Birmingham's biggest private sector employer and Jobcentre Plus agree to a host of measures to ensure that more young people and women got behind the wheel of the region's buses. The partnership also helped long term unemployed people back into work and provided additional training for those who had been out of work the longest.

So far, Routes to Work has helped over 1,000 people find employment with National Express West Midlands, lowered the age of the company's workforce by four years and seen a record number of women apply to be bus drivers.

The HR Director at National Express West Midlands said: "We are really proud to have launched Britain's first Sector Based Work Academy for driving skills. Driving buses is a very skillful job and done in some of the most testing conditions, such as heavy traffic and bad weather. It is vital that we continue to employ great people, who have the best training and who will provide our customers with the service they expect – that is why this Academy is so important to us."

Chapter 4: Supporting the most disadvantaged adults

Our starting point in 2010

“Lives can go off course – and when they do, we want to ensure that responses are as effective as possible, and that people always have a second chance in life.”

“We know that people experiencing entrenched problems like homelessness or sustained substance dependency, which tend to be indicative of multiple disadvantages, risk falling between the gaps in services.”

“We need to ensure that support for these groups is both well-timed and well-coordinated. Support should address the root causes of problems and aim to bring about long-term change in peoples’ lives. Recovery and reintegration into the community, including sustainable employment, must be the goal of all support for the most disadvantaged adults.”

Social Justice: transforming lives

Our approach

The Government understands the compounding impact that multiple disadvantages can have on individuals and families. Where someone has experienced unstable family life, educational underachievement, problems with addiction or involvement with crime they often experience more than one of these disadvantages, and that can have a profound impact on their ability to lead successful lives and flourish as individuals, as parents and members of their communities.

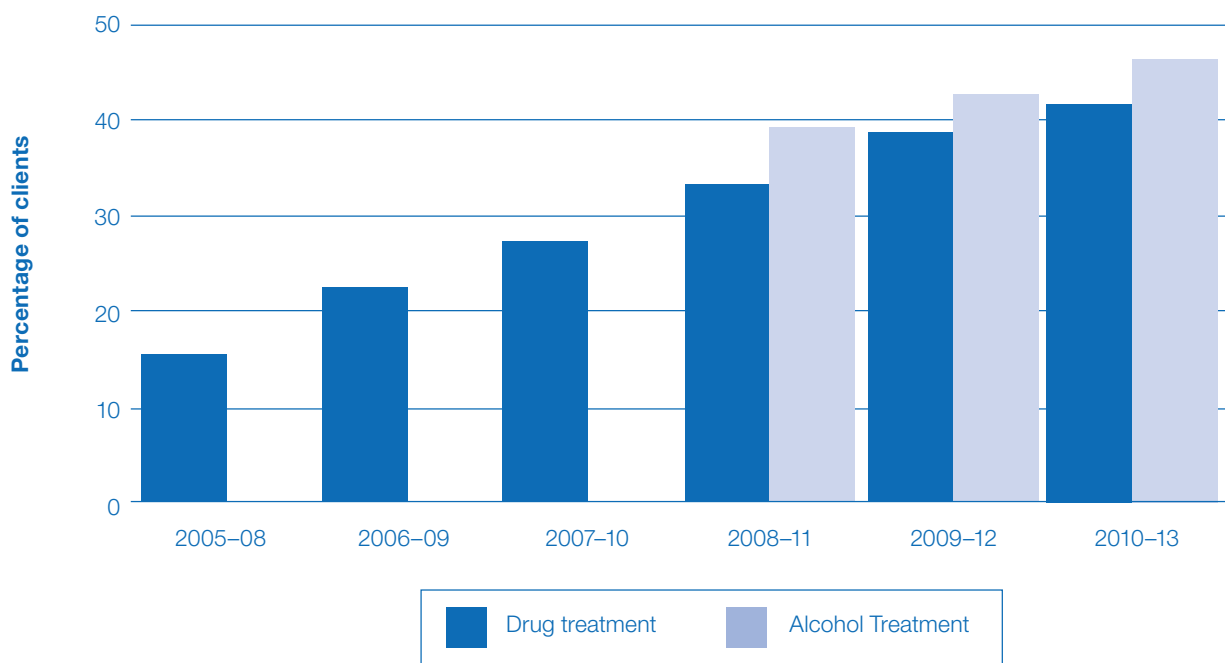
Our strategy for supporting the most disadvantaged adults in our society starts with understanding the complex nature of the challenges they often face. We want to put in place the support that people need to make sustainable changes to their lives, not just provide temporary help to deal with symptoms and individual problems as they arise.

Multiple problems compound each other, but too often government departments and agencies fail to work together effectively and place too much emphasis on their own narrow areas of responsibility and not enough on the needs of the people they are supposed to be helping. The Social Justice approach to supporting the most disadvantaged and vulnerable is about aligning support around needs of the individual, it is about looking at people and families as a whole and aligning support to tackle the root causes of their problems and help them to turn their lives around.

To do that, we are testing a wide range of interventions, taking action at a national level where it is required, and supporting local leaders in developing new models for delivering effective multi-agency services. We are moving on from a focus on inputs and are testing a range of innovative payment by results and social investment approaches, unlocking innovation and building the evidence base of what works. Real progress is being made across a range of policy areas, but we are dealing with deeply entrenched issues, and we know it will take time and an ongoing commitment to turn around the lives of the most disadvantaged people in our society.

Indicator 5: Improved outcomes for those receiving treatment for drug or alcohol dependency

Of those presenting for drug or alcohol treatment for the first time over a three year period, the proportion who successfully exited treatment and had not returned by the end of that period



Source: National Drug Treatment Monitoring System (NDTMS) for England, SJOF Indicator 5. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/332650/social-justice-framework-indicator-5.pdf

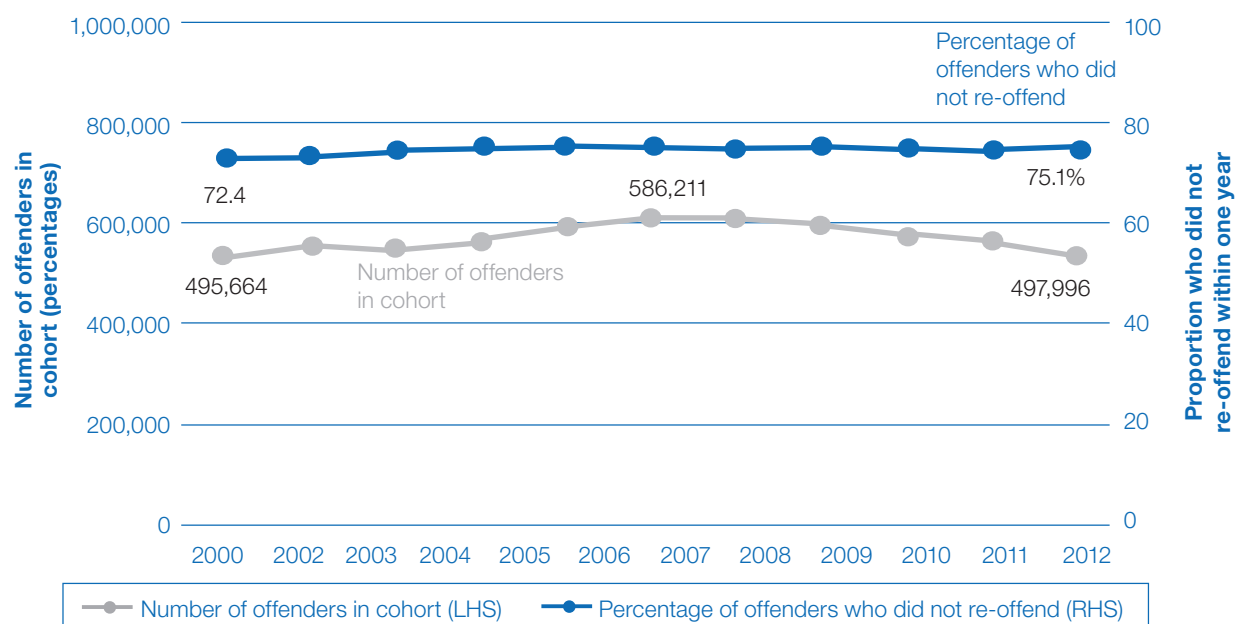
Of the 78,000 individuals who first presented for drug treatment in the three year period between 1 April 2010 and 31 March 2013, 32,000 people had successfully completed treatment and had not re-presented by 31 March 2013. This represents 41 per cent of all starts during that period.

Of the 142,000 individuals who first presented for alcohol treatment in the three year period between 1 April 2010 and 31 March 2013, 65,000 people had successfully completed treatment and had not re-presented by 31 March 2013. This represents 46 per cent of all starts during that period.

Under this measure treatment is defined as structured treatment, where there is a comprehensive assessment of need, and a recovery care plan that sets out a set of interventions and clear goals. The treatment may be in the community or through residential rehabilitation.

Indicator 6a: Proportion of adult offenders who did not re-offend

Proportion of adult offenders who did not reoffend broadly stable since 2004



Source: Ministry of Justice, 2014, SJOF Indicator 6a.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/342706/social-justice-framework-indicator-6a.pdf

The proportion of adult offenders who do not re-offend has remained broadly stable since 2004. The chart shows the changes in the cohort and the proportion of adult offenders not re-offending rate over time. The size of the cohort has fallen by just under 100,000 offenders since 2007 and is now similar to 2002 levels. Over the same period, the proportion of offenders who did not re-offend has risen by 2.7 percentage points, meaning that this group is now less likely to re-offend compared to a decade ago.

Indicator 6b: Proportion of adult offenders in P45 employment one year on

Proportion of adult offenders in P45 employment one year later stable since 2005/06

P45 employment refers to periods of employment for which a P45 form was submitted to HMRC by the employer. It does not cover all employment; in particular, self-employment and some low-paid employment are not included.

For working age adult offenders cautioned, convicted or released from prison in England and Wales in 2011/12, the proportion in P45 employment one year after caution, conviction or release from prison stood at 32%. This figure has been stable since 2005/06 (the earliest year for which data is available).

Tax year	Volume of working age adult offenders cautioned, convicted or released from prison in England and Wales*	% in P45 employment one year after caution, conviction or release from prison
2005/06	502,100	32%
2006/07	517,600	33%
2007/08	531,100	33%
2008/09	519,100	32%
2009/10	496,800	33%
2010/11	489,200	33%
2011/12	468,300	32%

* These figures are based solely on offenders included in the 2013 MoJ-DWP-HMRC data share which linked MoJ offender data for 2000-2012 with DWP benefit and HMRC employment records. The figures are based on include 81% of all offenders in England and Wales over this period – a match between MoJ and DWP/HMRC records could not be identified for the remaining 19%.

Source: 2013 MoJ-DWP-HMRC data share, SJOF Indicator 6b.
<https://www.gov.uk/government/statistics/p45-employment-for-offenders-tax-years-200506-to-201112>

Progress since 2012 – realising our ambition

Tackling drug and alcohol dependency

Our approach to tackling drug and alcohol dependency is about supporting full and sustained recovery from addiction to drugs and alcohol. That means supporting individuals to get their lives back on track through tackling the root causes of their problems rather than maintaining dependence or treating addiction in isolation from other problems. Indicator 5 shows we are continuing to make steady progress, with an increasing proportion of those who enter treatment exiting it successfully. But we know we have more to do to improve the system.

- Payments by results pilots have been testing new approaches to supporting full recovery in eight local authorities. This approach has encouraged innovation and sharpened providers' focus on achieving sustained recovery. The evaluation of the pilots will be published in spring 2015.

- In the prison system, an evaluation of the Drug Recovery Wing Pilots is underway. Early learning is being used to inform the development of substance misuse and recovery focused services, alongside a joint project with Department of Health, NHS England, Public Health England, local authorities and a range of community organisations in the North West as part of the Transforming Rehabilitation reforms.
- The specialist alcohol treatment system is working well for many people, with increasing numbers of people coming forward for treatment, and more of them successfully completing treatment programmes.

In many cases, full recovery will mean sustained employment. To ensure employment remains an effective component in supporting full recovery DWP has strengthened engagement with the treatment sector, and is working with Work Programme providers to test how they can better support claimants with drug or alcohol dependency.

- With Public Health England, we launched the joint working protocol *Employment and Recovery: a Good Practice Guide*, a tool that focuses on improved partnership working between Jobcentre Plus, Work Programme providers and the drug treatment sector.
- We are testing whether closer working between Work Programme providers and the treatment sector can improve employment outcomes, and whether increased incentives for Work Programme providers, through a higher job outcome payment, improves employment outcomes for participants who are undertaking, or have recently undertaken, recovery-orientated treatment for drug and/or alcohol dependency.
- We are ensuring that the benefit system is providing the support and flexibility needed to support full recovery. In Universal Credit tailored conditionality means that work search and availability requirements can be temporarily suspended if claimants are participating in recovery orientated treatment.

Putting strategy into practice

Tina was married at 17. However, her marriage broke down after 10 years and she and her husband divorced. Shortly after this, her new partner committed suicide and she began to self-destruct. Over a nine week period she began drinking heavily and taking a cocktail of drugs. Her situation spiralled out of control. Despite previously holding down a job, she was now living almost completely on child benefits, most of which she spent on drugs.

Unable to pay her bills, and with ongoing debts as a result of her divorce, Tina had to make the heartbreaking decision to leave her house, and give up custody of her three children to their father.

Tina, then homeless, stayed at a friend's house and occasionally with her brother, who recommended that she seek help.

She met Gemma, an Employment and Skills Key Worker at Melton Borough Council, a post funded by Jobcentre Plus as part of a dedicated team focusing on tackling issues for vulnerable individuals and families.

Tina was given an action plan to help her address the problems she was facing. As a result of this support, after many small steps, Tina has been clean of drugs for six months, and rarely drinks. She has two jobs working within the community as a carer for the elderly, and she is training to be a junior youth worker.

She has indicated that getting into work and training has meant she doesn't have time to think about drugs any more. Her eight year old daughter recently said: "Mummy, you're better now, aren't you?"

Now that she is working and is free from drugs, Tina feels her children see her differently. She is hopeful of getting her children back, and is looking forward to a brighter future.

Improving outcomes for offenders

A significant proportion of crime is committed by repeat offenders. Indicator 6a shows that while we have seen a gradual decline in the number of offenders since 2007, the proportion who re-offend within one year has remained broadly the same. Many of those individuals have multiple problems, including drug and alcohol dependency and poor employment histories. Our approach to rehabilitation is to tackle these issues in a more holistic way so we can break the cycle of reoffending. We are doing that through greater partnership working at a local level, and using payment by results methods to transform rehabilitation services.

- Through Transforming Rehabilitation, we are fundamentally transforming how we manage offenders in the community to reduce reoffending and deliver better value for money. The reforms will provide more scope for innovation and alignment with a range of support services.
- Under our local Integrated Offender Management arrangements, a range of agencies are working collaboratively to identify, and work with, the most difficult offenders in the local area. This approach brings together tough enforcement, but with the offer of support to provide the help that the offender needs to turn their back on a life of crime.
- We are making prison life more active and ensuring offenders have the skills they need to find work and move on with their lives on release. Training in prison is being better aligned with employer needs and with rehabilitation support. New prisoners are now being assessed for learning needs on reception (focused on English and maths) and hidden disabilities, and prisoners benefit from face to face advice and guidance from National Careers Service advisors. We are exploring how more prisoners might be able to access apprenticeships in the period leading up to release, and will shortly introduce traineeships into custody.
- DWP is ensuring prisoners get the tailored employment support they need from Jobcentre Plus and Work Programme providers on release. Prior to release, all prisoners can now get support from a specialist Employment and Benefits Advisor. Those who claim Jobseeker's allowance on release or within 13 weeks of release are now required to enrol in the Work Programme immediately.

Overcoming financial exclusion and problem debt

Financial exclusion and problem debt is more prolific amongst people experiencing social disadvantage, in particular for those on low and unstable incomes. Problems with debt are rarely isolated; the stress of dealing with debt can impact on mental health and family relationships, and debt is often interconnected with other problems, including addiction, worklessness and housing problems.

Families living in poverty often struggle to access affordable credit, and fall foul of unscrupulous lending practices. The Government has taken firm action to tackle lenders who are exploiting those in difficulty, to support the increase in supply of affordable credit, and to provide independent financial advice for those struggling with problem debt.

- The Government has fundamentally reformed regulation of the consumer credit market. Since April this year, the Financial Conduct Authority (FCA) has had responsibility for regulating consumer credit firms, including payday lending.
- The FCA's new, more robust regulatory system will help to deliver the Government's vision for a well-functioning and sustainable consumer credit market. The FCA has introduced tough new rules for payday lenders, including limiting the number of times a loan can be rolled over to two, more rigorous affordability assessments, and requirements for clearer risk warnings on adverts and promotions.
- FCA action has also led to high-profile redress for customers affected by poor practices in the sector. In January next year, the FCA will, as required by Government, introduce a cap on the total amount that payday lenders can charge for credit, to protect consumers from unfair costs. Together these measures are making it increasingly difficult for lenders to profit from those in financial difficulty, forcing them to change their business models and rapidly changing the shape of the market.
- The Money Advice Service provides free, unbiased and independent advice, and specialist support for people with problem debt. The service is coordinating debt advice across the country, and is working closely with DWP to provide advice for benefit claimants experiencing financial difficulties.
- We are strengthening the national curriculum to better prepare young people for making sound financial decisions in adult life. For the first time, from September this year, financial literacy has been included as a statutory part of the citizenship curriculum for 11 to 16 year olds. Pupils will be taught the importance of planning for future financial needs, including budgeting and the need to understand financial risk.
- The Government is committed to providing sustainable financial services that give consumers greater choice in accessing credit. In particular, we have introduced several initiatives to support the credit union sector – including the £38m Credit Union Expansion Project to help provide affordable credit in communities across the country.
- The Affordable Lending Steering Group, chaired by Sir Brian Pomeroy and made up of representatives of the private and civil sectors, is exploring how to strengthen community lenders' capability and ability to compete with the high cost credit market in communities all across the UK.
- DWP is ensuring that the benefit system supports those claimants who are in debt or find budgeting challenging. Within Universal Credit we are putting in place support to help those who may find it difficult to move to monthly payment of benefits. This includes money advice, more frequent payments for some claimants and in some cases payment for housing costs made directly to landlords.

Preventing homelessness and improving outcomes for homeless people

Homelessness is rarely an isolated issue for individuals and families. Our strategy focuses on the wider support needs of homeless people, and addressing the underlying causes of their problems. This goes beyond providing a temporary place to stay, it is about ensuring they have sustainable accommodation and they get the support they need to turn their lives around.

- We launched the £8m Single Homeless Fund in June this year. The fund is allowing local authorities and other agencies to provide services that single people who are homeless or at risk of homelessness need to find sustainable accommodation.
- The world's first homelessness social impact bond (SIB) has been operating since 2012, and is helping 830 persistent rough sleepers to come off the streets permanently. Progress has been positive with over 70% of funding for outcomes paid, including for moves into settled accommodation.
- Building on learning from this SIB, the Fair Chance Fund has been established to improve outcomes for young homeless people (predominantly 18-24 year olds) whose needs are difficult to address through existing services. This £15m fund will work with social impact bond projects providing accommodation, education, training and employment opportunities for around 2,000 of our most vulnerable young people.
- We are testing new ways to help those homeless people furthest away from the labour market through the STRIVE (Skills, Training, Innovation and Employment) programme launched in April this year.
- DWP is adopting a more flexible approach with some homeless claimants. They are now allowed to take some time out from job search activities to focus on finding sustainable accommodation.
- The Inclusion Health programme is helping to improve homeless people's access to, and outcomes from, health services. The Department of Health has also invested £10m in 2013/14 to improve hospital discharge for homeless people through the Homeless Hospital Discharge Fund (HHDF).
- We launched the £1.7m Homeless Gold Standard in 2013 to support local authorities developing peer-led support to improve services for homeless people. The scheme has been expanded with an additional £580,000 invested to provide further training and support.

Reducing health inequalities and achieving good mental health and wellbeing

People living in deprived areas tend to be less healthy, and poor physical and mental health is strongly related to other economic and social disadvantages, compounding problems that people face and hindering attempts to improve their lives and those of their families.

These health inequalities are long standing and complex issues that the Government is taking steps to address. The need to reduce health inequalities is a key component of the reforms to the public health and healthcare systems.

- We put in place new legal duties on the Secretary of State for Health, NHS England and Clinical Commissioning Groups to tackle health inequalities. The need to reduce health inequalities is also reflected in the Mandate to the NHS and the revised NHS constitution and is central to local Joint Strategic Needs Assessments.
- The Department for Health published their criteria for progress on the new duties in 2013-14, focusing on establishing the system soundly and with good governance to address this challenging and deeply rooted problem. Good progress has been made during the first year but there is more to achieve. Across the system in 2014-15, we now need to build on this early progress, broadening our knowledge and understanding and supporting effective actions across all communities.

- Through the Work Programme we are supporting unemployed people who have mental health problems, using the Working for Wellbeing Toolkit which was designed by an industry led group to help employment advisers identify where additional support is needed. Providers continue to engage with local mental health services to support claimants and all Prime Providers have signed a public pledge to build the expertise needed to help more people with mental health conditions get the right job.

Local leadership is transforming public service design and delivery

Across the country local leaders are working together and taking responsibility of decisions that affect their areas to ensure local services meet the needs of local people and tackle entrenched social problems. Central Government is supporting the local approaches to service transformation in a number of ways.

- The Public Service Transformation Network, created in March 2013, is championing a 'whole place', multi-agency approach to public service reform. The Network is sharing and building on the learning from the four Whole Place Community Budget Pilots which were launched in 2011 to test new ways of working across the local public sector and with central government. The focus is on redesigning services around the people using them, rather than the organisations delivering them. The network is currently working with 13 areas across England, covering 22 per cent of the population.
- We have established the Service Transformation Challenge Panel to advise on what needs to happen locally and nationally to increase the pace and scale of transformation within public services. Through its recommendations to Government the panel will help to accelerate the delivery of better outcomes for local people and support local places to accelerate their plans for change.

Chapter 5: Delivering Social Justice

Our starting point in 2010

“Central Government has a poor track record of delivering successful outcomes for people experiencing multiple disadvantages, with past approaches being overly prescriptive and insufficiently tailored to meet their often complex needs.”

“Very often it is those working at the local community level, whether in the public, voluntary or social enterprise sector, who are best placed to identify and drive forward the changes that are needed.”

“We want local leaders to embrace the Government’s vision for Social Justice, to work with us in delivering it and to ensure that we are making the most of the potential that exists within our communities.”

“The Government also sees an important role for supporting the growth of a new ‘social economy’ and attracting private investment to deliver Social Justice.”

“The growth of such a market could see significant sums of new investment channelled into community projects offering real life changes to those facing the greatest disadvantage. In particular, it could increase the money going towards early intervention and prevention services.”

Social Justice: transforming lives

Our approach

This Government has been quick to realise the potential of social investment to deliver positive social change, in tackling a whole range of complex and challenging problems, from re-offending to homelessness, academic underachievement to unemployment.

In the UK, we have set up the world’s first social investment wholesaler, seen the establishment of the world’s first social stock exchange, and now with 17 social impact bonds up and running, we are a world leader in putting social investment into practice.

In doing so, we are opening up social services to a whole host of groups who might never before have seen themselves as part of the solution for change; be it private sector companies, high-net individuals, venture capitalists and more. With it, that investment brings the rigour, discipline and innovation of the private sector, the know-how of our most savvy entrepreneurs and business people applied to tackling our society's most entrenched problems.

At the same time, for government, social investment offers a huge opportunity to transform the whole culture of our own public spending. The whole premise of social investment is based on a return, linked to a given outcome, Government stops paying for the process of delivering social services and starts paying for the outcomes that are achieved.

Instead of spending more and more on ineffective remedial policies, social investment dictates that we invest early and invest intelligently to tackle social breakdown at its source – putting money into proven programmes that change lives.

Progress since 2012 – realising our ambition

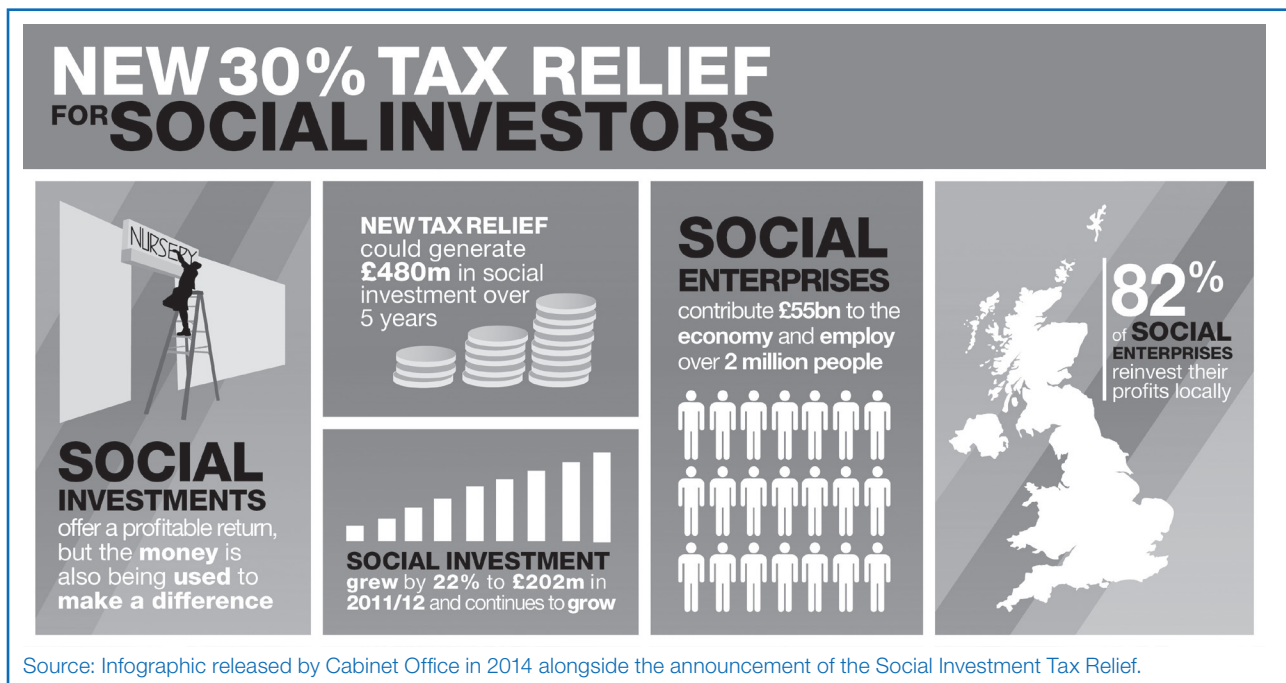
Strengthening the social investment market

This Government is at the vanguard of a revolution in harnessing social investment to transform the lives of the most disadvantaged individuals and families.

Yet we must recognise that this is a new and dynamic market, with a huge amount of potential still untapped. In 2011/12, the UK social investment market was valued at £200 million; it is estimated to grow to £1bn by 2016.

If we are to unlock the full potential of this new market, doing so requires more than just capital; it is about creating and enabling a self-sustaining market for the long-term. That is why we are building both the infrastructure needed and establishing the right supportive regulatory framework for the market to develop.

- In 2012, we established Big Society Capital – the world's first social investment wholesaler, capitalised with £600m to grow the social intermediary market. Big Society Capital is a game-changer. To date, it has:
 - provided an additional £150m worth of social investment commitments into the market, with some match funding of 116% from other investors, and
 - created or helped to grow 23 new social investment intermediaries, growing the landscape of specialist social finance providers and in turn the supply of social investment in the UK, and funding 57 frontline social organisations.
- The Social Impact Investment Taskforce, launched in 2013 under the UK's presidency of the G8 endorses our commitment to play our role in catalysing a global market in impact investment.
- We have launched an independent body – the Early Intervention Foundation – which can assess and advise on social finance. This is about reducing uncertainty for investors, building the evidence base, and ensuring money can flow to those interventions that get results.
- At this year's Budget we introduced the Social Investment Tax Relief – a 30% tax incentive to encourage private investment into social enterprises, enabling them to become self-sustaining in the long term. The graphic below explains how it works:



Stimulating demand for social investment

Social investors need a healthy pipeline of robust social ventures for investors to invest in. We are supporting this growth through a wide range of different funds and programmes:

- Our £15 million Investment Contract and Readiness Fund is providing access finance of £500,000 or more to win public service contracts valued at over £1m. Already this has helped over 140 social ventures so far, to raise over £100m in investment and contracts.
- More social start-ups are being supported through the £10m Social Incubator Fund, delivered by the Big Lottery Fund. This is focusing on supporting early-stage development where potential financial returns are too low, or the risk is too high, for Big Society Capital or other investors. The fund has created 10 social incubators which will support over 600 start-up ventures.
- In June this year, we announced that to secure long-term support for the sector, we will use the Future Builders loan book to fund investment and impact readiness. This will focus primarily on the needs of social impact organisations that are getting ready to take on social investment. We aim to endow these funds to a champion for this area.
- To further help the sector improve their services and attract funding, we are supporting Inspiring Impact, a collaboration of eight voluntary sector organisations, working towards the goal of making high quality impact measurement the norm for charities and social enterprises by 2022.
- To make it easier for charities to enter the social investment market as investors, we asked the Law Commission to review the law in this area. They published their final report in September¹⁵, noting that social investment is a considerable opportunity for charities, and while many are already seizing it, the current law is not as clear and easy to follow as it could be. They recommended the introduction of a new power to make social investments, and the Government is carefully considering the recommendation.

¹⁵ http://lawcommission.justice.gov.uk/docs/cp216_charities_social_investment.pdf

Social Impact Bonds

Social impact bonds (SIBs) show that social investment is about bringing the dynamism and success of those at the top of society into our most disadvantaged areas. It is about saying that you can be economic activists and social activists – investing in human capital for the long-term, not the short-term.

It is straightforward to imagine how we as a Government create a social impact bond in a particular deprived neighbourhood, which investors buy into, and as with any investment, will want to see flourish. They are risking their money, money that could otherwise be reaping a return elsewhere, but they will want to see that social programme succeed, bringing a whole new discipline and rigour to how it is delivered.

But what's more, they will take an interest in that community where they would otherwise be totally detached. In doing so, these wealth creators can have a dramatic effect on the communities themselves, bringing their talent and drive to an area where such resources may be scarce.

- There are currently 17 SIBs in the UK tackling a diverse array of complex social issues such as reoffending, children in care, youth unemployment, homelessness, and social isolation.
- Of the 17:
 - 10 have been commissioned through the DWP's £30 million Innovation Fund. To end of June this year, these had helped 14,200 young people and 13,200 outcomes had been achieved.
 - The remaining seven have been commissioned by both central and local government as well as clinical commissioning groups.

Putting strategy into practice

Think Forward Programme supports 950 disadvantaged 14-18 year olds in Tower Hamlets. To date 55% of the young people have achieved A* to C GCSEs against the investor's own target of 30%, while Triodos New Horizons Programme is working with 400 young people in Liverpool to prevent them from becoming NEET. To date 20% of the young people have achieved five A* to C GCSEs against an investor target of 5%, and a further 46% have achieved at least one Level 1 qualification against an investor target of 35%.

- The success of the Innovation Fund was the catalyst for the Government's new SIB – the Youth Engagement Fund. This is a £16 million cross-government fund which will help reduce the number of NEETs, specifically targeting 14-17 year olds. The projects go live in spring 2015.
- £16m is one half of a £30m social investment package targeting disadvantaged young people. The second half will fund The Fair Chance Fund which aims to move over 2,000 homeless young people between the ages of 18 and 24 into sustainable accommodation, as well as employment, education or training over three years.
- The Government's Centre for Social Impact Bonds is helping organisations to develop SIBs through sharing guidance and best practice, and has published a database of the unit costs of public services to make it easier to understand and calculate the savings and benefits of SIBs.

The future of social investment

For government, the opportunity represented by social impact investment is massive. If we can get it right, it stands to make perhaps the single most significant difference to how social services are funded and delivered in years to come.

Yet we are not there, and the challenge remains to bring social investment into the mainstream – both in terms of government contracts and commissioning, and in terms of helping to release what the Social Impact Investment Taskforce has identified as the “first trillion” of potential investment money.

Now is the time to seize the opportunity, and throw the UK Government’s weight behind the social investment agenda. It is that ambition which has informed our commitments for the next year:

- Making it easier to become a social investor: we are working to ensure that the Social Investment Tax Relief works as effectively as possible.
- Building capacity amongst social ventures: building on the success of the Investment and Contract Readiness Fund, we have committed an additional £60 million to ensure capacity building funds for social sector organisations over the next decade.
- Opening up commercial markets: we are working to help social impact organisations access commercial, corporate and public markets – over time, looking to make it the norm for corporate social responsibility in the private sector, for trust funds, investment banks, and many more.

