

Support for parents: the best start for children

December 2005

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ISBN: 1-84532-125-1

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EXECUTIVE SUMMARY

The Government is committed to improving the life chances of children and young people and delivering equality of opportunity. The Government is determined to ensure that every child, irrespective of race, gender, background or circumstances, gets the best start in life and the ongoing support they and their families need to allow them to fulfil their potential. The Government's strategy starts from the enduring Beveridge principles: that the family is the bedrock of society; that nothing should be done to remove from parents their responsibilities to their children; and that it is in the national interest to help parents meet their responsibilities. Building on this, the Government's strategy for breaking the cycle of deprivation and securing improved outcomes, is guided by three underpinning principles:

- **rights and responsibilities:** supporting parents to meet their responsibilities to their children;
- **progressive universalism:** support for all, with more support for those who need it most; and
- **prevention:** working to prevent poor outcomes for children, young people and their parents from developing in the first place.

Securing positive outcomes for all children and young people requires action on a number of fronts reflecting the wide range of factors that influence their lives. The Government's strategy, therefore, encompasses:

- economic and financial security for families as a foundation for improving the quality of children's lives;
- support for parents in managing the demands of parenthood and in balancing work and family life;
- building stronger communities and regenerating deprived neighbourhoods; and
- improving and reforming public services so that they deliver for all children, young people and families in ways that are appropriate to their needs.

As part of the Comprehensive Spending Review in 2007, HM Treasury and the Department for Education and Skills (DfES) jointly will take further steps to assess the policy action required to secure continued improvements in outcomes for children and young people, with a particular focus on those from more disadvantaged backgrounds. This will build on the Government's strategy to date and the principles that underpin it. In this Pre-Budget Report the Government is able to make progress in a number of significant areas:

- £20 million to support piloting of a new school-based outreach role – Parent Support Advisers – in over 600 schools, both primary and secondary;
- a series of Single Account Holder Pathfinders in six to ten high-achieving Local Authorities to determine whether a budget-holding lead professional model might be implemented more widely; and
- a new pilot project to establish peer-mentoring schemes in 180 secondary schools over two years. This will deliver 3,600 matched mentor and mentee pairs.

Recognising the acute needs of looked after children, this Pre-Budget Report also announces:

- a pilot mentoring scheme for 600 young looked after children between the ages of 10 and 15;
- an evaluation of innovative new practices at Local Authority level for managing cases of children on the threshold of being taken into care with a view to disseminating best practice examples more widely and to facilitating further development in the future; and
- the Government will consult early in 2006 on a more wide-ranging set of proposals for transforming outcomes for looked after children.

DELIVERING EQUALITY OF OPPORTUNITY: PROGRESS AND CHALLENGES

OPPORTUNITIES FOR ALL

I.1 Since 1997 the Government has been committed to improving the life chances of children and young people and delivering equality of opportunity. The Government is determined to ensure that every child, irrespective of race, gender, background or circumstances, gets the best start in life and the ongoing support they and their families need to allow them to fulfil their potential. The Government's strategy starts from the enduring Beveridge principles: that the family is the bedrock of society; that nothing should be done to remove from parents their responsibilities to their children; that it is in the national interest to help parents meet their responsibilities. Support for children and young people is therefore embedded in support for families and parents. The needs of children and young people, the needs of their parents and the challenges they face cannot be viewed in isolation. Ahead of the next Comprehensive Spending Review, it is the right time to consider progress made and future challenges.

I.2 Securing positive outcomes for all children and young people has necessitated action on a number of fronts reflecting the wide range of factors that influence their lives. The Government's strategy has, therefore, encompassed:

- economic and financial security for families as a foundation for improving the quality of children's lives;
- support for parents in managing the demands of parenthood and in balancing work and family life;
- building stronger communities and regenerating deprived neighbourhoods; and
- improving and reforming public services so that they deliver for all children and families in ways that are appropriate to their needs.

I.3 The Government's approach to children and families is underpinned by three guiding principles:

- **rights and responsibilities:** recognising and respecting the respective roles of parents and government;
- **progressive universalism:** ensuring support for all, but the greatest support for those who need it most; and
- **prevention:** focusing on breaking the cycle of deprivation and mitigating the risks associated with negative outcomes before they arise.

I.4 Despite the progress made since 1997, challenges remain. Some children, young people and their families have not benefited from improved outcomes and life chances to the same extent as others. Looking to the future, globalisation, technological change and demographic shifts pose new opportunities and challenges. It is right to reflect on the implications of these for the life chances of children and young people and how the Government should respond. In particular a stronger preventative approach will be necessary to ensure that in the future the cycle of disadvantage is not perpetuated.

I.5 The Government is keen to maintain an ongoing dialogue with stakeholders, families, children and young people to assess and prepare for the opportunities and challenges of a changing and potentially more complex world.

INHERITANCE IN 1997

1.6 All children deserve a secure, safe and happy childhood for its own sake and also because it provides the basis for them to make the most of their talents as they grow up, achieve their potential as adults and pass the benefits on to their own children. Support for children and young people is an investment in a skilled and productive workforce and a more cohesive society in the future. Yet in 1997 children's services, youth services and support for families reflected decades of under-investment. That under-investment manifested itself in many ways, including:

- the number of children living in poverty had more than doubled in twenty years to 3.2 million in 1996-97;
- there was widespread underachievement in schools – in almost one in five secondary schools, less than 25 per cent of pupils achieved five or more good GCSEs;
- schools standards were hampered by chronic staff shortages symptomatic of low morale and under-investment;
- a vast backlog of neglect and repairs made many schools unsuitable for teaching and learning. Capital investment in schools stood at less than £700 million in 1996-97, compared to over £5.5 billion today;
- there were few services for families with children under five – no national childcare strategy, limited early education and childcare opportunities and little additional support for families in disadvantaged areas;
- low levels of Maternity Leave and Pay; and
- a £19 billion backlog of repairs to social housing, leaving large numbers of children living in non-decent homes.

Declining social mobility

1.7 In 1997 the family a child was born into was the key determinant of life chances, more so than in the recent past. Social mobility is a good proxy for the extent to which opportunities in society are open to all children, irrespective of background. It refers to the likelihood that a child will move out of his or her parents' socio-economic group (usually measured by social class or income). A highly mobile society is one in which family background has limited influence on children's opportunities and outcomes.

1.8 A recent comparison of outcomes for two cohorts of people, one born in 1958 and the other in 1970, shows a marked fall in social mobility in Britain. During that period, children's outcomes became linked more than ever to the socio-economic group of their parents, giving children and young people less opportunity to make the most of their potential. By international comparison, social mobility in Britain remains behind Canada and the Nordic countries, and between these cohorts fell to a similarly low level as the United States.

1.9 Social mobility is influenced by a wide range of factors including child poverty, parenting and access to public services. Education has been identified as one of the most critical mechanisms for transferring opportunity and advantage from parents to their children, with childhood education accounting for between 35 and 40 per cent of the correlation between parent and child outcomes. In fact, the strength of the relationship between family income and child educational attainment explains a large part of Britain's poor past record on social mobility. For example, despite the expansion of educational opportunity brought about by the growth of the higher education sector in the 1990s, those

from poorer backgrounds are much less likely to participate in higher education than those from more affluent families.¹

DIRECTION SINCE 1997

I.10 It is this narrowing of opportunity reflected in the decline in social mobility that the Government has sought to address. If Britain is to benefit from a society in which all children irrespective of background have an equal opportunity to realise their talents and participate fully in a modern, global economy then the intergenerational cycle of disadvantage associated with weak social mobility must be broken.

I.11 Since 1997 the Government has placed children at the heart of policy, and has delivered unprecedented levels of investment to help improve outcomes for all children and break the cycle of deprivation. In 1997 the Government had three immediate priorities:

- tackling child poverty: introducing welfare reforms to make work pay and provide financial support for families with children. The Government's goal is to eradicate child poverty by 2020, halving it by 2010;
- ensuring every child has the best start in life: recognising the importance of the early years through Sure Start, Children's Centres and expanded early years education. The Government has invested more than £17 billion in these areas since 1997; and
- education: raising standards across the board while giving priority to improving standards in schools in the most challenging circumstances. Investment per pupil (including capital spending) has risen from £2,500 in 1997 to over £5,000 today and is expected to exceed £5,500 by 2007-08.

I.12 Income, the early years and education are fundamental to tackling disadvantage but the Government also recognises the barriers and opportunities created by families and the wider environment in which children and young people live and grow up.

Children and families in context

I.13 Children's life chances and the probability that they suffer negative outcomes, such as poor educational attainment or delinquency, are influenced by and correlated with certain characteristics and experiences commonly referred to as risk factors. These risk factors include but are not exclusively confined to issues such as:

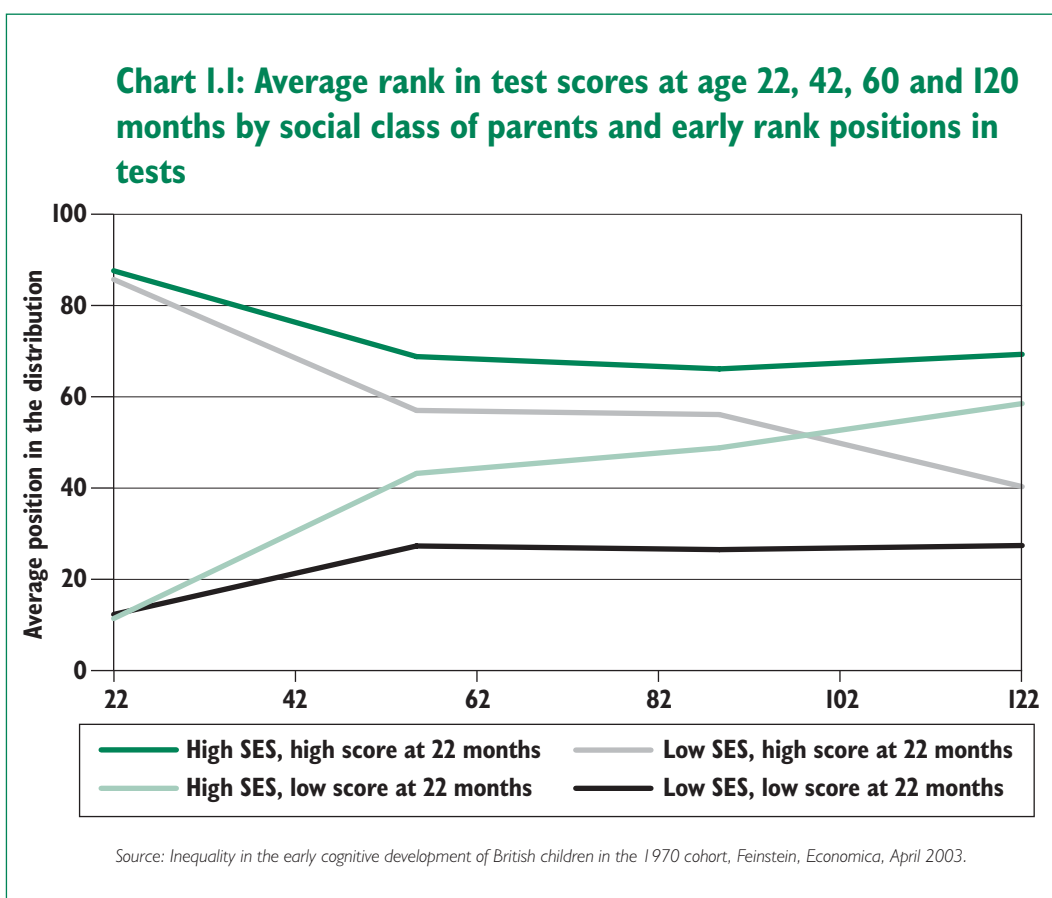
- low income and parental worklessness;
- poor parenting;
- poor experiences in school: poor quality of teaching or conflict with peer groups such as being bullied;
- association with negative peer groups; and
- living in poor housing or a deprived neighbourhood.

¹ *Intergenerational mobility in Europe and North America*, Blanden, Gregg and Machin, Sutton Trust, 2005.

I.14 Not all children who experience these risk factors will fail to realise their potential and not all children who have serious problems will have experienced these risk factors. But there is a strong correlation. Children who experience more than one risk factor are at significantly greater risk of poor life chances. The nature of these risk factors necessitates an integrated and holistic approach to supporting children and families in order to improve the lives of children and young people.

Family prosperity

I.15 The economic position of the family is critical to the life chances of children and young people. Having parents with qualifications, in employment and with a decent household income increases a child's chances of well-being as a child and of success as an adult. For example, as illustrated in Chart 1.1, able children from poor backgrounds are likely to be overtaken in attainment by less able children from more affluent families as early as age six. Similarly, financial worries can make young people from poor families less likely to stay on in education at age 16.



I.16 That is why since 1997 welfare to work policies have been introduced that have helped increase the lone parent employment rate to a record high and reduced by nearly 400,000 the number of children living in workless households. These have been supported by policies to make work pay such as the National Minimum Wage and tax credits that are benefiting 10 million children in 6 million families. Taken together, these policies have lifted more than half a million children out of poverty.

I.17 Income is a necessary requirement in supporting parents and children, but on its own it is not sufficient to secure improved outcomes. Financial support needs to be combined with other measures to directly influence child outcomes.

Parenting I.18 Parenting – what parents do rather than who they are – has a significant influence on child outcomes, particularly when children are young. For example, evidence suggests that what parents do with their children at home is a powerful predictor of attainment at ages three, five and seven.² Parents make a large contribution to children's cognitive development if they regularly read with their child and play number and alphabet games. Research also suggests that at primary level, differences in parental involvement in learning have a greater impact on attainment than differences associated with schools.³ Mothers and fathers both have important, positive contributions to make. Fathers' affection, support and parenting style are strongly related to positive outcomes for children.

I.19 The Government recognises the primary responsibility of parents to bring up their children, and aims to provide help to those parents who want it in accordance with their needs. The Government has introduced Sure Start, invested £25 million through the Parenting Fund to support voluntary and community organisations that work with parents, and in 2004 published *Choice for parents, the best start for children: a ten year strategy for childcare*⁴ – providing support for parenting and helping parents balance the demands of work and family life. In April 2007 the flat rate of Maternity Pay and other financial support for the first year of life will be up to £8,300 compared to £2,700 in 1997. Paternity Leave and Pay were introduced for the first time in 2003 alongside a right to request flexible working for some parents. The ten year strategy went further, announcing the extension of rights for paid leave for fathers, enabling them to take primary caring responsibility during the first year of a child's life. Childcare availability and affordability were addressed in the strategy through a range of measures including increasing the childcare element of the Working Tax Credit and creating a national network of 3,500 Children's Centres by 2010.

The wider community I.20 The neighbourhoods and communities in which children and families live affect children's development and outcomes in two ways. First, the physical condition of the immediate neighbourhood, the quality of the housing and the availability of open, safe and green spaces have a direct impact on children's health and well-being. Second, the neighbourhood provides the immediate social environment – outside the family – in which children make choices, develop their attitudes and respect for wider society and where they take their first steps to becoming citizens with rights and responsibilities.

I.21 That is why since 1997 the Government has delivered new investment in both the physical and social fabric of neighbourhoods and communities, including:

- a reduction in the number of non-decent homes of over 1 million since 1998;
- £2 billion invested by 2006 through the Neighbourhood Renewal Fund in the most deprived 88 Local Authorities in England to improve outcomes in five key areas: health, education, employment, housing and crime;
- more than £1 billion invested in 39 deprived communities since 1997 through the New Deal for Communities;

² *Effective provision of preschool education project: final report*, Sylva et al, DfES, 2004.

³ *Maintaining momentum in primary school*, Sammons, P and Sylva, K., Institute for Public Policy Research, 2005.

⁴ HM Treasury, Department for Education and Skills, Department for Work and Pensions, Department of Trade and Industry, 2004.

- nine innovative pilots of ‘mixed communities’ in some of the most deprived areas of the country, of which three have already been announced;
- promoting community engagement and the involvement of young people in their local communities through youth services and volunteering as identified in the recent youth Green Paper *Youth matters*;⁵ and
- an ambition of attracting 1 million more young volunteers to take advantage of a range of high quality short-term, part-time and full-time volunteering opportunities, as set out in the Russell Commission report in March 2005.⁶

Public services **1.22** All children and families need access to good quality public services for their economic, social and emotional well-being. Public services, education in particular, play an important role in improving all children’s life chances and they are especially important for poorer children and for breaking intergenerational cycles of deprivation. Achievement at school, for example, gives children the best chance of realising their own potential rather than being influenced by a background of low levels of education and income:

- since 1997, the Government has delivered an unprecedented level of investment in schools, with expenditure on education in England rising from £29 billion in 1996-97 to £64 billion in 2007-08; and
- helped by this additional investment, children are doing better now at school than they have for years, and there have been increases in attainment at all key stages.

1.23 *Every child matters* set in train institutional changes that are intended to improve the delivery of public services for children. The Change for Children programme has put in place systemic reform – clearer local and national accountability through Children’s Trusts and the appointment of Directors of Children’s Services, providing a framework for greater integration and coordination of service delivery. *Every child matters* set out five challenges for improved public service delivery for children:

- the need for a stronger preventative approach through better access to public services, and the need to tackle inequalities across gender and ethnicity;
- a stronger focus on parenting and families;
- earlier intervention when problems arise with tailored services to support children;
- stronger accountability, better integration and coordination across services; and
- workforce reform to raise the status of all practitioners working with children and ensure the entire children’s workforce is equipped with the skills necessary to support a more holistic approach to child development.

⁵ DFES, 2005.

⁶ A National Framework for Youth Action and Engagement, Report of the Russell Commission, March 2005.

A principled approach

I.24 The Government's strategy for breaking the cycle of deprivation and securing improved outcomes is guided by three underpinning principles.

Rights and responsibilities

I.25 Successful approaches to addressing the needs of children and their families require partnership between parents and government. Parents are responsible for raising their children in a loving, supportive, safe, healthy and financially secure environment. Their role is central to the health, well-being and development of their children through to adulthood; this role can be challenging for all parents at times. All parents, mothers and fathers, have the right to support from government in meeting their responsibilities if they want it. Equally, those parents who do not take their responsibilities seriously or fail to meet them adequately are, as a last resort, subject to compulsory measures, such as Parenting Orders.

Progressive universalism

I.26 The Government is committed to supporting all families and children, with more support for those who need it most. Those children and families who need more should receive additional support, be it financial or otherwise, in order to address the persistent gap in outcomes between the lowest and the highest socio-economic groups, and to improve social mobility. This means offering greater personalisation of services and tailoring support in accordance with every child's needs.

Prevention

I.27 Prevention is better than cure. The Government believes that breaking the cycle of deprivation requires measures that tackle the key drivers of poor outcomes for children, such as poverty, and poor childcare and early years provision. Preventing negative outcomes from arising in the first place reduces the costs of failure, which fall on the tax-payer when more intensive and expensive interventions become necessary. The costs of failure are also borne by society, for example the lost economic contribution, poor health, or the effects in some cases of anti-social behaviour.

I.28 Prevention and intervening earlier are the right approaches and are increasingly important in order to stop the next generation of children from suffering the same disadvantage that many of today's children face. This is at the heart of both the Government's pledge to tackle child poverty, and the wider reform agenda to make every child matter.

MEASURES OF SUCCESS

I.29 The Government's approach since 1997 has improved the lives of children:

- the risk of a child living in poverty has declined, and 500,000 fewer children live in relative low income poverty than in 1998;
- more families are able to meet the basic material needs of their children, such as new shoes and a winter coat, as well as treats for birthdays and celebrations;
- there are nearly 400,000 fewer children living in workless households;
- almost a quarter of parents with children under six have requested to work flexibly since the right to request flexible working was introduced for the parents of young or disabled children in April 2003;

- educational attainment has increased at all key stages over this period, and in 2005 schools secured a record rate of improvement in GCSEs with provisional data showing 56 per cent of sixteen year-olds achieving five or more good GCSEs, up from 45 per cent in 1997. Some of the biggest increases are in areas of significant disadvantage and historic low achievement;
- in 1997 there were only 83 comprehensive secondary schools where 70 per cent or more pupils achieved five or more good GCSEs – by 2004 this had risen to 413; and
- in 1997 a third of children left primary schools without the literacy and numeracy skills necessary to succeed at secondary school and beyond – now 79 per cent achieve these basic standards in English and 75 per cent in maths.

I.30 These successes have transformed the life chances of children since 1997. But there is always more that can and should be done to secure opportunity for all, for example:

- 2.6 million children remain in poverty.⁷ One in three poor children misses out on toys, school trips and out of school activities and one in three lacks adequate clothing, particularly shoes and winter coats;⁸
- children whose parents are in routine or manual occupations are 19 per cent more likely to die before their first birthday than the average child in England;
- 1.2 million children living in poverty also live in households where no one works; and
- although schools in deprived areas have made faster progress than those in more affluent areas, at age 11 the average attainment of more deprived pupils (reflected in free school meal status) has not increased at the same rate as pupils from more affluent families. The attainment gap between pupils from different socio-economic groups remains.

I.31 Furthermore a small number of children suffer multiple and severe difficulties that continue to disadvantage them. More needs to be done to help these groups of children now and into the future:

- 287,283 offences by young people were detected in 2003-04 and 6944 10-17 year olds were remanded in custody and/or served a custodial sentence in 2003-04.⁹ Young offenders are more likely to remain persistent adult offenders than those who begin offending in adulthood;
- looked after children are seven times more likely than the wider population to suffer from mental health problems; 20 per cent have a statement of special educational need; and just 9 per cent secure five A* to C grades at GCSE, compared to 54 per cent of their non-looked after peers; and
- families with disabled children report particularly high levels of unmet needs, isolation and stress.

⁷ Poverty refers to household income below 60 per cent of contemporary median equalised income, before housing costs.

⁸ *Family and childrens survey*.

⁹ *Youth justice: annual statistics 2003/04*, Youth Justice Board, 2004.

CHALLENGES IN THE FUTURE

Long-term challenges **I.32** Looking to the future there are a number of potential challenges and opportunities, the implications of which suggest the Government's goal to break the cycle of deprivation is more important than ever.

- demography: changing household structures, attitudes to work, preferences and values may change the nature of support that families and parents require;
- globalisation: a continued increase in the knowledge-intensity of goods and services combined with the intensification of cross-border economic competition means the potential consequences of failing to secure adequate skills may be more severe. No child's potential can be wasted; and
- technology: an acceleration in the pace of innovation and technological diffusion will continue to change the way children learn in the classroom and at home and heighten risks that more deprived children will be excluded from learning opportunities because of the digital divide.

More complex lives **I.33** Parents already regard their lives as complex and these wider economic and demographic changes have the potential to make the lives of parents and their children more complex. Parents say that a lack of support from employers can make it hard to balance work and family commitments. They continue to have difficulties in accessing affordable childcare and after school clubs and the pressures of work do not always allow them enough time to supervise their children and help with homework.

I.34 Parents report that their children's teenage years are particularly challenging. Teenagers are more independent, more reluctant to be supervised by their parents and the influence of peers is strong. Parents worry more about the safety of their children on the streets and in school. They are concerned about bullying and children being exposed to violence and drugs. Parents also report that there is less support available for them after their children have moved into secondary school.

I.35 Without the support of family and friends, parents can feel lonely and isolated. Balancing the needs of children of different ages can leave them with little respite and time for themselves. This can be exacerbated by poverty, lone parenthood and by problems such as domestic violence and drug abuse. Parents would welcome support that is easily accessible, non-stigmatising, sensitive to different cultures and ways of bringing up children, and responds early when problems are easier to deal with.¹⁰

Responding to the challenges

I.36 The Government's principled approach has improved the living standards and outcomes for those who were most in need and provides a framework for further improvement. But in the face of new challenges, and to address the needs of those remaining children who still suffer poor outcomes it is right that the Government should reflect on what more it should do and how this framework should develop. In particular the Government wants to learn from existing good practice, and from the views of stakeholders to increase the emphasis on preventing future disadvantage.

¹⁰ Views of parents expressed in research conducted by the Parenting Education and Support Forum, 2005.

I.37 Government's long-term aim is to tackle the underlying causes of poverty and disadvantage. This will continue to require coordinated action not just on income, but also on the other key determinants of children's life chances, namely parenting support, the wider community and public services such as education.

I.38 Government is already seeking to join up service delivery so that parents and children receive a seamless and more personalised service coordinated to meet their needs. This will bring to an end service fragmentation that resulted in some children and families being subject to numerous uncoordinated interventions, while the needs of others remained unmet.

I.39 Investing and supporting the development of the children's workforce is vital. A high quality workforce, made up of specialists who also have an understanding and responsibility for the whole needs of the child will underpin greater service integration and effectiveness. Greater service integration and a high quality workforce can ultimately enable interventions to support children when they first display problems. Intervening earlier improves the success rate and cost-effectiveness of support.

I.40 These challenges also raise broader issues for the Government to consider:

- what more can be done to prevent risks and negative outcomes arising;
- is investment targeted on the most appropriate services and sufficiently focussed on prevention;
- is investment adequately targeted on children and families most in need;
- in what way can Government secure greater integrated delivery of services; and
- to what extent can the Government secure synergies between action on family prosperity, parents, community and public services.

TOWARDS THE COMPREHENSIVE SPENDING REVIEW IN 2007

I.41 Ensuring all children have an equal opportunity to reach their potential and breaking the cycle of disadvantage remains at the heart of policy. Much progress has been made in delivering better outcomes for children since 1997 – though there is more to do and challenges remain.

I.42 As part of the Comprehensive Spending Review in 2007, HM Treasury and DfES jointly will take further steps to assess the policy action required to secure continued improvements in outcomes for children and young people, with a particular focus on those from more disadvantaged backgrounds, building on the Government's strategy to date and the principles that underpin it.

2

FAMILY PROSPERITY: A SECURE FOUNDATION

One of the key barriers to happiness as a child and to future life chances is growing up in a poor household. Economic well-being for all must provide the foundation on which parents, communities and government can work together to respond to the new challenges and complexities of modern family life. That is why the Government is committed to halving child poverty by 2010 and eradicating it in a generation.

In the final decades of the twentieth century, challenges posed by labour market and demographic trends caused child poverty to more than double. Since 1997, policies to support parental employment and increase financial support have already halted and reversed this rapid increase in child poverty. Tax credits are helping 6 million families and 10 million children and are at the heart of the Government's approach to tackling child poverty.

However, while family prosperity is a necessary condition for improving outcomes for children and families, it is not on its own sufficient. The roles of parents, communities and public services in shaping the life chances of children are also vital.

2.1 One of the key barriers to happiness as a child, and to future life chances, is growing up in a poor household. Economic well-being for all children and families provides the foundation on which parents, communities and government can work together to respond to the new challenges and complexities of modern family life. That is why the Government is committed to halving child poverty by 2010 and eradicating it in a generation.

2.2 This chapter sets out what the Government has done to provide that platform of support – to make work pay and to provide support for those who cannot work – based on the three guiding principles that underpin the partnership between parents and the Government:

- **rights and responsibilities:** this principle has underpinned the Government's working-age welfare reform programme since 1997, with responsibility to work or take appropriate steps back to work for those who can and the right to support for those who cannot;
- **progressive universalism:** to reflect the additional responsibilities of bringing up children, the Government provides financial support for all families, with additional support for those families who need it most, when they need it; and
- **prevention:** labour market reforms and financial support have already helped lift half a million children out of poverty. Such policies will also help tackle the long-term causes of family poverty, but are part of a wider, evolving strategy to ensure that all children achieve the skills and qualifications necessary to protect themselves and their families from poverty in the future (see Chapter 5).

Box 2.1: Definition of poverty

A reliable measure of poverty must be relevant to the time and place that it is being used. As people's living standards rise, so society's expectations for its citizens, and in particular its children, also rise, as does the minimum standard of living necessary to prevent social exclusion. That is why, in the developed world, the most common way to measure poverty is by measuring household income relative to the contemporary national average income.

However, the Government also recognises that there is more to poverty than income alone, and that is why the Government ran, during 2003, a public consultation on the best way to measure child poverty in the UK. In response to that consultation, the Government will adopt a tiered approach to monitoring and reducing child poverty, which UNICEF has recently described as credible and transparent^a:

- absolute low income – to measure whether the poorest families are seeing their incomes rise in real terms;
- relative low income – to measure whether the incomes of the poorest families are keeping pace with the growth of incomes in the economy as a whole; and
- material deprivation – to measure whether low income families (70 per cent of contemporary median) are unable to afford basic material goods and services.

^a *Child poverty in rich countries 2005*, UNICEF Innocenti Research Centre, 2005.

TRENDS IN CHILD POVERTY

Long-term challenges

2.3 In the 1980s and 1990s a number of challenges increased the risks of poverty:

- widening distribution of earnings: between the mid 1970s and the mid 1990s, the poorest families in the UK gained less from economic growth. In 1976, the richest 10 per cent of people earned 2.9 times the poorest 10 per cent, whereas twenty five years later the richest 10 per cent of people were earning four times as much;¹
- polarisation between 'work-rich' and 'work-poor' households: overall national employment rates masked a rise in the number of households with no one in work at the same time as a rise in the number of households with two earners. In the UK, the proportion of children living in workless households increased nearly three-fold between the mid 1970s and the mid 1990s; and
- increasing numbers of lone parent households: lone parents in the UK are less likely to be in work than in many other developed nations, and so are a particularly vulnerable group. Therefore the rising number of children in lone parent households also led to a significant increase in the number of children in the UK living in poverty.

¹ *Life chances and social mobility: An overview of the evidence*, Cabinet Office, 2004.

WORK AS THE BEST ROUTE OUT OF POVERTY

2.4 For families, employment will typically be the main source of income. And for families in poverty, research shows that most exits from poverty are associated with changes in labour market income; two thirds of families where someone moves into work also move out of poverty.² Work reduces the chances of families suffering material deprivation,³ and working parents provide children and young people with positive role models. This raises their children's own aspirations about employment and can provide an insight into working life. Chapter 3 sets out in more detail how parental choices can impact on child outcomes.

Rights and responsibilities

2.5 The Government therefore wanted to reform the old, passive welfare state which, rather than supporting people back into employment, often sustained benefit dependency. It therefore embarked on a programme to transform the welfare state to help people back into work, while providing support for those who cannot work.

2.6 Jobcentre Plus offers a work-focused service for unemployed and economically inactive benefit recipients. In return, claimants are expected to take appropriate steps back to work. The New Deal programmes, alongside the creation of Jobcentre Plus, have brought together benefit services, employment advice and tailored support in finding work for all who need it. The New Deal for Lone Parents, for example, offers a tailored package of support which has so far helped more than 410,000 lone parents into employment.

Support for parents

Childcare

2.7 One of the barriers to work that parents face is the need to balance employment with childcare. The Government has already increased the net number of childcare places by 582,000, and invested more than £17 billion in childcare, early education and Sure Start since 1997. The Ten Year Strategy for Childcare⁴ set out an ambitious programme of investment and reform to deliver a supply of high quality, affordable childcare and early education. The Government is taking a number of steps to secure more affordable childcare, including:

- introducing in the current Childcare Bill a duty for Local Authorities from 2008 to secure sufficient childcare for parents wanting to work;
- extending the early education and care available for all three and four year olds to 38 weeks a year from April 2006 and to 15 hours spread flexibly across the week by 2010;
- offering all parents with children aged between three and fourteen access to year-round affordable childcare from 8am to 6pm by 2010; and
- piloting with the Greater London Authority a variety of methods to enhance childcare affordability in London.

² *The dynamics of deprivation*, Berthoud, Bryan and Bardasi, 2004.

³ See above, note 2.

⁴ *Choice for parents, the best start for children: a ten year strategy for childcare*, HM Treasury, DfES, DWP, DTI, December 2004.

Making work pay 2.8 The Government has also taken action to ensure that, when parents move into and progress in work, this is rewarded financially. In addition to the introduction of the National Minimum Wage, which directly benefits 900,000 low-paid workers, the Government has introduced the Working Tax Credit (WTC) to help ensure that work pays more than benefits. Through the childcare element of WTC, the Government is enabling parents to balance their employment and caring responsibilities by providing financial support with the costs of childcare for 337,000 low and middle income families. **From April 2006, the support available will cover up to 80 per cent of the costs of childcare, subject to maximum total costs of £175 per week for parents with one child and £300 for parents with two or more children.**

Skills and progression 2.9 In the modern labour market, people of working age need the skills to find, and progress in, employment. To provide further help to parents to get into and progress in work, the Government provides support for people with low or no formal qualifications. The New Deal for Skills is testing skills coaches in Jobcentres and Skills Passports to help employers recognise the skills individuals have gained. It will also pilot an Adult Learning Option to allow benefit claimants to access full-time learning where appropriate. The Government is also providing support for life-long learning to help working-age adults, including parents, update their skills. Between April 2001 and July 2004, 2.3 million adults participated in 4.7 million literacy, numeracy, and ICT skills courses, with over 1 million adults achieving qualifications.

Children in workless households 2.10 Investment in skills, policies to make work pay, the New Deal programmes and macroeconomic stability have helped reduce the numbers of children in workless households by nearly 400,000 since 1997. The employment rate for lone parents has risen from 45.3 per cent in 1997 to 56.6 per cent in 2005 – the highest rate on record.

FINANCIAL SUPPORT FOR FAMILIES

Progressive universalism 2.11 The Government believes that it is right for society to provide universal financial support through Child Benefit in recognition of the costs of bringing up children. The Government also believes it should provide more support to families who need it most, when they need it.

Targeting support through tax credits

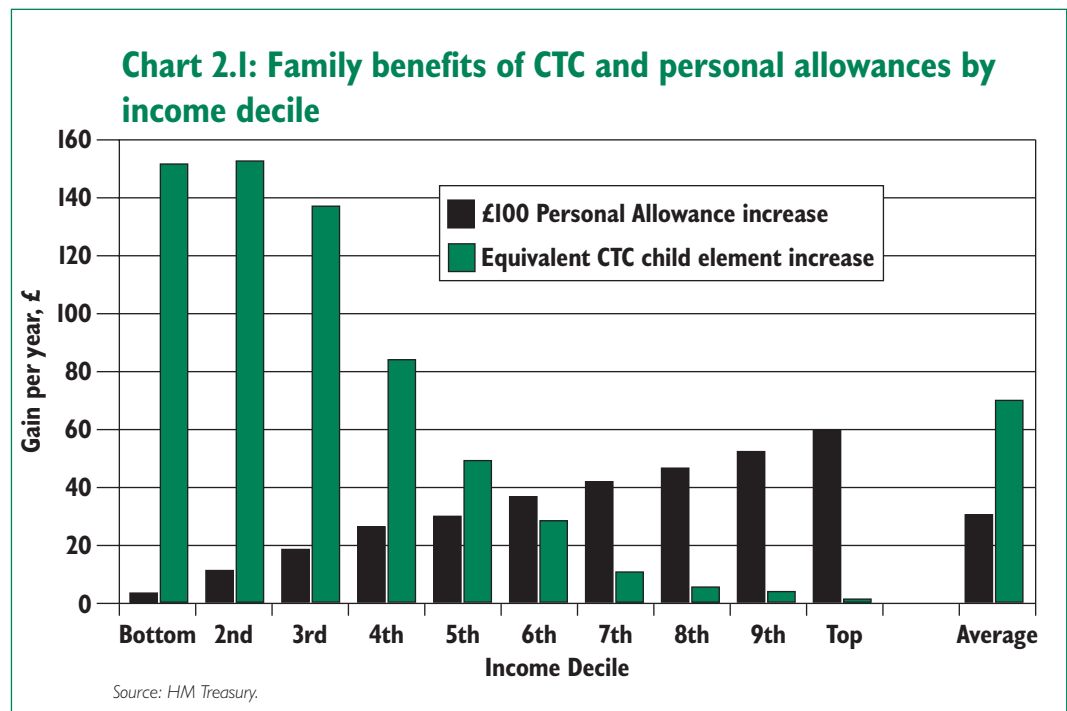
2.12 In the past, the tax and benefit system failed to adequately address the challenges that emerged during the 1980s, leading to increased worklessness and higher poverty, especially among families. *Tax credits: reforming financial support for families*,⁵ published alongside Budget 2005, set out how the Government has modernised the tax and benefit system since 1997 to achieve three over-arching objectives: to provide adequate financial incentives to work; to reduce child poverty; and to increase financial support for all families.

2.13 One of the key weaknesses of the previous tax and benefit regime was the separation of the system for payments made to government through income tax and national insurance contributions from the system for providing financial support from government for families and disadvantaged groups. The Government, therefore, began a series of reforms to integrate the tax and benefits systems.

⁵ HM Treasury, 2005.

2.14 The introduction of payable tax credits has been central to the Government’s programme of tax and benefit reform. This has brought about a step change in the way in which households draw support from the Exchequer. Tax credits follow broadly the same rules and definitions as income tax, are closely aligned with the tax system and are administered and paid by HM Revenue and Customs.

2.15 The integration of the tax and benefit systems has allowed the Government to provide additional support to the households that need it most, in line with the principle of progressive universalism. While it would be possible, for example, to increase the income tax personal allowance, this cannot provide support on the basis of household need. Chart 2.1 shows how much families with children would benefit from an illustrative £100 increase in the personal allowance compared to an increase in the child element of the Child Tax Credit (CTC), assuming the same Exchequer costs. The personal allowance gives greatest support to those in the higher income deciles, whereas CTC gives greatest support to the poorest. Underpinned by universal Child Benefit, tax credits have helped lift more than half a million children out of poverty since 1998-99.



Take-up 2.16 The high take-up of the CTC and WTC has demonstrated the advantages of tax and benefit integration. Early evidence suggests that take-up was around 80 per cent in the first year of the CTC: higher than the 57 per cent for Family Credit and around 65 per cent for Working Families’ Tax Credit in their first years. Altogether, tax credits are benefiting around 6 million families and 10 million children.

2.17 In 2003-04 there were well-publicised IT problems which led to reduced customer service during the early months of implementation. While there are clear signs that the system is now working well for the vast majority of families, the Government is continually looking to improve customer service and efficiency. Therefore this **Pre-Budget Report is announcing a package of measures to improve the way that tax credits support families.**

PROGRESS AND NEXT STEPS

2.18 Through the steps detailed above, the Government has reversed the rising trend in child poverty. A large measure of this improvement has been made by supporting parents to make the transition from welfare to work. Household pre-tax incomes largely reflect employment and skills. Combined with 'social transfers' (such as benefits) and taxes they produce actual income. By beginning to tackle the underlying causes of poverty, the Government has helped reduce child poverty, not just after social transfers are taken into account, but also before transfers, more quickly than in the rest of Europe.⁶

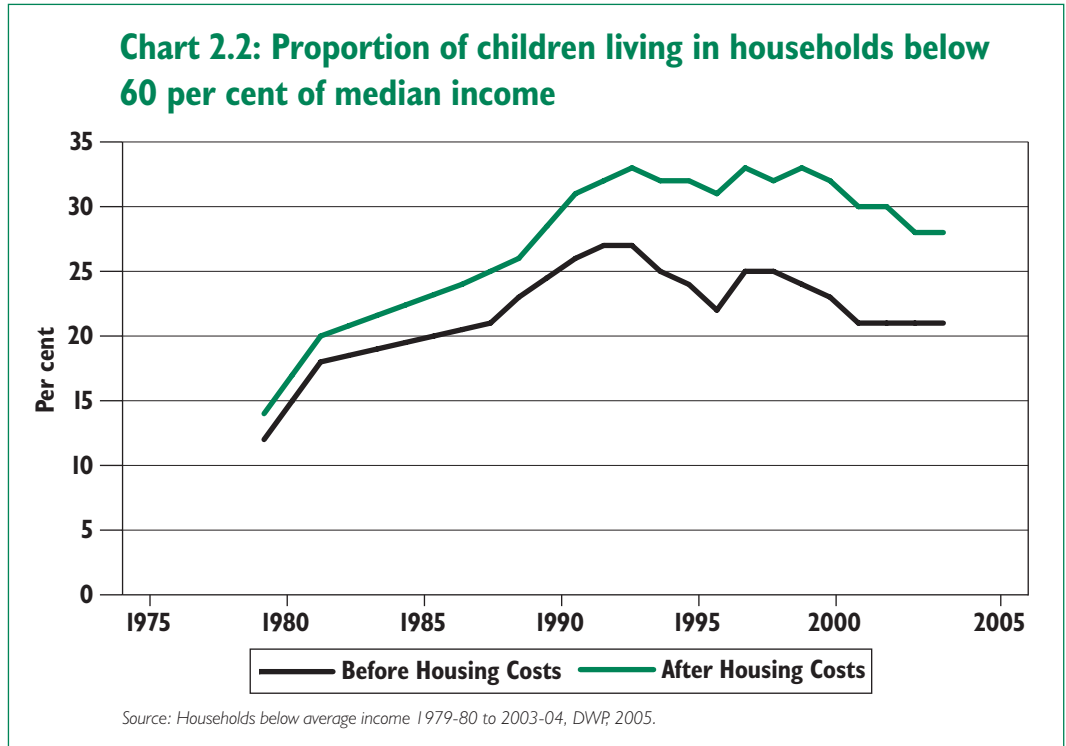
2.19 In addition, the Government has reformed the tax and benefit system to make it a more effective tool for tackling child poverty.⁷ Recent research has shown that the UK system, based on progressive universalism, is more cost effective at reducing child poverty than alternative European approaches, even in countries with very low levels of child poverty. However some groups, for example families with three or more children, remain at greater risk of poverty. Reforms since 1997 have particularly benefited these families and reduced the gap between their risk of poverty and the national average. However, the Government will be considering how to build on this further as set out in the *Child Poverty Review*.⁸

2.20 Overall, the Government has lifted half a million children out of relative low income poverty since 1998-99. Chart 2.2 shows how the risk of poverty has reduced in recent years, both before and after housing costs are taken into account.

⁶ Eurostat. The UK rate before transfers was 43 per cent in 1997, 42 per cent in 1998, 39 per cent in 2001 and 37 per cent in 2003. The EU rate was 34 per cent in 1997, 33 per cent in 1998 and 32 per cent in 2001. Children are defined as under 16; pensions are included in social transfers.

⁷ *Alternative tax-benefit strategies to support children in the European Union*, Levy, Leitz and Sutherland, 2005; and *Micro-level analysis of the European Social Agenda*, Sutherland, 2005.

⁸ HM Treasury, 2004



2.21 In line with international practice, the Government’s primary child poverty targets are based on a relative income threshold. However, the policy response has also led to improvements in wider aspects of economic well-being. The number of children living in persistent poverty⁹ has also shown a downward trend, from 17 per cent in 1997-2000 to 15 per cent in 2000-03. Furthermore, increasing family income has reduced material deprivation. Low income families have been able to spend more on their children’s needs,¹⁰ and more are able to afford key items such as new shoes and winter coats.¹¹ As the most recent UNICEF report on Child Poverty in Rich Countries observes:

“Until the late 1990s, the United Kingdom had one of the highest child poverty rates in the OECD. Even today, its rate is one of the highest in Europe. But over the last six years, the UK government has pioneered an approach to the monitoring and reduction of child poverty that seems to be working.”¹²

2.22 Given the links between poverty in childhood and poor adult outcomes, which themselves increase the chances of future family poverty, action to tackle child poverty now not only helps the current generation, it contributes to the Government’s goal of breaking cycles of deprivation.

Towards the Comprehensive Spending Review in 2007

2.23 While there have been significant improvements, one fifth of children in the UK are still growing up in poverty. Therefore the Government is looking to work in partnership with parents and the wider community – including the third sector and local services – to build on the progress already made and bring economic well-being to every child and family.

⁹ Persistent poverty defined as three out of four years below 60 per cent of median income, before housing costs.

¹⁰ *That’s where the money goes: expenditure patterns as incomes rise for the poorest families with children*, Gregg, Waldfogel and Washbrook, 2005.

¹¹ *Family and children survey*.

¹² *Child poverty in rich countries 2005*, UNICEF Innocenti Research Centre, March 2005.

Wider aspects of poverty **2.24** While income will remain at the heart of the child poverty strategy, from 2006 the Government will also measure the number of children who suffer material deprivation – those who lack access to basic goods and services, and have an income of less than 70 per cent of the median. Once data are available, it will set a target to halve by 2010-11 the number of children living in material deprivation.

2.25 To tackle these wider aspects of poverty and to make reductions in child poverty sustainable, the Government will build on the *Child Poverty Review* and continue to address the long-term factors that have allowed disadvantage and poverty to persist for generations.

Broader outcomes for children and families

2.26 Raising family prosperity is at the core of the Government's efforts to deliver better outcomes for families and children. The Government's multifaceted approach has delivered higher family incomes. Tax credits have proved to be a very effective mechanism for lifting children out of poverty and the system is working to help break cycles of deprivation.

2.27 However, while raising family prosperity is necessary for improving broader outcomes for children and families, it is not sufficient. Building on the platform of rising prosperity, the Government also needs to ensure that support is in place to help parents raise their children in an increasingly complex world. The vital role of parents needs to be recognised and supported and factors which perpetuate deprivation – such as the persistent attainment gap between poorer pupils and their peers – also need to be tackled.

2.28 The following chapters set out what the Government has achieved since 1997, and areas for further progress. While family prosperity provides the underlying platform, it is also important to consider the role of parents (Chapter 3), neighbourhoods and communities (Chapter 4) and public services (Chapter 5).

Since 1997, the Government has recognised that supporting mothers and fathers in their respective roles as parents is an important means of improving children's life chances. The Government's strategy starts from the enduring Beveridge principle: that the family is the bedrock of society and that it is in the interests of society to help parents meet their responsibilities. It has invested in early education, childcare, parenting support and legislated to extend Maternity and Paternity Pay and Leave.

A positive parenting style has a strong and positive impact on children's outcomes and can act as a protective factor against other risks such as growing up in a low income household. The evidence suggests that good, enthusiastic parenting is not determined by social class or ethnic background and critically that it can be learned.

Almost all mothers and fathers want to play an active and positive role in the lives of their children. Many face real difficulties in doing so due to challenges in their own lives and changing family and employment patterns. There is strong demand from parents for more and earlier support if that support can be non-stigmatising, culturally sensitive and respectful of parents. The Comprehensive Spending Review in 2007 will consider how services can go further towards earlier intervention by offering better information, advice and support to all parents.

PARENTS AND INTERGENERATIONAL TRANSMISSION

3.1 Parents are the most important influence on a child's life chances. As set out in Chapters 1 and 2, children's outcomes today remain influenced by the income and educational attainment of their parents. Being born into a low income household severely impacts on a child's life chances. However, while government can help ensure that children grow up in households with a decent income, children's well-being and later outcomes are also determined by their experiences, particularly in the early years. These experiences are a product of their community and public services such as schools, but also of their parents' behaviour, parenting style, and choices.

3.2 Parents' own behaviour and parenting impact on a number of children's outcomes, from physical and mental health to academic attainment and lifestyle choices. A positive parenting style has a strong and positive impact on children's outcomes and can act as a protective factor against other risks, such as growing up in a low income household or a deprived neighbourhood, reducing the likelihood that these risks will translate into problems over time.¹ The evidence suggests that good, enthusiastic parenting is not determined by social class or ethnic background and importantly that it can be learned.²

¹ *Competence in the face of adversity: the influence of early family environment and long-term consequences*, Schoon and Parsons, Children and Society, 2002.

² *The impact of parental involvement, parental support and family education on pupil achievements and adjustment: a literature review*, Desforges, DFES, 2003.

3.3 Most parents want to do their best by their children and are increasingly expressing a desire for support to be better parents, first and foremost from friends and family, but also from government. Many parents and carers, regardless of background, feel that there are times in their lives when they need advice and support.³ Parents are best placed to make choices for their children but all parents benefit from access to high quality information and advice to help them make the best possible decisions. The popularity of the Government's Sure Start programme since 1999 has shown the untapped potential of high quality parent support programmes in improving the experiences of parents and children.

3.4 Since 1997, the Government has recognised that supporting mothers and fathers in their respective roles as parents is an important means of improving children's life chances. The Government's strategy starts from the enduring Beveridge principle: that the family is the bedrock of society and that it is in the interests of society to help parents meet their responsibilities. It has invested in childcare, legislated to extend Maternity and Paternity Pay and Leave and introduced more comprehensive parenting support. The Government's approach is underpinned by the principles set out in Chapter 1:

- **rights and responsibilities:** while parents have primary responsibility for the outcomes of their children, there is a growing acknowledgement that parents have a right to support from government to help them meet their responsibilities;
- **progressive universalism:** all parents should receive support at certain points, and at key transitions such as birth and the first year of a child's life, with the greatest level of support and intervention for those who need it most, for example, families living in challenging circumstances; and
- **prevention:** supporting parents from the start to reinforce positive parenting styles and early learning that underpin good outcomes for children.

WHY PARENTS MATTER

3.5 While the influence of parents is greatest when children are very young, parents matter at every stage in a child's life. However, the ways in which parents influence children's development change as children get older.

Fathers 3.6 Public services have tended to ignore the different contribution that mothers and fathers make and their different needs by grouping adults as 'parents'. Recent work by the National Family and Parenting Institute points to strong, positive relationships between children and their fathers being associated with a range of benefits later on – including better exam results at age 16, lower criminality and lower drug use. Mothers' involvement does not substitute for fathers' involvement as children gain from the diversity in interests, skills and styles of both parents. The quality and content of fathers' involvement matters more for child outcomes than the quantity of time spent together.⁴

³Views of parents expressed in focus groups conducted by the Parenting Education and Support Forum, 2005. See Box 3.1.

⁴*Fathers' involvement in their children's education*, Goldman, 2005..

Box 3.1: The challenges parents face^a

Parents from diverse backgrounds were asked about the challenges they faced in bringing up their children. They identified the following:

- without the support of family and friends, parents can feel lonely and isolated;
- balancing the needs of children of different ages can leave parents with little respite and time for themselves. This is a particular challenge for lone parents and parents facing difficulties of their own such as post-natal depression and domestic violence;
- parents bringing up children on a low income worry about them being bullied for not having the same clothes and accessories as their peers. Poverty can be the cause of family conflict, particularly between parents and teenage children;
- working parents report a lack of support and sympathy from employers which makes it hard for them to balance work and family commitments;
- they feel that they do not always have enough time to supervise their children and to help them with their homework;
- access to reliable information about childcare and after school clubs in the local area remains a concern;
- parents report particular difficulties managing teenage children when the influence of peers becomes stronger and support services are less obviously available; and
- parents worry about the safety of their children on the streets and in school. They are concerned about bullying and children being exposed to violence and drugs.

When asked about the type of support that would help them meet their responsibilities towards their children, parents expressed a desire for:

- support that is easily accessible, culturally sensitive and non-stigmatising;
- recognition of their expertise in bringing up their own children;
- more support to be available to all parents earlier rather than when things have fallen into crisis; and
- more support for parents of teenage children as well as support for parents of young children.

^a Views of parents expressed in research conducted by the Parenting Education and Support Forum, 2005.

Aspirations 3.7 An important transmission mechanism for advantage and educational attainment from parent to child is high parental aspirations.⁵ High levels of parental expectation, consistent encouragement and actions to enhance learning opportunities are associated with positive attitudes towards school and children's aspirations for their own education. Recent evidence on differences in social mobility between ethnic groups shows that some ethnic minority groups are more likely to be upwardly mobile than their white counterparts in large part due to parental aspirations, support and the value placed on education.⁶

⁵ *The effects of four components of parental involvement on eighth grade student achievement: structural analysis of NELS-88 data*, Singh et al, School Psychology Review, 1995.

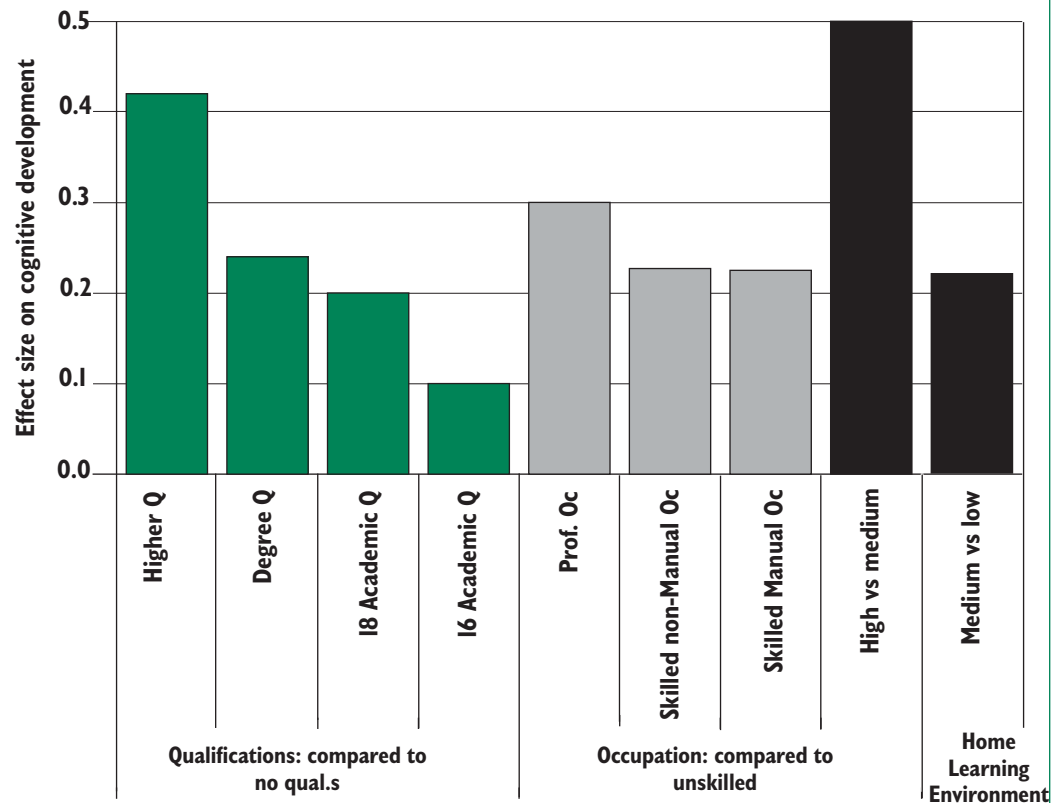
⁶ *Migration and social mobility: the life chances of Britain's minority ethnic communities*, Platt, JRF, 2005.

3.8 The importance of aspirations is part of the reason why the Government has focused heavily on encouraging and supporting parents to return to work. Being in work increases family income, which is critical for child development, as discussed in Chapter 2. But its significance goes beyond income. Work raises parents' aspirations for themselves and for their children and has an independent, positive impact on children.

Learning and development

3.9 Parents have primary responsibility for their child's development during the pre-school years. Age appropriate toys and books help foster stimulating interaction for the child and bonding between parent and child. Reading, library visits, playing with letters of the alphabet, playing with numbers and shapes and learning nursery rhymes all contribute positively to early learning.⁷

Chart 3.1: The comparative effect of home learning environment and other parental background factors on children's cognitive development



Source: Effective Provision of Pre-School Education, 2004.

3.10 Chart 3.1 compares the influence on cognitive development of a child's home learning environment with other aspects of family background, such as mother's level of qualifications and occupation, based on the findings from the Effective Provision of Pre-school Education study. The home learning environment refers to the activities that parents participate in with their children in the home. The chart demonstrates that a high quality home learning environment has a greater influence on a child's cognitive development than any aspect of family background.

⁷ Effective provision of pre-school education: final report, Sylva et al, 2004.

3.11 Parents' influence on children's learning is not restricted to the first five years. Research finds that, at primary level, differences in parental involvement have a greater effect than differences associated with schools.⁸ At secondary level, parental involvement is closely associated with the likelihood of children staying on in school post-16. Evidence suggests that parents and other family members are best placed to deliver realistic advice about education and career aspirations and opportunities in the local labour market.

Health 3.12 The health and well-being of children is influenced by decisions that parents make even before birth. There is strong evidence to support the influence of maternal health and stress before and during pregnancy in determining birth weight. Low birth weight increases the chances of a baby dying before his or her first birthday. Those who survive are at increased risk of disabilities, brain damage and hospitalisation and are more likely to suffer heart disease and diabetes as adults. Breastfeeding has been shown to reduce the incidence of childhood infections and allergies and improve educational attainment.⁹ Messages about healthy eating in the home can support the efforts of schools to encourage children to choose healthy options at lunch time.

Behaviour 3.13 Parenting styles have an important influence on children's behaviour. There is a role for government in helping parents to develop positive parenting skills where they seek support, or where the behaviour of their children signals the need for support.

3.14 Parents report that the teenage years are particularly challenging. Children are more independent, more reluctant to be supervised by their parents and the influence of peers is stronger. Teenagers' behaviour can be difficult to manage and parents have to confront issues such as drugs, alcohol, sex and violence. Parents also report that there is less support available for them after their children have moved into secondary school.

THE GOVERNMENT'S RESPONSE SINCE 1997

Work-life balance

Choice for parents 3.15 Since 1997, the Government has provided support to parents in fulfilling their role as children's first and most enduring carers, recognising that enabling parents to be actively involved in their children's lives is the key to higher aspirations, improved attainment and fewer behavioural problems. A central strand of government support has been offering parents real choice about how they balance work and family commitments, particularly in the early years when they can have the greatest influence.

Extending Maternity Pay 3.16 Development evidence points to the importance of consistent one to one care for a child during the first year of life. Since 1997, paid maternity leave has been extended from 18 to 26 weeks, with a right to a further 26 weeks of unpaid leave. The flat rate of Statutory Maternity Pay (SMP) and Maternity Allowance has been increased from £55.70 a week in 1997 to £108.85 a week from April 2006. In April 2003, a new right to two weeks of Paternity Leave paid at the same flat rate as SMP was introduced for fathers.

⁸ *Maintaining momentum in primary school*, Sammons, P. and Sylva, K, Institute for Public Policy Research, 2005.

⁹ *Breastfeeding and later cognitive and academic outcomes*, Pediatrics Vol. 101, 1998.

3.17 The ambition set out in The Ten Year Strategy for Childcare¹⁰ of a year of paid Maternity Leave by the end of this Parliament aims to give greater choice to mothers about when to return to work. As a first step, the Government is committed to extend SMP and Maternity Allowance from six to nine months from April 2007. From April 2007, the flat rate of SMP combined with other financial support for families will together be worth up to around £8,300 in the first year of a child's life compared to £2,610 in 1997.

Additional Paternity Leave

3.18 The Government is introducing a provision to allow greater choice for mothers and fathers about who cares for a baby in the second six months of his or her life. Patterns of care are set early and survey evidence shows that fathers are as confident caring for their baby as mothers are.¹¹ The Work and Families Bill currently before Parliament will enable fathers to take a maximum of six months additional paternity leave during the first year of a child's life, some of which can be paid, when the mother returns to work. It will be paid at the statutory flat rate.

Early education and childcare

3.19 Access to quality early education and childcare gives parents greater choice and flexibility over work and family commitments. At the same time, it contributes to children's cognitive, social and emotional development. The Government is committed to securing a range of high quality, flexible and affordable childcare and early education options that meets parents' needs. All parents of three and four year olds are now entitled to a free part-time early education place. This has led to a transformation in pre-school education, with nearly 100 per cent of four year olds and 96 per cent of three year olds taking up their entitlement. This is being extended so that by 2010 all parents of three and four year olds will have access to 15 hours of flexible, free early education for 38 weeks a year. Financial support for many types of childcare provision is also available for low income families through the childcare element of the Working Tax Credit.

Flexible working

3.20 Greater access to childcare is supported by the right for parents of young or disabled children to request flexible working. This gives them more choice about their working hours, negotiated with their employer. Employers have a duty to consider every request and evidence indicates that almost a quarter of parents with children under six have requested to work flexibly since it was introduced in April 2003. The Government is committed to extend the right to request flexible working to carers of the sick and disabled in April 2007. The Government will continue to examine the case for extending it to parents of older children in the future.

Universal support

3.21 The Government's approach is to offer extra support for some families within a universal framework of support for all parents, in line with the principle of progressive universalism. Before the start of school, health is the primary universal service for families and children. The Children's National Service Framework published in September 2004 sets standards for health and social services for children, young people and pregnant women. It aims to ensure fair, high quality and integrated health and social care from pregnancy right through to adulthood. Further, it aims to stimulate a cultural shift, resulting in services being designed and delivered around the needs of children and families, for example through greater support for breastfeeding and more screening for post-natal depression.

¹⁰ *Choice of parents; the best start for children: a ten year strategy for childcare*, HM Treasury, DfES, DWP, DTI, 2004

¹¹ *Dads and their babies: leave arrangements in the first year*, Equal Opportunities Commission, 2005.

3.22 Bookstart provides universal support for early learning to all families with children under three. Announced by the Chancellor in Budget 2005, Bookstart aims to provide a pack of books to all parents in England at the birth of a child, at 18 months and at three years, beginning in October 2005. Providing free books helps engage parents in their children's development and has been shown to increase library membership and parents own expenditure on books, as they see the positive impact of reading to their child¹².

3.23 By 2010, all families with a child under five will have access to a Sure Start Children's Centre in their community. Children's Centres will provide information and advice to all parents on parenting and child development, on access to services for children including childcare, on health and on basic skills, training and employment. All Children's Centres will also offer some early years provision. Children's Centres will ensure that families who need additional support get access to it. All parents of school age children will have access to a transition point information session when their child moves into secondary school. Further information and advice, parent support groups, parenting skills programmes and behaviour management courses should be available to parents as part of the core offer of Extended Schools.

Targeted services

Sure Start 3.24 Some parents face particular challenges, for example, if they are isolated and bringing up children on their own with little support from family and friends. These parents need additional support. This is why the Government has targeted resources on those areas and neighbourhoods in which parents face greater challenges and has taken a preventative approach, channelling investment to families with children under five. Since 1998, Sure Start Local Programmes (SSLPs) have been offering a wide range of early years, health, parenting and family support services to families and children in disadvantaged areas. Sure Start has worked closely with parents and local communities to deliver services that improve outcomes for children and respond to local needs.

3.25 The Government has made a major investment in long-term evaluation to support the development of Sure Start. The National Evaluation of Sure Start (NESS) has recently published some early findings based on data from 2001-04.¹³ For the majority of SSLP areas, there were moderate but measurable improvements in parenting: parents were warmer and more accepting of their child's behaviour, using less harsh discipline such as smacking or shouting; and started to have a more organised home life with better routines for children. For the majority of children there were also small but discernable positive effects of living in a SSLP area, such as fewer behaviour problems and better social skills, like sharing with others.

3.26 The NESS found that a minority of children living in SSLP areas, but not necessarily using SSLP services, were doing less well in some respects than their peers at age 36 months. This applied especially to children of teenage parents, but also to children of lone parents and children living in workless households. The evaluation also showed variations in performance between different local programmes.

3.27 The next phase of Sure Start will see local programmes being extended into a national network of 3,500 Children's Centres. Children's Centres will build on the best of SSLPs and the lessons from the NESS to make a real difference in the lives of children, particularly those growing up in disadvantage.

¹² *A gift for life, Bookstart: the first five years*, Book Trust, 1998.

¹³ For further details on the evaluation, see www.ness.bbk.ac.uk.

3.28 To ensure that the services offered in Children's Centres are grounded in evidence of what works in improving children's lives, the DfES has published practice guidance for Local Authorities and Children's Centres managers and practitioners. The document includes specific guidance on how Children's Centres can make services accessible and appropriate to families who have tended not to benefit from services in the past, for example teenage parents, some black and ethnic minority families and parents of disabled children.

3.29 Guidance will help ensure that good practice becomes common practice across all Children's Centres and will provide support in addressing the disadvantage gap. Implementation will be tested in twelve Local Authorities and a revised version will be issued later this year based on lessons learnt from the project. Implementation of the guidance will be further supported by a new performance management framework which will focus on the quality of practice as well as indicators that highlight the progress of children under five against the *Every child matters* outcomes. Details of the performance management framework will be published in National Guidance in 2006, together with guidance on the governance, management and staffing of Children's Centres.

Parenting Fund 3.30 Alongside major programmes such as Sure Start and Children's Centres, the Government has invested £25 million in the Parenting Fund to support third sector organisations such as Home Start to work with parents. The Parenting Fund has played an important role in extending support to vulnerable parents. Third sector organisations have well-developed links with local communities and are well placed to reach and tailor support to particular groups of parents who may not take up other services, such as black and minority ethnic parents or parents who are isolated.

Parenting Orders and Contracts 3.31 A small minority of parents refuse to take their responsibilities seriously, and others feel unable to do so because they do not know how. The Schools White Paper *Higher standards, better schools for all: more choice for parents and pupils*¹⁴ includes proposals to extend the use of Parenting Contracts – formal agreements between schools and parents in which both sides set out the steps they will take to improve a child's behaviour. These are intended to be used to tackle poor behaviour before exclusions occur.

3.32 Parenting Orders, which compel parents who will not engage voluntarily to attend parenting programmes, will also be extended. Parents who have attended programmes as part of a Parenting Order have viewed their experience positively and evidence shows that the benefits to parents and children of attending programmes are significant whether attendance is voluntary or compulsory.¹⁵

¹⁴ Higher standards, better schools for all: more choice for parents and pupils DfES, 2005.

¹⁵ Positive Parenting: the national evaluation of the Youth Justice Board's parenting programme, 2002.

TOWARDS THE COMPREHENSIVE SPENDING REVIEW IN 2007

3.33 Changing employment and family patterns are increasing the challenges that parents face in meeting their responsibilities towards their children. In the past, the security of a job for life created a sense of stability for families. Today, globalisation means that workers are exposed to more competition for jobs and have to respond flexibly to changing demand. This can place significant pressure on families, particularly where parents have low skills. While employment rates for those with post-graduate qualifications or higher have remained at or around the 90 per cent level, rates for those without qualifications have fallen.¹⁶

3.34 The number of mothers with dependent children who are working has increased from 57 per cent in 1990 to 64 per cent in 2002, although mothers are more likely to work part-time than fathers. Fathers in the UK work longer hours than in any other European Union country: 46.9 hours per week on average compared with 45.5 hours in Portugal, 41.4 hours in Germany, 40 hours in Ireland and 35.3 hours in France. Around one in eight fathers works 60 hours or more and almost 40 per cent of fathers work 48 hours or more a week.¹⁷

3.35 Almost all parents want to play an active and positive role in the lives of their children. Many face real difficulties in doing so due to the challenge of the task and the competing pressures of work and family life. These can make it difficult for mothers and fathers to ensure that their children are well cared for when they are at work and to spend as much time as they would like with them. However, there is now a large body of evidence that demonstrates the central importance of parental involvement to the health, well-being and achievement of children. There is strong demand from parents for more and earlier support if that support can be non-stigmatising and recognise them as experts in bringing up their own children.

3.36 Since 1997, the Government has done much to support parents, but new and more complex challenges mean that it is the right time to consider whether more is needed, in particular measures that place greater emphasis on prevention and earlier intervention. Government has tended to step in once problems have already developed. Beyond a limited amount of support for parents offered through universal services such as health visiting, most parenting support is currently only available once problems have been identified. For example, some parents get access to parenting programmes if there are issues with their children's behaviour or attendance at school. There is clear evidence that early support for parents can improve parenting skills, prevent problems materialising and improve the life chances of all children. This support needs to be delivered in ways that recognise the changing circumstances of family life.

3.37 *Every child matters* marked a shift towards a more preventative approach to working with children and families. Through the creation of Children's Trusts and the development of Extended Schools, changes are underway to make prevention and earlier intervention a reality in children's services across the country. The Schools White Paper also emphasised the importance of engaging and supporting parents in their children's development. The Comprehensive Spending Review in 2007 will look at how services can go further towards prevention and earlier intervention to offer a better and more timely response to the challenges parents face today.

¹⁶ Labour Force Survey

¹⁷ *Facts about dads today, equal Opportunities*, 2005

3.38 Some schools, through their own initiatives, are already looking at different models for earlier intervention to support children and engage with parents. It will be important to learn from their experiences – but in this Pre-Budget Report the Government will go further. To inform these longer-term developments, this Pre-Budget Report announces **£20 million to support the piloting of a new school-based outreach role – Parent School Advisers – in over 600 primary and secondary schools in the most deprived areas**. This builds on the current Extended Schools commitment to offer support for parents in all schools by 2010. This new, preventative role will support children and families where there are early signs that they could benefit from additional help. Recognising the importance of working in partnership with parents to improve children's lives, the first response will be to involve parents in identifying appropriate support for the child and family. This could include a parenting programme, mentoring for the parent or child or one to one tuition for the child. The pilots will need to consider the most effective means of enabling Parent School Advisers to have sufficient leverage over, and ensure delivery of, the additional services children and their families might need.

3.39 The Comprehensive Spending Review will be informed by the results of the pilot. It will also consider the following issues:

- how preventative support can be more effectively targeted at parents who face greater challenges in bringing up their children;
- how approaches to earlier intervention can be embedded in schools and across wider services for children and parents;
- the type of information, advice and support that is needed to meet the needs of all parents and how it is best delivered;
- the types of support that parents need at different stages in the development of their child and at different transition points; and
- how services can best support fathers and other male carers as well as mothers.

3.40 Beyond the immediate context of their families, children's life chances are influenced by the neighbourhoods in which they grow up. Their physical surroundings and social environment affect their life chances by shaping the opportunities, choices and aspirations they enjoy. Improving children's lives is, therefore, also dependent on addressing current patterns of deprivation as discussed in the next chapter.

4

STRONGER NEIGHBOURHOODS AND COMMUNITIES

Neighbourhoods are the immediate context outside the family in which children grow up and are important for two reasons:

- the physical condition of the neighbourhood, the quality of the housing and the availability of open, safe and green spaces have a direct impact on children's health and well-being; and
- the neighbourhood provides the immediate social environment, outside of the family, in which children develop their attitudes towards wider society and where they take their first steps to becoming citizens with rights and responsibilities.

While individual factors remain the greatest determinant of outcomes for children and families there is evidence of 'area effects' which can positively or negatively reinforce the impact of individual factors.

The Government is committed to the vision that no one should be disadvantaged by where they live. Since 1997 the Government's response has sought to address the physical and social impacts of deprived neighbourhoods on children and families. There has been unprecedented investment in social housing and in neighbourhood renewal. Much of the investment in early years, childcare and schools has been targeted at deprived areas. Extended schools are being developed that will serve as resources for the whole community. The Government's long-term capital investment programmes in both primary and secondary schools will ensure that schools have the facilities they need to deliver wider services to the community.

Through initiatives such as the Russell Commission and Millennium Volunteers the Government has been promoting the active involvement of young people in their community through volunteering. The Government will build on this progress in the future.

4.1 The first and strongest influence on a child's development is his or her parents and family. But families are not separate from their external environment: they are part of the communities in which they live. Evidence suggests that the area in which families live can have additional effects on children's life chances, beyond those outcomes rooted in family circumstances. For children, this 'area effect' means their outcomes are not solely related to the income, educational attainment and parenting style of their parents but also to the place where they grow up.

4.2 Positive area effects can support parents in fulfilling their responsibilities towards their children. Bringing up children in a highly deprived area, however, can create additional barriers to positive parenting. There are clear interactions between neighbourhood and parenting variables. For example, parental monitoring of children and punishment for misbehaviour are less effective in deprived areas; and good parenting works better in a good neighbourhood.¹

¹ *Edinburgh study of youth transitions and crime*, <http://www.law.ed.ac.uk>.

4.3 Effective policies for neighbourhoods and communities follow the three principles set out in Chapter 1:

- **rights and responsibilities:** the Government acknowledges that it has a role in helping to create environments in which children and families thrive. But it cannot impose solutions on communities; it must work with them to bring about lasting change;
- **progressive universalism:** children living in deprived areas are doubly disadvantaged. Their own outcomes are adversely impacted by deprivation as are the opportunities available to their parents. Children and families in all areas of the country receive support from the Government, but those in deprived areas need more to tackle the additional barriers they face; and
- **prevention:** instilling in young people a sense of responsibility towards the place where they live, both for its physical environment and for other residents, creates strong, vibrant communities for the future, where social support networks exist alongside public services to create improved life chances for the whole community.

WHY NEIGHBOURHOODS AND COMMUNITIES MATTER

4.4 Children's development and life chances are affected by their physical surroundings and the social environment in which they live. Physical surroundings affect children's health, well-being and the opportunities they enjoy. Alongside immediate family, the social environment in which they grow up shapes their aspirations, expectations and values. Both need to be tackled simultaneously to successfully alleviate the impacts of deprivation.

Physical surroundings **4.5** As the *Child Poverty Review* set out, poor families are more likely to live in poorer quality accommodation and poor housing is more likely to be concentrated in deprived neighbourhoods. Nearly 400,000 vulnerable families with children live in non-decent homes in the private sector and a similar number (380,000) in the social sector.² Non-decent homes lead to worse health for inhabitants, including diminished resistance to respiratory infection, hypothermia and asthma.³

Strong communities **4.6** Strong community networks can reduce crime and anti-social behaviour, improve the physical environment of neighbourhoods and build bridges between generations and between different ethnic groups. They can be an important source of informal support and resources for local people. Deprived areas can suffer from low levels of social capital, particularly where crime and anti-social behaviour are high.

4.7 A lack of community networks in a neighbourhood impacts on children. It reduces the amount of informal support available to parents and can limit parents' access to opportunities. Research shows that informal social networks are an important source of information about jobs. A lack of trust and reciprocity can also have a negative influence on children's attitudes and values.

² *English house condition survey*, ODPM, 2001.

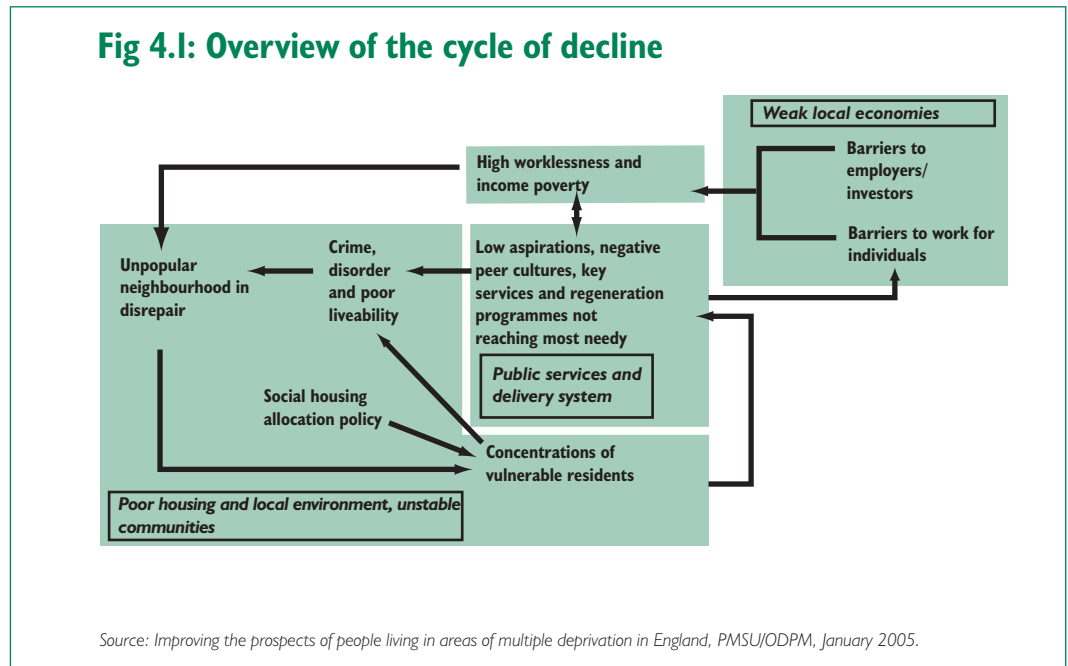
³ *Housing and health: building for the future*, British Medical Association, 2003.

AREA EFFECTS

4.8 The Prime Minister’s Strategy Unit (PMSU) and the Office of the Deputy Prime Minister (ODPM) recently identified the main drivers of area-based deprivation:⁴

- low levels of economic activity;
- poor housing, a poor local environment and unstable communities; and
- poor public services and ineffective delivery of regeneration support.

4.9 These three drivers interact to create a ‘cycle of decline’ as illustrated in Figure 4.1. Understanding the drivers and dynamics of area-based deprivation is crucial to identifying the most appropriate policy responses. The PMSU and ODPM concluded that the existence of a cycle of decline requires that the drivers be tackled in an integrated fashion.



Employment 4.10 Living in a deprived neighbourhood may present an additional hurdle to parents gaining employment, making it all the more difficult for parents to increase family income by securing work. Indeed, individuals living in the most deprived areas are 5 to 15 per cent more likely to be out of work than similar individuals elsewhere.⁵ In addition, there can be high proportions of residents claiming incapacity-related benefits, with up to 28 per cent of the working age population claiming incapacity benefit in some wards.⁶

⁴ *Improving the prospects of people living in areas of multiple deprivation in England, PMSU/ODPM, 2005.*

⁵ *Jobs and enterprise in disadvantaged areas, Social Exclusion Unit, 2004.*

⁶ See above, note 5.

Schools 4.11 Families living in deprived areas are also more likely to have access to poorer public services. In the case of education, for example, children are likely to go to lower-performing schools. As Ofsted has pointed out, “the overall standard of teaching is lower in deprived urban schools than for schools as a whole”.⁷ A study analysing the quality of schools in deprived neighbourhoods across 11 Local Authorities concluded that local environments of concentrated poverty impact on what schools do, in such a way as to render the delivery of effective teaching and learning more difficult. This is the cumulative effect of a range of factors, including lower parental involvement, higher pupil mobility, higher staff turnover and a higher incidence of welfare issues.⁸

Crime 4.12 Growing up in a high crime area is likely to increase the risk of young people becoming involved in offending and being victims of crime. Over 35 per cent of young people aged 10 to 15 had experienced at least one personal crime in the previous 12 months. This was about the same level as for those aged 16 to 25 (32 per cent) and well above those aged 26 to 65 (14 per cent).⁹ According to the Edinburgh Study of Youth Transitions and Crime, delinquency and youth offending are strongly influenced by neighbourhood deprivation, incivilities and the rate of youth crime.¹⁰

THE GOVERNMENT’S RESPONSE

4.13 The Government is committed to the vision that no one should be seriously disadvantaged by where they live. The National Strategy for Neighbourhood Renewal sets out a far-reaching programme that is intended to narrow the gap between the most deprived areas and the rest of the country, ensuring minimum standards everywhere in jobs, health, education, housing and in tackling crime.

The physical environment

Decent homes 4.14 As a result of the Government’s Decent Homes programme there are now more than 1 million fewer social sector homes in a non-decent condition than there were in 1998. In addition, around 130,000 homes in the private sector are now in a decent condition as a direct result of increased government investment. The proportion of vulnerable households living in decent homes in the private sector increased from 57 per cent in 2001 to 63 per cent in 2003.

⁷ *Section 10 inspection evidence for deprived urban schools*, Ofsted, 2003.

⁸ *Do poor neighbourhoods mean poor schools?*, Ruth Lupton, 2004.

⁹ *The victimisation of young people: findings from the crime and justice survey 2003*, Home Office, 2005.

¹⁰ *Community as the context for youth justice policy - keynote address from Communities that Care Scottish conference*, Smith, D.J. 2002.

NRF and the New Deal for Communities 4.15 The Government is targeting deprived neighbourhoods through the Neighbourhood Renewal Fund (NRF) and the New Deal for Communities in recognition of the specific challenges that accompany concentrated deprivation:

- by 2006, nearly £2 billion will have been spent through the NRF in the most deprived 88 local authorities in England to improve outcomes in five key areas: health, education, employment, housing and crime. Children will benefit from all of these improvements in their area. The gap in the proportion of pupils gaining five good GCSEs between NRF areas and the rest of the country has fallen from 10.6 percentage points to 7.6 percentage points between 1997 and 2004; and
- the New Deal for Communities seeks to turn a small area's fortunes around in ten years with targeted interventions across the same five key areas. More than £1 billion has been invested in 39 deprived communities since 1997. Many of the projects have been specifically designed to improve outcomes for children.¹¹

Box 4.1: The importance of mixed communities

Overcoming 'area effects' will require the transformation of very deprived neighbourhoods from mono-tenure social housing estates into communities containing a much broader socio-economic mix of households. Such a transformation will require fundamental changes to the mix of housing types and tenures in the community and improved local services and amenities in order to attract and retain a wider range of households and incomes within the area. Achieving this could require: substantial remodelling of existing properties and surrounding areas; tenure modification through mixed development; sensitive allocations policies; incentives such as first-time buyer assistance; and assisting existing social tenants who want more housing choice through locating to more economically diverse communities.

In the 2004 Pre-Budget Report the Chancellor announced the Government's intention to test out approaches to transforming some of the most deprived areas in the country. The first demonstration projects have been announced in Harpurhey (Manchester), Gipton (Leeds) and Canning Town (Newham), and a further six areas will be announced in due course. The Government will draw on the lessons from these projects in reshaping its approach to transforming the most disadvantaged neighbourhoods everywhere.

Community and social capital

4.16 The Government will continue to work with communities in alleviating the impacts of deprivation on children and families. Since 1997 it has invested to improve community facilities for deprived areas, providing new places where services for the whole community can be delivered.

¹¹ For example, a youth engagement project in Coventry and a sports action project in Salford which has cut nuisance behaviour and given young people something to do.

Early years and childcare 4.17 In recognition of the additional challenge that parents face in bringing up children in the most disadvantaged areas, the Government has invested more than £1.3 billion since 1998 to develop 524 Sure Start Local Programmes (SSLPs) offering services to parents and families in those areas. SSLPs have worked with parents and local communities to deliver a wide range of early years, health, parenting and family support services to help improve outcomes for children and respond to local need. In addition, the Neighbourhood Nurseries Initiative (NNI) has provided 45,000 quality early years places to children and families in disadvantaged areas. The Government is committed to drawing on the lessons from SSLPs, the NNI and other initiatives to inform the development of a national network of 3,500 Sure Start Children's Centres by 2010.

Schools 4.18 Schools in deprived areas have benefited from targeted support through programmes such as Excellence in Cities, which has been shown to have had a significant impact on attainment in Maths at Key Stage 3, especially in the most deprived schools.¹²

4.19 Extended schools will continue to be developed as a resource for the whole community. Extended schools provide a range of services and activities, often beyond the school day, to help meet the needs of children, their families and the wider community. Extended services can include childcare, adult education, parenting support programmes, community-based health and social care services, multi-agency behaviour support teams and after-school activities. By consulting with parents and involving them in the planning of services, schools will be able to develop the package of services which best meets the needs of their community.

4.20 In Budget 2005 the Government announced:

- additional funding of £150 million in 2008-09, rising to £500m in 2009-10, for a long-term programme of investment to deliver twenty-first century facilities in primary schools, rebuilding or radically refurbishing at least 50 per cent of all primary schools in England over around 15 years. This additional resource will deliver quality school environments which facilitate personalised learning and will ensure that primary schools can act as effective community hubs; and
- increases in direct payments to headteachers of £100 million and £150 million in 2006-07 and 2007-08 to help schools deliver extended services.

Involving young people 4.21 Voluntary activity can help strengthen social capital and improve the physical environment in some of the most deprived neighbourhoods. The Government has focused particularly on involving young people. Giving young people practical opportunities to get involved in their local area can build their confidence and self-esteem, have a positive impact on their attainment and make them less likely to get involved in anti-social behaviour and crime. It can also have positive effects on the communities in which young people live, helping to restore physical environments and strengthening community networks of trust and support.

¹² *Excellence in cities: the national evaluation of a policy to raise standards in urban schools 2000-2003*, National Foundation for Educational Research, 2005.

Youth matters 4.22 The Government's recent Green Paper *Youth matters* sets out how the Government wants young people to have more things to do and places to go in their local area, and how young people will have more choice and influence over services and facilities that are available to them. The Green Paper allocated £40 million over two years for Local Authorities to develop innovative approaches to facilities for young people, and sets out how the Government will support local authorities to pilot 'opportunity cards' which will offer discounts and top-ups to help more young people get involved in these activities.

Millennium Volunteers 4.23 The Government's Millennium Volunteers (MV) programme encourages young people to give up their free time to help their local communities. An evaluation of the programme undertaken by the Institute for Volunteering Research in 2002 showed that MV had provided a huge boost to the personal development of young people.¹³

Russell Commission 4.24 The Russell Commission report published in March 2005 set out an ambition of attracting 1 million more young volunteers to take advantage of a range of high quality short-term, part-time and full-time volunteering opportunities.¹⁴ It called for a shared sense of purpose between the third sector, business, government and young people to deliver a step change in the diversity, quality and quantity of young people's volunteering. Budget 2005 announced public investment of up to £100 million over the next three years, including a fund available to match contributions from business, to take the recommendations of the report forward.

4.25 The Russell Commission also recommended that to drive forward progress in creating and publicising volunteering opportunities for young people, an independent implementation body should be established. The board of this body will be made up of young people and representatives from business and the voluntary and community sector. **The Government will also establish a cross-departmental Ministerial group on youth volunteering, chaired by the Chancellor, to support the work of the implementation body.**

Mentoring 4.26 The Government believes that volunteers taking the opportunity to mentor another person can promote greater opportunities for mentees and, by linking people of different ages, cultures and ethnicities, can strengthen local communities. Working with the Mentoring and Befriending Foundation, the Government has will continue to develop an evidence base on the impact of mentoring and to establish where mentoring can promote positive outcomes across Government objectives. **Building on *Youth matters*, the Green Paper for youth published in July 2005, this Pre-Budget Report also announces a new pilot project to establish peer mentoring schemes in 180 secondary schools, creating 3600 matched mentor and mentee pairs over 2 years.**

The third sector 4.27 There are over half a million third sector organisations in the UK, ranging from small community groups to large national and international organisations. An increasing number of public services are delivered in partnership with third sector organisations.

4.28 Promoting the involvement of the third sector in delivering children, young people and families' services in neighbourhoods is vital in improving outcomes for children and families. This is especially true in deprived areas where parents and children have reported poor experiences or perceptions of other public services. In these cases, the sensitivity and specialist skills of third sector organisations may be able to reach groups within the neighbourhood that statutory services cannot.

¹³ *UK-wide evaluation of the millennium volunteers programme*, Institute for Volunteering Research, 2002.

¹⁴ *National framework for youth action and engagement*, report of the Russell Commission, 2005.

4.29 The Government is committed to delivering world-class public services in partnership with the third sector. It recognises the need to create a framework within which the sector can flourish and be strong and independent. Last year the DfES published a strategy for working with voluntary and community organisations to deliver change for children and young people.¹⁵ A key aspect of that strategy is the Department's aim to achieve greater strategic coherence in its grant funding to voluntary organisations for work with children, young people and families.

TOWARDS THE COMPREHENSIVE SPENDING REVIEW IN 2007

4.30 The Government has made substantial progress towards economic opportunity and well-being for all. There are 2.3 million more people in employment and nearly 400,000 fewer children in workless households than in 1997. But some areas remain particularly badly affected because patterns of economic segregation have led to concentrated deprivation.

4.31 Economic segregation is not new, but there is some evidence that disparities may be growing. All regions have benefited from low and falling unemployment. However, independent research suggests that while falling unemployment nationally has had some impact on almost all the most deprived wards, between 1995 and 2000 the most deprived wards experienced smaller percentage declines in benefit receipts than the least deprived neighbourhoods.¹⁶

4.32 Moving forward, the Government's approach to reducing the effects of poor physical environments and low levels of social capital on children's outcomes will follow the three principles which are the foundation of the Government's approach. As part of the Comprehensive Spending Review in 2007, the Government will consider:

- what more can be done to break the 'cycle of decline' in deprived neighbourhoods;
- how the Government can best support the development of community networks and local engagement alongside investment in improving the physical environment in deprived areas; and
- how the range of opportunities for young people to contribute to their local areas can be extended; in particular, how the Government can ensure that young people from all backgrounds have equal opportunities to get involved, and explore different ways of encouraging participation.

¹⁵ *Working with voluntary and community organisations to deliver change for children and young people*, DfES, 2004.

¹⁶ *Growing together or growing apart? Geographic patterns of change of income support and income-based Jobseeker's Allowance claimants in England between 1995 and 2000*, Evans et al, 2002.

Community and public services **4.33** Efforts to address the impact that deprived neighbourhoods can have on children and families are inseparable from wider efforts to reform the ways in which public services are delivered, particularly education. Having delivered improvements in educational attainment at all levels, the Government is particularly concerned now to address the persistent attainment gap between poor pupils and their peers. The following chapter considers this issue, highlights progress made so far on reforming services for children, young people and families and sets out how the Government aims to move forward in the future.

5

BETTER PUBLIC SERVICES: SUPPORTING OPPORTUNITY

Public services play an important role in improving the economic, social and emotional outcomes for children and families. High quality public services, with appropriate investment, can ensure that children and their families have the opportunities available to them to realise their full potential. Public services are especially important, education in particular, to improving the life chances of deprived children and families and are vital in helping break cycles of deprivation.

Since 1997 there have been significant and sustained increases in investment in public services aimed at supporting children and their families:

- the Government has delivered an unprecedented level of investment in schools, with expenditure on education in England rising from £29 billion in 1996-97 to £64 billion in 2007-08; and
- additional investment of approximately £300m has been made in Child and Adolescent Mental Health Services (CAMHS) in the three years to 2005-06.

The Government's investment has been combined with public service reform to improve the quality and responsiveness of all services for children and families. *Every child matters* identified systemic changes needed to deliver clearer national and local accountability, providing a framework for integration and coordination of service delivery. The challenges for public services are to deliver:

- a strong preventative approach, to mitigate the risks of negative outcomes before they arise;
- to work in an integrated manner to deliver services around the needs of the child and his or her family;
- intervention at the earliest opportunity to prevent problems escalating; and
- approaches that target need and respond to the specific circumstances of children and their families.

There is a key role for education in breaking cycles of deprivation – school performance across the country has improved, more so in some of the most deprived areas. However, there is evidence suggesting that the persistent attainment gap at pupil level between poorer and better off pupils has not yet narrowed. Looking to the future the Government will consider further actions necessary to ensure that public services are able to meet the needs of children and parents and support them in the challenges they face.

THE IMPORTANCE OF PUBLIC SERVICES FOR EVERY FAMILY

5.1 Effective public services can improve outcomes for children and help to off-set the risks of negative outcomes associated with low income and parental worklessness, poor parenting and living in a deprived neighbourhood. Public services play a vital role in:

- getting children off to a good start early in life, providing a platform for later educational achievement and helping to break cycles of deprivation;
- helping parents to provide their children with the best support as they develop;
- supporting children to achieve their educational potential;

- supporting children to attain good physical and mental health and adopt healthy lifestyles;
- providing access to labour markets, services, social networks and other facilities through investment in public transport;
- helping to make sure that children are safeguarded and protected from abuse and neglect; and
- ensuring children are protected from crime and prevented from perpetrating crime and engaging in anti-social behaviour.

5.2 Effective services that support children and families are underpinned by the three principles set out in Chapter 1:

- **rights and responsibilities:** all families are entitled to high quality public services which complement the role of parents and the community in supporting children;
- **progressive universalism:** government should provide support for all and more support for those with greater need, delivered through personalised, integrated services and a skilled workforce; and
- **prevention:** all universal services should have a strong preventative element and there also need to be dedicated preventative services for specific groups.

NEW INVESTMENT IN PUBLIC SERVICES SINCE 1997

Sure Start, early years and childcare

5.3 Investment in early years offers the best foundation for improving educational attainment, health outcomes and overall life chances. The Government is committed to supporting parents in giving every child the best start in life and has demonstrated the strength of its commitment with over £17 billion of investment in early years and childcare since 1997. The net number of childcare places has increased by 582,000 and every three and four year old is now entitled to 12.5 hours of free early education per week. It will be extended to 15 hours by 2010, with greater flexibility for parents in how they use this entitlement. Take-up is exceptionally high, with close to 100 per cent of four year olds and 96 per cent of three year olds using all or some of their entitlement. In addition, 524 Sure Start Local Programmes have been established to provide a range of early years, health, parenting and family support to families and children in disadvantaged areas.

School investment

5.4 Since 1997, the Government has delivered an unprecedented level of investment in schools, with expenditure on education in England rising from £29 billion in 1996-97 to £64 billion in 2007-08. Schools are employing an additional 32,500 teachers and 132,100 additional support staff, including teaching assistants. Capital investment in schools will rise to £6.3 billion a year in 2007-08. This level of investment has enabled the Government to commit to ambitious long-term programmes to provide twenty first century school facilities throughout the country.

Health investment

5.5 The Government has also delivered record investment in health services, with expenditure on health in England rising from £34 billion in 1998 to £92 billion in 2008. As a result there are now 78,600 more nurses and 27,400 more doctors than in 1997. There are nearly a quarter of a million more NHS staff since 1997, with 1.3 million staff counted in 2004, and 66 new walk-in centres have opened since 1997.

5.6 The Government has committed an extra £70 million to neonatal intensive care services in the three years to 2005-06. This funding will support the Government's ambitious agenda to improve care for all children. The money will provide up to 75 new cots and reduce by as much as 70 per cent the number of unplanned transfers between units of mothers and newborn babies.

5.7 The Government has also made an additional investment of approximately £300 million for Child and Adolescent Mental Health Services (CAMHS) in the three years to 2005-06. This investment is making it possible to build capacity, improve access and help deliver a comprehensive CAMH service across the country. Some of these additional resources have already been used to recruit a team of CAMHS Regional Development Workers who have established local CAMHS partnerships to actively promote good practice.

Box 5.1: Child Poverty Review

Alongside Spending Review 2004, the Government published the Child Poverty Review, which set out the measures needed for child poverty to be halved by 2010 and set the direction for child poverty to be eradicated by 2020.

The review recognised that public services are critical in improving poor children's life chances and breaking cycles of deprivation. It set out the actions that were necessary to:

- **improve the effectiveness of public services that tackle material deprivation, for instance housing and homelessness;**
- **improve those public services that can contribute most to increasing the future life chances of children in households suffering low income, for example education; and**
- **ensure public services and the welfare system work well together when families face crisis points in their lives.**

The review highlighted that universal public services, such as schools, had a vital role in improving outcomes for all children and that targeted services, such as children's social care, were crucial in improving outcomes for children with higher levels of need.

REFORM OF SERVICES FOR CHILDREN AND FAMILIES

5.8 Alongside new investment, since 1997 the Government has delivered a wide ranging programme of reform to modernise and improve public services for children, young people and parents. It has done this in line with the three principles set out in Chapter 1: providing children, young people and families with the services they are entitled to; delivering more support to those who need it, and increasingly shifting the focus away from acute and expensive interventions towards prevention and early intervention.

5.9 In 2003 the Government published the children's Green Paper *Every child matters*, which promoted the idea that all children should be able to achieve five key outcomes: being healthy; staying safe; enjoying and achieving; making a positive contribution; and achieving economic well-being. *Every child matters*, given a legal spine by the Children Act 2004 and a policy programme in the form of *Every child matters: change for children* has created an environment of far-reaching, systemic reform for all children's services, in which the Government and its partners in local government and the third sector now operate. In practice, this has brought important changes to the way that public services are delivered to children, young people and families. In particular:

- more integration between services on the ground to ensure no child, young person or family falls between the gaps in services;

- genuine reform of the workforce to ensure it is adequately staffed and benefits from good leadership;¹
- better sharing of information between agencies;
- more targeted services for children, young people and parents who need them most, focusing investment in deprived areas and on lower income families; and
- more choice for parents.

Box 5.2: The Children Act 2004

In 2004 Parliament passed a new Children Act which gives a legal spine to the programme of systemic reform of services for children and young people and contains:

- a new duty to promote the educational achievement of looked after children;
- a requirement for local authorities to develop single children and young people's plans to develop children's services into the future;
- a requirement for local safeguarding children boards to be created to better deliver safeguarding and child protection services;
- joint inspection arrangements for children's services to underpin these reforms; and
- the creation of a Children's Commissioner in England to act as an independent champion for children and young people.

Early years and childcare 5.10 Within this framework there have been a number of specific reforms. The Ten Year Strategy for Childcare² set out the Government's long-term vision for early years provision to ensure that every child gets the best start in life. It focused on:

- choice and flexibility: giving parents a greater choice about balancing work and family life;
- availability for all families with children up to age 14 who need it;
- quality: high quality provision with a highly skilled childcare and early years workforce; and
- affordability: families should be able to afford flexible, high quality childcare that is appropriate for their needs.

Schools 5.11 In October 2005, the DfES published the Schools White Paper *Higher standards, better schools for all: more choice for parents and pupils*. The White Paper sets out the Government's plans for radical improvement in schools by creating a system that is increasingly driven by parents and choice, with education tailored to the needs of each child and parents having a greater say in how schools are run.

¹ In April 2005 the Government published the Children's Workforce Strategy for consultation. The Government will respond to the consultation shortly.

² *Choice for parents, the best start for childcare: a ten year strategy for childcare*, HM Treasury, DfES, DTI, DWP, 2004.

Youth services 5.12 *Youth matters*, the Green Paper for young people and teenagers, addresses key issues relating to how the Government supports and challenges teenagers. Building on the ambition of *Every child matters*, *Youth matters* aims to re-shape services for young people. The Government also wants to encourage young people to volunteer and contribute to their local community, expanding on the work of the Russell Commission (see Chapter 4).

Health services 5.13 The Children's National Service Framework (NSF), published in 2004, is the biggest-ever national initiative to improve health and social services. For the first time, standards for health and social services, and the interface with education, are being set for children, young people and pregnant women.

PROGRESS SO FAR

Early years and childcare 5.14 The Government is developing a national network of 3,500 Children's Centres by 2010, offering a new integrated service for families and children with 420 in place so far. These Centres will build on lessons from Sure Start Local Programmes and on international best practice to ensure they have a consistent approach and a clear focus on improving child outcomes.

5.15 The Government has also made progress against the goals of choice and flexibility, availability, quality and affordability (see Box 5.3). The Department for Education and Skills will publish a delivery plan for the commitments in the Ten Year Strategy for Childcare early next year.

Box 5.3: Ten Year Strategy for Childcare

Choice and flexibility: legislation is now being considered by Parliament to extend paid maternity leave from six to nine months from April 2007 with the aim of 12 months paid maternity leave by the end of the Parliament; introduce a right for an additional period of paternity leave, some of which can be paid, if the mother returns to work; and extend the right to request flexible working to carers of the sick and disabled.

Availability: legislation is now being considered by Parliament for a new duty on Local Authorities to secure a sufficient supply of childcare places to meet working families' needs. Furthermore, a growing number of schools are offering childcare from 8am to 6pm each weekday for children aged three to fourteen. The Government has put in place a structured programme of support for schools led by the National Remodelling Team at the Training and Development Agency for schools.

Quality: the Government is committed to achieving high quality early years provision, including radical improvements in the capacity and quality of the childcare workforce, with an objective that all full daycare settings have a graduate-level early years professional by 2015. The Government is now working with The Children's Workforce Development Council and the Training and Development Agency to plan the development of a new early years professional degree curriculum and to secure a sufficient supply of graduates in future years. The Government's commitments on workforce will be supported from April 2006 by investment via a new Transformation Fund, worth £125 million each year.

Affordability: from April 2005 the eligible cost limits of the childcare element of the Working Tax Credit increased to £300 a week (£175 for one child), and from April 2006 the maximum proportion of costs that can be claimed will be increased from 70 to 80 per cent. The Government is also working with the Greater London Authority on a pilot to address childcare affordability issues in London. This programme is on track to deliver 10,000 sustainable childcare places over three years, with support for over 3,000 places being offered to low income families in the first round, launched on 14 November 2005.

Schools 5.16 Helped by record levels of investment, children are doing better now at school than ever before, and there have been increases in attainment at all key stages:

- in 1997 a third of children left primary school without the skills to make proper progress in the secondary curriculum; now 79 per cent achieve these basic standards in English and 75 per cent in Maths;
- in 2005 schools secured a record rate of improvement in GCSEs with provisional data showing 56 per cent of sixteen year olds achieving five or more good GCSEs, up from 45 per cent in 1997; and
- in 1997 there were only 83 secondary schools where 70 per cent or more pupils achieved five or more good GCSEs; by 2004 this had risen to 413.

Services for children and young people 5.17 *Every child matters* set in place the institutional landscape for improved delivery of public services for children. The Children Act 2004 gives a legal spine to the reforms (see Box 5.2). *Every child matters: change for children*, published in December 2004, has put in place the practical measures to deliver systemic reform. Clearer local and national accountability is being delivered through the creation of Children's Trusts and the appointment of Director's of Children's services. A framework for greater service integration and coordination has been provided by the publication of a Children's Workforce Strategy in April 2005.

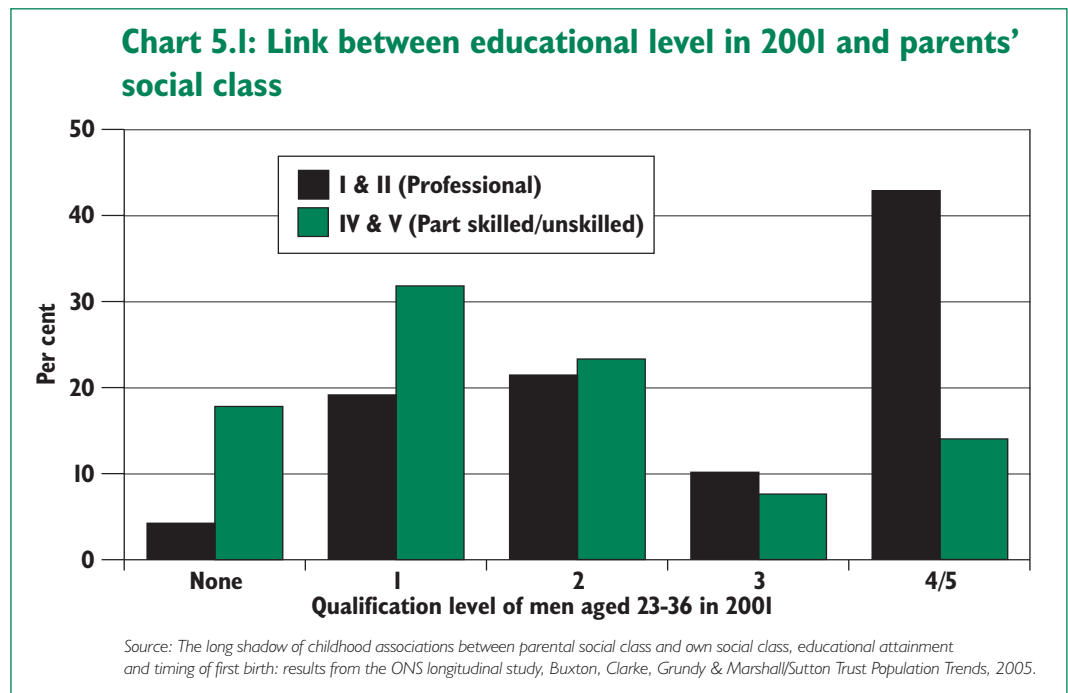
Health 5.18 The Government's investment in the National Health Service has delivered an improved health service for all. In Accident and Emergency patients can now expect to be treated in less than four hours. Survival rates are improving for all major cancers and more people are surviving heart attacks. NHS stop smoking services have helped over half a million people to quit permanently. Specifically for children and young people:

- for the population in England, the rate of infant mortality per 1,000 live births was 5.7 in 1997 (three year average) and fell to 5.0 in 2002 (again three year average). This is an improvement of 12 per cent;
- the teenage conception rate in England has fallen by 9.8 per cent since 1998; and
- class A drug misuse by all 16-24 year olds has stabilised following increases in the 1990s.

CHALLENGES FOR THE FUTURE

The attainment gap

5.19 Outcomes for children, in particular educational attainment, are still too closely linked to their socio-economic group. Chart 5.1 below shows how in the UK there is a strong correlation between social class and educational attainment.³ Over 50 per cent of children from social classes I and II (professional) have level 3 qualifications or above compared with just over 20 per cent from social classes IV and V (part-skilled/unskilled). Together with the fact that pupils eligible for free school meals (FSM - the most commonly used indicator of social deprivation) have lower attainment than their peers at every stage, this implies that there is more to be done to equalise life chances.



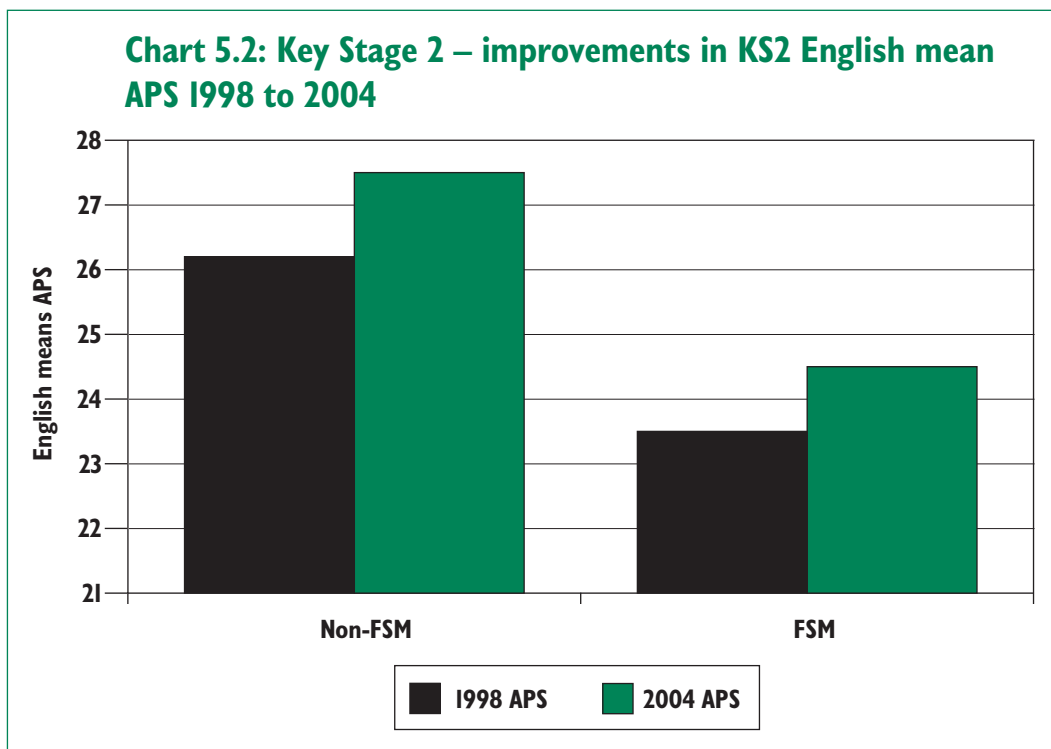
5.20 More also needs to be done to close the persistent gaps in attainment by gender and ethnicity that mean that some groups have particularly poor outcomes. For example, in 2004 only 27.3 per cent of Black Caribbean boys achieved five or more good GCSEs, compared to 51.9 per cent overall.⁴ The Government recognises the importance of reducing the attainment gap and this was a key theme of The Schools White Paper.

5.21 Since 1997 the Government's focus on schools in deprived areas has ensured that these schools have made faster progress than schools in better off areas, and that the attainment gap between these two groups of schools has closed. But there is room to do more. New evidence⁵ shows that at age 11, the overall gap in attainment between poorer pupils and their peers has not narrowed in recent years, and in fact appears to have slightly increased. As illustrated by Chart 5.2, using the Average Point Score measure, the average pupil eligible for FSM made less progress in English (1 point) than the average pupil not eligible for FSM (1.3 points).

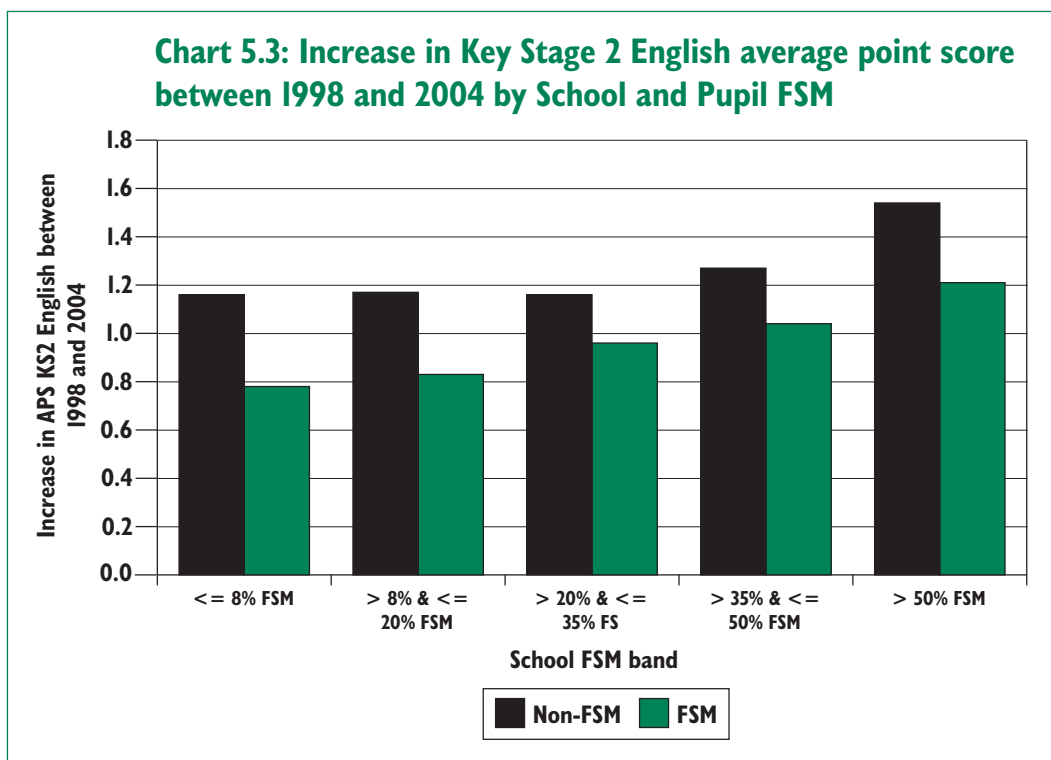
³ The long shadow of childhood: associations between parental social class and own social class, educational attainment and timing of first birth; results from the ONS longitudinal study, Buxton, Clarke, Grundy & Marshall, Sutton Trust Population Trends Vol. 121, ONS, 2005.

⁴ Maintained schools only.

⁵ Has the social class gap narrowed in primary schools? DfES, 2005.



5.22 The attainment gap between pupils eligible for FSM and those not eligible appears to exist across schools in different deprivation 'bands'. Chart 5.3 shows the attainment of pupils at schools in the five bands of deprivation. Within every band from the most to the least deprived, the attainment in English of pupils eligible for FSM increased by slightly less than their peers. Analysis of attainment in Maths leads to the same conclusion.



5.23 It is becoming clear that despite the increases in attainment for all groups in recent years, and the faster rate of improvement for schools in deprived areas, not enough progress is being made towards closing the attainment gap between poorer children and their peers. One implication of this is that a greater focus on boosting the performance of those with the lowest attainment (who will often be from deprived backgrounds) within individual schools may be needed in order to make progress on narrowing the attainment gap.

The Government's response

Personalisation 5.24 The Government has committed additional resources to support personalisation through the new Dedicated School Grant (DSG). This will enable intensive support for those who have fallen behind in literacy and numeracy including small group and one to one tuition. This investment will be focused on Local Authorities with the largest numbers of underachieving and deprived children. Every Local Authority will receive a share of this money but it will be focused in particular on Authorities with the largest number of underachieving and deprived children. Details of DSG allocations for the next two years will be announced shortly.

Ethnic minority attainment 5.25 In 2003 the Government launched a national strategy, *Aiming high: raising the achievement of minority ethnic pupils*, which focused on supporting schools to become more responsive to the cultural, religious and linguistic needs of parents and pupils. The Government will now build on this strategy by extending support for bilingual learners to secondary schools, expanding programmes to target underachievement of young black people, and focusing on driving up the attainment of Muslim pupils. The Government also recognises the severe underperformance in Gypsy and Traveller communities and will introduce a targeted programme to address this issue.

Deprivation Funding Review 5.26 Allocation of funding for education between Local Authorities takes account of local circumstances, including the incidence of deprivation. HM Treasury and DfES have carried out a review of the way in which Local Authorities distribute funding for deprivation between schools in their area. This review found that there is very significant diversity of practice among Local Authorities, both in the ways they measure social deprivation among pupils, and in how much priority is given to funding schools to meet the resultant costs. The Government will announce the steps it will be taking as a result of the review's conclusions shortly, and a full report of the review's findings will be published at the same time.

VULNERABLE GROUPS OF CHILDREN

5.27 Continued reform of education and other universal services will benefit all children. But some children are disadvantaged by more than just poor educational outcomes and need extra support, now and into the future.

5.28 Outcomes for some of the most vulnerable groups of children have not always improved as much as they need to in order to put their life chances on an equal footing with those of their peers. There are still too many children falling through the gaps. Part of the reason for this is that the difficulties facing some of these groups are not dealt with early enough and are allowed to reach crisis point. In other instances, the high levels of need displayed by some of these groups are still inadequately met. Children whose outcomes remain poor include:

- looked after children, i.e. children taken into care by Local Authorities either through fostering arrangements or residential care;
- disabled children;
- children with special educational needs (SEN); and
- young offenders.

Looked after children **5.29** At any one point, about 61,000 children are in the care of Local Authorities, although over 80,000 pass through the care system in any year. In 2003-04 39 per cent of children leaving care had been looked after for less than six months; the overall aim of the system is, wherever possible, to support children to return to their families. Many children who are taken into care have previously experienced abuse or neglect and their outcomes are likely to be poor by the time they enter care. For example:

- the majority of children who enter care are there because they have suffered abuse or neglect at the hands of their parents;
- looked after children are seven times more likely than the wider population to suffer from mental health problems; and 20 per cent of looked after children have a statement of special educational need (compared with 3 per cent of the general population);
- looked after children have poor educational outcomes and these are improving only very slowly. In 2004, only 9.4 per cent achieved 5 GCSEs at A*-C, compared with 54 per cent of the wider population;
- 50 per cent of looked after girls are pregnant within two years of leaving care; and
- looked after children are around three times more likely than other children to be cautioned for, or convicted of, an offence (9 per cent instead of 3 per cent).

Disabled children 5.30 Around 770,000 children under 16 in the UK (7 per cent) are disabled. Disabled children and young people currently face multiple barriers that make it more difficult for them to achieve their potential and the same positive outcomes that many of their peers expect:

- the educational attainment of disabled children is lower than that of non-disabled children; and
- families with disabled children report particularly high levels of unmet needs, isolation and stress.

5.31 Financial support for families with disabled children has increased since 1997-98, with tax credits providing more support for more families. The Child Tax Credit integrates income-related financial support for disabled children by replacing the disabled child premium in Income Support with a much more generous tax credit. Support for families with low incomes through Child Benefit, Child Tax Credit and Disability Living Allowance is now at least £100 per week, 250 per cent more than was available to a working family with a disabled child in 1997-98.

5.32 As a result, the risk of disabled children living in a family with less than 60 per cent of median income is now lower than that for other children, unless one or more parents is also disabled. Nonetheless, Government recognises that additional costs associated with disability may increase the risk of these families suffering material deprivation.

SEN children 5.33 The 2004 Schools Census found that the 60 per cent of pupils in the lowest quartile at Key Stage 2 were recorded as having special educational needs (SEN), compared to only 10 per cent of those at higher levels of attainment.⁶ The most recent analysis of the qualifications obtained by school leavers shows that 10.7 per cent of pupils with SEN achieved 5 GCSEs (or equivalent) at grades A*-C, compared to 59.7 per cent of pupils with no identified SEN.⁷

5.34 The *SEN Code of Practice*⁸ provides a framework for developing strong partnerships between parents, schools, LEAs and health and social services. It promotes a consistent approach to meeting children's needs and places the rights of children at the heart of the process.

5.35 *Removing barriers to achievement*,⁹ the Government's strategy for the education of children with SEN and disabilities, reinforces the commitment made in *Every child matters* to early intervention, inclusion, raising expectations and achievement and the development of partnership networks. It identifies the weaknesses in the services offered at present, sets out objectives for improvement and makes specific commitments for future action.

Youth offenders 5.36 Unfortunately, for some children crime is a way of life from a very young age. Offending and ending up in custody are negative outcomes in themselves, but they will also have an effect on other aspects of a young person's life, such as their chances of gaining an education and their employability.

⁶ *Statistics of education: the characteristics of low attaining pupils*, DfES, 2005.

⁷ *National curriculum assessment, GCSE and equivalent attainment and post-16 attainment by pupil characteristics in England 2004*, DfES, 2005.

⁸ DfES, 2001.

⁹ *Removing Barriers to Achievement*, DfES, 2004.

5.37 Although not all young offenders will continue to offend as adults, adult persistent offenders usually start out as young persistent offenders. Around 100,000 persistent and priority offenders (10 per cent of all offenders) commit approximately half of all crime.¹⁰ Early, targeted and where necessary, intensive intervention with children at risk of offending must be key to the Government's long-term strategy for crime reduction.

PERSONALISATION

5.38 Services need to be personalised to respond to individuals and their circumstances. Different children have different needs. The recent Schools White Paper sets out how the Government will offer every child the opportunity to learn in a way that excites them and meets their various learning needs.

Extended Schools 5.39 The Government has also been developing ways of meeting the wider needs of children, that go beyond learning, through schools. The extended schools programme will, for the first time, make schools responsible for delivering much more than only education services. All schools will provide a core offer of extended services such as breakfast clubs, homework clubs, sport, arts and other extra curricular activities, and every secondary school will be open from 8am to 6pm by 2010.

5.40 Extended Schools are not, however, just about activities for children. They will sit at the heart of the community providing parent support, employment advice and other services. Chapter 3 sets out how the Government will pilot a new type of role in schools – a Parent Support Adviser – to provide support to children and their parents at the first sign of need.

Services for young people and teenagers 5.41 Building on *Youth matters*, the Government wants young people to have more choice and influence over services and facilities that are available to them. The Government wants to put power in the hands of young people by giving them and their parents a say about what services are available. The Government:

- is piloting a 'Youth Activity Card' for all young people, with the most vulnerable having a monthly top up from Government; and
- will create 'opportunity funds' to spend on local projects young people want.

5.42 All young people will be provided with better information, advice and guidance about issues that matter to them, delivered in the way they want to receive it. The Government will ensure that those young people with additional needs receive an integrated package of support from someone they know and trust.

A new budget-holding lead professional 5.43 A key element of delivering better integrated services around the needs of the child and family is the concept of the 'lead professional', a new innovative concept that will make a substantial contribution to ensuring that children and families who need extra support receive it in a coordinated and integrated way.

¹⁰ *Criminal justice: the way ahead*, Home Office, 2001.

5.44 The Government believes that this role could be strengthened further. The capacity of the lead professional to deliver better packages of services to children and families could be enhanced by giving lead professionals a budget with which to commission services directly from providers. The lead professional would then become a 'single account holder' for the child or family they are responsible for, working with them to commission services from a wide range of providers – statutory, private and voluntary.

5.45 The Government will therefore run a series of Single Account Holder Pathfinders in six to ten high-achieving Local Authorities to determine whether a budget-holding lead professional model might be implemented more widely. The pilots will seek to test:

- how budget-holding can be applied to the current model of lead professionals being developed in Local Authorities; and
- how budget-holding can be applied in the specific case of services for young people, in the context of wider reform of youth services set out in *Youth matters*.

Vulnerable children **5.46** For all groups of vulnerable children, more needs to be done to deliver services that better meet their needs. For some of these groups progress has already been made, for example:

- for disabled children, the Government recently announced the end of the means test for the Disabled Facilities Grant. Families in England needing to adapt their homes to care for a disabled child will no longer be subject to means testing from December 2005; and
- for SEN children, the recent Schools White Paper set out new measures to improve the way education services are delivered, including how the Government will seek to designate 50 new SEN specialist schools within the next two years, building on the 12 already established.

Looked after children **5.47** For looked after children specifically, the Government believes that there is potential to do more to divert children on the threshold of going into care from the need to be received into care. A number of Local Authorities are already developing innovative services to such children and families, for example by tapping into the wider resources of the extended family, including through the provision of specific financial support where necessary. **The Government will now examine and evaluate these innovative practices with a view to disseminating best practice examples more widely, and facilitating further development in the future.**

5.48 Building on the peer mentoring pilot announced in Chapter 4, the Government is also keen to explore further how mentoring might be able to improve outcomes for looked after children. **This Pre-Budget Report therefore announces a pilot mentoring scheme, to be delivered by the third sector, for 600 young looked after children between the age of 10 and 15 over 2006-07 and 2007-08.**

5.49 In addition, the Government will consult early in 2006 on a more wide-ranging set of proposals for transforming outcomes for looked after children. **Achieving a step change in life chances for this group will require continued improvements in fostering and residential care. The Government will also look at other ways in which these children might benefit from additional help and support.**

TOWARDS THE COMPREHENSIVE SPENDING REVIEW IN 2007

5.50 Since 1997 the Government has made good progress toward improving public services for children and families and has learned important lessons in implementing *Every child matters* about the challenges of delivering children and families services reform. The evidence on the persistent attainment gap between poor pupils and their peers, and the fact that particular groups of vulnerable children still suffer multiple poor outcomes, show that while significant progress has been made, services are still not intervening early enough.

5.51 The Comprehensive Spending Review in 2007 will provide an opportunity to take stock of what is known to be effective, where the gaps lie, and how best to use resources to drive further improvement in public services for children, parents and families. As part of the Comprehensive Spending Review process, the Government will seek to address the following issues about public services for children, young people and families:

- what more needs to be done to close the attainment gap between poorer pupils and their better-off peers, and in particular between ethnic minority children and others;
- how greater personalisation of public services, both within and beyond the classroom, can be delivered to better meet the needs of all children and those who need most help;
- where and how public services for children, parents and families can continue to be integrated and what more can be done to prevent families from experiencing disadvantage and poor outcomes in the first place; and
- what more needs to be done to address the specific needs of vulnerable groups such as looked after children, disabled children, children with special educational needs and young offenders.

6

NEXT STEPS

6.1 Following years of under-investment, the Government has made a real difference in the lives of children, young people and families since 1997. More children live in decent homes and in families where parents are in work. More young people are getting five good GCSEs at 16 and choosing to stay on in education. Overall, more children and young people today can access opportunities to realise their ambitions and aspirations than in 1997.

6.2 This document has set out in detail the strategy that has secured these achievements. Since 1997, the Government has introduced a range of measures to ensure economic well-being for families, support parents in their parenting responsibilities, promote a supportive community environment and ensure excellent public services for all. These have been underpinned by three principles:

- rights and responsibilities;
- progressive universalism; and
- prevention.

6.3 However, some children, young people and families remain caught in cycles of deprivation. The strongest influence on children's lives continues to be their family background. Children from affluent families have access to greater opportunities than children from disadvantaged backgrounds, irrespective of their talents, abilities and motivation. Furthermore, particular groups of children and young people, such as looked after children and disabled children, have not benefited as much as others from improvements. This is both unfair and puts the UK at an economic disadvantage. In a global economy with greater cross-border competition, economic success depends on making the most of the talents of all children.

Focus on parents and prevention

6.4 The Government's long-term aim continues to be to tackle the underlying causes of poverty and disadvantage and to break cycles of deprivation. This will continue to require coordinated action not just on income, but also on the other determinants of children's life chances. As part of the Comprehensive Spending Review in 2007, the Government will focus on how it can reshape support for parents, communities and public services to accelerate progress in improving the lives of children, responding to the economic and demographic changes that are making family life more complex and more challenging.

6.5 Central to this will be a stronger focus on prevention, to provide individuals with the skills and opportunities to protect their families against future poverty, and to support children and parents before problems arise or at the earliest signs that more support might be required. This echoes the wishes of parents. Early, preventative support that is culturally sensitive and non-stigmatising is what parents say they need to help them fulfil their responsibilities towards their children.

Towards the Comprehensive Spending Review in 2007

6.6 As part of the forthcoming Comprehensive Spending Review, HM Treasury and DfES jointly will take further steps to assess the policy action required to secure continued improvements in outcomes for children and young people, with a particular focus on children and young people from more disadvantaged backgrounds, building on the Government's strategy to date and the principles that underpin it.

ISBN 1-84532-125-1



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