POLICY REVIEW:

Summary of the Policy Review Working Groups – Seminars for Ministers below Cabinet level

February 2007

This paper is based on material discussed in the working groups with junior ministers for the Policy Review. The paper is not a statement of policy.

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Introduction

Emerging themes from the Policy Review working groups

Conclusion

The Policy Review is taking a broad look at the challenges for the UK in the next 10 years and beyond

- The Policy Review has proved a unique - and unprecedented - opportunity for an incumbent government to examine its policies across both domestic and international fields

- To date, the 6 policy reviews have produced over 40 expert papers with 11 overview papers for the Cabinet level working groups, from across a wide range of government departments

The Role of the State

Economic Dynamism

Public Services

Policy Review

Britain & the World

Security, Crime & Justice

Energy & the Environment

Cabinet level working groups

Seminars with junior ministers

Papers from across Whitehall

Public engagement process

The purpose of today's session is to take stock of the key policy themes emerging from the Policy Review seminars with junior ministers

- To date, there have been 11 Policy Review seminars with junior ministers, with around 130 ministerial attendances, and 23 presentations given by external expert speakers

- The findings are grouped into five themes, each with specific policy ideas:

Empowerment and information

Quality of life

Inequality

Culture and behaviour change

A self confident Britain

- In addition to today, the conclusions from the seminars and public engagement strands will be presented to Cabinet as part of the final Cabinet level working group on 8th March

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Introduction

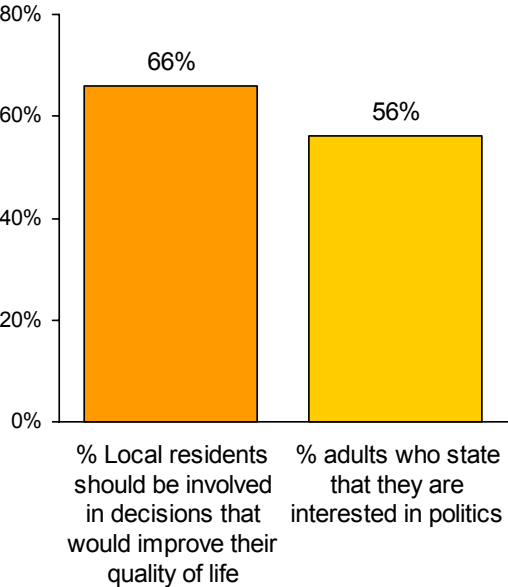Emerging themes from the Policy Review working groups:

- **Empowerment and information**

- Quality of life

- Inequality

- Culture and behaviour change
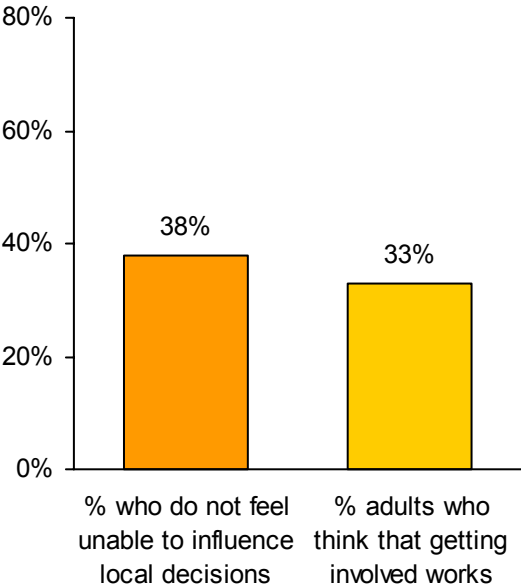
- A self confident Britain

Conclusion

Political efficacy – or people's belief in their capacity to influence the world – is in decline

Most citizens are in favour of involvement in decision-making at local level and are interested in national politics
Percentage[1]

66%
56%

% Local residents should be involved in decisions that would improve their quality of life

% adults who state that they are interested in politics

But, few feel able to influence decisions
Percentage[1]

38%
33%

% who do not feel unable to influence local decisions

% adults who think that getting involved works

Although interest in politics has stayed roughly constant, voter turnout has fallen
Percentage[3]

Voted

Interested in politics

1989   92   97   01   05
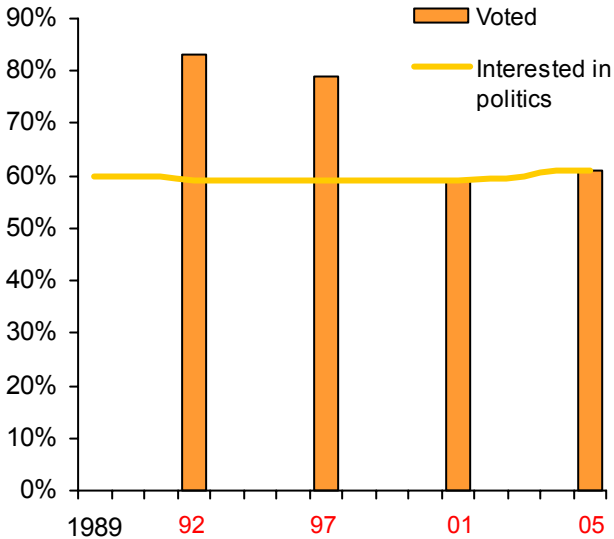
- There has been a long term decline in people's belief in their capacity to influence the world – membership of political parties has fallen from 1 in 11 in the 1950s to 1 in 88 today[2]
- Citizens' interest in politics does not seem to have declined – but they are voting less
- **Government needs to find ways to improve opportunities for citizens to influence**

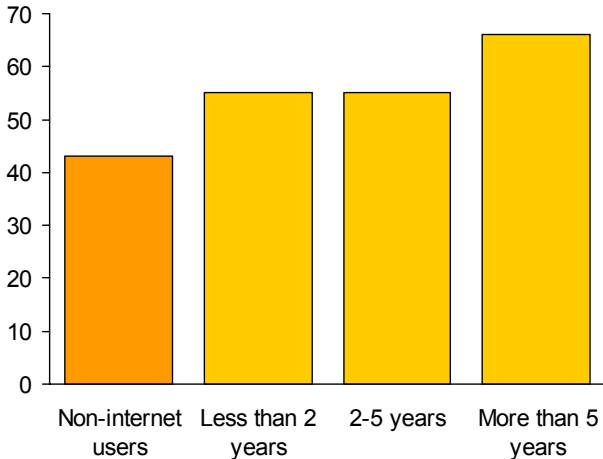# Other forms of engagement are growing, and new forms of engagement are emerging

While electoral activity has declined, pressure activity has increased recently
Percentage[1]

Legend:
- 1974 - February general election
- 2000 - except general election 2001

X-axis categories:
- General election turnout
- % who have signed a petition
- % who have taken part in a demonstration
- % who have taken part in a consumer boycott
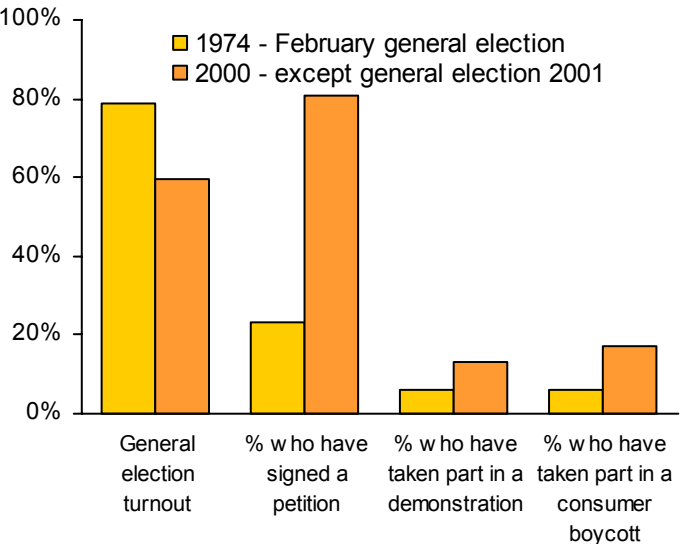
A majority of people are involved in civic participation and/or formal or informal volunteering
% of respondents[2]

Pie chart:
- No activities 19%
- One activity 30%
- Two activities 32%
- Three or more activities 19%
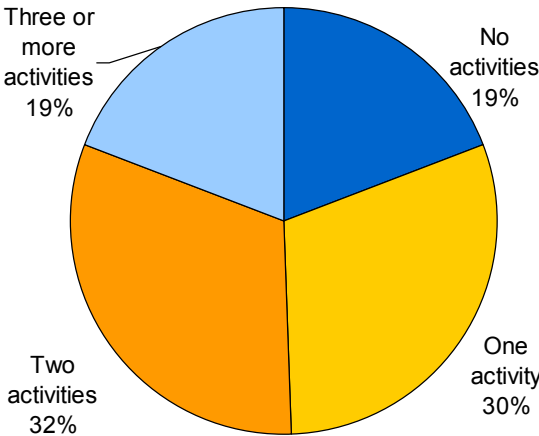
Length of internet use is significantly correlated with membership of community organisations
Percentage of population[3]

X-axis categories:
- Non-internet users
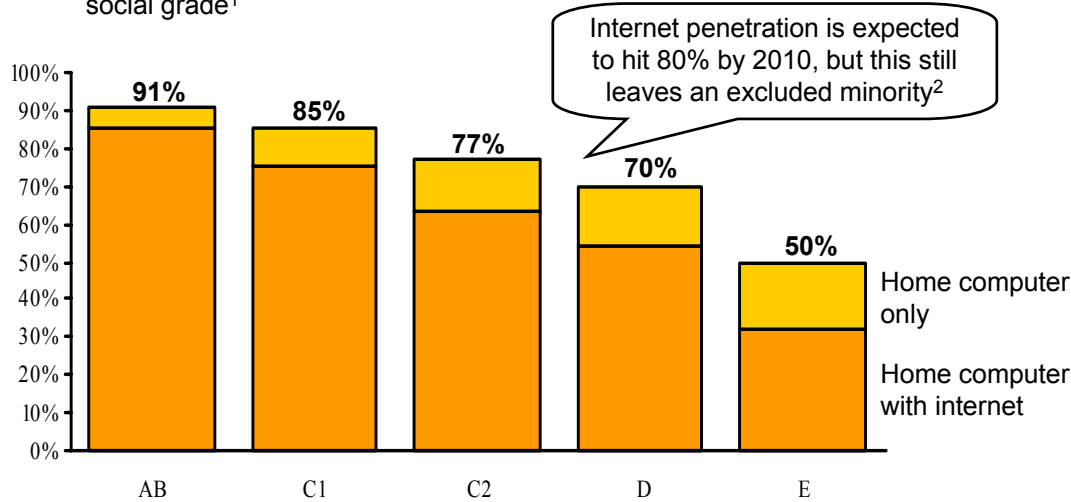- Less than 2 years
- 2-5 years
- More than 5 years

- New forms of political engagement – and citizen-to-citizen engagement - are growing, ranging from special interest groups and NGOs to web forums and online groups
- The ability to e-petition Number 10 has improved access and enabled Government to respond directly to petitioners by email – but any opening up of this kind also carries risk
- **The challenge for Government is to find ways to tap into citizens' engagement**

As the use of technology develops and becomes more central to daily life, government needs to determine how to respond

There is a wide digital divide in access to computer technology
Families with home computers and the internet by social grade[1]

> Internet penetration is expected to hit 80% by 2010, but this still leaves an excluded minority[2]

91% 85% 77% 70% 50%

Home computer only

Home computer with internet

AB   C1   C2   D   E

And while there are many innovative new services – such as 'netmums.com' – these are outside of government influence
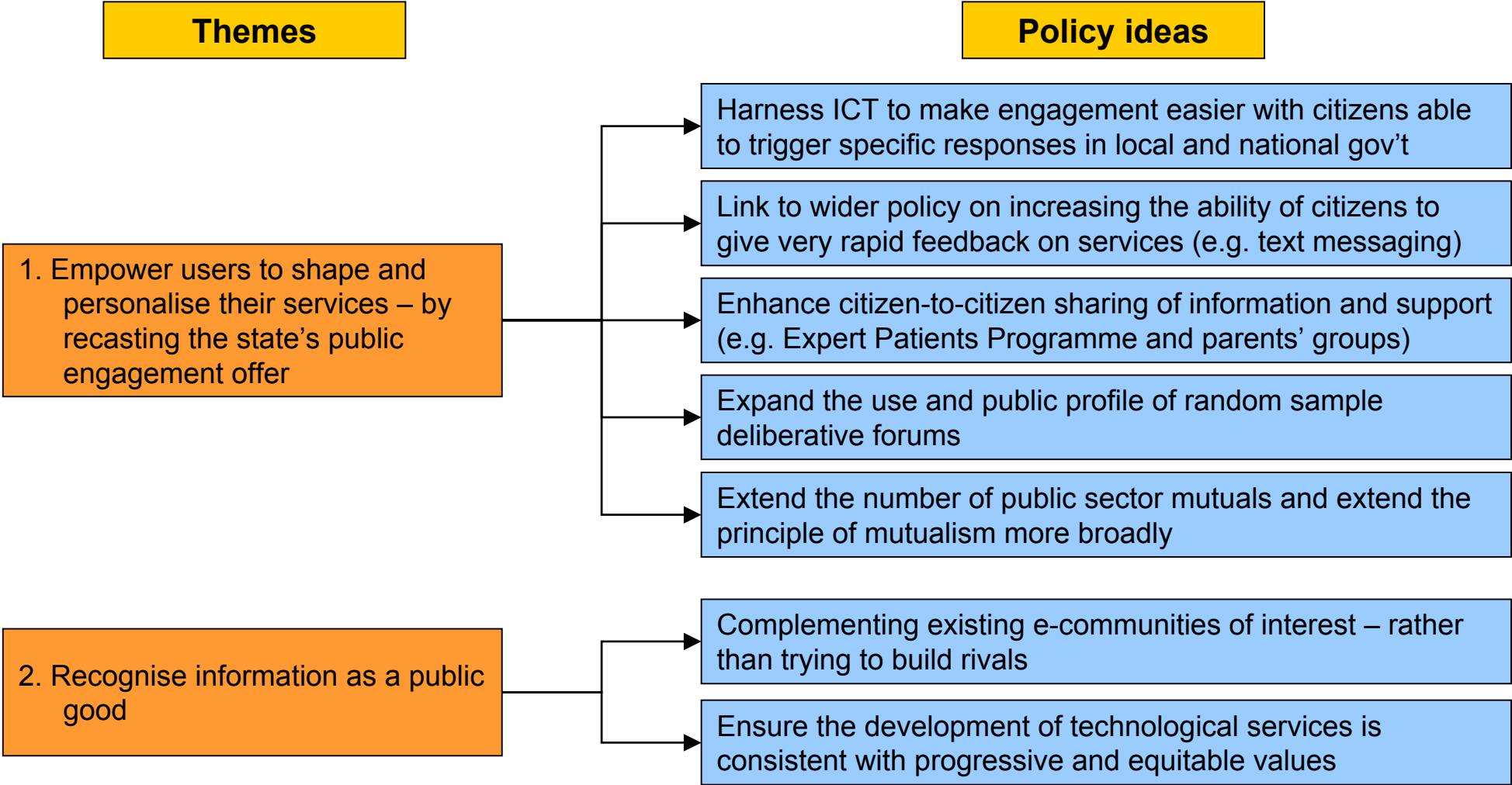

- Around 2.7m families are 'digitally excluded', of which 1.5m are on the highest level of tax credit[1]

- The best use of technology will be simple and located where the citizens expect to find it, and can radically change people's everyday lives

- This is not about involvement in a traditional sense – it is about responding to empowered citizens expressing their views

- **The key challenge will be using new technology to help transform delivery of services and make government services accessible in a way that addresses the digital divide**

Policy ideas – progressively empowering citizens in their daily lives

Themes

Policy ideas

1. Empower users to shape and personalise their services – by recasting the state's public engagement offer

- Harness ICT to make engagement easier with citizens able to trigger specific responses in local and national gov't
- Link to wider policy on increasing the ability of citizens to give very rapid feedback on services (e.g. text messaging)
- Enhance citizen-to-citizen sharing of information and support (e.g. Expert Patients Programme and parents' groups)
- Expand the use and public profile of random sample deliberative forums
- Extend the number of public sector mutuals and extend the principle of mutualism more broadly

2. Recognise information as a public good

- Complementing existing e-communities of interest – rather than trying to build rivals
- Ensure the development of technological services is consistent with progressive and equitable values

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Emerging themes from the Policy Review working groups

- Empowerment and information

- **Quality of life**

- Inequality

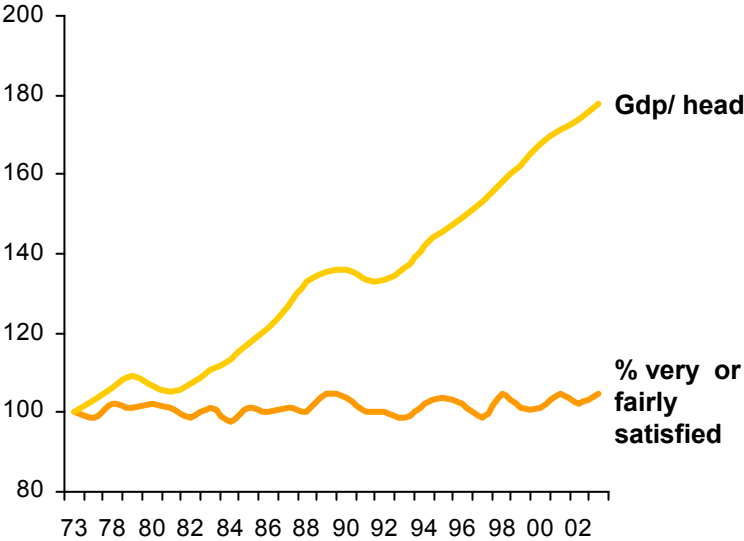- Culture and behaviour change

- A self confident Britain

Conclusion

While material standards of living have inexorably risen, life satisfaction has not – with 1 in 6 adults suffering from depression or anxiety
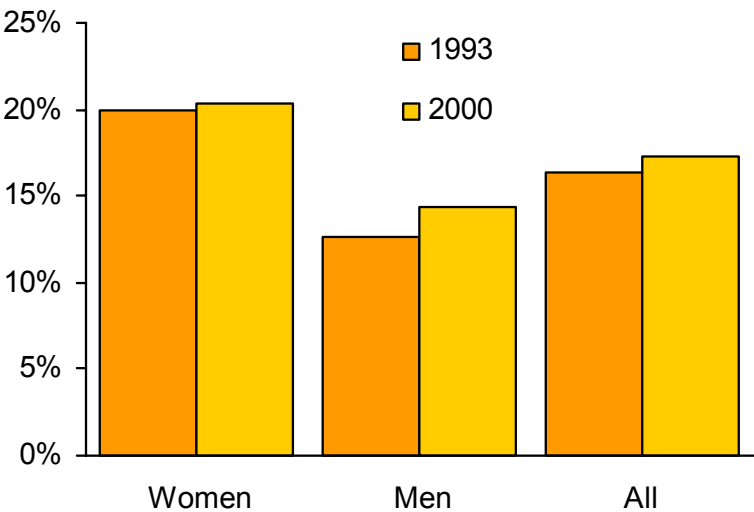
Life satisfaction has remained constant – despite massive gains in material standards
Rebased 1973 = 100[1]

There are 6 million people suffering from depression or anxiety
Percentage suffering from neurotic disorder (aged 16-64)[2]

- The key factors in life satisfaction are family relationships, work and the community, with actual level of wealth much less important than relative wealth or perceived status

- Historic increases in family break-ups, falling job satisfaction and social trust, people are no happier now than they were fifty years ago

- **There is a challenge for Government to increase well-being through policy areas such as mental health, parenting and quality of working life**

# There is perceived pressure on parents and family life

Beanpole families and one person households are increasingly the norm
Proportion of one person households 1971-2021[1]

- Under 65
- Over 65

40%
35%
30%
25%
20%
15%
10%
5%
0%

1971 1981 1991 2001 2011 2021
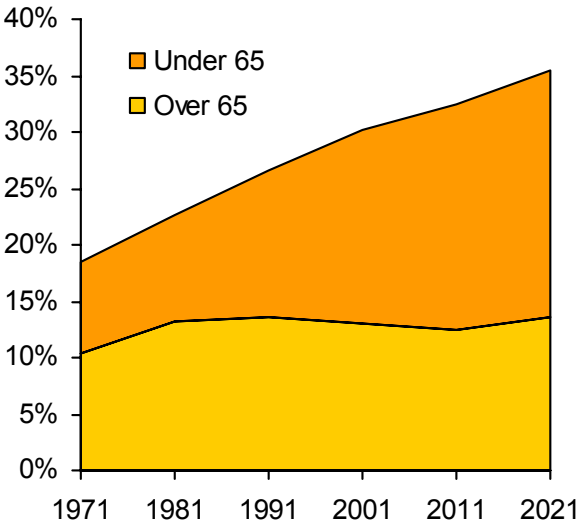
Insecurity is on the rise for hard working families
Chances of an average worker facing a 50% or greater drop in family income over time[2]

%
20
15
10
5
0

1970 75 80 85 90 95 2002
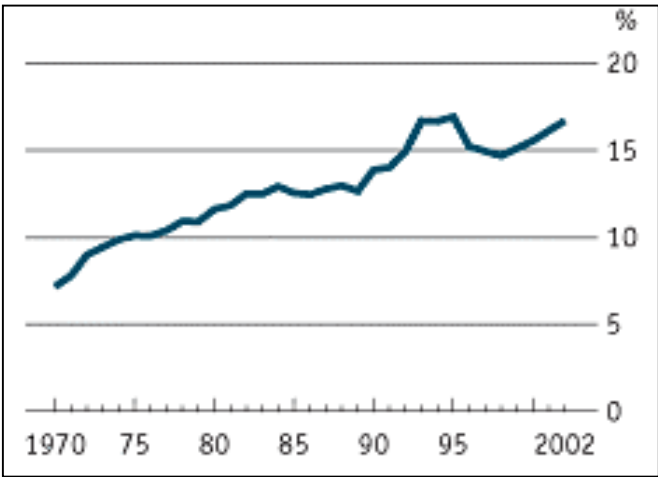
[NB: based on US data]

And there are more time pressures on family life
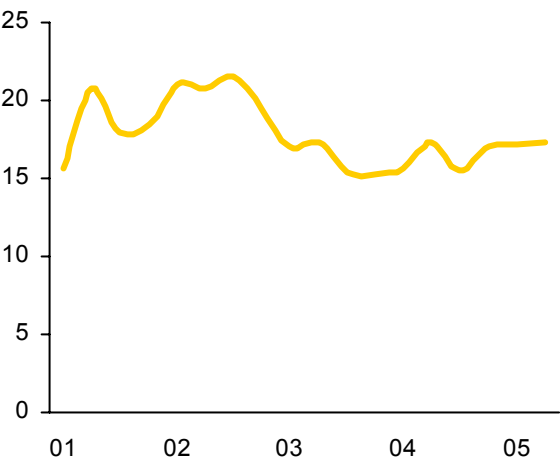Time Bank surveys[3]

- 56% of mothers find it harder for them to balance work/family lives than 30 years ago

- 49% parents didn't know where children are, who they were with or what they were doing after school, at weekends, in holidays

- 64% of adults report that their jobs interfere with their family lives

- More people are living on their own, marrying later, and cohabiting for longer

- Families are shifting to a 'beanpole' structure – becoming smaller, more geographically dispersed and more focussed on immediate parents, on fewer children and on grandparents – increasing vulnerability to loss of income

- **There is a challenge for Government to create more flexibility in family support**

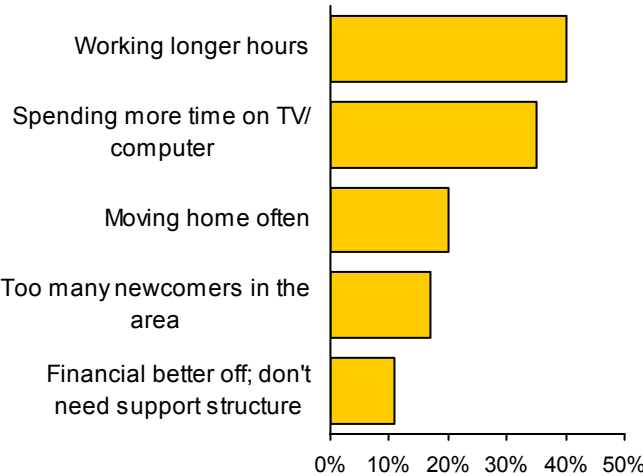# Improving quality of life at the neighbourhood level will be critical

Perceptions of anti-social behaviour have fallen since 2001, but one in six still say that it is a problem in their area
% saying ASB very/fairly big problem in their area[1]

People attribute breakdown of community to broader social changes
% raising as a concern[2]

Working longer hours
Spending more time on TV/ computer
Moving home often
Too many newcomers in the area
Financial better off; don't need support structure

0% 10% 20% 30% 40% 50%

There are several factors associated with high satisfaction with a neighbourhood[3]

- People who rated **the general appearance of an area** as less than "very good" were 4 times more likely to be less than very satisfied with their neighbourhood
- People who were less than very satisfied with their **home** were 3 times more likely to be less than very satisfied
- People who said that **noise** was a problem were 1.8 times more likely to be less than very satisfied
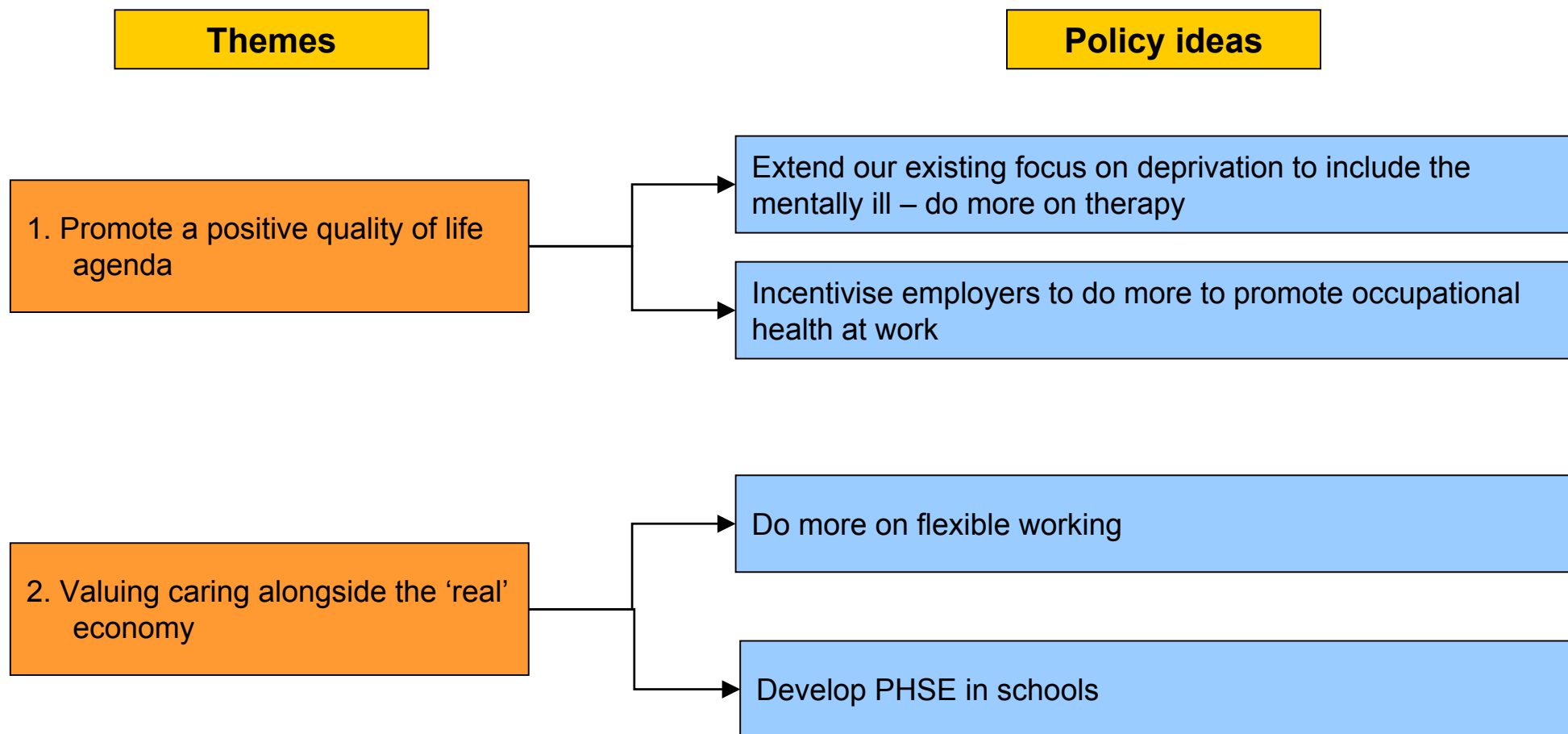
- Many key determinants of life satisfaction are closely associated with local neighbourhoods – such as immediate neighbourhoods and friends, the quality of the built environment and perceived level of safety. In many cases this is about improving local positive effects, rather than stopping local bad effects on satisfaction

- **The mark of success for the Government's Respect agenda will be when the focus of debate is not mitigating neighbour 'bads', but promoting neighbourhood 'goods'**

Policy ideas – promoting the wellbeing agenda

Themes

Policy ideas

1. Promote a positive quality of life agenda

Extend our existing focus on deprivation to include the mentally ill – do more on therapy

Incentivise employers to do more to promote occupational health at work

2. Valuing caring alongside the 'real' economy

Do more on flexible working

Develop PHSE in schools

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Emerging themes from the Policy Review working groups:

    - Empowerment and information

    - Quality of life

    - Inequality

   - Culture and behaviour change

    - A self confident Britain

Conclusion

While there has been marked progress on income inequality, capital inequality has grown

Tax and welfare policy has halted the growth of income inequality, contributing to the fall in poverty
% of population in relative poverty[1]

Below 50% mean
Below 60% median
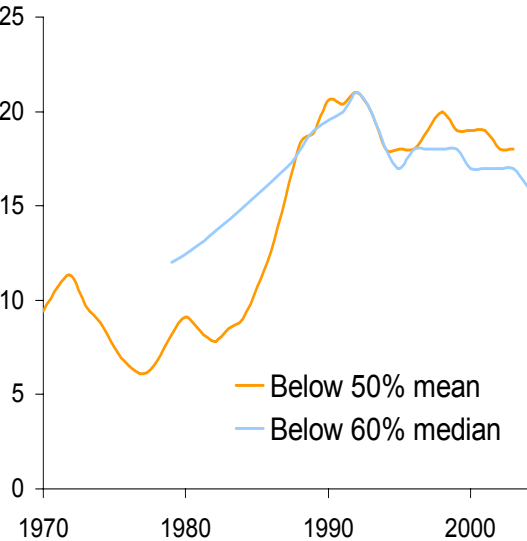
But wealth distribution started widening in the mid-1990s
% of total marketable wealth[2]

Wealth of top 1%
Wealth of top 10%
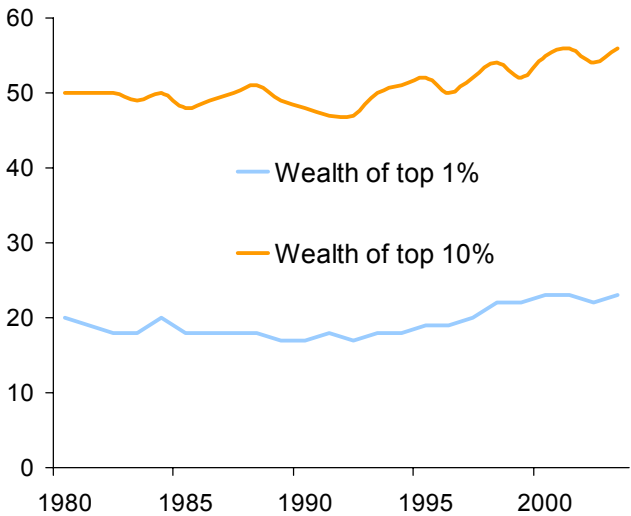
High house prices are making it harder to get on the property ladder without assistance
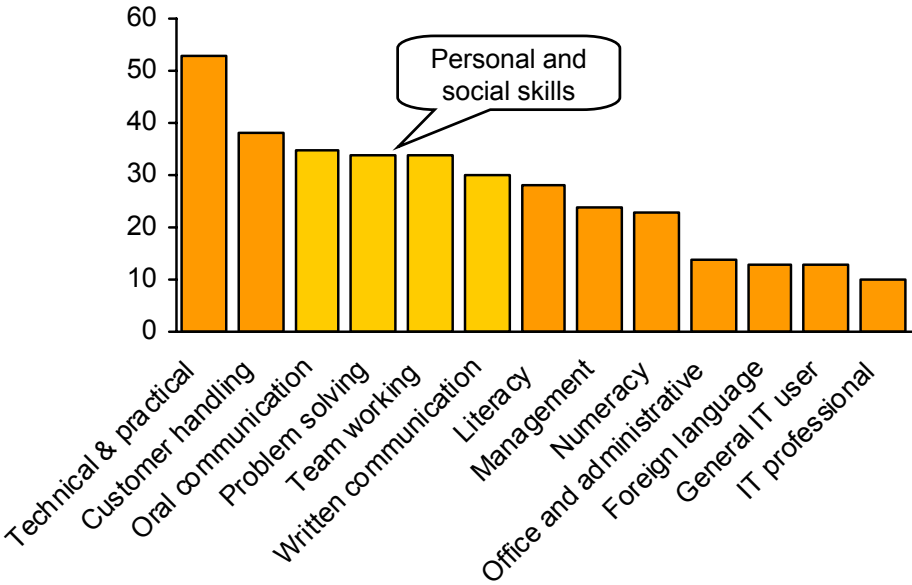% first time buyers[3]

unassisted
assisted
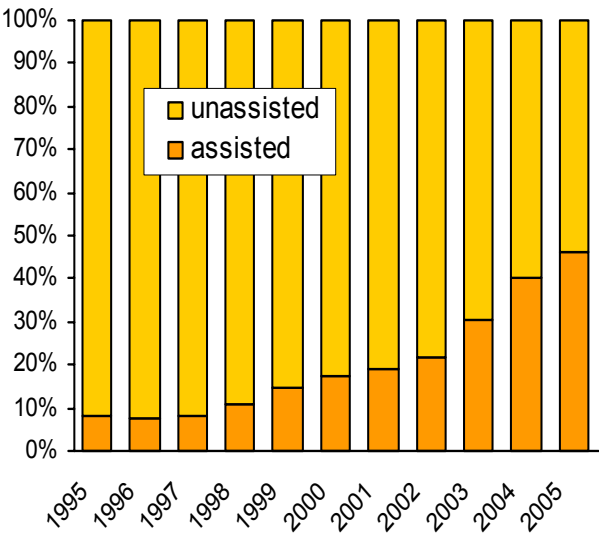
- Half of first-time buyers under 30 now receive assistance – with deposits of £34,000 versus £7,000 for those who are not assisted[3]

- **These trends, coupled with future pressures on spending, will require some tough choices in order to sustain the progress made in tackling inequality**

Personal and social skills are emerging as a key driver of inequality

Knowledge economy jobs have expanded significantly
% increase in the UK's top ten occupations by growth (79 - 99)[1]

Financial institution & office managers
Actors, entertainers,& producers
Company financial managers
Hospital ward assistants
Educational assistants
Computer programmers
Computer systems & data processing
Business analysts
Software engineers
Care assistants & attendants

0   100   200   300   400   500
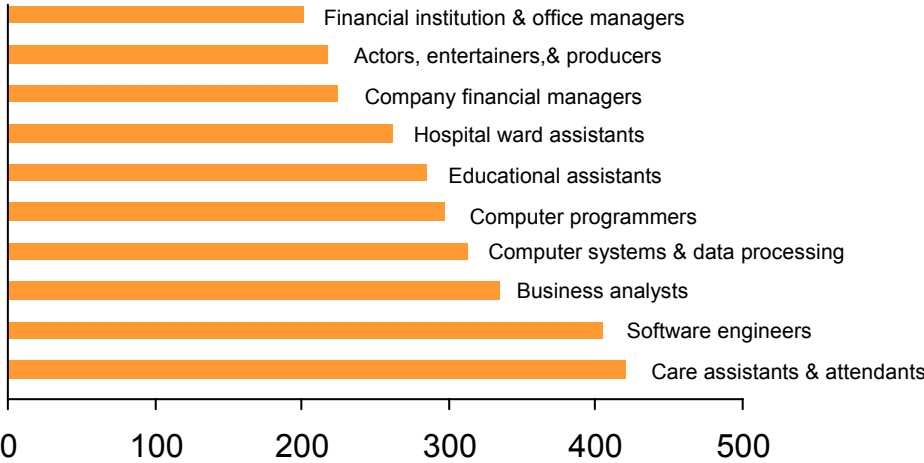
Personal and social skills seen as a key gap by employers
% of employers citing as a gap[2]

Personal and social skills

60
50
40
30
20
10
0

Technical & practical
Customer handling
Oral communication
Problem solving
Team working
Written communication
Literacy
Management
Numeracy
Office and administrative
Foreign language
General IT user
IT professional

- 52% of employers are dissatisfied with school leavers' employability skills[2]

- But, differences in personal and social skills are affecting social mobility – these are now 33 times more important now than before in determining life chances[3]

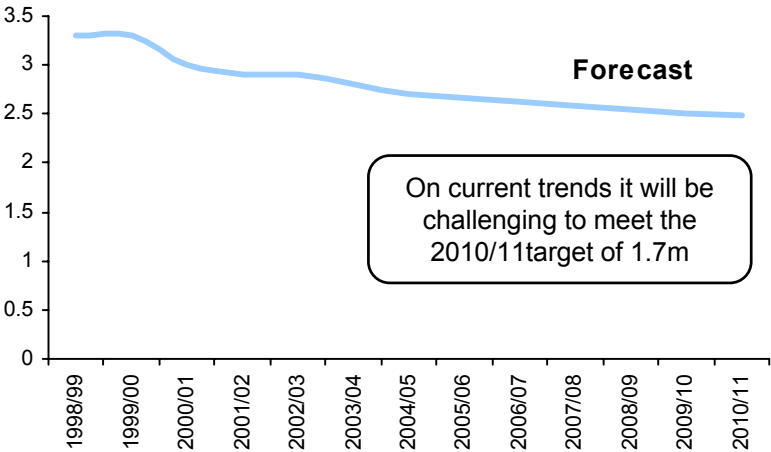- **Addressing these skill gaps will be vital for success in a global economy**

Meeting challenging child poverty targets will be extremely difficult

We've made progress on child poverty but the 2010 target is still challenging
Number of children, million[1]

Forecast

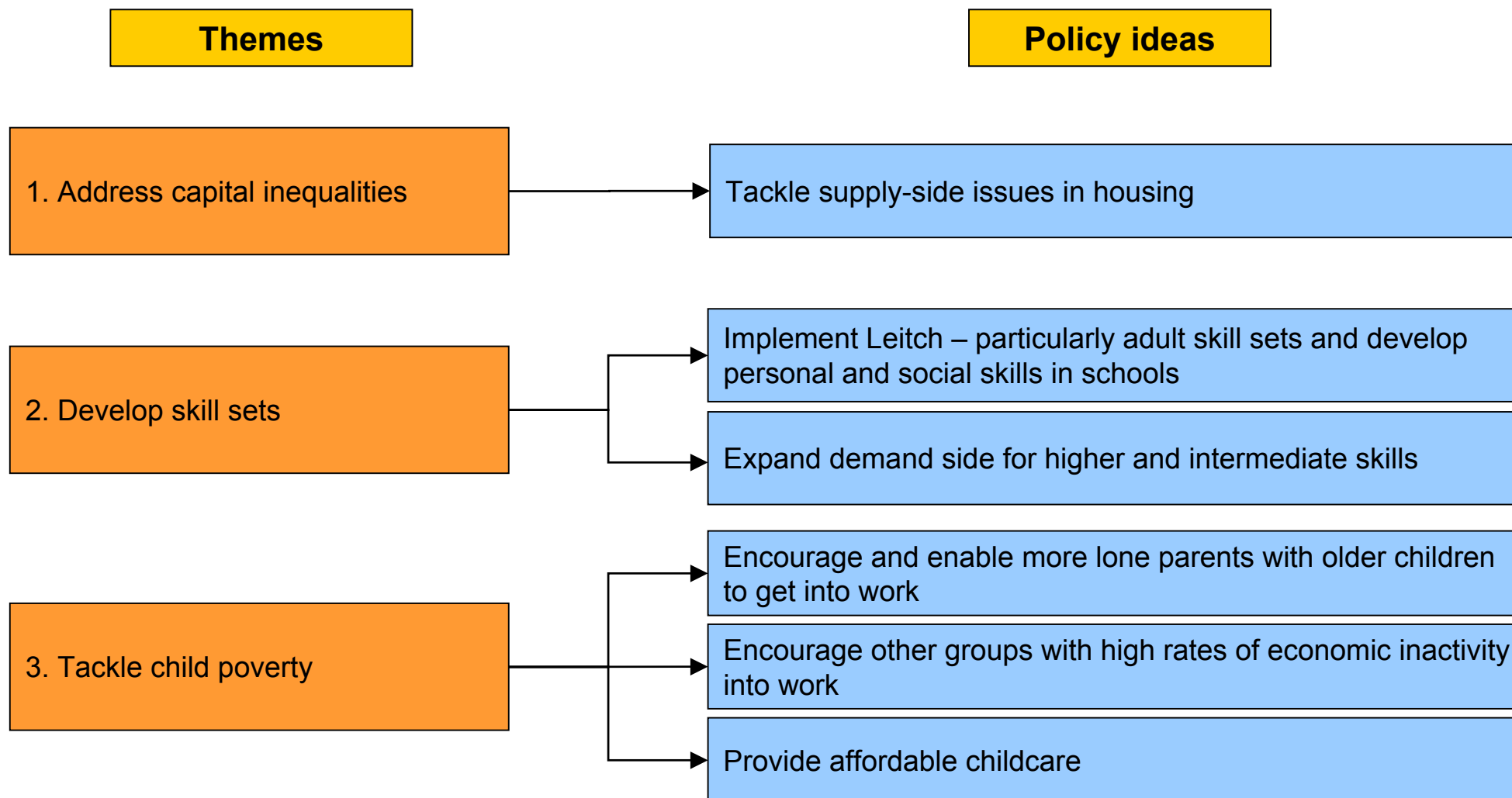On current trends it will be challenging to meet the 2010/11target of 1.7m

The UK has a marginally higher risk rate of child poverty than the EU average , but almost twice that of the best performers % at risk of poverty (post transfers)[1]

However, the UK is making much faster progress than other EU countries in tackling child poverty
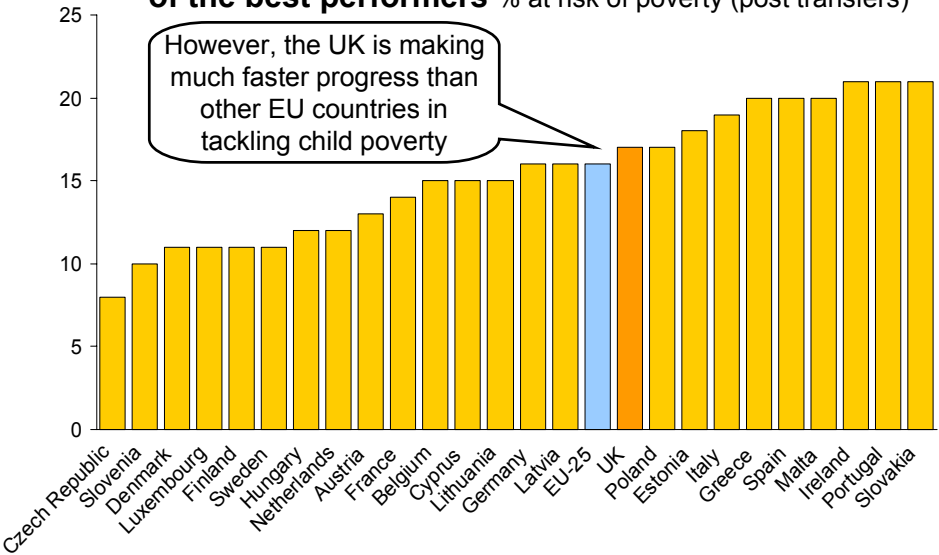
- Over 700,000 children have been lifted out of poverty since 1998. But, meeting the 2010 target will be challenging and will require even faster progress[1]
- The government has a clear responsibility to tackle child poverty
- **The challenge for Government is to further reduce child poverty, for example through providing affordable childcare and encouraging people into work, within the tight spending outlook**

Policy ideas – renewing the drive on inequality

Themes

Policy ideas

1. Address capital inequalities

→ Tackle supply-side issues in housing

2. Develop skill sets

→ Implement Leitch – particularly adult skill sets and develop personal and social skills in schools

→ Expand demand side for higher and intermediate skills

3. Tackle child poverty

→ Encourage and enable more lone parents with older children to get into work

→ Encourage other groups with high rates of economic inactivity into work

→ Provide affordable childcare

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Increasingly, achieving positive public policy outcomes rest heavily on public behaviour
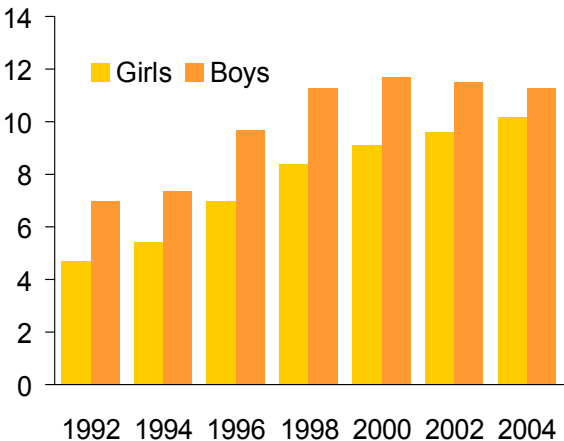
Medical treatment for 'lifestyle' diseases has increased significantly
Coronary artery bypass surgery numbers[1]
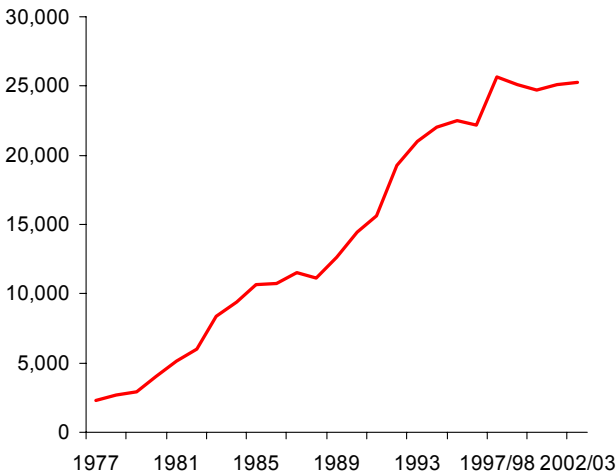
Many of these lifestyle changes start in adolescence
Average UK alcohol consumption for children aged 11 - 15 who drank last week (units of alcohol)[1]

Even when the public are well-informed, they do not always act accordingly
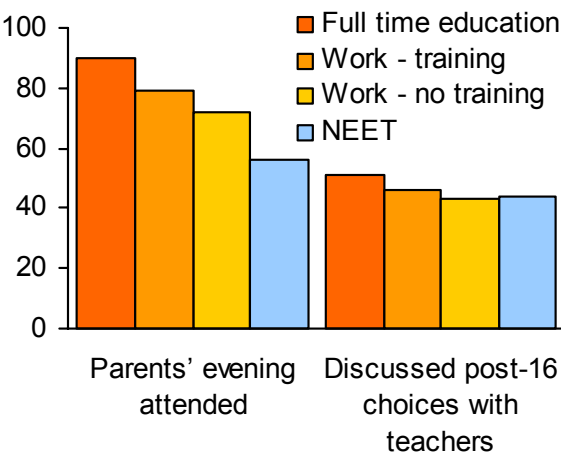base: c1000 adult[3]

- **70% agree that eating a healthy diet involves eating more fruit and vegetables**

- **51% agree that it involves avoiding too much fatty food**

  but

- *67 % of men and 59% of women in England are overweight*

- Chronic care including diabetes, heart disease, lung disease and cancer costs the NHS 80% of its budget – and this is set to grow[2]

- Obesity has trebled in the UK over the last 25 years[2]; drug and alcohol deaths are among the highest in the EU

- **Changes in lifestyle, particularly in the health services, will therefore require an increasing emphasis on promoting individual responsibility**

Cultures of 'low aspirations' are detrimental to outcomes – particularly health and education – but are becoming more endemic

Parental aspirations and involvement are important drivers of outcomes
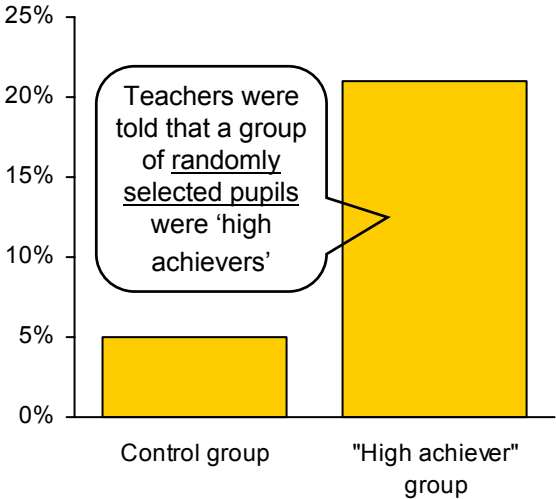Percentage of parental involvement by socio-economic status[1]

- Full time education
- Work - training
- Work - no training
- NEET

100
80
60
40
20
0

Parents' evening attended   Discussed post-16 choices with teachers

Peer pressure effects are the strongest driver of low aspirations cultures
Increase in the likelihood of a child smoking if the child is[2] …

… troubled	+ 14%
… has a parent who smokes	+ 26%
… has 2 friends that smoke	+ 1000%
… has 3+ friends that smoke	+ 2400%

Aspirations of professionals significantly affect outcomes
Increase in attainment gains of thirty or more percentage points over the year[3]

25%
20%
15%
10%
5%
0%

Teachers were told that a group of randomly selected pupils were 'high achievers'

Control group   "High achiever" group

- Parents from lower socio-economic groups tend to be less involved in their children's learning, which is a key predictor of educational attainment

- Low aspirations cultures are particularly hard to break out of where there are strong countervailing peer pressure effects or professional expectations

- **The challenge for Government today is increasingly about addressing the underlying low aspirations cultures, in addition to providing opportunities to all**

1 - Young People not in Education, Employment or Training: Evidence from the Education Maintenance Allowance Pilots Database. DfES. 2005
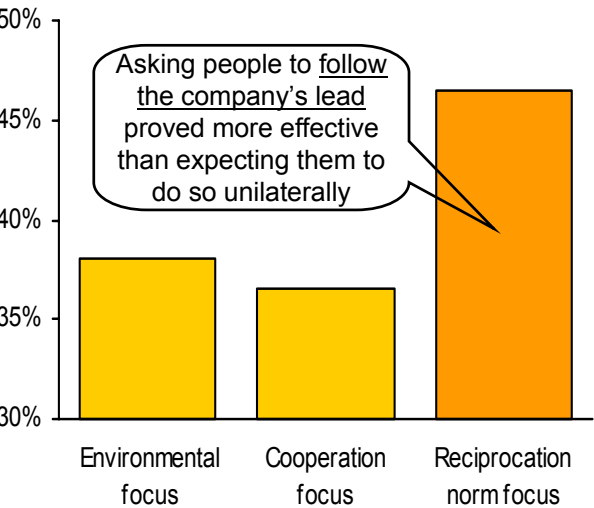
2 – Caldini, R - *The Psychology of Persuasion*

3 – Rosenthal, R – Teachers' Expectations: Determinants of Pupil Gains

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How Government presents messages in public information campaigns is extremely important
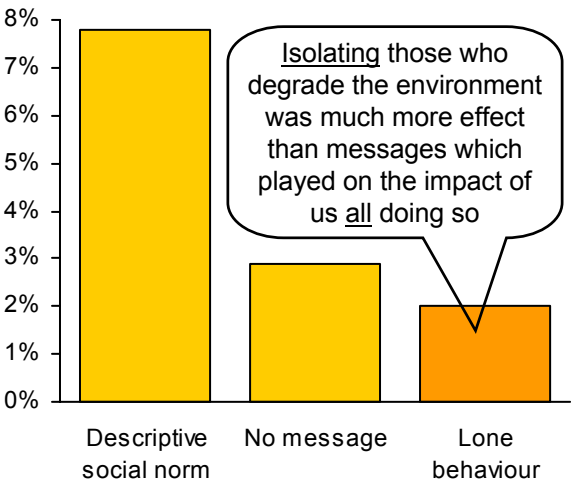
Government can encourage good behaviour by making the first move
Percentage of towel reuse in hotels[1]

> Asking people to <u>follow the company's lead</u> proved more effective than expecting them to do so unilaterally

Chart axis: 50%, 45%, 40%, 35%, 30%

- Environmental focus
- Cooperation focus
- Reciprocation norm focus

Government should *not* use messages that leave the impression of the negative behaviour as the social norm
Percentage of petrified wood theft[1]

> <u>Isolating</u> those who degrade the environment was much more effect than messages which played on the impact of us <u>all</u> doing so

Chart axis: 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%, 0%

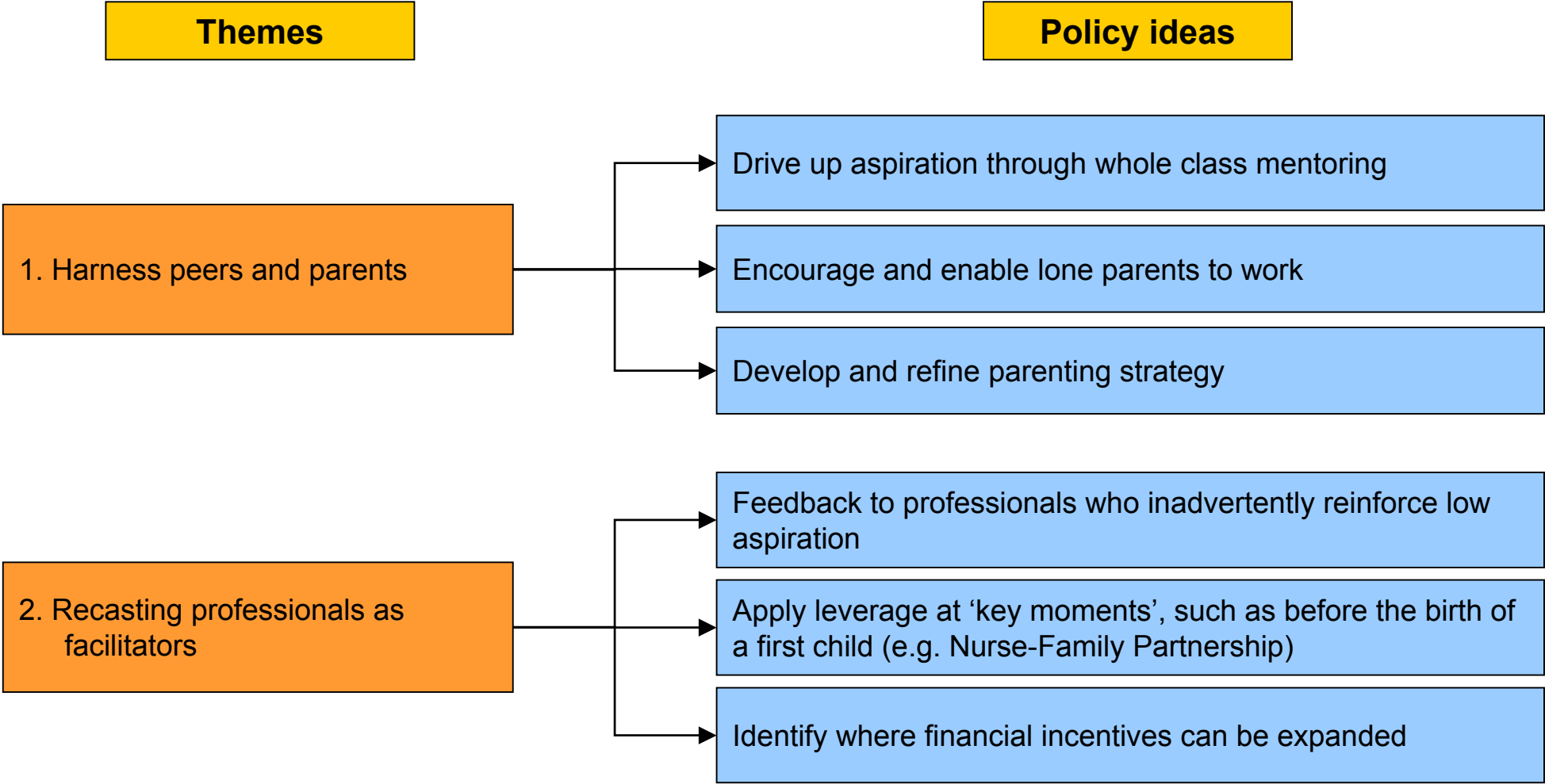- Descriptive social norm
- No message
- Lone behaviour

And Government should also ensure messages are *consistent, credible,* and use *trusted authority* figures

- Seek changes over the *long-term*, using *consistent* and *credible* government action

- Carefully *focus* the message on a target group, and where necessary on a first-mover group

- Use *trusted authority* figures and professionals to promote the message where possible

- These lessons are particularly relevant to areas like the environment and community cohesion
- Social norms can be changed, and, in some areas, citizens are looking to the state to act
- **The challenge for Government is to ensure its messages are credible, consistent, focussed, and ask for reciprocal action – and to mobilise action on a wider scale**

Policy ideas – moving away from the 'letterbox' model of delivery

Themes

Policy ideas

1. Harness peers and parents

Drive up aspiration through whole class mentoring

Encourage and enable lone parents to work

Develop and refine parenting strategy

2. Recasting professionals as facilitators

Feedback to professionals who inadvertently reinforce low aspiration

Apply leverage at 'key moments', such as before the birth of a first child (e.g. Nurse-Family Partnership)

Identify where financial incentives can be expanded

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Terrorism continues to threaten the UK, while citizens increasingly consider race and immigration to be an issue of concern

% stating that race/immigration important issue today, MORI[1]

Aug 90   Jan 07
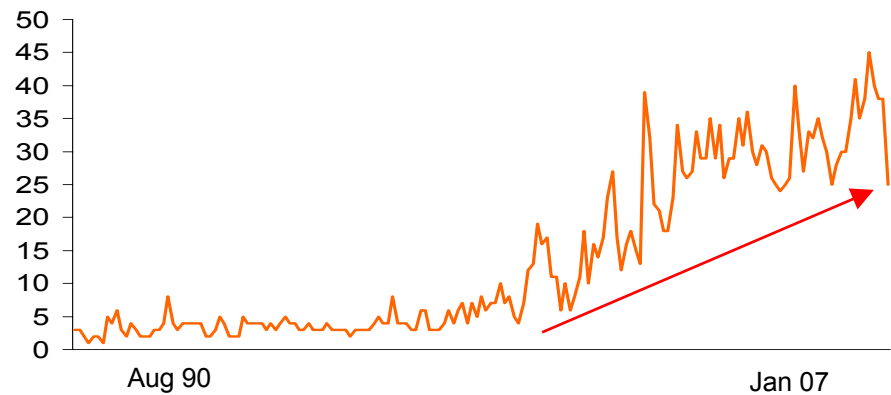
Evidence shows levels of bonding within homogenous groups has a positive effect on bridging to other communities

- *'Bonding capital'* means social capital within a community – it is inward looking with a tendency to reinforce exclusive identities and homogeneous groups

  … which is positively correlated with:

- *'Bridging capital'* which means social capital between communities – it looks for external associations and information dispersion

- Citizens consider race/ immigration to be one of the most important issues facing the UK

- The Security Service are tracking some 30 potential terror plots and 200 groupings or networks of interest in the UK, totalling over 1600 identified individuals in the UK[2]. The threat from Al Qaeda and affiliated groups is real and increasing

- **The challenge for Government is to promote commonly held values to strengthen distinct communities so that they are more outwardly confident and resistant to extremism**

Creating a strong and vibrant sense of common and cohesive British values will be difficult in an increasingly pluralistic society

A large percentage of citizens do not consider themselves to be British
British Social Attitudes, 2007[1]
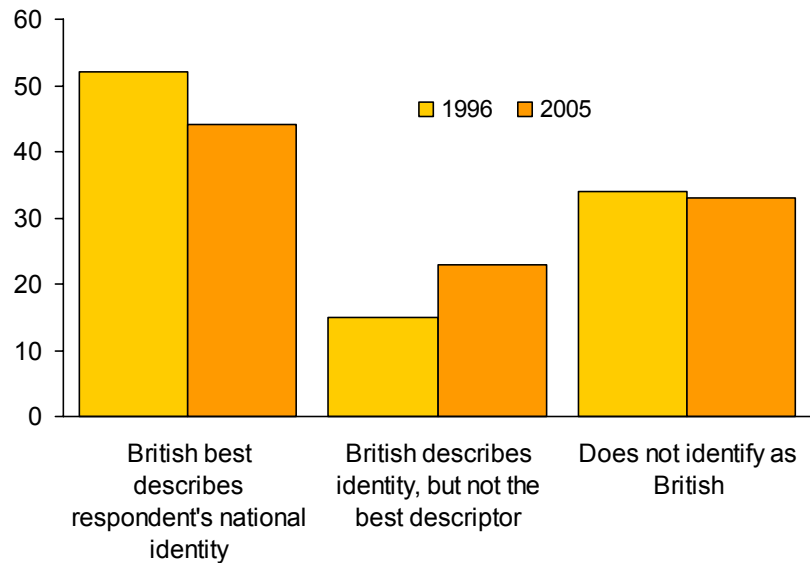
English is not the first language of an increasing number of school pupils
Numbers not speaking English as a 1st language[2]
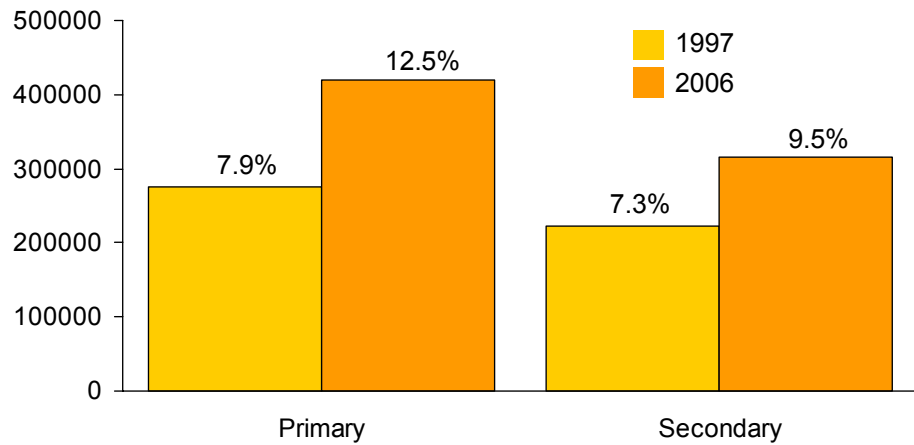
- Britain is becoming an increasingly diverse society: there are now around 4.6 m people currently living in the UK who belong to a non-White ethnic group[2]

- **The challenge for Government is to ensure that Britain retains a sufficiently cohesive society – which will help to guard against inequalities and prejudice, and lead to other positive outcomes**

# The UK stands to gain from globalisation, but needs to recognise the continued rise of China and India

China and India will continue to grow fast over the next decade
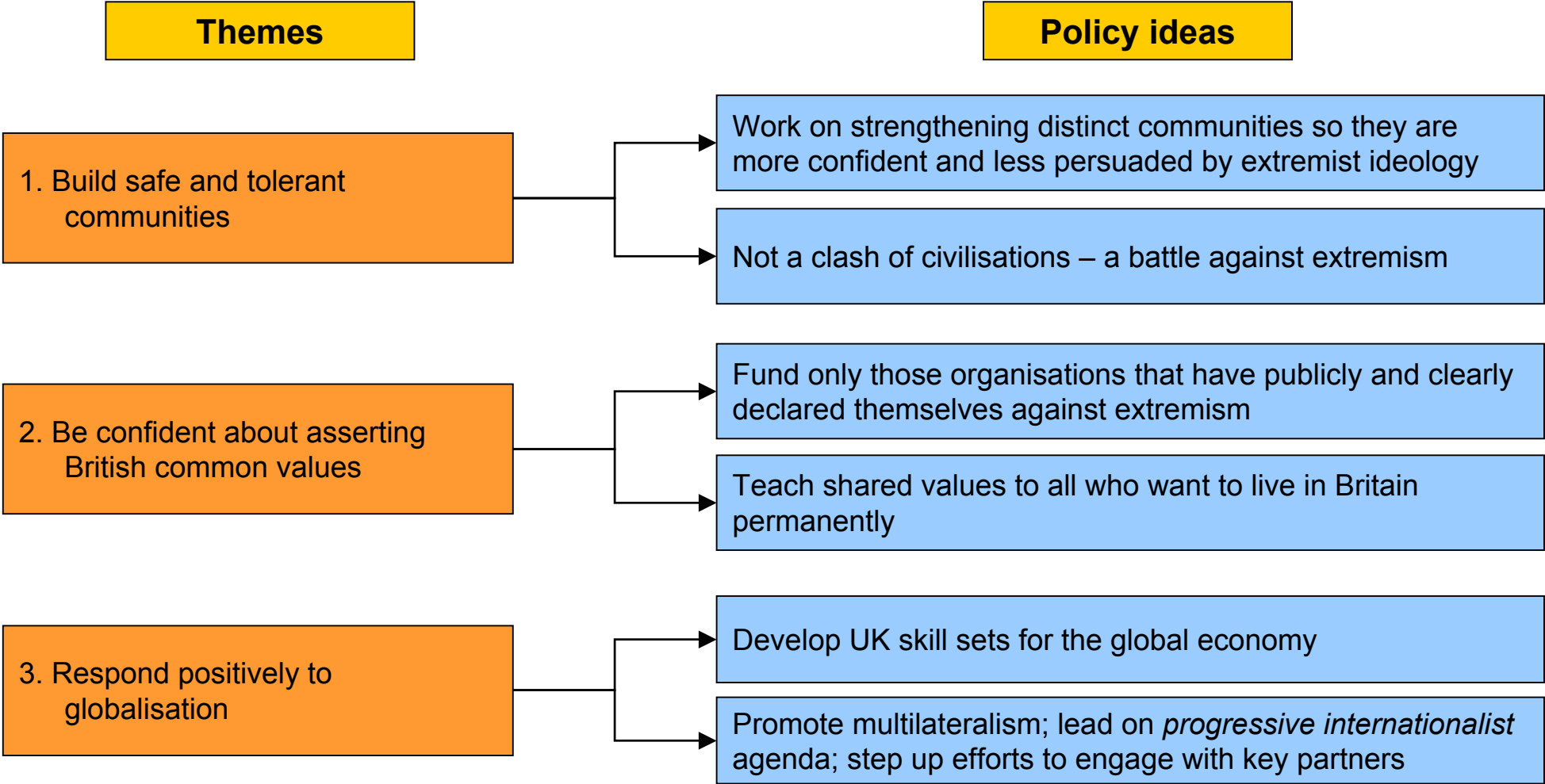Real GDP (compounded)[1]

Germany 1.7, Japan 1.9, France 2.1, UK 2.6, U.S. 3.3, India 5.6, China 7.0
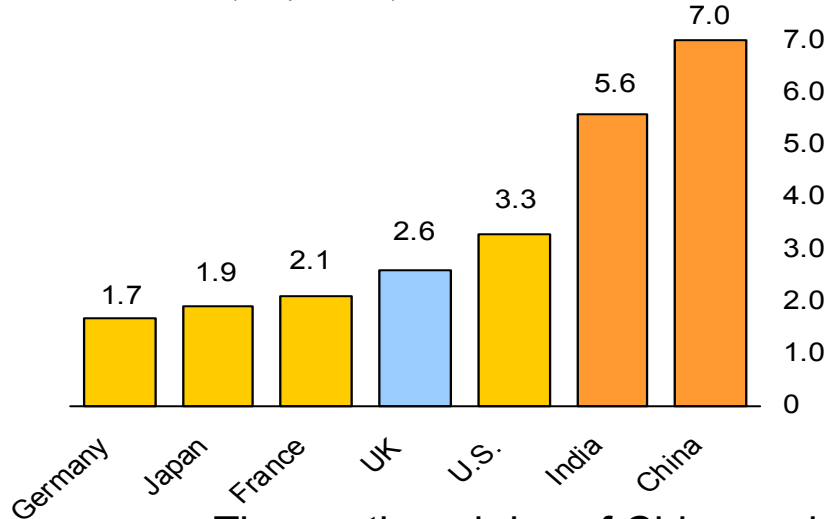
The UK's skills level need to improve to match levels in key comparator nations
Proportion of adults with skills[2]

UK, USA, Japan, Germany, France — High / Medium / Low
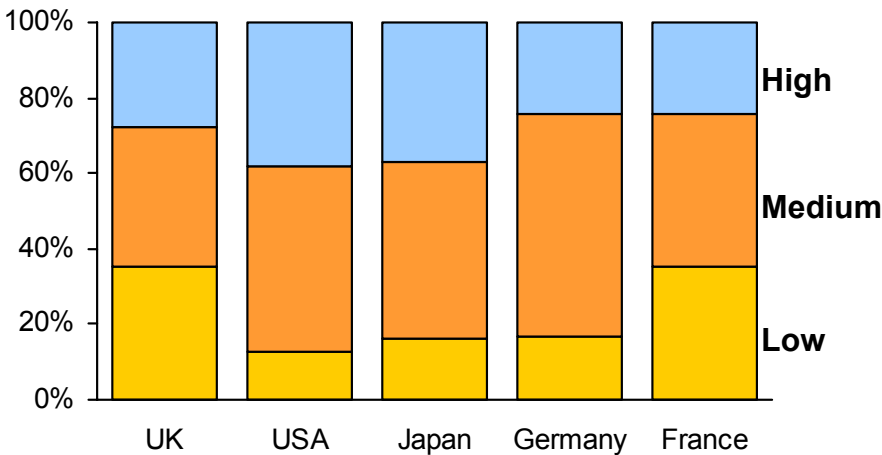
- The continued rise of China and India will have far-reaching economic, international and environmental consequences (e.g. China currently generates 18% of the world's CO_2 emissions)[3]

- Wages in China are less than 5% of those in the UK[3]. Labour costs in Korea are just over half UK levels, and the proportion of graduates in the working age population is almost identical

- **The challenge to Government is to clearly 'stay the course' on globalisation, maintaining free trade, and investing in education and skills for the global economy**

Policy ideas – a strong and self confident Britain

Themes	Policy ideas

1. Build safe and tolerant communities

- Work on strengthening distinct communities so they are more confident and less persuaded by extremist ideology
- Not a clash of civilisations – a battle against extremism

2. Be confident about asserting British common values

- Fund only those organisations that have publicly and clearly declared themselves against extremism
- Teach shared values to all who want to live in Britain permanently

3. Respond positively to globalisation

- Develop UK skill sets for the global economy
- Promote multilateralism; lead on *progressive internationalist* agenda; step up efforts to engage with key partners

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Conclusion

Conclusion

- In addition to today, the conclusions from both the seminars and the public engagement strands will be presented to Cabinet as part of the final Cabinet level working groups on **March 8th**

- Please continue to work up your ideas over the coming 4 weeks – this process is about us collectively sketching out our direction of travel in the coming years