National Social Report

26 April 2012



DWP Department for Work and Pensions

Introduction

Outline

- 1. This National Social Report aims to support UK participation in the Open Method of Coordination (OMC). The UK strongly supports the use of the OMC, which allows us to share good practice and learning between Member States on social policy issues, while respecting Member States' competence for such policy and diversity of approach, in line with Article 156 of the Treaty on the Functioning of the European Union.
- 2. This report outlines the current economic and social situation in the UK, highlighting the challenges the UK faces in meeting the objectives of the Open Method of Coordination for social protection and social inclusion. The report goes on to set out the UK Government's and devolved authorities' responses to these challenges. Progress against the EU headline social exclusion target, primarily through the UK's child poverty strategy, is covered in the UK National Reform Programme (NRP) report, which sets out our structural reform plans focussed on promoting growth and employment.

Economic context

- 3. The financial crisis of 2008 and 2009 exposed an unstable and unbalanced model of economic growth in the UK based on ever-increasing levels of public and private sector debt. As a result of that crisis, and unsustainable levels of public spending, the Government inherited the largest deficit since the Second World War and the UK economy experienced the biggest recession of any major economy apart from Japan.
- 4. Over the course of 2010 and 2011, the UK economy was hit by a series of further shocks with commodity price driven inflation reducing real incomes, the impact of the euro area debt crisis damaging confidence and the ongoing structural impact of the financial crisis weakening economic recovery.
- 5. The UK Government has taken decisive action to protect the economy in this period of global uncertainty. It has set out a comprehensive strategy to achieve its economic objective for strong, sustainable and balanced growth that is more evenly shared across the country and between industries. This includes returning the public finances to a sustainable position, meeting the Government's fiscal targets and ensuring that fiscal credibility underpins low long-term interest rates.

Social context

6. In the UK today it is estimated that there are 120,000 families experiencing multiple problems. Research shows that children from troubled families experience the very worse outcomes and make significant demands on a wide range of local services. In fact, new figures estimate that £9 billion is being spent annually on these most troubled families (<u>HM Government, 2012, 'Social</u>

<u>Justice: transforming lives</u>). A large proportion of this money is spent on taking children into care (fostering, residential care, adoption and the costs of social workers) but also the significant criminal justice costs of children and adults committing crime. Rather than spending in reaction to the troubles of these families, the Government is refocusing spending to try to turn around their lives in a targeted, positive way so the children in these families will not face the same problems as their parents.

- 7. There are currently around 3.9 million workless households in UK almost one in 5. 1.8 million children live in workless households¹. High rates of worklessness are not just a symptom of the economic downturn. Since 1996, the number of households where no-one has ever worked has more than doubled¹.
- 8. It is clear that the welfare system this Government inherited has acted as a driver for these trends. Reform must ensure that the benefit system should help people transition into work, not act as a barrier to it.
- 9. Whilst pensioners in the UK are less likely to be living in poverty than the population as a whole when incomes are measured after housing costs, as with the rest of the EU, the UK still faces the challenge of an ageing society. The UK must therefore take action to ensure that the pension system remains on an adequate and sustainable footing.
- 10. The UK continues to offer a comprehensive healthcare service, available to all, free at the point of use, based on need, not ability to pay. Responsibility for health and long term care is devolved to the regional authorities of England, Scotland, Wales and Northern Ireland. Each of these regional authorities must decide how best to organise health and social care services to continue to deliver a high quality service while facing the challenges of an ageing society and the need for fiscal consolidation.

Consultation

- 11. This report outlines current UK government policy. UK practice is to hold consultations with all stakeholders over a 12 week period during the development of policy proposals, so that they have input at the substantive policy formation stage. Consultations are conducted in line with the UK <u>Government Code of Practice on Consultation</u>. For most new regulatory proposals, the UK Government also requires government departments to prepare an impact assessment to be published alongside the consultation. Impact assessments force government departments to think through the consequences of any actions.
- 12. This report outlines selected consultation exercises that took place in the development of the policies described.

UK priorities

Reducing poverty and social exclusion

Our priorities:

Supporting families

13. 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.

Supporting young people from disadvantaged backgrounds

14. In cases where the family is unable to provide a stable and safe environment for a child to grow up in, the UK Government must offer the right support for young people.

Tackling the problem of worklessness

15. 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 working adult to look up to as a role model¹.

Supporting the most disadvantaged adults

- 16. The UK Government is committed to a preventative approach to social policy, prioritising interventions that will support families and children to lay the right foundations for their lives and prevent problems developing in the future.
- 17. But we know that 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.

Providing adequate and sustainable pensions

18. The UK is facing the challenge of an ageing society. To ensure continued adequacy and sustainability of the pension system, the UK government's priorities are to implement increases in State pension age and to encourage greater private pension saving through the workplace. Private saving will be supported by a modernised and reformed state pension system that will create a new savings culture and promote personal responsibility.

¹ Office of National Statistics, 2011, *Working and Workless Households*. Workless households are households, with at least one member aged 16 to 64, where no-one is currently working.

Ensuring accessible, high-quality and sustainable healthcare and long-term care

- 19. Since responsibility for health and long term care is devolved to the regional authorities of England, Scotland, Wales and Northern Ireland, these regional authorities have identified priorities according to local circumstances.
- 20. In England the main challenge identified was to improve efficiency to face the increasing costs resulting from an ageing society.
- 21. In Scotland, challenges included the need to drive up efficiency and productivity in the NHS to ensure the sustainability of high quality healthcare, and to address the scourge of alcohol abuse.
- 22. The Welsh Assembly Government identified a range of challenges: better health for everyone, better access and patient experience and better safety and quality.
- 23. The vision for health and social care in Northern Ireland is to drive up the quality of care for clients, patients and carers, improve outcomes, safeguard the vulnerable and ensure that individuals have the best possible experience in every aspect of their treatment, care and support.

Reducing poverty and social exclusion - action

- 24. On 13 March 2012, the UK Government published its Social Justice strategy, 'Social Justice: Transforming Lives'. The strategy outlines a new approach to tackling poverty in all its forms. The UK Government believes that the problem is not about income poverty alone, and that the focus on income over the last decades has ignored the root causes of poverty, allowing social problems to deepen and become entrenched.
- 25. The strategy lays out a new set of principles that informs our approach:
 - A focus on prevention and early intervention
 - Where problems arise, concentrating interventions on recovery and independence, not maintenance
 - Promoting work for those who can as the most sustainable route out of poverty, while offering unconditional support for those who are severely disabled and cannot work
 - Recognising that the most effective solutions will often be designed and delivered at a local level
 - Ensuring that interventions provide a fair deal to the taxpayer
- 26. The strategy sets out the nature and scale of the challenge posed by worklessness, family breakdown, low educational attainment, drug and alcohol

dependency, debt and crime. It examines the evidence around the number of people experiencing specific disadvantages at any one time, and goes on to assess the numbers of individuals and families facing multiple disadvantages.

- 27. The UK Government estimates that 11 per cent of adults (5.3 million people) in the UK experience, at any one time, three or more of six areas of disadvantage (education, health, employment, income, social support, housing and local environment)².
- 28. The strategy goes on to set out the action the UK Government is taking to tackle these problems.
- 29. While the Social Justice strategy needs to be driven forward at a local level, it also needs national leadership and a change in the way policy is created and evaluated in central Government.
- 30. That is why the UK Government has established a Cabinet Committee for Social Justice, bringing together Ministers from across Government to drive forward our aims for the agenda.
- 31. The UK Government has committed to support families and reduce the impact of family breakdown, including by:
 - Committing £30 million over the next four years to provide relationship support for couples
 - Committing £20 million over the next three years to help separated and separating parents to work together in the best interests of their child
 - Providing local authorities with funding of over £2.2 billion per year through the Early Intervention Grant to fund early intervention and preventative services for children, young people and families
- 32. The UK Government has committed to support young people from disadvantaged backgrounds, including by:
 - Tackling behavioural problems caused by poor mental health by transforming NHS mental health services for children. In October 2011 we announced £32 million funding for the children and young people's Improving Access to Psychological Therapies project.
 - Publishing our Participation Strategy, 'Building Engagement, Building Futures' in December 2011, which sets out how our reforms to schools, vocational education, skills and welfare provision will all help to increase the number of young people who are engaged in education, training and work

² Analysis using BHPS 2007 data cited in HM Government, 2010, State of the nation report: poverty, worklessness and welfare dependency in the UK

- 33. The UK Government has committed to tackle the problem of worklessness, including by:
 - Implementing Universal Credit, which will make the transition from benefits to work significantly easier and will ensure that work always pays
 - Introducing the Work Programme in June 2011, which gives providers the freedom to design support based on the needs of the individuals, offering providers the greatest financial rewards for helping people furthest from the labour market
 - Introducing the Youth Contract, worth about £1 billion, which will offer a voluntary work experience place for every unemployed 18-24 year old who wants one to give them real, valuable experience of work. It will also offer 160,000 Wage Incentives for employers who recruit an 18-24 year old from the Work Programme and at least 20,000 extra incentive payments for small employers to take on apprentices aged 16-24
- 34. The UK Government has committed to support the most disadvantaged adults, including by:
 - Announcing a series of measures to tackle rough sleeping in our report <u>'Vision to end rough sleeping: No Second Night Out nationwide'</u>
 - Setting out a commitment to rethink our approach to rehabilitation for offenders in the Green Paper '<u>Breaking the Cycle</u>', published in December 2010
 - Publishing our drug strategy '<u>Reducing Demand, Restricting Supply, Building</u> <u>Recovery: supporting people to live a drug free life'</u>, making it clear the importance of working to achieve sustained recovery and ensuring people with drug and alcohol problems are able to undertake an individual, personcentred approach to treatment that addresses their particular needs.
- 35. In addition to the UK Government's action, the Welsh Assembly Government has introduced new employment programmes to support young people to gain valuable training and work experience; increasing the number of apprentices and investing in skills. The Welsh Assembly Government will implement Jobs Growth Wales from 1 April 2012 which will create 4,000 job opportunities per year for young people aged 16-24 with the support of the private sector.

Universal Credit – consultation arrangements

The consultation document, *21st Century Welfare* (Cm 7913), asked people to send their views on the problems with the current UK benefits system, on the UK Government's principles for welfare reform and on its proposals to simplify the system and make work pay.

The consultation period ran from 30 July to 1 October 2010 and received 1,668 responses via telephone, post, email and through our online consultation site.

The UK Government's response to the consultation can be found here:

http://www.dwp.gov.uk/docs/21st-century-welfare-response.pdf

Consultation on the social justice strategy

The UK Government will be organising a series of engagement events over the coming months to discuss how we can further improve service delivery for individuals and families facing multiple disadvantage, including by building on existing projects like Community Budgets and the work Louise Casey is leading to transform the lives of troubled families.

Themes of this engagement exercise will include:

- The role of local leaders in helping us deliver on this agenda
- What barriers exist delivering the services we want for this group
- What we can collectively to share best practise and drive further innovation in funding and delivery

Providing adequate and sustainable pensions - action

- 36. The UK Government has taken a number of measures to increase the adequacy of pension provision, whilst ensuring that the pensions system remains sustainable into the future.
- 37. The UK will equalise state pension for men and women at age 65 by 2018, and state pension age will then <u>rise to age 66 in 2020</u>, to age 67 between 2034 and 2036, and to age 68 between 2044 and 2046. The UK Government has also announced plans (subject to Parliamentary approval) to bring forward the rise to age 67 to <u>between 2026 and 2028</u>.
- 38. Budget 2012 announced that the UK Government will commit to ensuring the State Pension age is increased in future to take into account increases in

longevity and will publish proposals at the time of the Office for Budget Responsibility's (OBR) 2012 Fiscal sustainability report this summer.

- 39. In 2010, for people reaching state pension age from April 2010, the UK reduced the number of qualifying years needed for a full basic state pension to 30 years (from 44 for men and 39 for women). This means that more people will be eligible for a full basic state pension, in particular those with broken work records, or who have not worked due to caring responsibilities.
- 40. The UK Government has also introduced the 'triple lock', meaning that the basic state pension is increased each year in line with the increase in the consumer price index, with the growth in average earnings or 2.5 per cent, whichever the greater.
- 41. Budget 2012 also announced that the UK Government will reform the State Pension into a single tier pension for future pensioners. The new system will be introduced early in the next Parliament and will be set at a level above the basic means test and all State Pension records will be recognised. As set out in the Green Paper published by the Department for Work and Pensions (DWP), the single tier will cost no more than the current State Pension system in every year³. The Government will bring forward further detail in a White Paper in the spring, with final decisions on the detailed implementation of the policy being taken at the next spending review.
- 42. The UK has a long tradition of private pension saving through both employer sponsored occupational pension schemes and individual contracts.
- 43. Private pension saving is a vital element in ensuring that retirement incomes are adequate and that state pension provision remains sustainable into the future.
- 44. To encourage private saving, the UK offers generous tax relief on private pension saving⁴, nevertheless, the number of people saving for retirement has declined over the last 30 years, a decline that matches the reduction in employer-sponsored schemes in the private sector, particularly those offering defined benefit pensions.
- 45. To reverse this trend, and in line with the aim that all pensioners have a decent retirement income, starting in October 2012, the UK Government will require employers to enrol "eligible jobholders" into a qualifying workplace pension schemes⁵ automatically. Automatic enrolment starts with those working for larger employers, with small and medium sized employers following over subsequent years⁶. The UK Government expects automatic enrolment to lead

³ A state pension for the 21st century, DWP, April 2011

⁴ in general pension contributions and investment returns are tax exempt (EET system), with Government contributing a further 1% from income tax relief.

⁵ workplace schemes are any pension arrangements made through the workplace where the employer makes contributions into the arrangement – they encompass both occupational pension schemes, and individual contracts "personal pensions" facilitated by the employer. ⁶ further details are at <u>www.dwp.gov.uk/docs/auto-key-facts-enrolment-booklet.pdf</u>

to between 5 million and 8 million people saving more into pensions, or saving into pensions for the first time.

- 46. The UK Government is now undertaking a communications campaign to inform individuals about automatic enrolment, including an <u>online stakeholder toolkit</u> aimed predominantly at the impact of the changes on individuals. This contains guides and fact sheets about the changes, case studies to show how individuals may be affected, and a guide to simple, jargon free language about pensions.
- 47. In support of automatic enrolment, the UK Government has established the National Employment Savings Trust (NEST)⁷, a low cost defined contribution occupational pension scheme. A qualifying scheme for automatic enrolment, NEST is designed to fill a gap in the pensions market for workers on low to moderate earnings. Although an employer may choose to use NEST, there is no obligation to do so.

Consultation – Raising State Pension age

The UK Government issued a Call for Evidence between 24 June and 6 August 2010 on the timing of the increase in State Pension age to 66.

There were 352 responses from individuals and 46 responses from institutions (consumer groups, charities, trades unions, employers and industry groups).

The UK Government's response to the consultation can be found at: <u>http://www.dwp.gov.uk/docs/cp-nov10-spa-66-full-document.pdf</u>

48. The UK Government welcomes the Commission's White Paper⁸ and its focus on the Europe 2020 strategy for growth, supporting national policy makers' efforts to address pensions reform, and enhancing opportunities for complementary retirement savings. The UK remains concerned, however, about any legislative proposals arising from the review of the IORP directive⁹ that would add to the costs of providing occupational pensions, particularly those concerning capital adequacy of defined benefit schemes.

Ensuring accessible, high-quality and sustainable healthcare and long-term care

⁷ NEST is run by the Nest Corporation that acts as the trustee. Government has no power to intervene in the running of NEST, although the Nest Corporation remains accountable to Parliament – see <u>www.nestpensions.org.uk</u> for more details

⁸ European Union Document No. 6715-12 An Agenda for Adequate, Safe and Sustainable Pensions ⁹ Directive 2003/41/EC on the Activities and Supervision of Institutions for Occupational Retirement Provision

England

- 49. In England, we are embarking on challenging reforms which will make our National Health Service more patient focused and accountable, delivering improved healthcare outcomes. Although the government has committed to increase health spending in real terms in each year of this Parliament, an ageing society and the current fiscal climate mean that we must work to cut bureaucracy and to improve the efficiency of our services to continue to deliver a high quality, accessible service.
- 50. We know that reform of the care and support system is needed to provide people with more choice and control and to reduce the insecurity that they and their families face.
- 51. The care and support White Paper, and progress report on funding reform, planned for later in the spring, will set out the Government's plans for transforming the care and support system in England.

Scotland

- 52. At the core of the Scottish Government's vision for the health and wellbeing of the people of Scotland is a commitment to enable people to live longer, healthier lives to ensure that children have the best possible start in life and to provide everyone with high quality care when they need it. This is essential to deliver strong economic growth and be the country to which we aspire.
- 53. It will continue to invest in new facilities across the country, whether new hospitals or other health and social care facilities. NHS Scotland staff will continue to be fully involved in shaping the future NHS, benefitting from partnership arrangements.
- 54. We will introduce a minimum price for alcohol to address the scourge of alcohol abuse in Scotland.
- 55. We will continue to drive up efficiency and productivity in the NHS, helping ensure the sustainability of high quality health care. We will achieve a further £300 million of efficiency savings in 2011/12, retained for re-investment in NHS care. This will include reducing the number of senior managers in the NHS by 25% this Parliament.
- 56. Priority will be given to ensuring that older people receive the care, compassion, support and dignity they need and deserve. This will involve working with partners to reshape the provision of care for older people. This will require, amongst other things, delivering the integration of health and social care and improving joint working with other agencies and the voluntary sector. We are determined to ensure that the older person is the central focus of delivery the length and breadth of Scotland.
- 57. Treatment for those cared for will be improved by ensuring that unpaid carers are equal partners in health and social care. We will take action to implement the commitments in the <u>Carers and Young Carers Strategies</u> to ensure better

information, respite, and support. We will improve diagnosis and support for those on the autism spectrum and their families, and healthcare for those with a learning disability. For those who are survivors of in-care abuse, we will improve access to services and will rollout a National Confidential Forum.

- 58. There is a growing body of evidence that spending on preventative approaches can deliver real improvements in outcomes at a considerably lower cost. We are convinced of the merit of driving forward preventative approaches and we will make a step change in focusing our efforts on prevention and anticipation, with evidence-based intervention at the earliest stage.
- 59. This will mean that while we will continue to support people at different stages of their lives from childhood, through adulthood to older age we shall increase the focus on prevention in the early years. It will also mean addressing the fact that too much of our health resource is tied up in acute and institutional care. We cannot continue with the situation where almost a third of all health and social care spend for the over 60s is on emergency admissions to hospitals. This is neither good use of resources nor good for patients.

Wales

- 60. In Wales the Welsh Government's approach is set out in its Programme for Government and strategy paper Together for Health. These indicate a determination to address access, quality and adequacy of care by focusing on three objectives – better health for everyone, better access and patient experience, and better safety and quality.
- 61. To support these objectives, there is a focus on improving health and reducing inequalities and modernising and better integrating health services, with a strong focus on transparency around performance, better partnership with the public and strong quality assurance and quality improvement systems as the drivers.
- 62. This will also support longer-term financial sustainability through reducing the demand of services and increasing efficiency through reducing harm, waste and variation inside the system. There is no intention to shift costs to the public or transfer services to private providers.
- 63. The Welsh Government's Paper '<u>Sustainable Social Services for Wales:</u> <u>Framework for Action</u>' sets out how it will take forward social services and, in conjunction with partners. Throughout 2012, and beyond we will undertake a variety of work to support this.
- 64. We will further its efforts to ensure citizen-centred services are arranged and provided around the needs of the individual, rather than organisations, in an integrated and seamless way, so they bring together the expertise of different professionals and services.
- 65. We seek to pick up the pace of integration to respond to this aspiration, to the increasing demand for services and within the financial constraints on service

delivery that local authorities and the NHS are experiencing. It proposes to put in place a framework for a national care contract for care homes and nonresidential services, developed jointly with the NHS, so that the consistency and stability of the care market can be improved in the light of recent problems experienced with the independent care sector.

66. We have a long-standing commitment to build a new system of paying for social care that is fair, affordable and sustainable in the long term. This year we introduced a £50 maximum charge for core non-residential social services across Wales to ensure fairness and consistency in charging. We will build on this, and previous scoping work with the residential care sector, to consider the best way forward for paying for social care in Wales. In doing so, we will consider the proposals of the Commission for Funding and Care and Support (Dilnot Commission), and any potential implementation of it by the UK Government prior to taking forward our plans.

Northern Ireland

- 67. A review of health and social care services commissioned by the Minister for Health, Social Services and Public Safety in 2011, examined the future provision of services, including acute hospital configuration, the development of primary healthcare and social care and the interfaces between sectors. The report of the review '<u>Transforming Your Care'</u> was published in December 2011 and sets out a new model of care which will support delivery of the vision for the HSC. A broad range of work is underway to implement the findings from the Report.
- 68. A key part of this new model of care involves championing preventative and early intervention measures, avoiding unnecessary hospital admissions and putting the individual at the centre and not the institution. Key changes will include more care delivered in the home; changing care packages for people in nursing homes; an increased role for GPs and community pharmacists; increased use of community and social care services; outreach of acute services into the community; and increased use of technology in delivering patient care.
- 69. Adult social care in Northern Ireland faces many of the challenges faced elsewhere in the UK. A three stage process of reform will begin shortly to identify the future direction and support of adult social care in Northern Ireland. The process will promote public debate and engagement on the key issues involved. In the interim, The Northern Ireland Executive will continue to support people to maintain or regain, as far as possible, independent living skills, promote individuals' choice and control over how their care is provided, and support them to live confidently and safely in their own homes for as long as it is practicable.
- 70. The Department of Health, Social Services and Public Safety (DHSSPS) has recently launched a <u>Dementia Strategy</u> and a Policy Framework for Adults living with a Long Term Condition will be launched in Spring 2012.

- 71. Health and Social Care also has an important role in supporting economic growth. To this end the DHSSPS has put in place a Memorandum of Understanding with Invest NI (the Northern Ireland Economic Development body) to take forward connected health solutions which will contribute to improved health and well-being, patient care, and support the wider economic development strategy.
- 72. Both ill health and disability have the potential to lead to increased social isolation which in turn can have a negative impact on an individual's health and social wellbeing. That is why the promotion of social inclusion is a core objective for health and social care in Northern Ireland. This is reflected in our existing strategies for mental health, learning disability and physical disability and is one of the main drivers behind our commitment to introducing a range of reablement services across Northern Ireland over the next three years.

Annex: Europe 2020 indicators, percentages of total population

Table 1: Indicator 1 – Percentage of people at risk of poverty or social exclusion (union of the three sub-indicators in
tables 2 to 4 below)

		2005		2006				2007			2008			2009		2010		
Breakdowns	Total	Male	Female															
Total	25	24	26	24	22	25	23	21	24	23	22	25	22	21	23	23	22	24
Less than 6 years	34	36	32	31	32	31	29	26	31	29	29	29	28	27	30	31	33	29
From 6 to 11 years	31	30	33	32	31	33	28	26	30	30	29	32	27	25	29	31	31	30
From 12 to 17 years	29	31	27	27	28	26	27	28	25	29	32	27	27	27	27	28	28	28
Less than 18 years	31	32	30	30	30	30	28	27	28	30	30	29	27	26	29	30	30	29
From 18 to 64 years	22	21	24	21	19	22	20	18	21	20	18	22	20	19	20	21	20	22
65 years or over	26	23	28	28	24	31	28	25	31	29	25	31	23	21	25	22	19	26

Source: Eurostat – EU SILC

	2005			2006			2007				2008		2009			2010		
Breakdowns	Total	Male	Female															
Less than 6 years	20	21	18	17	18	16	15	14	15	15	14	16	18	16	20	20	21	19
From 6 to 11 years	17	17	17	17	17	16	15	14	15	15	14	16	16	14	19	18	17	19
From 12 to 17 years	14	15	13	13	13	13	13	15	10	12	14	10	14	15	14	14	14	14
Less than 18 years	17	17	16	15	16	15	14	14	13	14	14	14	16	15	17	17	17	17
From 18 to 59 years	11	10	13	11	9	13	9	8	10	9	8	10	11	11	12	12	11	13
Less than 60 years	13	12	14	12	11	13	10	10	11	10	10	11	13	12	13	13	12	14

Table 2: Indicator 2 – Percentage of people living in households with very low work intensity

Source: Eurostat – EU SILC

Note: The preferred UK Government measures of worklessness are the percentage of workless households and the percentage of children in workless households. These measures are based on the Labour Force Survey (LFS) and are published in the National Statistics Bulletin, 'Working and Workless Households' (latest release - <u>http://www.ons.gov.uk./ons/rel/Imac/working-and-workless-households/2011/index.html</u>). These measures differ from EU SILC – the LFS measures households where no adult in the household is in work at a given point in time, whereas the EU SILC indicators measure households who have worked less than 20% of the potential adult-months over the past year. LFS includes households with at least one person aged 16 - 64, whereas the EU SILC figures exclude those aged 60 - 64.

	2005			2006			2007				2008		2009			2010		
Breakdowns	Total	Male	Female															
Total	19	19	19	19	18	20	19	18	20	19	17	20	17	17	18	17	16	18
Less than 6 years	25	27	24	26	27	25	24	23	25	24	24	25	21	21	22	20	22	19
From 6 to 11 years	22	22	21	25	25	24	23	22	25	24	22	27	19	19	20	19	19	19
From 12 to 17 years	22	25	20	21	22	21	22	23	21	24	25	23	21	21	22	21	22	21
Less than 18 years	23	24	22	24	24	23	23	23	23	24	23	25	21	20	21	20	21	20
From 18 to 64 years	16	16	17	16	15	16	15	15	16	15	14	16	15	15	15	15	15	15
65 years or over	25	22	27	26	22	29	27	23	29	27	24	30	22	20	24	21	18	25

Table 3: Indicator 3 – Percentage of people at-risk-of-poverty after social transfers

Source: Eurostat – EU SILC

Note: In the UK, a high proportion of older people own their own homes. For this reason, the UK Government's preferred measure of pensioner poverty measures income after housing costs. The EU SILC figures shown here are on a before housing costs basis. Pensioners are less likely to be living in poverty than the population as a whole when incomes are measured after housing costs. The UK measures are based on the UK National Statistics Households Below Average Income survey. The latest release can be found at http://research.dwp.gov.uk/asd/index.php?page=hbai_arc

		2005			2006			2007			2008		2009			2010		
Breakdowns	Total	Male	Female															
Total	5	5	6	5	4	5	4	4	4	5	4	5	3	3	3	5	5	5
Less than 6 years	10	10	10	8	8	7	7	7	8	7	6	7	5	5	5	8	8	8
From 6 to 11 years	8	6	9	7	7	8	5	5	6	7	6	7	4	4	5	8	9	7
From 12 to 17 years	7	7	6	6	7	6	6	6	6	6	8	4	4	4	4	6	6	6
Less than 18 years	8	8	8	7	7	7	6	6	7	7	7	6	4	4	5	7	8	7
From 18 to 64 years	5	5	6	4	4	5	4	4	4	5	4	5	4	4	3	5	5	5
65 years or over	2	2	2	2	2	2	2	2	2	1	1	2	1	1	1	1	1	1

Table 4: Indicator 4 – Percentage of severely materially deprived people

Source: Eurostat – EU SILC

Note: The UK Government uses its own measures of material deprivation, which are defined differently to the EU SILC measure. The UK measures are tailored more closely to the circumstances of the UK population, where average income is higher than the EU average. There are separately defined measures for children and pensioners, to capture differences in what it means to be materially deprived at different stages in life. For more information on the definition of the UK measures and the latest data release, go to http://research.dwp.gov.uk/asd/index.php?page=hbai_arc