

THE
CONDITION
OF BRITAIN

IPPR

REPORT



THE CONDITION OF BRITAIN
INTERIM REPORT



Edited by
Kayte Lawton

December 2013
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Institute for Public Policy Research

ABOUT IPPR

IPPR, the Institute for Public Policy Research, is the UK's leading progressive thinktank. We are an independent charitable organisation with more than 40 staff members, paid interns and visiting fellows. Our main office is in London, with IPPR North, IPPR's dedicated thinktank for the North of England, operating out of offices in Newcastle and Manchester.

The purpose of our work is to assist all those who want to create a society where every citizen lives a decent and fulfilled life, in reciprocal relationships with the people they care about. We believe that a society of this sort cannot be legislated for or guaranteed by the state. And it certainly won't be achieved by markets alone. It requires people to act together and take responsibility for themselves and each other.

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2013

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Kayte Lawton is a senior research fellow at IPPR.

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ABOUT THE CONDITION OF BRITAIN

This interim report is the culmination of the first phase of IPPR's major research programme, the Condition of Britain. This work is examining the state of British society in order to understand how politics, institutions and policies need to change in response to the major social pressures facing post-crash Britain.¹

This report brings together the five briefing papers which have been published previously, alongside a new introduction.²

Each briefing paper has drawn from a range of sources to identify the central pressures on the social fabric of Britain. To ensure that our thinking is rooted in the everyday experiences of people around the country, our analysis is informed by a series of visits to neighbourhoods across Britain. We are grateful to everyone we met and talked to on our visits to London, Manchester, Glasgow, Birmingham, Leeds, Luton, Swindon and Brighton between May and October 2013.

These visits have been complemented by an ongoing community media project called Voices of Britain,³ which is gathering short film-essays from people across Britain, in which they discuss the sources of strain and strength in their lives.

This initial phase of work is designed to stimulate a debate about the best way forward for policy and action. Throughout this interim report, each policy lesson concludes with a set of questions, to which we will seek answers in the next stage of the Condition of Britain programme.

Make your contribution

We welcome responses on all aspects of this interim report from anyone with experiences or expertise to share. Please send your thoughts to conditionofbritain@ippr.org. We cannot guarantee a personal response to everyone, but we will do our best to reflect all of the comments we receive in the next stage of our work.

1 For more, see <http://www.ippr.org/research-project/44/10307/the-condition-of-britain>

2 See 'Previous Condition of Britain publications' (over) or visit <http://www.ippr.org/research-project/44/10307/the-condition-of-britain#publications>

3 See <http://voicesofbritain.com/>

PREVIOUS CONDITION OF BRITAIN PUBLICATIONS

All available at <http://www.ippr.org/research-project/44/10307/the-condition-of-britain#publications>

Briefing papers



The Condition of Britain
13 February 2013



Briefing 1: Raising a family
Kayte Lawton
5 November 2013



Briefing 2: Growing up and becoming an adult
Kayte Lawton
19 November 2013



Briefing 3: Getting older and staying connected
Kayte Lawton
3 December 2013



Briefing 4: Living in a good home and neighbourhood
Kayte Lawton
11 December 2013



Briefing 5: Finding a decent job and achieving financial security
Kayte Lawton and Graeme Cooke
11 December 2013

Other reports



Criminal justice reform: A revolution on the American right
Pat Nolan and Sadiq Khan
12 April 2013



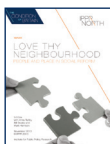
Who's breadwinning? Working mothers and the new face of family support
Dalia Ben-Galim and Spencer Thompson
4 August 2013



10 principles for better government
David Robinson
6 August 2013



The sandwich generation: Older women balancing work and care
Dalia Ben-Galim and Anna Silim
25 August 2013



Love thy neighbourhood: People and place in social reform
Ed Cox with Mark Harrison, Bill Davies and Anna Turley
12 November 2013



No more NEETs: A plan for all young people to be learning or earning
Graeme Cooke
20 November 2013

INTRODUCTION

GRAEME COOKE, KAYTE LAWTON AND NICK PEARCE

Britain is a deeply impressive country, with a rich history, successful institutions and compassionate, resourceful people. Yet British society is facing a set of new challenges that were not on the political agenda a decade ago. Growth is uncertain, and more cuts in public spending are to come regardless of who is in power after 2015. Many people have not had a decent pay rise in the last 10 years, while the price of essentials continues to grow faster than wages. Family time is increasingly squeezed between work and caring for young children or elderly relatives. Young people in Britain face an uncertain future, while older people struggle to stay connected to those around them.

The Condition of Britain programme is considering how politics, institutions and policies need to change to respond to these currents in British society after the crash. In this report we set out the findings from the first stage of our work. We identify the central strains and social problems in people's lives, and examine how the politics and policies of both left and right have often failed to get to grips with the real challenges facing British society. A second report, to be published in early summer 2014, will outline an agenda for reform to build a better society.

Taking the temperature of British society

The central question that the Condition of Britain programme aims to address is: How can we come together to build a better society in these uncertain and austere times? The programme has two core goals. First, we are seeking a better understanding of contemporary British society as the country starts to recover from economic crisis, by identifying the major pressures and problems facing individuals and families, and the sources of hope and resilience that help people cope. Second, we will chart a new course for centre-left social policy, with new strategies, institutions and policies that reflect the priorities of people in Britain and are rooted in the economic and fiscal realities of the next decade.

The foundations of a stronger society must be built on a deep and honest exploration of the lives of the people who form it. This report draws heavily on the experiences and insights of over 400 people from all walks of life across Britain. This includes over 150 contributions to the Voices of Britain project, a collection of people's stories (mostly short film essays) about the sources of strain and strength in their lives.⁴

During a series of themed visits, discussion groups and meetings, we have had over 250 conversations with people from across the country about the

⁴ <http://voicesofbritain.com/>

problems they experience and the work they do to help themselves and others. These include community leaders, charity workers, public sector professionals, local and national politicians, researchers, policy experts, employers and local people from all walks of life.

The insights we gained from these conversations and stories are supported by a range of empirical evidence, including academic research, new analysis of national household surveys and robust opinion-polling.

The new pressures facing British society

The people we met during our research did not tell us that British society is ‘broken’, although it is clear that parts of society are under enormous strain. We have found a wealth of energy, creativity and resilience in families and neighbourhoods across Britain. Many people are committed to helping themselves and others, and to working together to build a better society. We saw this in the people taking daily trips to visit elderly parents despite their own busy lives; in community activists fighting to get resources and jobs into their neighbourhood; in young people taking responsibility for helping to run their local youth club. At the national level, crime is down, fewer young people are drinking and taking drugs, and most people think that others in their neighbourhood pull together to improve the local area. Britain is not a country of helpless people dependent on the state, or of passive victims of austerity or the market.

However, we have identified a set of pressures on Britain’s social fabric that are making it harder for people to keep striving to improve their lives and those of the people around them. The vast majority are problems that affect most of us at one time or another, not just a minority of people. Nor can they be blamed on a small minority – whether an ‘underclass’ or particular groups of new immigrants. Some are new problems created by the recession, the slow recovery and cuts to services and benefits. Some are longer-standing issues that previous approaches have failed to get to grips with, and which have become more pressing in a time of uncertainty and austerity. Together they map out the priorities for political action if we are to build a stronger society in austere and uncertain times.

- **Household finances are squeezed**, because there isn’t enough work, wages are stagnating, prices are rising and families are pushed into debt by high-cost payday loans. Middle-income non-pensioner households have seen their real annual incomes fall by £1,700 since 2007/08 (ONS 2013a). Over 1.6 million adults now want a job but can’t find work, and even more could work given the right support (ONS 2013b). One in five employees are low-paid and often need tax credits to top-up their earnings, although these have also been cut back. Even if we experience a period of strong and consistent growth, there is no guarantee that the British economy will generate enough good jobs, or that the link between productivity and pay will be re-established.

- **Family life is under growing strain**, with the cost of childcare rising much faster than wages, parents' time increasingly squeezed between work and care, and the erosion of extended families. For many families, achieving a decent standard of living requires two earners, but we are yet to build a comprehensive system of affordable childcare that would support this. A part-time nursery place now costs over £100 a week, with prices for childcare having risen by more than twice the rate of general price inflation (Daycare Trust and Family and Parenting Institute 2013). Steps to rebuild local support networks for parents – for example, through children's centres – have not progressed far enough, and are being rolled back in some parts of the country. Finally, the state has been slow to recognise changes in family life – like the desire of fathers to spend more time with their families.
- **Young people's prospects are increasingly uncertain**, with high levels of worklessness combined with a deeper fear that future generations will miss out on the chance for a decent job and a secure home. The jump in youth unemployment caused by the recession exposed the structural problem of a large number of young people neither earning nor learning – this stands at over one million. Meanwhile, the number of first-time buyers has fallen by over 60 per cent in the last decade (Home Builders Federation 2013). Half of young people who don't own their own home think they won't be able to buy a property in the next decade (Pennington 2010). It is now becoming clear that both the jobs market and the housing market have turned against young people.
- **Some neighbourhoods remain blighted by crime**, because persistent offenders are not required to change their behaviour and people with complex problems don't get the help they need. Levels of crime are now lower than in the early 1980s, and levels of youth offending have more than halved since the mid-2000s (ONS 2013, YJB 2013). But one third of adults have experienced antisocial behaviour in the last year, and problems like noisy neighbours, drug-taking and public drunkenness have proven harder to tackle. These problems can be rooted in complex social problems not easily addressed by legal tools like ASBOs. Antisocial behaviour can leave people feeling insecure in their homes and reluctant to engage with their neighbours.
- **A minority of people remain excluded from society**, with complex problems made worse by the recession and cuts to benefits and local services. The explosion of foodbanks and payday lenders, and the rise in extreme hardship, is creating new forms of dependency. Yet a minority were also excluded from the rising prosperity in the decade before the recession – often because their other problems made looking for work impossible. Meanwhile, huge amounts of public money are spent on services that are designed

to help people with complex, overlapping problems (like addiction, severe mental health problems, offending and homelessness) but which often fail to get to the root of people's problems.

- **Many people have lost faith in the benefit system**, with four out of five believing that the system doesn't do enough to reward people who have worked and contributed – and two-thirds agreeing that it is too soft on those who aren't trying hard enough to find a job (Cooke 2013). Declining trust in the benefits system is a long-running problem (see Pearce and Taylor 2013) but one that has been sharpened by the recession. People facing job loss found that the system offered little protection despite years of paying in, while neighbours with limited work records could claim the same amount. The recession brought no major increase in support for higher benefit spending, despite higher need. However, there is scope for a revival of popular support for the benefit system provided that it imposes clearer obligations on those looking for work and offers greater reciprocity for those paying in.
- **More and more older people are facing loneliness and isolation**, because of rising life expectancy, increasingly complex health problems, flawed social care systems and changes in family life. One in 10 people aged over 50 say they often feel lonely, rising to nearly one in five among those in their 80s and 90s. Rising life expectancy means that a growing number of older people are facing this problem – we predict that nearly 2 million will experience chronic loneliness by 2033. Public services have failed to respond to the growing need for homecare that prioritises quality and social interaction. We have only just begun to explore how public and voluntary services could work together to enable older people to get the care they need and sustain relationships.

It is far too simplistic to blame either government or markets in their entirety for these problems, since both can be used for good or ill. The root causes of these challenges can be traced back in part to longstanding, structural failures in our economic model that have restricted long-term investment, driven people apart on the basis of income, and entrenched worklessness as a feature of too many lives. The results are that too many people are excluded from employment, that wages don't do enough to support family incomes, and that consumers lose out in markets that can be rigged against them. There are social consequences to these economic patterns – like the isolation and powerlessness that comes with long-term unemployment, or the low social status attached to many low-paid jobs.

In the past, government has responded by assuming greater powers to try to smooth out these problems on our behalf. Social problems have increasingly been addressed by legislative reforms, or new units, taskforces and initiatives led by Whitehall. When the economy was

booming and there was lots of public money around these strategies helped paper over the cracks, and many people felt life was getting a little easier. However, this approach has proved insufficient in the face of global economic meltdown and tight spending restrictions. Perhaps more importantly, it can leave people even less in control of their lives, and it has meant that we have not taken enough care to cultivate and preserve the institutions that allow people to address common problems. It also means that we have too often let people (from all walks of life) off the hook, so that they sometimes fail to take responsibility for their own lives or to fulfil their obligations to others.

Caught in this pincer movement of dominating markets and an overpowerful central state, our politics has sometimes neglected the importance of people being able to solve their own problems. The people we met in our research were rarely asking for someone else to solve all their problems for them, or for huge amounts of extra public money. In the main, they just wanted a realistic chance to improve their own lives, with the help of those around them.

Moving on from the recent social politics of both left and right

Many of the social problems identified in this report stem in part from the weaknesses of previous political currents on both the left and the right.

In the mid-1990s, the Commission on Social Justice (hosted by IPPR) laid the foundations for social policy under the governments of both Tony Blair and Gordon Brown. It decried a country in decline under the Conservatives, with a stagnating economy, rising inequality and a lack of social solidarity (Commission on Social Justice 1994). It pinned these problems on years of underinvestment and a failure to keep up with other advanced economies in terms of infrastructure, innovation and education. It put forward the simple proposition that social justice can (and must) go hand-in-hand with a strong economy. It argued for a programme of national renewal and modernisation to drive economic growth and rebuild public services so that everyone could share in rising national prosperity.

While the Commission on Social Justice made a major contribution to centre-left politics in the 1990s and 2000s, this report shows that our challenges today are different, and that Labour's approach in power had important weaknesses:

- It assumed that as long as the economy grew, most families would see their own prosperity rise too – but the current squeeze on wages and the rising cost of living means that this is no longer guaranteed.
- It lacked an understanding of the ways in which markets can fail to serve the public interest – but the recession has brought these

problems to the fore in many forms – including insecure, badly paid jobs and increasingly expensive childcare.

- It was overconfident in the ability of the central state to solve social problems – but this has been shown to be a false promise, as there has not been enough sustained progress in tackling problems like social exclusion, segregation and entrenched disadvantage.
- It overemphasised individualism and material progress – but these were not enough to make us feel more at ease in British society.

In the mid-2000s, a new critique of Labour in government emerged from the right, led by Iain Duncan Smith and the Centre for Social Justice. They claimed that British society was ‘broken’, evidenced by high levels of worklessness, educational failure, debt, addiction and family breakdown (Social Justice Policy Group 2006). A culture of dependency on a bloated state was said to be the cause. This analysis challenged the left’s assertion that increasing incomes and tackling economic inequality could resolve these problems – and argued that attempts to do so had in fact perpetuated many of these issues. But they also sought to claim concern for social justice and poverty for the right, as part of an attempt to shift perceptions of the Conservative party. This critique informed David Cameron’s call for a ‘big society’ in which individuals and communities take more responsibility for solving social problems and the state pulls back.

The Centre for Social Justice’s analysis offered an insightful critique of an overpowerful central state, but was also flawed in important ways:

- It talked down society and painted British people as helpless and incapable – but the last five years of economic upheaval have shown that people in Britain are resilient and independent, and we can see around us that society is not ‘broken’.
- It was only concerned with the problems of a minority – but economic uncertainty, cuts to local services and benefits, and longer-standing challenges like caring for elderly relatives affect almost all of us at some point.
- It implied that the only way the state can tackle social problems is by retreating – but this ignores the many times in our history when a reformist state, alongside other actors, helped advance social goals.
- It ignored the power of markets to dominate our lives – yet markets are increasingly encroaching on society, whether through the squeeze on family time for parents juggling work and care, or the reduction of social care to a series of tasks paid for by the minute.
- It failed to back up calls for a stronger civil society with steps to spread power and responsibility – it has turned out that social action does not happen spontaneously, and only large private companies have really thrived on what remains of the ‘big society’ agenda.

A society of equals, working together to build a better society

Looking ahead to the 2015 general election, it is clear that we need a new agenda for social change that learns the lessons of the past and responds to today's challenges. Social justice and equality remain core values for the centre-left. But new circumstances and past experiences require our fundamental purposes to be articulated afresh – so that we are clear about what we care about most and what should guide our priorities and decisions.

We need a more expansive understanding of a good society and equality than the centre-left has adopted in the past. Money matters, unquestionably, but it is not all that matters. The relationships that we have with those we care about, the respect we receive from others, and the power we have to decide what happens to us are all as important as the money in our pockets. This doesn't make achieving greater material equality any less important – in fact, it is necessary for us to be able to work together as equals and to ensure that everyone can play their part.⁵

This vision of equality points towards a different role for the state and different strategies for achieving social change. Our starting point is that people are best placed to understand and solve their own problems. Meaningful and enduring change comes about when we achieve things ourselves, not when things are simply done for us or to us. This doesn't mean abandoning people to sink or swim alone, or promoting crude individualism. The state will remain a powerful agent of social change, but our vision of equality cannot be legislated for or guaranteed by the state. Nor can it be achieved by markets alone, although markets are essential for creating the wealth, opportunities and dynamism we need to succeed. And it will not emerge spontaneously without effort, commitment and support from all of us.

Such instincts point towards a series of new directions for centre-left politics:

- **Shifting power to people and places**, not hoarding it at the centre or among elites. This guards against excessive control by others (including the central state) and ensures that all members of society are able to engage and contribute. It requires a radical devolution of power, resources and responsibility to Britain's cities and counties to tackle major strategic problems like housing and employment. However, it also requires devolution to neighbourhoods – for example, through rejuvenated town and parish councils – to tackle locally-rooted problems like antisocial behaviour, social exclusion and segregation. As we look to the next spending round, national government should be using its scarce

⁵ For more on the political theories underpinning this thinking, see Pearce 2013.

resources to pursue clear strategic priorities, enabling others to act rather than doing everything itself. Shifting greater market power to consumers requires major reforms to extend genuine choice. For example, investing in new local institutions of affordable credit would ensure that people have meaningful alternatives to extortionate payday lenders.

- **Building institutions that bring people together**, not just giving people cash benefits. Some of the biggest changes in British society have been driven by lasting and purposeful institutions (think of the NHS or the BBC) rather than by cash transfers and impersonal bureaucracies. While the benefits system will remain a vital source of support and solidarity in Britain, popular and open institutions allow us to forge the meaningful bonds right across society that are vital if we are to tackle our problems together. This means, for example, more children's centres to support young families (rather than big increases in tax credit spending) and more social clubs and support networks for older people (alongside decent social care).
- **Nurturing space for relationships**, not just individualised or transactional solutions. Building strong relationships allows us to receive the support we need, and to feel valued by others and motivated to make changes in our lives. Social bonds are forged in neighbourhoods between people with close connections, not by the central state or by markets. For example, locally-rooted, non-profit care providers may have more capacity than large private companies to support the social interaction of their older clients. Enabling civil society to genuinely take the lead on tackling complex problems like long-term unemployment, repeat offending and homelessness would promote solutions rooted both in people's own agency and in deep bonds with those supporting them. This means moving away from the narrow 'payment by results' approaches adopted by the Coalition.
- **Investing to build capacity and resilience**, not paying for the costs of social failure. Preventing problems before they develop and tackling root causes is more effective than amelioration, but such far-sighted approaches are often squeezed out by budget cuts and more urgent priorities. A longer-term approach would see public spending fundamentally restructured to prioritise social investment – thereby bringing down the benefits bill over time. This would include shifting money from housing benefit to building homes, starting with Britain's major cities. It would mean restructuring support for young people so they are always earning or learning, not claiming benefits. And it means investment in employment opportunities for those facing worklessness, in order to tackle the rising costs of benefits without plunging them into hardship.

- **Expecting everyone to contribute**, not settling for dependency or allowing people to opt out of society. The loss of faith in the British benefits system hinges on the sense that contribution is no longer expected or rewarded. Rebuilding this faith requires the offer of better financial protections to people who have paid in. Reviving a distinct National Insurance Fund would mark a clear distinction between social insurance and means-tested social assistance. Higher rates of benefits for people facing job loss who have paid in to the system would help re-establish the link between paying in and getting out. Building a better society also requires people to dedicate time to improving their local neighbourhoods – for example, by serving on neighbourhood justice panels to help address the root causes of antisocial behaviour.
- **Promoting inclusion and solidarity**, not a politics of blame and division. Lasting social change is generated through broad alliances and popular movements, not an all-powerful and narrow elite. This requires a broad politics that speaks to people’s everyday concerns, and which takes steps to overcome segregation along income or ethnic lines within diverse neighbourhoods. And it means tackling the entrenched disadvantage and social isolation that excludes some people from making decisions about their own lives and what happens around them.

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1.

RAISING A FAMILY

KAYTE LAWTON

1.1 Introduction

Families in Britain embody love and commitment, but many are under strain as the cost of living rises and parents struggle to balance family time and work. While parents have primary responsibility for raising children, the state and wider society create the environment in which families live. This briefing paper explores the pressures on Britain's families, and reflects on recent attempts to craft a more supportive environment for them. The goal is to understand how we can help families thrive in an era of limited public budgets, uncertain growth and shifting pressures on family life.

Ziadah's experience

Isolation, worklessness and family life in Wythenshawe

Ziadah is a single mum with two children aged four and nine.⁶ The family lives in Wythenshawe, South Manchester. Ziadah gained a degree in youth and community work in 2010 but has struggled to find paid work, and currently volunteers for a local charity. She feels she has not had enough support to get back into work, and the lack of affordable childcare has made her situation particularly difficult.

'I've been volunteering now for seven months. But before that, I had to go to the jobcentre so many times to ask if there is any help that I can get to go back into work or to do voluntary work. But they say there is nothing they can give you, so you have to stay at home and wait until your children are in school. There is nothing for people who are on benefits, even if they want to do something about it, and it shouldn't be like that.'

It wasn't just the practical difficulties of finding a job that troubled Ziadah, but the feeling that, as a single parent, she had to choose between work and family.

⁶ We interviewed Ziadah in May 2013 when we visited Benchill Sure Start Children's Centre.

'I'm so desperate, I'm ready to do anything that gives me money, but what do I do with my kids? If you have children, that's the end of your life – you can't do anything else. You either choose your career and work without your family or, if you have a family, that's the end of you, and that's not right.'

Not being in paid work means that Ziadah has to rely on benefits, which she finds really difficult. Some of the recent changes to the benefits regime could have a significant effect on the family's income.

'I'm living on benefits and it is really, really hard to make ends meet. You have to live day by day just to find enough to eat. On top of that, we've got to pay council tax, so I'll probably have to go without a meal in the day and save up to be able to afford dinner with the kids. It is really hard that you cannot afford to give your kids what they are asking for. That is not good for a parent.'

But it isn't just money that worries Ziadah. She feels isolated because she has few friends living nearby, and it is difficult to travel into town. Wythenshawe is one of Europe's largest housing estates, built in the 1930s to relieve the overcrowding and deprivation of inner city Manchester. The area is about eight miles from the city centre, and transport connections can be poor.

'I live in an isolated area in Wythenshawe. All the friends I have are far away in the city – for me to be able to get support, I've got to take a bus into town for 45 minutes. If it was easier for people to move around, it would be different because I could live closer to someone who could give me a hand, who could look after my children and I would be able to work.'

Taking her youngest child to the local children's centre enables Ziadah to talk to other parents and the centre staff, and she says this has been a big help. But what she really wants is a job so that she can give her children more of the things they need, and feel that she is living her own life too. She hopes to be able to find work once her youngest child is in school, but even then it will be hard because of the lack of jobs in the local area and the difficulty of finding work that fits with school hours.

1.2 What are the pressures of raising a family in Britain?

Ziadah's story illustrates the pressures facing many families in Britain. Finding time to work and take care of young children is a major challenge for many, particularly when the cost of childcare can be high. Low incomes and unemployment, either temporary or more long-term, put extra strain on family relationships and wellbeing. Some parents also experience periods of isolation and loneliness, missing out on local support networks.

But Ziadah's experiences also exemplify the strengths of families in Britain. The vast majority of parents put their children first and take their responsibilities as parents seriously – and, like Ziadah, many families can also draw on the mutual support of other parents, and turn to trusted public services for help and advice.

Nevertheless, most parents would welcome more help to cope with the twin pressures of time and money, to support relationships at times of stress, and to ensure that their children have the time and space to enjoy childhood. A minority of parents behave irresponsibly or cannot cope, and need to be challenged to do better. In this section, we explore the central problems and anxieties affecting families in Britain today.

Family finances are under pressure across most of society

Across Britain, financial pressures are bearing down on many families, and not just those on the lowest incomes. Over half (52 per cent) of people now say they struggle to keep up with bills and loan repayments, up from 35 per cent in 2006, while nearly half (44 per cent) of parents say they have to cut back on spending in the run-up to pay day (Money Advice Service 2013). These pressures have been driven by a toxic mix of stagnating wages, the rising cost of essentials, and changes to the benefits system.

Average wages fell sharply after the 2008–2009 recession. Combined with changes to the benefits system, poor growth in real wages means that average annual household incomes have fallen by £1,200 since the recession, after accounting for inflation (ONS 2013). But the wage squeeze predates the crash: there was very little growth in real wages between 2003 and 2008. This affected people on middle and higher wages as well as the low-paid (Commission on Living Standards 2012).

At the same time, the cost of essentials like food, energy, travel and childcare have shot up. Energy bills and travel fares have risen faster than general prices over the last five years.⁷ A part-time nursery place for a child under five now costs over £100 a week, with average childcare

⁷ Average gas bills rose by 55 per cent and electricity bills by 31 per cent between 2007 and 2012, while general price inflation was 21 per cent over the same period (using RPI price inflation). See <https://www.gov.uk/government/statistical-data-sets/annual-domestic-energy-price-statistics>

costs having risen by 77 per cent over the last decade – more than twice the rate of general price inflation (Daycare Trust and Family and Parenting Institute 2013). One-third of parents find it ‘difficult’ or ‘very difficult’ to pay for the childcare they use, while high costs prevent some parents from working (Huskinson et al 2013). Although less well-off families will find this combination of price rises particularly hard to cope with, these pressures affect the vast majority of families:

‘The increase in rent, the increase in fares and food and everything else means that there’s very little disposable income, so people have very few chances of having a break away from those personal stresses and strains.

Joe, 58, Liverpool (via the Voices of Britain project)

Likewise, for the parents we spoke to at Benchill Children’s Centre, pressures on family budgets were their biggest concern. They worried about the rising cost of living, but also about the impact of benefit changes like the ‘bedroom tax’ and changes to council tax benefit, since most were on a low income. This was echoed in the Voices of Britain project:

‘It’s made me feel a bit depressed because I feel like I’m going to go back to square one again and get back into debt, and I really want to just make a secure life for myself and my children. All the families round my area, we all talk about the same thing, and everyone is worried.’

Angela, single mother with four children, Leicester

The nationwide explosion of food banks has contributed to a perception that severe deprivation has returned to post-recession Britain. The Trussell Trust, the largest operator of food banks in the UK, says that around half (45 per cent) of people turning to food banks do so because of changes or delays to their benefits rather than crises like homelessness or fleeing a violent partner.⁸ In Manchester, staff and volunteers at the Woodhouse Park Family Centre told us about parents who had so little money they were reduced to eating newspaper. Five years ago, the centre received requests for food parcels three or four times a year; now they have eight to ten requests each day.

Families struggle to have the time for each other

Stagnating living standards are putting pressure on families across the country, but families also worry about a lack of time. Rising employment among mums, and long working hours for dads in particular, means that many families struggle to find time to spend together. A third of parents say they spend too little time with their children, a figure that is considerably higher among both fathers and parents with very young children (Ellison et al 2009).

⁸ <http://www.trusselltrust.org/stats>

‘Having a husband and two children and being self-employed creates a lot of stresses.’

Tanya, 42, Salford (via the Voices of Britain project)

Average working hours for fathers have fallen over the last 40 years, but nearly half still work more than 45 hours a week – higher than in most other European countries.⁹ This makes it hard for dads to get involved in family life as much as they want to. For some fathers, long working hours are made necessary by low hourly pay rates, while fathers in professional and management jobs often find that long hours remain part of workplace culture (TUC 2008). Although parents now have the right to request flexible working arrangements, there has not been a dramatic improvement in the ability of fathers to spend more time with their children.

Public policy also adds to the pressure on family time, particularly when children are young. Family leave policies in Britain prioritise time off for new mothers, which is good for the health of new mums and helps them build strong bonds with their child. However, paternity leave is very short (just two weeks) and badly paid. Fathers on low wages are less likely to take the full two weeks because of its impact on the family income, whereas fathers in higher-paid jobs often have employers who top up the statutory rate (Chanfreau et al 2011). This makes it hard for some fathers to spend as much time with their new child as they would like. New fathers who take at least two weeks of paternity leave are likely to be more involved in raising children later on, and their child’s early development tends to be stronger (del Carmen Huerta et al 2013). The high cost of childcare can also add to the strain on family life if both parents work but cannot afford the hours of childcare that they need.

In the past, tensions caused by the difficulties of balancing work and childcare led to a higher risk of divorce among married couples in which the mother worked. This is no longer true in Britain because of improvements in access to childcare and paid leave and the drop in working hours among fathers, which have reduced conflicts over the division of domestic tasks and childcare. However, in countries that have the most advanced family policies – notably Finland, Norway and Sweden – women in work have a significantly lower risk of divorce than those who do not work (Cooke 2013). For example, in Norway, the introduction of well-paid non-transferable paternity leave was linked to a reduction in conflicts about household tasks (Kotsadam and Finserras 2011). Fewer conflicts typically means stronger relationships and less family breakdown.

9 <http://www.oecd.org/els/family/43367847.pdf>

Relationships are under strain, and some families face breakdown

Arguments about money and domestic responsibilities are among the biggest sources of family conflict, and raise the risk of family breakdown. Although the desire to marry and form stable relationships remains strong, divorce and family breakdown are on the rise, causing many to worry about the impact of this on children. The number of children living with just one parent has increased significantly over the last 40 years, and continues to follow an upward trend (ONS 2012). Around one-third of children in lone-parent families have no meaningful relationship with their non-resident parent, typically the father (Lader 2008). This can make parenting much harder for the resident parent, and means that children miss out on forming important relationships.

Legal reforms and advances in the social and economic position of women have made divorce and separation a more realistic option for couples experiencing stressful or unhappy relationships. However, pressures on family incomes and time make it harder to sustain strong relationships – and families with young children experience the greatest strain (Centre for Social Justice 2013). The erosion of family support networks may also have made it harder for parents to share the responsibilities of raising children, and to get help when their relationships come under stress. Increased geographical mobility means that some parents (particularly more affluent ones) are less likely to live near grandparents and other extended family members, or to have strong support networks in their local neighbourhoods. Parents are both working more and spending more time with their children, and so may have less time for each other or to draw on the support of friends (Nuffield Foundation 2012). This can leave parents isolated and lacking other adults to turn to when family relationships come under stress.

Family breakdown is always a difficult experience, and is often traumatic for parents and children. Society should work to prevent it wherever possible. However, divorce and separation is not, for most children, a disaster in the long-term. The poorer outcomes experienced by children who have been through family breakdown are often relatively small, and do not persist into adulthood on a significant scale (Mooney et al 2009). Furthermore, many of the problems that lone-parent families experience stem from the difficulties of taking on paid work and a higher risk of poverty, rather than from the impact of separation itself. Enabling more lone parents to work, through an expansion of affordable childcare and better flexible working opportunities, could help offset many of the negative effects of growing up in a lone-parent family.

The vast majority of parents do a good job, but none can succeed on their own

Parents have the greatest influence on young children. The vast majority of parents know that raising a child is their responsibility, not that of the state or even their extended family – yet they also think that society has a

role in helping them to fulfil their responsibilities (Ellison et al 2009). Today's parents spend more time with their children, have higher expectations of good behaviour, and know more about what their children are doing than in previous generations (Nuffield Foundation 2012).

However, almost all parents will find raising children difficult at times:

'I have a six-year-old son and sometimes communicating with him is really difficult. He doesn't listen to me, so that can be quite stressful. I struggle with how to deal with that, other than shouting and getting quite angry.'

Sarah, 29, Salford (via the Voices of Britain project)

Overall, levels of stress and poor mental health among parents appear to have risen in recent decades, particularly among lone parents and less well-off parents (Nuffield Foundation 2012). This may be linked to higher levels of family breakdown and increasing pressure on family time, as well as the diminution of extended support networks experienced by some parents. Becoming a parent often encourages stronger connections to family and the wider community through the use of universal services and the need to draw more heavily on the support of others. However, parents – particularly mothers with young children – can also experience periods of isolation and loneliness, and a sense that they do not have other adults to turn to.¹⁰ Mothers who consider themselves socially isolated are at greater risk of postnatal depression, which affects around one in 10 new mothers in the UK (Dennis and Letourneau 2007). Although more fathers now take time off when they have a new baby, this is typically less than two weeks, so new mothers are often left to cope alone.

A minority of parents struggle with a collection of problems that affect their capacities as parents, with children suffering as a result. These challenges can include chaotic relationships, domestic violence, serious mental health problems, drug and alcohol addiction and involvement in crime. While the number of families experiencing these problems (though hard to estimate) is not thought to be large, the impact on children in affected families is likely to be considerable. In many cases, family life can be improved through focused interventions based on strong relationships with a trusted key worker. In some cases, the situation may be too dangerous and children will need to be removed, temporarily or permanently, from the home.

Certain markets intrude too far into childhood and family life

Beyond the day-to-day stresses of family life, the wider context in which parents raise children has also changed, with growing concerns about the social and cultural pressures on young children. Most adults agree

¹⁰ See for example http://www.nspcc.org.uk/news-and-views/media-centre/press-releases/2012/12-05-11-new-mums-struggling/new-mums-struggling_wdn89327.html

that children today have access to more material goods and better educational opportunities than previous generations, but have fewer safe places to play and are under more pressure from advertising (Cley 2011). Advertisers are becoming increasingly sophisticated in their use of online and peer-to-peer advertising to target young children, while the amount of sexual content in mainstream media and advertising has increased in recent decades (Williams 2007, Buckingham et al 2010).

Excessive exposure to advertising and marketing puts children under pressure to participate in commercialised relationships mediated by adults. It risks skewing children's priorities towards material goods and away from other markers of quality of life such as strong relationships. Although products with high fat or sugar content now cannot be advertised on television during children's programmes, children are still exposed to many adverts for unhealthy foods (including online, where there are few restrictions on advertising), which poses potential risks to their long-term health. Children's demands for commercial products also add to the pressures of parenting, especially for those on low incomes. Acting as individuals, it is difficult for parents to protect their children from the pressures of an increasingly sophisticated, multi-billion-pound marketing industry.

1.3 How can we help Britain's families to thrive?

The primary responsibility for raising children unquestionably lies with parents. However, the state – alongside extended families, neighbourhoods and employers – can create conditions that support parents to do a good job. We have identified pressures on family life concerning money, time, relationships, parenting and the intrusion of the market. In this section we set out the lessons from this analysis, reflecting on how recent policy approaches have left gaps in the support available to Britain's families. Each policy lesson ends with a set of questions that we are asking as part of the next stage of the Condition of Britain programme. We welcome comments and answers to these questions from anyone with experience or expertise to share.

A decent income matters – but that means more than just benefits

Among the parents we have met, money has almost always been foremost among their concerns. Playing a full role in British society requires a certain level of income, and poverty cannot be recast purely as a symptom of personal failings like addiction or family breakdown. However, accepting this basic principle does not imply that the benefits bill has to rise in order to ensure families have enough to get by. Income matters, but it also matters where that income comes from.

Sustainable improvements in family incomes are best achieved through jobs and wages rather than ever-higher cash transfers. While the previous Labour government invested heavily in back-to-work programmes and family services, it increasingly relied on benefits and

tax credits to raise family incomes in pursuit of its child poverty target. This spending helped millions of families escape hardship and enjoy a decent standard of living, but improvements in the headline measure of child poverty began to slip as soon as benefit rises became less generous from the mid-2000s. On reflection, Labour's strategy did not do enough to secure the conditions for lower levels of child poverty in the absence of continued rises in benefit spending. It turned poverty reduction into something 'done to' families, rather than mobilising them and wider society in support of a national mission to 'end child poverty within a generation'.

The Nordic countries, which have the lowest rates of child poverty in Europe, point the way towards an alternative strategy rooted in raising wages and getting more parents into work. There, paid leave for new parents, particularly for fathers, is more generous, so parents can spend more time at home when their children are very young without taking a major hit to their income. Yet, after the first year of parenthood, more mothers are in paid work, and there are more dual-earning couples, more lone parents in employment and significantly fewer children growing up in workless households. More mothers work full-time, and so bring in higher wages, with the support of a universal and affordable childcare system. Fewer fathers work long hours, so they can take on more responsibility for childcare. Family benefits remain important – as they will continue to be in Britain, where society has long recognised the state's role in helping parents cope with the extra costs of children. But in the Nordic countries, spending on families is more strongly skewed towards early-years services that enable parents to work in decent jobs while ensuring that children get the best start in life.

Some of the current reforms to family benefits and childcare funding in the UK are pushing against this direction of travel. Universal Credit will make it less rewarding for second earners to work, even though having two parents in work is the best protector against poverty (Pareliussen 2013). Although more support for childcare costs will be available under the Universal Credit system for couples who both earn enough to pay income tax, dual-earning families who don't meet this criteria will miss out. The expansion of tax relief for childcare will be a welcome boost for better-off families, but paying cash for childcare straight to parents could push up prices in the long-term, as it has done in countries like Australia and the Netherlands.¹¹ The Coalition's changes to childcare support also make the system more complex for parents, with a mix of free places, support through Universal Credit (at different levels depending on earnings) and tax relief. Most European countries have found that a simple offer of free or low-cost places subsidised directly by the state is the most cost-effective way to guarantee access to affordable, sustainable and good-quality early education and care.

11 <http://www.ippr.org/articles/56/10501/the-coalition-risks-following-the-wrong-path-on-childcare-reform>

Alongside a new approach to lifting family incomes, pressures on family budgets would also be eased by tackling the rising cost of living, improving access to affordable credit and ensuring that bureaucracy in the benefits system does not leave families destitute (as it can do when there are long delays in families receiving the benefits they are entitled to). Addressing rapid price rises in essential consumer markets like energy, travel and childcare will require a mix of regulatory reform, consumer empowerment and greater public funding appropriate to each market. Families facing short-term financial pressures need more than a choice between hardship or extortionately expensive loans. This may require tougher regulation of the payday loan industry, alongside new institutions that enable families to borrow small amounts quickly without facing enormous repayment costs. We will return to each of these issues in more detail in further briefing papers in this series.

Questions

- What would it take to raise family incomes through employment and wages in the current economic climate?
- How can more affordable, higher-quality early education and care be expanded to give children a great start and enable more parents to work?
- Should paid leave be made more generous to enable new parents, particularly dads, to spend more time with their young children?
- Would it be better to spend scarce public resources on better childcare and parental leave, rather than maintaining or increasing the value of cash benefits for families?
- Should family benefits like child benefit and tax credits be weighted towards families with young children?
- How can families and the wider community be mobilised as part of strategies to tackle poverty and disadvantage?

Strong relationships matter – but that means more than a tax break

Strong relationships are the bedrock of family life, and enable parents to share the joys and burdens of raising a child. Many of those taking part in the Voices of Britain project told us about the importance of their relationships with partners in dealing with the stresses of everyday life.

‘As soon as I’m home, on the sofa with my husband, we can have a glass of wine and we talk, that’s when the stress goes. My relationship is where my sanctuary is from all of that stress.’

Ian, 53, Salford

Most people aspire to raise children within a marriage or stable relationship. Lone parents can also make great parents, but it's usually easier if they can share at least some of their responsibilities with the non-resident parent, and children benefit from having a positive relationship with both parents. Society and the state should do all they can to enable people to fulfil their desire to marry and create stable relationships, help couples stay together (whether married or not), and make the process of family breakdown as painless as possible if it does occur.

The Conservative party plans to signal the state's commitment to marriage by introducing a tax break for some married couples. From 2015, a married person (or a partner in a civil partnership) earning less than the income tax personal allowance will be able to transfer up to £1,000 of their allowance to their spouse, allowing the spouse to earn more before paying tax. This will not be available to couples where one partner pays the higher rate of income tax, even if the other partner pays no income tax. The Conservatives expect around four million married couples to benefit, with a maximum gain of £200 a year per couple. Supporters claim that such a move would encourage couples to marry or stay together, while also signalling the state's preference for marriage over cohabitation.

It is hard to imagine anyone choosing to marry – or stay married – for a financial reward, particularly one so small (under the Conservatives' plans, eligible couples would gain less than £4 a week). But the move also fails to provide the practical support that families need to stay together. The majority of married couples will not be eligible for the tax break because both partners pay income tax. Yet these dual-earning families are likely to face more of the time pressures that put relationships under strain. Transferable tax allowances create disincentives for both parents to work, even though we know that this provides strong protection against poverty for parents on low to middle earnings; they also do nothing to help cohabiting couples with children to stay together. Even worse, the government's flagship 'total benefit cap' policy creates a huge incentive for couples to split up or claim to be living apart.

An alternative strategy for promoting stable relationships, including marriage, would be to offer stronger support to couples (married or not) with young children, where the risk of family breakdown is greatest. This would mean more help to relieve the pressures on time and money that often create family conflict. Informal and formal support networks for parents could also be strengthened to help share the responsibility of raising children and cope with periods of relationship stress. This could include extra support for grandparents and extended families – for example, the option could be made available to transfer paid leave to a grandparent if both parents chose to return to work.

Small antenatal classes in friendly environments, like those run by the National Childbirth Trust and some children's centres, help build support networks among new parents, but need to be made more accessible to parents in poorer neighbourhoods. Paid time off for fathers to attend antenatal classes (which pregnant women are currently entitled to) would promote strong family relationships from before birth and help dads prepare for fatherhood. Protecting Sure Start budgets would enable children's centres to maintain informal sessions where parents can seek mutual support. Stronger public investment in relationship support services offered by charities and specialist therapists would be much more useful than a tax break for married couples who are experiencing relationship problems. Help with the cost of marriage itself, such as ending marriage notice fees for less well-off couples, could help people achieve their aspiration to marry.

Questions

- How can grandparents, extended families, friends and neighbours be helped to share the responsibility of raising children, especially for parents bringing up children on their own?
- What is the best way to make sure that all parents have access to local support networks beyond their partner from before birth?
- How can practical help with emotional pressures in relationships, to keep families together and help them cope with separation, best be provided?
- How can we continue to change mainstream workplace culture to enable more parents, particularly fathers, to avoid long working hours and work more flexibly?

Great parenting matters – but that means practical help, not isolation or blame

Parents, supported by networks of family, friends and neighbours, shoulder the responsibility of raising children. But it is in society's interest to ensure that they have help to do this well, and to intervene if they are not meeting their responsibilities. Sure Start children's centres are at the heart of family support in Britain, embedded in many communities as popular and valued places that help families to overcome isolation and build supportive relationships. In Manchester, parents at Benchill Children's Centre told us about the relationships they had forged with staff and other parents. One mother explained, 'I don't have a family nearby, so this place is like my family'. Rigorous evaluations have found that parents in Sure Start areas feel less isolated, more valued and more confident about their parenting skills, with many of these effects

enduring as children move into primary school (Williams and Churchill 2006, National Evaluation of Sure Start 2012).

The Coalition government has retained the Sure Start programme, but reduced central government funding for it by around one-third since 2010. Just over 400 centres out of total of around 3,000 have closed since 2010, mainly through the merging of centres to cover a larger geographical area. Sure Start was originally intended to be an institution for all families, with a children's centre in every neighbourhood. Funding cuts and shifting policy priorities have seen the mission of Sure Start recast to focus on the most disadvantaged families. Open-access services like 'stay-and-play' are being withdrawn in some centres, and resources redirected to targeted interventions like parenting programmes (Goff et al 2013). This may help parents facing the biggest challenges, but evidence-based parenting programmes are expensive, so relatively few families can benefit from them. Less expensive options, like volunteer-led mentoring and befriending services run by charities like Home Start, could be extended to more families who need extra support. The loss of informal sessions may also cause children's centres to move away from their original role as places where families come together to seek mutual support.

Formal childcare and early education in children's centres, nurseries and with childminders supports parents by enabling them to work and taking some of the pressure off family time. Good quality early education also reinforces positive early learning experiences provided by parents, as well as helping to compensate for parents who lack the time, money or skills to invest in their young children's early development. However, the quality of early care and education in Britain is very variable, with too few childcare workers qualified to the right level (Parker 2013). This means that some young children miss out on the best start, and are not ready to learn when they reach primary school. The Coalition's plans to extend tax relief for parents' childcare costs relies on market mechanisms like parental choice to improve quality, but these were ineffective when relied upon by the previous Labour government (Stewart 2013). Instead, public funding paid directly to nurseries, children's centres and childminders, and support for raising the qualifications of childcare professionals, would help to raise standards in the early years sector.

For the minority of parents who are behaving irresponsibly or not coping, the Coalition has devised the Troubled Families Programme, which focuses on families in which children are regularly truant or involved in antisocial behaviour, and parents are out of work. The programme, led by local authorities, typically involves a dedicated social worker providing intensive and assertive input until the family makes sufficient progress. While similar programmes established by the previous Labour government were successful in reducing antisocial behaviour, they need to be more closely aligned with mainstream employment programmes

in order to tackle family worklessness (Lloyd et al 2011, Wilson and Gallagher 2013). Programmes for 'troubled families' also need greater stability so that they have time to bed-in and influence how mainstream services support families experiencing serious problems.

Questions

- What role should community institutions like children's centres play in helping parents to overcome isolation and build relationships of support with one another?
- As the Sure Start programme evolves, what is the right balance between open-access and targeted programmes, and between informal support and evidence-based interventions?
- How could befriending and mentoring be expanded to help build parental networks and offer practical help and support?
- How should the quality of early education be improved so that it supports or compensates for the early learning experiences provided by parents?
- How can intensive interventions like the troubled families programme work more closely with mainstream services and develop a more stable footing?
- How should society embed and demonstrate the importance of parental responsibility?

Protecting childhood matters – but that means strong families standing up to markets

Young children need time and space to enjoy childhood and develop their own understanding of the world around them. That requires parents who have time to dedicate to their children, as well as protection from the pressures of the adult world – including from some markets that invade childhood.

Parents are the first influence on young children, supporting their early development and helping to build their character and moral understanding. Care from parents (or from grandparents and other family members) is particularly important in the first year of life, when children need lots of affection and responsive care in one-to-one relationships. Well-paid family leave in the first year is vital for ensuring that parents have ample time away from work, lessening the impact of the labour market on family life. More generous family leave would allow new parents to spend more time building strong bonds with their infants. This is particularly important for fathers, who currently get a raw deal from family leave policies. Plans to allow mothers to transfer part of

their maternity leave to their partner are unlikely to lead to a substantial increase in the amount of time that fathers take off, since dads typically take leave only if it's offered to them on a 'use-it-or-lose-it' basis, and if it's well paid.

Protecting childhood and supporting early child development also requires a limit on the extent to which certain markets are allowed to intrude into childhood. Advertising rules dictate what kind of 'age-appropriate' material children can see in individual adverts, but there is no strategy for protecting children more generally from the excessive commercial pressures of today's marketing and advertising industry. Countries like Sweden already ban all television advertising aimed at young children, and prevent companies from advertising products using characters from children's television programmes. In Britain, local authorities could also be given more power to restrict outdoor advertising, and parents could be given more say about marketing and corporate sponsorship in schools.

Questions

- Should family time be protected from the labour market by more generous paid leave?
- Should all television advertising aimed at young (primary and pre-school age) children be banned?
- What powers do local authorities and parents need to ensure that advertising and marketing does not encroach into childhood?
- How can children be protected from the pressures of online marketing?

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GROWING UP AND BECOMING AN ADULT

KAYTE LAWTON

2.1 Introduction

Britain's young people now have access to far more material goods and better educational opportunities than previous generations. Yet growing up has become tougher in other ways, because many of the institutions that previously guided young people into adulthood have fallen away. Today's young people are less able to rely on support from stable families, clear routes into work, and opportunities to put down roots by buying a home of their own. While Britain's young people are, on the whole, optimistic, resourceful and ambitious, the path to adulthood has grown both longer and more insecure. This briefing paper considers what kind of future Britain's young people face, and how parents, schools and employers, working with government, can help them thrive.

The Challenge Network

Growing up and thinking about the future in Birmingham

The Challenge Network is a national charity, and was founded in 2009 with the mission of fostering greater trust in British society. A core part of their work is running a summer programme for 16- and 17-year-olds as part of the government's National Citizen Service scheme. The programme is designed to bring together young people from different backgrounds within a city or community and help them to overcome segregation and develop new skills.

We met a diverse group of 12 young people who were taking part in the programme in Birmingham over summer 2013. It involves an outdoor activity trip, a residential visit and a team project. Participants are organised into teams of 12 composed of young people from a mixture of different backgrounds, with everyone working together towards a common goal.

Most 16- and 17-year-olds are at transition points between school and work or further study, and between dependency on parents and independent adulthood. This makes them receptive to thinking about their own social and emotional development in the kind of highly structured and supervised environment that National Citizen Service provides.

The young people we spoke to were really enjoying taking part in the programme, and were gaining practical skills that would be useful in both work and further study.

‘I’ve gained a lot of confidence. I would never have been able to do a presentation before.’

The programme had also helped them develop emotional maturity and learn how to get on with people from different backgrounds – which they recognised would help them make the leap into adulthood and the world of work.

‘Becoming an adult means taking on responsibility, whether you want it or not. Friends, family and programmes like National Citizen Service can help you prepare.’

‘You are thrown into a team and you just have to get on with everyone – something you will have to do when you start work.’

‘You realise other people are just like you even if they seem different.’

We also talked about their hopes for the future. One major concern was the lack of careers advice and good-quality work experience at school: the young people we spoke to had received very little help from parents or teachers when deciding what courses to take at 14 or 16, or guidance about how to make a start in particular careers.

Most of them were pursuing traditional academic routes, in some cases because other options weren’t clear, or because their parents were wary of vocational courses. We heard that vocational options were ‘for people who don’t do well at GCSEs’, and that ‘my parents wouldn’t be supportive if I wanted to do an apprenticeship – they think I should go straight to university’. However, some were worried about their job prospects after university.

‘I worry that I’ll have studied at university for nothing, because there are so few jobs for graduates.’

Everyone was keen to get proper work experience as part of their efforts to understand the world of work and develop their career plans. But, we were told, there aren’t enough opportunities to get good-quality work experience while at school, and finding a part-time job can be tough.

2.2 What kind of future do Britain's young people face?

The young people taking part in The Challenge in Birmingham were articulate, optimistic, and engaged in their communities, despite their varied backgrounds. They knew the future would be tough, but were excited about the challenges ahead and willing to work hard to succeed. However, they needed support to navigate the complex choices they had to make about their education and careers – and they wanted employers to give them a chance. In this section we will draw on our conversations in Birmingham, the Voices of Britain project and national data to set out the central challenges facing Britain's young people today.

Young people lack opportunities to develop character and emotional maturity

One of the central goals of The Challenge, and programmes like it, is to help young people develop the character and emotional resilience they need to become happy and productive adults. Changes in family life, and in young people's own lives, are making it increasingly hard for many young people to develop these capacities, which has implications for their wellbeing and behaviour. During the 1980s and 1990s there were big increases in the numbers of young people experiencing depression and anxiety, alongside rises in levels of smoking, drinking and drug-taking (Nuffield Foundation 2012, Fuller 2013, ONS 2013a). These trends coincided with major changes in family life from the 1970s onwards, including a large rise in family breakdown and a growing number of mothers taking up paid work.

Over a similar period, there have been major changes in how young people spend their time: most now spend much longer in education, and much less time in work, than previous generations. The workplace was traditionally an institution that played a central role in developing the character and emotional maturity of young people within a highly structured and supervised environment. This positive influence has now been lost to many young people. Instead, many of those who would previously have gone straight into work at the age of 16 are now embarking on loosely structured vocational courses that involve limited teaching time and little work experience. This gives them few opportunities to learn how to control their behaviour and seek guidance from respected adults.

There are indications that young people's mental health has improved since the early 2000s, and that rates of drinking, smoking and drug-taking have also fallen. Nevertheless, the wellbeing and behaviour of British teens remains poorer on many measures than both those of previous post-war generations, and those of many of their European peers (Currie et al 2012, Hibell et al 2012). One possible explanation is that British teens now spend more time with their friends, so their

leisure time lacks the structure and supervision that reinforces positive behaviour. Levels of youth crime have fallen dramatically over the last decade, yet there is still a minority of young people involved in violent gangs or criminal activity, some of whom end up in prison. A small number also have deep-rooted problems such as an addiction or serious mental health issues.

Advertising and the media are additional sources of pressure – British teens are regularly exposed to sophisticated marketing for alcohol, junk food and expensive consumer goods, alongside increasingly sexualised content. Parents also worry about the impacts of social media and long hours spent on the internet, often with limited supervision.

‘Twittering, tweeting, blogging – it’s endless, and it seems to take over their playtime sometimes, and it concerns me. If they write certain things, it can be misconstrued at the other end, and then it causes all sorts of angst and upset.’

Fee, 50, Devon (via the Voices of Britain project)

Securing a good education is difficult for those not pursuing an academic route

With few entry-level jobs for school-leavers, most young people are now staying in education until they are 18 – but many are not engaged in worthwhile learning. Previously, young people who left school without good qualifications would have gone straight into work, usually with formal training and structured progression routes. With this route now almost entirely cut off, many young people are working towards low-value vocational qualifications that fail to prepare them for work or further study.

One in ten 16–18-year-olds – more than 200,000 in total – are now on courses that lead to a low-level qualification, usually because they left school without five good GCSEs (DfE 2013).¹² Too work-focused, and involving limited time in the classroom, these courses lack both the general education that employers value, and the work experience that young people need to prepare them for employment. One in five teenagers who gain low-level qualifications can expect to be neither working nor in further study by the time they are 20 (author’s analysis of DfE 2012). This is all too obvious to many young people, who cannot see the point of progressing to further learning once they finish their course. The poor quality and unfamiliarity of many vocational qualifications can put off high-achieving young people and their parents, as we heard from the young participants in *The Challenge* in Birmingham. These negative perceptions of vocational options mean

¹² Low-level qualifications are defined as those at either level 1 (notionally equivalent to any number of GCSEs below grade C) or level 2 (notionally equivalent to at least five GCSEs at grades A* to C). Approximately 232,400 young people aged 16–18 were taking courses at level 2 or below in 2011, excluding those taking GCSEs; this is equivalent to 11.7 per cent of the total cohort.

that they often attract less-able students, which creates a cycle of low expectations and low achievement.

For those who do well at school, progressing onto a higher-level vocational course offers much better prospects. Well-established brands like BTEC Nationals and higher level City and Guilds qualifications¹³ are highly valued by employers, and some also provide a route into university. These higher-level qualifications are at the heart of the post-16 programme at Aston University Engineering Academy, which we visited in Birmingham. We also found that many apprenticeships are highly regarded by employers and young people alike:

'I went to college and I thought, "This isn't my kind of thing". So I got an apprenticeship instead, which is really good. It's given me work experience, and it's a really good insight into what it's like to be in a business.'

Kerry, 17, Salford (via the Voices of Britain project)

However, apprenticeships are heavily oversubscribed, particularly the best ones in engineering and construction. This is partly because too many apprenticeships go to older people, but also because employers have become increasingly reluctant to hire young people. Apprenticeship programmes also tend to prioritise fairly narrow job skills, and lack a strong general education component. This limits young people's options once they qualify.

The loss of work-based learning routes for young people makes work experience for those in full-time education even more important. However, the number of young people with a part-time job has dropped significantly in recent decades: in the early 1990s, one in three 16- and 17-year-olds in full-time education had a part-time job, but this had fallen to one in five by 2013. Many schools and colleges also struggle to secure proper work experience for their pupils – a common theme in our discussions with teachers, employers and young people in Birmingham. Local employers and educators complained about a lack of co-ordination at the city level. This made it hard for schools and colleges to develop strong relationships with local businesses and organise structured work experience placements, hindering their efforts to give young people the rounded education that would prepare them for working at local firms.

Young people from all backgrounds struggle to find a place at work

Levels of worklessness are unacceptably high for young people from all educational backgrounds. More than one in seven (15 per cent) of those aged 16–24 are neither studying nor working – more than one million young people (ONS 2013b). Only around half of this group are actively looking for work; the other half are volunteering, looking after family, or

¹³ Those at level 3 (equivalent to at least two A-levels) or above.

simply doing nothing. (A small number will have a disability so severe that they cannot work or study.)

Graduates are finding the jobs market tough – one in five (18 per cent) of young graduates who have left education are not in work.¹⁴

‘A lot of my graduate friends have had to wait more than a year after graduation to find a graduate-level job. A lot of them are working in pubs part-time, still living with their parents and not progressing into careers as quickly as would be good.’

Phil, 21, Dorset (via the Voices of Britain project)

The likelihood of worklessness rises as qualification levels fall: 43 per cent of young people who have left education with just a low-level qualification are not in work, and only a third (33 per cent) of those who have left education with no qualifications are employed.¹⁵ Young people typically suffer more than older workers in a recession, which is one explanation for the high level of youth unemployment in 2013. However, youth unemployment (as opposed to unemployment among older adults) began to rise from the early 2000s, when the economy was growing strongly. This suggests that there is something fundamentally wrong with Britain’s youth jobs market. Young people without a job have also been looking for work for longer since the recession: the rate of long-term youth unemployment (those out of work for a year or more) has more than doubled since 2008.¹⁶

Finding work as a young school-leaver is much harder now than in the past. Many jobs that used to be available to this group are now labelled ‘graduate-level’ simply because employers can now recruit from a massively expanded pool of graduates. Working-class teenagers without qualifications, particularly boys, used to be able to access decent jobs (like those in manufacturing) that were a source of self-respect as well as a pay packet. Now, low-skilled jobs in many service industries are not only often badly paid and lacking in status, but also tend to require the kind of ‘employability skills’ (such as knowing how to relate to customers) that many young jobseekers have not yet learned (Sissons and Jones 2012). So, even if today’s young school leavers find a first job, they may struggle to keep it because they don’t know how to behave at work, or quit because the job offers no chance of progression. A minority spend several years moving in and out of dead-end jobs, low-value training programmes and spells of unemployment, while some drift into long-term worklessness as adults.

14 Author’s analysis of Office for National Statistics 2013 ‘Labour Force Survey 2013 Q1 (Jan–Mar)’, Newport

15 Author’s analysis of Office for National Statistics 2013 ‘Labour Force Survey 2013 Q1 (Jan–Mar)’, Newport

16 In the second quarter of 2008 there were 116,000 young people aged 16–24 looking for work for 12 months or more, compared to 274,000 in the second quarter of 2013. Source: Office for National Statistics 2013 ‘UNEM01 Unemployment by age and duration’, *ONS Labour Market Statistics*, Newport.

Owning a home is a far-off dream for most young people

The overwhelming majority of young people ultimately want to own their own home, which is an expression of their need for security, ownership and independence. Yet polling conducted in 2012 found that half of those aged 18–30 who do not already own their home think they won't be able to buy a property within the next 10 years (Pennington 2012). The affordability of homeownership has plummeted over the last decade, and half of first-time buyers now need financial help from their parents to make the purchase possible – something that was rare even in the early 1990s (ibid). The government's Help to Buy scheme is designed to make it easier for first-time buyers to get on the housing ladder, but risks creating a housing bubble that will ultimately harm young people's prospects of homeownership.

Thwarted aspirations of homeownership mean that growing numbers of young people are forced to live with their parents or in rented accommodation for longer than they would like. In some parts of the country – particularly London and the South East – renting privately is expensive and insecure, and the quality of homes can be poor. Being unable to buy also limits young people's ability to settle down and form stable relationships. One in five young people who rent privately say that their housing situation negatively affects their relationship with their partner, compared to one in 15 owner-occupiers.¹⁷ Couples tend to delay marriage until they feel financially secure, so the fall in homeownership among young people may be contributing to the rise in cohabitation prior to marriage (CSJ 2013). Young renters are also less likely to develop strong relationships locally and take steps to improve their local neighbourhoods than those who own their own home (Pennington 2012).

2.3 What would it take for all of Britain's young people to thrive?

Britain's young people are, on the whole, resourceful, ambitious and optimistic, but many of the institutions that once guided them into adulthood have been eroded by social and economic change. This can leave young people struggling to find their place in the adult world, to put down roots at work and at home, and to settle down into productive lives. While parents should take primary responsibility for guiding young people, their influence lessens as children get older, and they need to be supported by schools, colleges, employers and wider public services. In this section, we consider how some of these institutions might be reshaped to help young people thrive in post-crash Britain, and what we need to ask of young people themselves.

Practical help to develop character and emotional maturity

Changes in the way that family life is structured, the collapse of the youth jobs market and shifting social pressures mean that many young

¹⁷ YouGov/IPPR survey conducted in October 2012 with 1,553 respondents aged 18–30.

people are now struggling to develop character and emotional maturity. The poor behaviour of a significant minority of young people is usually met with recrimination and punishment once problems have escalated. Although young people must be held to account for their behaviour, they also need new structures and institutions to guide them into a stable and productive adulthood. Stronger vocational routes for young people should focus on developing character and emotional maturity, as well as raising standards. This has traditionally been a central part of the best apprenticeships – socialising young people not just into the world of work, but into the norms of adult life more broadly. Other vocational courses need much more structured work experience, and most teenagers should be on full-time programmes in the classroom or workplace so that they are doing more than just hanging around with friends for large parts of the week.

Structured extracurricular activities like those offered by The Challenge and hundreds of other organisations across the country, including schools, sports clubs and faith groups, help young people to develop confidence, learn to control their behaviour and respect others (Durlak et al 2010). However, publicly-funded youth services are currently under enormous pressure, so new sources of funding and greater voluntary action may be required to ensure that young people have access to positive activities. Schools also have a role in developing character and self-esteem among young people, as well as providing excellent academic programmes. In Birmingham, Aston University Engineering Academy uses competitions, sport and community service to help students develop creativity, emotional resilience and respect for others. When young people do engage in bad behaviour, adults in the local neighbourhood need to feel able to intervene. This may require new neighbourhood approaches to tackling poor behaviour, as part of a fresh agenda for addressing anti-social behaviour.

Young people and families, together with the state, also need to be able to stand up to certain markets that drive problem behaviour or undermine young people's wellbeing. British teens are more likely than adults to be exposed to adverts and marketing for alcohol (it's the other way round in Germany), while the promotion of junk food and consumer goods is pervasive (Winpenny et al 2012). Adverts are often designed to appeal specifically to young people, and major brands have a heavy social media presence, often with weak age-restrictions. Exposure to adverts for alcohol and junk food are associated with higher consumption of them among young people (Scully et al 2012, Atkinson et al 2011). Helping British teens to improve their habits may require stronger controls on the marketing of some of these products (particularly alcohol), together with greater local control over advertising and more of a say for parents about marketing in schools.

Questions

- How can we strengthen local institutions that are capable of developing young people's character, maturity and resilience?
- How can we ensure that young people take responsibility for their behaviour, while getting to the roots of the challenges they face?
- How can we prevent marketing and the media intruding too far into young people's lives, and give them the space to learn and develop?

New institutions to help young people move from school into stable and decent work

The vast majority of young people do not choose to walk away from work or education. Rather, a significant minority struggle to find their place in a jobs market that lacks clear entry points, and an education system that doesn't always deliver meaningful qualifications. This puts some young people at an immediate disadvantage when competing for jobs – a challenge that cannot simply be overcome with traditional job-search and back-to-work services. Instead, young people need new institutions that provide structured pathways into sustained, decent jobs with prospects, to replace the work-based routes that have fallen away.

Previous attempts to tackle disengagement among young people have tended to 'layer' extra support for those already struggling on top of inadequate existing services. Labour's New Deal for Young People helped to drive down youth unemployment, but its impact was limited by the lack of concurrent reforms to the institutions that young people must engage with – the education system, out-of-work benefits and the jobs market. Perhaps most significantly, the New Deal ignored the large number of young people who were able to access out-of-work benefits (like disability benefits and income support) with few work requirements, which allowed too many to drift into long-term dependency. The Coalition's Work Programme takes largely the same approach. Meanwhile, unemployed young people who have left school without a good basic education are often pushed into the first job that comes along by jobcentres and Work Programme providers, rather than directed to further study.

In 2012/13, the government spent over £2.6 billion on out-of-work benefits for young people, much of which was not well-spent in terms of getting young people back on track. The Conservative party has suggested that under-25s should no longer be eligible for some benefits, to prevent them going straight from school onto the dole. Clearly, young people should not be allowed get stuck on out-of-work benefits and drift into long-term dependency. However, removing financial support will be

ineffective if alternatives are not put in place that require young people to engage with work or learning. Simply cutting off benefits is likely to lead to many more young people dropping out of employment or learning altogether.

A better approach would be to guarantee all young people specialist support to engage in work, education or training, with a requirement to participate. The ambition should be that no young person is 'NEET' (not in employment, education or training) – almost all young people should be earning or learning, with clear progression routes at each stage. Young people who leave school without a decent education (five good GCSEs) need the chance to study for recognised qualifications before moving into work (preferably with further training) or higher-level education. Those who have extra barriers to work (like a disability or responsibility for young children) should get tailored support, but with the expectation that they will work towards employment or further study. In Motherwell, south east of Glasgow, we met George and Graham, young men who had both been on jobseeker's allowance for nine months, and then on the Work Programme for almost two years, without ever doing any paid work. Both were due to come off the Work Programme imminently but had no prospect of a job, despite being keen to work. Young people in this situation – who want to work, yet are facing long-term unemployment – need to be guaranteed a job, and be required to take up reasonable offers.

Tailored support for young people to re-engage with learning needs to be matched with better options for those who do not do well at school. This is becoming all the more important as the school-leaving age rises to 18. Most importantly, young school leavers need the chance to gain good GCSEs in English and maths, which are now the minimum expectations of most good employers and the foundation for further learning. Alongside this core academic programme, many young people who leave school without a good level of education also need clearer and better quality options in vocational learning. Vocational education in Britain is plagued by top-down meddling and constant reorganisation of qualifications, frameworks and quangos, creating instability for schools, colleges and employers. Vocational learning itself often fails to live up to the expectations of parents and young people. Other European countries with more stable and successful systems offer an alternative model, in which employers, unions and professional bodies are more heavily involved and have more control over the detail of vocational programmes.

To prevent young people becoming trapped in the adult benefit system, tailored support to re-engage with learning or work needs to be complemented by dedicated financial support for those whose parents cannot provide it. This support should be conditional on engagement, which would give government a more effective means of encouraging

participation than simply cutting off benefits. More should be expected of employers too – such as a requirement to provide recognised training for all employed teenagers, and incentives to offer structured work experience that develops the employability skills that businesses need to see in job candidates. Stronger local institutions may be needed to coordinate relationships between schools, colleges and local businesses.

Questions

- How should we reform our benefits, job support and training to make sure every young person is learning or earning?
- How can we work towards stable and coherent vocational options for young people who are not pursuing an academic path?
- What expectations should we have of employers to provide work and training opportunities for young people?

Help to secure a decent home and put down roots

Homeownership allows young people to put down roots and settle into strong relationships and stable family lives. However, long-term failures in both the industry and government policy have created a housing market that is stacked against young people and in favour of those who already own a home. This is partly because housing policy continues to be driven by central government, despite huge local and regional differences in housing markets. Councils have significant legal responsibilities for housing but little power over it, and few resources to get house-building moving or improve the quality of the private rented sector in their local areas. Public money is tied up in housing benefit rather than in building new homes for young families – the government spent £1.8 billion on housing benefit for young people in 2012/13 alone.

An alternative approach would be to advance institutional reforms capable of fulfilling many more young people's aspirations to own. Young people's aspirations to homeownership could be supported in the long-run by broad measures to boost house-building. This could include identifying new sources of funding for private sector, housing association and council house-building initiatives, together with reforms to the land market and the development industry. Young people also need more support in the short-term through new pathways into sustainable homeownership. These could include more attractive shared ownership options and new financial arrangements that make it easier for young people to save while paying rent. Even with these changes, renting will continue to be a feature of young people's lives – often for longer than in the past. The quality and affordability of private rented homes also needs to be improved, with stronger local oversight of landlords and letting agencies, including limits on rent increases and more secure tenancies.

Questions

- What would be sustainable means of helping young people to realise their aspirations to own their own homes?
- How can young people who are privately renting a home feel more secure and committed to their neighbourhood?

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LIVING IN A GOOD HOME AND NEIGHBOURHOOD

KAYTE LAWTON

3.1 Introduction

Despite major changes in the way we live, our local neighbourhoods remain important places for most people – they shape our everyday lives, our identity and our relationships with others. And although neighbourhoods face some common problems, every neighbourhood is different, with its own particular character, assets and challenges. Yet public funding and decision-making remain highly centralised and local leaders have too little control over what happens on their patch, despite their local knowledge and relationships. This paper considers the major pressures facing Britain's diverse neighbourhoods and examines what powers and responsibilities would enable local people to drive improvements in their own cities, towns, villages and communities.

Marsh Farm Outreach

Estate socialism in Luton

Marsh Farm Outreach (MFO) is a community development organisation based on the Marsh Farm estate in north Luton. Marsh Farm is one of the poorest estates in south-east England and home to around 10,000 people from many different ethnic backgrounds. In the summer of 1995, it suffered three days of rioting.

MFO evolved from the Exodus Collective, a group of community activists who, in the early 1990s, organised free community parties on the estate and squatted empty homes so that local people could have a place to live. Most members of MFO live on the estate and are closely tied into the neighbourhood and know many of the other residents.

In the 1990s and 2000s, Marsh Farm received significant amounts of public money through successive government regeneration programmes. Members of MFO share a concern that much of the money and power attached to these programmes has flowed out of the estate to consultants, contractors and public sector professionals. They argue that this reflects a belief that local people cannot be trusted with public money or lack the skills and knowledge to improve their own neighbourhood.

MFO's alternative proposition is that the people living on the Marsh Farm estate should be leading efforts to improve it, with both the power and the responsibility to change things. One member calls this 'estate socialism' rather than 'state socialism': local people with the resources and responsibility to solve their own problems. Local and national government could support this local action, they argue, by helping to build up the capacities of local people and making some of their rules more flexible.

Working with other local organisations (and with considerable public investment through the New Deal for Communities programme), MFO has helped to set up a new community and business centre on the estate. The centre hosts local social enterprises, small businesses and public services, including a 'mini town hall' and a police station. Rent from these organisations helps to make the centre self-sustaining, while having local services on the doorstep helps to keep them accountable to local residents. MFO is also focused on helping local people to set up small businesses that tap into the needs of people living on the estate, and on connecting local people to jobs elsewhere in Luton.

MFO's local relationships on the estate have proved invaluable when identifying what services and support local people want. The council and other local agencies tend to hire expensive consultants to run traditional consultation exercises, which achieve a low response rate. By contrast, MFO goes house to house and organises street parties to get residents involved.

3.2 How strong are Britain's neighbourhoods?

The energy and commitment of organisations like Marsh Farm Outreach confirm that many people in Britain are dedicated to working with others to improve their neighbourhoods. But neighbourhoods face a series of challenges, from entrenched disadvantage to a lack of affordable homes to rapid population change, all of which play out very differently across the country. In this chapter, we consider the strengths of Britain's neighbourhoods and identify the major pressures bearing down on our diverse communities.

People are working together to improve their neighbourhoods and help others

Many neighbourhoods in Britain are flourishing because neighbours work together to solve local problems and make theirs a better place to live. In places like the Marsh Farm estate there are still many problems, but strong local organisations are working to make services work better for residents and to get more jobs into the local area.

Two-thirds of adults believe that people in their neighbourhood pull together to improve the local area (Cabinet Office 2013).¹⁸ These efforts often rely on the energy, knowledge and leadership of local people rather than vast amounts of public money or administrative bodies. In some neighbourhoods, social bonds remain strong and people know their neighbours well.

‘Some of us older ones are looking out for the kids on the street, maybe keeping them for half an hour while mum goes to the shop or something. We’re all aware of who is vulnerable in the street. I think we are starting to rely on each other a bit more, which is nice.’

Audrey, 61, Salford (via the Voices of Britain project)

In other places, these kinds of spontaneous relationships have been eroded by population churn, changing working patterns (particularly among women) and the breakdown of extended families. What these neighbourhoods gain in dynamism and vibrancy they can lose in the lack of stability and strong social bonds that make people feel more secure. In some places, and for some people, this gap is filled by community groups and local services, many supported by major national charities or government.

‘Age UK covers such a lot of things for people. They come for a coffee morning once a week and I’ve been asked to get involved with knitting, sewing and crochet, if anybody’s interested in learning that.’

Rosemary, 81, Erith (via the Voices of Britain project)

These organisations and networks tend to rely on volunteers or people informally giving their time to run clubs and activities. Just over one in five adults (22 per cent) say they regularly volunteer in local community or neighbourhood groups (ibid). However, the richness of local support networks and organisations varies considerably across neighbourhoods. A relatively small number of people, often concentrated in particular neighbourhoods, dedicate a significant amount of their time to local volunteering or helping with community activities (Mohan and Bulloch 2012). Local voluntary organisations and community associations also tend to be less prevalent in more deprived neighbourhoods, where their support is likely to be most needed (Clifford 2011).

Too many neighbourhoods continue to experience entrenched disadvantage or segregation

Despite the richness of local networks and neighbourhood life in many parts of Britain, a significant number of neighbourhoods continue to

¹⁸ The Cabinet Office’s Community Life Survey 2012–13 found that 19 per cent of adults ‘definitely agree’ and 43 per cent ‘tend to agree’ that people in their neighbourhood pull together to improve their neighbourhood.

experience a range of complex and interlocking problems that make life more difficult for local people. The recession and slow recovery combined with significant reductions in local public spending have added to these underlying challenges in many places. Even in the buoyant economy that preceded the 2008 crash, some neighbourhoods continued to be plagued by longstanding problems such as high levels of worklessness. These are concentrated in parts of northern England, the West Midlands and London, although there are pockets of deprivation in most parts of Britain (Cox et al 2013).

Worklessness and economic disadvantage often run alongside difficult social problems. Some neighbourhoods have more than their fair share of individuals and families with multiple and complex problems, which might include addictions, serious mental health problems, involvement in crime and antisocial behaviour and children who persistently play truant from school. The people who face these challenges are often housed in less affluent or popular areas, leading to concentrations of families and individuals with the most serious problems. This can be a particular challenge in seaside towns like Blackpool and Margate (ibid) and in smaller or more isolated towns and villages.

‘A lot of housing associations and local councils put people from their at-risk register and those who really need support into low-cost housing in small villages like ours. It makes it very difficult for them to be able to conduct a good and normal life – the last bus is at twenty past three in the afternoon and there’s no playground.’

Roy, 62, Well, North Yorkshire (via the Voices of Britain project)

Living close by people with a mix of serious problems can make life hard for neighbours, who may find their day-to-day life disrupted by the difficult behaviour of others. Meanwhile, the people experiencing these complex problems often feel cut off from family and neighbours, and unable to make a positive contribution to their neighbourhood or move to neighbourhoods with more opportunities – ‘it’s like sitting on the outside looking in’.¹⁹ Large amounts of public money are tied up in services for families and individuals experiencing multiple problems that often fail to address the root causes of difficult behaviour.

In some neighbourhoods and parts of towns and cities, people with different ethnic backgrounds or levels of income live relatively separate lives. People living close together sometimes have few opportunities to get to know one another and to share a common life. In some neighbourhoods, this is the result of rapid population change or the way the local housing market works. Newcomers are more likely to settle in areas that offer cheaper housing and which may already be facing

¹⁹ From a participant at a discussion group with service users from Revolving Doors Agency and St Mungo's, 24 April 2013.

considerable social pressures. This can foster a sense of unease or resentment among existing residents, driven by small grievances about different habits and lifestyles.

‘It’s fair to say that the constituency I represent has, at times, been the fastest changing community in Britain, because of patterns of migration. There have been huge changes in terms of people’s patterns of life, which have been radically overhauled. That has huge implications in terms of what people perceive their community to be, how exchanges take place, and how people get on with their neighbours and the people in their streets.’

Jon Cruddas, 51, MP for Dagenham and Rainham (via the Voices of Britain project)

There are many neighbourhoods where people have learned to share a common life successfully, despite their differences. But even in some settled communities, different interests and lifestyles may mean that people from different backgrounds lack opportunities to meet and talk. In some neighbourhoods, local institutions like schools or children’s centres struggle to attract a good mix of people from across society. Segregation can breed mistrust between different groups, making it harder for people to work together to improve their neighbourhood, while occasionally resentment can escalate into conflict and violence.

People can feel unsafe in their neighbourhood because of threatening or nuisance behaviour

Experiencing intimidating or nuisance behaviour like excessive public drunkenness or harassment from neighbours can leave people feeling unsafe and reluctant to engage with those around them. In Britain, levels of crime and antisocial behaviour, including violent crime, have been in decline since around the mid-1990s, and are now lower than in the early 1980s (ONS 2013a).²⁰ The number of young people committing offences has more than halved since it peaked in the mid-2000s, down from just over 300,000 offences in 2005/06 to 137,000 in 2011/12 (YJB 2013). Levels of antisocial behaviour within local communities have also fallen since the mid-2000s, as have reports of experiencing or witnessing individual acts of antisocial behaviour (ONS 2013b). There have been particularly sharp falls in reports of vandalism, graffiti, abandoned cars, and teenagers hanging around on the street.

Despite these considerable improvements, problems remain. Around one-third of adults still say they have experienced or witnessed an incident of antisocial behaviour in the last 12 months; just over one in 10 adults (13 per cent) feel that levels of antisocial behaviour are high in their local area. Importantly, there has been less progress in tackling noisy neighbours, drug-taking and drunkenness in public places

²⁰ This refers to people’s experiences of crime, not police-recorded crime.

than some other forms of antisocial behaviour (ibid). These sorts of behaviours can have a particularly damaging effect on people's feelings of security and control in their neighbourhood and home.

'There are quite a lot of drugs and a lot of alcohol consumed. Quite often, people will be walking around in the streets quite drunk and there'll be a lot of noise from the local pubs. That can be quite threatening at times.'

Terry, 62, Leeds (via the Voices of Britain project)

Experiences of antisocial behaviour are not confined to the poorest neighbourhoods. In fact, being a victim of or witnessing antisocial behaviour is more commonly reported among wealthier households and people in higher-level jobs (ibid). This may in part be linked to differences in expectations of good behaviour.

Experiencing antisocial behaviour is much more common among people living in densely populated neighbourhoods, particularly those living in flats and terraced houses. Living close to our neighbours can be difficult at times, putting strain on relationships and testing the boundaries of reasonable behaviour. Antisocial behaviour is also much more likely to affect younger people and those in early middle age than older people: one in three people aged 16 to 24 has experienced antisocial behaviour in the last year, compared to one in five aged over 65 (ibid).

Too many people struggle to secure a decent home in their local area

Living in a decent and secure home allows people to put down roots and settle into stable family life. Young people who are struggling to own their own home say that renting or living with parents can have a negative effect on their relationship with their partner (Lawton 2013). If a person's home feels temporary, they are less likely to care what happens in their neighbourhoods or invest in making connections with neighbours. This makes it harder for neighbours to work together to address local problems, which in turn can make it more likely that those who can will move away.

Yet finding a secure and decent home is becoming increasingly difficult in Britain. Homeownership is moving further and further out of reach for younger generations, especially for those whose parents are unable to provide financial support. The affordability of homeownership has fallen in all parts of the UK over the last decade but is most difficult in London and many parts of southern and eastern England (Keep 2012). Towns like Luton lack the space to build enough new homes within their boundaries but can find it difficult to work with neighbouring councils to meet the housing needs for their residents.

Stalled housebuilding also means there are insufficient affordable homes in the social sector (those owned by councils or housing associations) for families and individuals for whom homeownership is not appropriate. The number of homes in the social sector has fallen in the last decade despite growing demand, and there are over 2 million families on local authority waiting lists in England alone – including over 300,000 who need to move because they are living in overcrowded or insanitary homes (DCLG 2012). Long waiting lists are a particular problem in London and growing towns like Reading and Swindon, as well as towns and cities in northern England and the West Midlands (ibid).

The squeeze on homeownership and social housing has led to a big increase in private renting over the last 10 years, after a long period of decline, with the number of homes for private rent nearly doubling since the early 2000s (ibid). Many towns and cities across Britain have neighbourhoods like Bury Park in central Luton, an ethnically diverse area with densely packed terraced houses, many of which are privately rented. The area suffers from overcrowding, rising rents, poor-quality homes and a lack of open space; many local landlords own only a few properties and lack experience as professional landlords.²¹ Seaside towns like Margate and Blackpool have an oversupply of large properties, often former B&Bs and hotels, which have been converted into flats and are often used to house vulnerable or transitory people. This can lead to concentrations of social problems and rapid population churn in particular streets or neighbourhoods (Cox et al 2013). The prevalence of insecure tenancies in the private sector makes it particularly difficult for people to put down roots and feel part of their neighbourhood.

3.3 What would it take for every neighbourhood to thrive?

Britain's neighbourhoods benefit from the energy, passion and knowledge of local leaders and residents, but local people often lack the powers they need to create real change. In this chapter, we consider what it would take for every neighbourhood in Britain to become a great place to live and work, stressing the need for local control and responsibility to enable more cities, towns, villages and neighbourhoods to thrive.

Devolving power and responsibility to local areas to solve complex social problems

Local leaders need more powers and resources to solve complex social problems and improve their neighbourhoods. While national government needs to retain responsibility for setting core priorities and basic citizen entitlements, a major devolution of power, money and responsibility would allow the detail of solutions to be tailored to particular local needs and plans to change more rapidly as conditions

²¹ From conversations with officers and councillors at Luton Borough Council and representatives from Luton Town Football Club.

change. It would mean that decisions are taken by people who know an area best and care most about what happens there, and it would give local areas more control over their future, rather than being dependent on Westminster and Whitehall. It would make it easier to bring together different pots of funding to innovate and improve services for local people and to make sure public money is spent more effectively. However, the precise form that devolution might take will need to vary depending on the particular set of problems under consideration and the capacities of different local areas.

The previous Labour government invested significant resources into a range of social and place-based neighbourhood renewal programmes, but relied too heavily on large central grants and increasingly centralised decision-making. New public money was often laid over the top of existing, poor services, with little attempt to systematically redesign these services or to build up institutions capable of sustaining local action. Although many of these programmes helped to ameliorate entrenched disadvantage, some of the gains turned out to be unsustainable in the face of recession and public spending cuts (Cox et al 2013).

The Coalition has largely abandoned public funding for specific neighbourhood regeneration work. At the same time, it has dramatically cut back local government budgets. There has been no real shift in the balance of power and resources between the centre and local areas; if anything, with the abolition of regional government and the reduction in local government capacities, power has shifted further back towards the centre. The lack of local control over much of the public money flowing into local areas is making it doubly difficult for local government to absorb large spending cuts imposed from the centre, which look set to continue.

Devolving specific powers and resources to local areas offers the prospect of mobilising local energy and expertise to make progress on a range of social and economic problems. Devolution will need to take several forms, driven by stronger, more stable and more democratic institutions of local government, rather than the constant reorganisation of Whitehall agencies and quangos. In areas like housing (as well as employment, skills and transport) local needs are often best addressed by local areas working together as combined authorities that cover whole city-regions or as large counties, which gives them the scale to invest directly and make strategic decisions. Some places, like greater Manchester, have already proven themselves capable of managing large shared budgets and driving reform, while others are building up their capacity to take on new responsibilities. Longer-term financial settlements and pooled budgets would enable local areas to make strategic decisions based on clear priorities and to find genuine savings in public budgets, rather than simply absorbing more cuts.

On other issues, like crime, antisocial behaviour, social exclusion and integration, where very local knowledge and expertise is required, action on a smaller scale is often more appropriate. Devolving specific powers and responsibilities to rejuvenated town and parish councils could help to mobilise local capacities to tackle problems rooted in particular neighbourhoods. Local leaders also have a role to play in creating the conditions for local people and non-state organisations to build the neighbourhood-level institutions and networks (like support groups, social clubs and community centres) that enable people to overcome segregation and isolation and to seek mutual support.

Questions

- How can we build strong, accountable institutions of local government, including combined authorities and counties, that are capable of addressing the big social and economic challenges facing their cities and regions – including on housing?
- What specific powers and responsibilities would underpin the rebuilding of active town and parish councils that are capable of tackling complex social problems in their local areas?
- How can we build local institutions and networks at the neighbourhood level that help overcome isolation, segregation and disadvantage, and foster mutual support?

Strong city and county leadership to solve local housing problems

Meeting the housing needs of everyone in Britain requires major institutional reforms that put power and responsibility in the hands of city-regions and counties to enable them to solve their particular housing problems. Housing pressures play out very differently across the cities, towns, villages and neighbourhoods of Britain, reflecting enormous differences in local housing stock, population and economic performance. Yet funding and policy priorities have been set at the national level (in England at least) for decades. Most of the public money for housebuilding is distributed directly to individual housing associations by a Whitehall quango, while the ability of councils to borrow against their own assets in order to build more homes is severely constrained. The basic rules of housing benefit and for allocating social housing are set centrally, while councils have little power to drive up standards among private landlords.

Equally damaging has been the reliance on national benefit expenditure instead of local building to meet the housing needs of families and individuals. This reflects a preference among political leaders from all parties over the last 30 years for the state to subsidise rents rather than

build new homes. Spending on housing benefit has increased eightfold in real terms since 1980/81, up from just £3 billion that year to an estimated £24 billion in 2013/14 (DWP 2013).²² The 2008 financial crash caused levels of homebuilding to drop – but they have been too low for the last 30 years. The fundamental problem is the decline in publically funded housebuilding. This has left Britain reliant on a volatile and uncompetitive private development industry, which has proved incapable of filling the gap.

The previous Labour government did too little to challenge the institutions and thinking that have underpinned housing policy for the last 30 years. Although housebuilding increased, Britain continued to build too few homes to meet demand, and few powers to solve housing problems were devolved to local areas (Schmuecker 2011).

More recently, the Coalition government has focused on boosting demand for homes rather than improving supply, through its Help to Buy scheme, which is likely to push up house prices. The Coalition's attempts to crack down on the housing benefit bill have impoverished families and individuals yet have failed to address the underlying causes of rising benefit spending.

To ensure that city-regions and counties have the resources they need to tackle local housing challenges, money that is currently held centrally (especially housing benefit and public cash for housebuilding) needs to be brought together and handed over to combined authorities and county councils. With tough accountability arrangements in place to make sure public money is well spent, this devolution of funding would allow city-regions and counties to make their own decisions about how to meet local housing needs. Longer-term financial settlements would give local areas the certainty they need to plan for the future, while lifting current restrictions on borrowing would allow city-regions and counties to reap the financial and social returns of building new homes. Councils also need more powers to work with landlords and lettings agencies to make private renting more affordable, decent and secure.

Questions

- What powers, responsibilities and incentives do city-regions and counties need to drive up levels of housebuilding?
- What powers do local areas need to make sure that private renting is affordable, decent and secure?

²² All figures in 2013/14 prices.

Addressing the root causes of antisocial behaviour

To generate lasting solutions to antisocial behaviour, we need tough interventions that require people to sort out their underlying problems with the support of local services that work together to build meaningful relationships with individuals and their families. The previous Labour government was the first to put antisocial behaviour on the political agenda, handing new powers to local police forces and other agencies to tackle bad behaviour, including new tools like antisocial behaviour orders (known as). This helped many neighbourhoods by moving people on and creating some welcome short-term relief.

However, Labour's agenda became increasingly focused on curtailing bad behaviour through legislative tools (and mopping up after things had gone wrong) instead of requiring people to address the causes of their behaviour. At the same time, the different services designed to help people deal with their problems (including the police, probation, social services, housing advice and health services) have often failed to work together, with people cycling through lots of different interventions without getting to the root cause of their issues. The result was that the authorities had more success in dealing with the symptoms of relatively simple problems – like cleaning up graffiti and removing abandoned vehicles – than in resolving ongoing problems rooted in complex behavioural issues.

The Coalition government has allowed antisocial behaviour to fall down the political agenda, and has focused much of its efforts on a bureaucratic reorganisation of existing legislation rather than giving neighbourhoods practical help to tackle bad behaviour. One positive step, however, has been the trialing of neighbourhood justice panels, which rely on local volunteers to help offenders take responsibility for their actions and work through their problems, rather than simply imposing a short-lived punishment. Offenders are referred by the police or their social landlord, and are required to sign up to a good behaviour contract designed to address the underlying causes of their behaviour and repair the damage done to the victim. If they breach the contract, they will be handed back to the police or their landlord, which could result in an ASBO, action through the courts or eviction. In Swindon, for instance, the local council and police credit this approach with helping to find a long-term solution to the issues caused by problem drinking among a small number of homeless people in the town centre.²³ Town and parish councils could be given responsibility for running neighbourhood justice panels, including the recruiting and training of sufficient volunteers. Creating a clear set of offences that must be referred to a neighbourhood justice panel would ensure that this problem-solving approach is used systematically to address the lower-level offences that blight some communities.

²³ From conversations with officers at Swindon Borough Council.

For young people, youth offending teams (YOTs) have had significant success in bringing down levels of first-time youth offending, providing a model that could be extended to adults at risk of involvement in criminal behaviour. YOTs bring together professionals from different services (including health, education, social work, probation and the police) to work side-by-side in local teams, which helps to overcome institutional barriers (Muir and Parker 2014 forthcoming). Young offenders and young people who are considered at risk of entering the criminal justice system are given the opportunity to develop a strong relationship with a dedicated caseworker who can guide them through the different kinds of support they might need to get back on track. The preventative focus means that young people are more likely to be diverted towards more positive activities, rather than getting help only after they have been sucked into the criminal justice system. Greater local control of public budgets could make this kind of preventative, joined-up working easier for local areas to organise and extend to other vulnerable groups.

Questions

- How do we make sure people face up to their poor behaviour and get the support they need to address underlying problems?
- What powers and resources need to be devolved to local areas to make services work better together to address problem behaviour?

Addressing the root causes of social exclusion

Services for people with complex, overlapping problems (often some combination of mental health problems, offending, homelessness and addiction) often fail to tackle the root causes of people's problems, leaving them excluded from mainstream society. Sometimes, this is because services are designed from the centre, with insufficient local control over budgets and decision-making. People with complex problems also have to access several different public services (including housing, benefits, employment, health services and probation), each of which addresses only one part of their difficulties (McNeil 2012). Typically, each service is designed around bureaucratic structures and professional boundaries rather than the needs of the people using the services, making it hard for individuals to build trusting relationships with those who are trying to help. Despite being heavy users of public services, people with complex problems are regularly left out of their design and delivery. This means that we miss opportunities to improve services, don't make enough of people's capacity to contribute by improving services or helping others, and don't create the social bonds that help motivate people to pursue a better life.

The previous Labour government attempted to tackle these problems through a series of new place-based and national programmes, largely organised from the centre. There are valuable insights to be gleaned from some of the more successful interventions, including that people do best when they can develop strong relationships with a dedicated caseworker who has the power to bring together a range of services around individuals and families (Lloyd et al 2011). This lies at the heart of the Coalition government's troubled families programme, which is helping local areas to pool budgets and provide more dedicated one-to-one support, often in neighbourhood-based teams.

However, the Coalition is also increasingly relying on market mechanisms like 'payment by results' to drive action among both local government and private contractors (for example, in the work programme and planned reforms to probation services). This often requires large, centrally organised contracts with simplistic performance measures that fail to account for the complexity of what drives social exclusion, while leaving service users feeling frustrated and ignored (Lowe 2013). This is also an area plagued by short-term measures and initiatives that often are given insufficient time to bed in, are unable to address the failure of existing services and don't link up with wider services like employment programmes (Wilson and Gallagher 2013).

National leadership is important to ensure that people with complex problems remain on the political agenda and that every local area has effective services in place. But the basic work of enabling people to take responsibility for their problems and overcome exclusion requires intensive relationships of trust that can only be forged in the neighbourhoods where people live. Working to national minimum requirements and priorities, local areas should have greater responsibility for helping people to address complex problems by bringing together local services around individuals and their families. Charities and voluntary organisations, especially those with local roots, are often best placed to develop these kinds of relationships and to mobilise people's own capacities to change their lives. These organisations often have a culture, which is sometimes missing in statutory services, of encouraging people to take responsibility and regain their sense of control by making decisions about their own recovery and supporting others, for example through user forums, volunteering and mentoring.²⁴ Local areas and national government should consider how best to harness this expertise, for example, by designating particular services to be run by local or national charities and making user involvement more systematic in a range of public services.

²⁴ From a discussion group with service users from Revolving Doors Agency and St Mungo's, 24 April 2013.

Questions

- How can we bring together local services to help people solve their complex and deep-rooted problems more effectively?
- How can we mobilise the capacity of people with complex problems to change their own lives and support others?

Supporting neighbourhoods to overcome segregation

Britain's neighbourhoods are more diverse than ever, but this can mean that they need help to build positive relationships with neighbours from different backgrounds. The previous Labour government attempted to advance greater integration, with stronger requirements for English language skills among new migrants, citizenship tests and ceremonies to foster a sense of belonging, and new resources for local advice and guidance. However, the focus tended to be on migrants achieving minimum benchmarks to signal their integration (like passing an English test or gaining citizenship) rather than a concern about people's day-to-day interactions within their neighbourhoods and workplaces. And increasingly, emphasis was placed on tackling extremism among a minority of individuals rather than addressing broader experiences of disadvantage and segregation.

The Coalition has withdrawn most government support for neighbourhoods that are receiving large numbers of new arrivals or which need to build stronger relationships across more settled communities. Key sources of funding have been cut, such as the Migration Impacts Fund, which provided practical help for neighbourhoods seeing an increase in new arrivals. These cuts stem from a concern that this kind of support will simply attract more migrants. In practice, however, it means that neighbourhoods have been left to cope without support.

Realistically, people will continue to arrive in the UK, particularly from other European countries, and we need to make sure they can make a positive contribution to their neighbourhoods. Some settled communities could benefit from stronger local institutions and informal networks capable of bringing together people from different backgrounds. Local councils should have a responsibility for helping new arrivals to settle in and for building relationships across communities, with devolved powers and resources to lead this. But public budgets in this area will always be limited and the hard work of forging lasting social bonds rests on local people and organisations. Popular institutions with strong local roots and which are able to reach out to people from across society can provide places where neighbours learn to know and trust each other, but these kinds of institution still need to be built up in some neighbourhoods.

Strategic oversight from national government would help to predict where new arrivals might settle and make sure that particular neighbourhoods have the help they need to deal with the immediate consequences and to develop new social bonds to help guard against segregation in future.

Questions

- What powers and resources would enable local areas to address segregation in their neighbourhoods?
- How can we mobilise local institutions and people to forge social bonds across diverse neighbourhoods?

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FINDING A DECENT JOB AND ACHIEVING FINANCIAL SECURITY

KAYTE LAWTON AND GRAEME COOKE

4.1 Introduction

For most people, a job is a source of friendship and self-esteem, as well as a pay packet. Yet too many people in Britain are denied this basic opportunity for social participation because they struggle to find work or have a job that fails to provide status and a decent wage. People have an obligation to work if they can. But this must be matched by a duty on society to ensure the prospect of work is real, that wages and conditions are decent, and that there is adequate financial protection for those who lose their job.

This paper explores the challenges for people experiencing worklessness in Britain, what work is like for people with a job, and the financial protections in place for those facing unemployment. We examine how reciprocity could be restored for working people in Britain, with stronger obligations to work (for those who can) matched by a genuine prospect of finding a decent job and a benefit system that recognises the contribution of those who have paid in. And we consider how new local institutions could offer access to affordable credit to people facing financial insecurity, to keep them out of the grip of extortionate lenders.

Life on ‘the brew’

Long-term unemployment in Motherwell

Motherwell is a town in North Lanarkshire with a rich industrial heritage as the centre of Scotland’s iron and steel industry. But the collapse of heavy industry in the 1980s saw the loss of thousands of skilled, well-paid jobs, and the area continues to suffer from higher levels of unemployment than Scotland as a whole.

Through local employment organisation Routes to Work, we met a group of Motherwell residents facing long-term unemployment – on the dole, or ‘the brew’ as it’s known in this part of Scotland. Given the length of time that some had been without work, they were not optimistic about finding a job locally. The town itself, and local job prospects in particular, were described as ‘bleak’.

Most of the jobs available locally were said to be badly paid and insecure – in warehouses, on production lines, driving vans and cleaning offices. Most said they would be happy to take a temporary job with work guaranteed for three or six months, but some had experiences of jobs that were so insecure that they were offered work for just a day or two.

All of the people we spoke to were on the government's Work Programme, but it had brought them no closer to a job. Sam, in his 40s, had been unemployed since before the recession, having previously worked in a warehouse. Harry had been a successful sales manager but had lost his job around the time of the recession because of restructuring. Glenn, in his 20s, was due to complete his two years on the Work Programme in September with no prospect of paid work.²⁵ The combination of long periods out of work and the lack of local jobs created a sense of hopelessness and deep pessimism among the people we spoke to.

They were also quite critical about the support they'd received from the local jobcentre and from large companies involved in the Work Programme. They felt these services take a 'box-ticking attitude' and advisers tend to 'ask the same questions' and mostly 'just show you how to look for work'. They were more positive about the support offered by Routes to Work, whose advisers made them feel more welcome and made more of an effort to match them up with jobs that they had a particular interest in. But they also said that most people in Motherwell find work through friends and family rather than employment programmes.

4.2 To what extent can people find a decent job and achieve financial security?

For many in Britain, working life has become more difficult, as people struggle to find a decent job, cope with job-loss and keep the family finances on the right track. Long-term unemployment of the kind experienced by those we spoke to in Motherwell can have a devastating effect on people's self-esteem and social engagement, and leave people feeling powerless to shape their own future. In this section, we consider how the difficulties of securing decent work and avoiding financial insecurity puts pressure on families and individuals in Britain.

²⁵ Names have been changed to protect the identity of the people we spoke to.

Too many people are excluded from the benefits of a decent job

Employment is not just about earning money to pay the bills. A job also allows us to use our skills and experience, to achieve a degree of control over our lives, and to feel like we have a place in society. Through work, we take responsibility and make decisions, and develop friendships that we can draw on for support at work and in wider life. Employment is associated with higher levels of life satisfaction and a lower risk of experiencing both physical and mental health problems (ONS 2013a, Karsten and Moser 2009, Mclean et al 2005). For all these reasons, employment is one of the principal ways in which we achieve social integration and participation, as well as earning a living (Phelps 2007).

In practice, some jobs do not offer all these benefits. But this is an argument for improving the quality of those jobs, not for giving up on the goal of employment for all.

As we saw in Motherwell, long periods of worklessness can leave people feeling isolated, demoralised and unclear about their role at home or in wider society. This is particularly the case for people – often men – who have been in work for many years and have been the family's main breadwinner. The financial and emotional burden of long-term unemployment can lead to conflict within families, raising the risk of family breakdown (Blekesaune 2008). People who fulfill their obligation to look for work but find employers unwilling to give them a chance can be left feeling frustrated and powerless.

'The time I spent on the dole was a very embarrassing experience for me. I was going in for the dole on a weekly basis. I was getting no help whatsoever off the staff there. You end up pulling your hair out because you can't get the help that you want. I've worked all my life and I hated it [being unemployed], hated every minute of it.'

Martin, 34, South Wales (via the Voices of Britain project)

The recession didn't have as large an effect on employment as was feared, but large numbers of people lost their job and far too many remain without work. Just under 2.5 million people in Britain are unemployed and looking for work, up from 1.6 million at the beginning of 2008, just before the recession took hold. A further 6.6 million adults of working age (16 to 64) are not working (or in full-time education) and not actively looking for a job (ONS 2013b). Of this group, one-third are not working because they are looking after family; another third are out of work because of a health condition or disability; one in five have retired early. Although these people are not actively looking for work, one in five say they want a job – equivalent to over 1.7 million people (ONS 2013c). Some of those who say they do not want to work may have become discouraged by their previous experiences of looking

for work or believe that they can't find work that suits their caring responsibilities or health condition.

High levels of worklessness are not just a feature of post-recession Britain. In the decade before the recession, the number of working-age adults claiming out-of-work benefits²⁶ barely dropped below 4.5 million, despite a long period of economic growth and rising employment (ONS 2013b).

The risk of worklessness is not equally shared – it has a structural dimension that means certain people are much more likely to be without a job than others. Fewer than half of people with a work-limiting disability (44 per cent) are in work, and even fewer people with mental health problems or a learning difficulty have a job (ibid). Many mothers struggle to combine work with childcare responsibilities, leading to higher levels of worklessness among mums in the UK than in many leading European countries (Lawton and Thompson 2013). Older people who lose their job typically find it more difficult to get back into work than younger generations, and may give up looking before they reach retirement age (Lawton 2013a). Young people who do not gain recognised qualifications or practical work experience find it hard to access employment (Cooke 2013a).

The benefits of work are diminished by weak wage growth and a lack of security and autonomy

The social and financial benefits of work are diminished when jobs are poorly paid, insecure or lack status. Most people on low and middle incomes have not had a decent pay rise in the last decade, while the cost of essentials continues to rise sharply (Commission on Living Standards 2012). Across society, families are facing levels of financial insecurity that can leave working people unable to adequately support their family. Over the last five years, rising benefit payments have been crucial to shoring up the incomes of middle-income families, not just the poorest (ONS 2013d). However, further large increases in tax credits and in-work benefits appear unsustainable in the face of continuing public spending cuts.

Many people on low to middle wages can also feel that their contribution in the workplace, and in society more broadly, is not properly recognised and rewarded. Low-paying jobs in particular can lack status and respect (Dean 2012, Lanning and Lawton 2011). Although many people have highly satisfying jobs that give them opportunities for creativity and decision-making, employees are less likely than 20 years ago to report having control over how they organise their working day (Inanc et al 2013). We are also more likely to say that we work hard and feel under lots of pressure at work (Felstead et al 2013).

²⁶ That is, jobseeker's allowance, employment and support allowance and its predecessors, and income support.

Although job turnover has fallen over the last 20 years, a significant minority of working people either feel that their job is not secure or, because they are on a zero-hours contract or working through an employment agency, lack the benefits of a permanent job. A quarter of employees fear losing their jobs – this figure is now at its highest level since researchers starting collecting data in the mid-1980s (Gallie et al 2013). Given the importance of work for financial security and social participation, fear of losing a job can put huge pressure on individuals and relationships.

‘What keeps me awake at night is worrying about what would happen if I lost my job or if my partner lost her job. There’s a feeling that the whole thing could collapse like a house of cards.’

John, 54, Little Hulton in Greater Manchester (via the Voices of Britain project)

Many people in Britain have lost faith in the benefit system

If the worst happens and someone loses their job, the social security system should be there to protect them against hardship until they get back on their feet. But most people think the British benefit system no longer offers enough protection for people who have paid into the system. Four out of five people believe that ‘the system doesn’t do enough to reward people who have worked and contributed’ (Cooke 2013b). Half think that ‘the system provides too little financial protection when people fall on hard times’ (ibid).

But most people also think the system doesn’t demand enough of people who are claiming benefits and not contributing: two-thirds agree that ‘the system is too soft on people who could work but don’t try hard enough to find a job’ (ibid). The scale and scope of the benefit system has expanded dramatically in Britain over the last 50 years. But the British public has fallen out of love with large parts of the welfare system – unlike institutions, like the NHS, that retain deep popular support despite the many challenges they face.

One clear example of how the system no longer offers real protection at moments of need is jobseeker’s allowance (JSA), which is currently worth just £71.50 for those aged 25 or older.²⁷ To people who have contributed to the system for many years, this can seem like a derisory sum.

‘It’s a bucket of cold water. It’s not a lot of money.’

‘It’s a tragic amount of money.’

Focus group participants²⁸

²⁷ Extra help is available to many people with the extra costs of housing, children or a disability.

²⁸ From two focus groups organised by IPPR and held in Glasgow on 25 July 2013 with a total of 19 adults, all in work and earning less than £40,000 a year.

This is compounded by the knowledge that people without a recent work record are entitled to the same amount of cash through benefits like JSA. The implication is that the system does not recognise years of hard work and contribution – only immediate needs. Concern about the ability of new immigrants to claim such benefits is emblematic of a deeper unease about the breakdown of the basic relationship between putting in and getting out.

‘It’s not fair that two different individuals, one that’s just come out of school and doesn’t want a job is getting the same as someone who’s paid into the system, who’s been working all his life.’

Focus group participant

Many people in Britain also feel that the benefit system promotes a culture of dependency among those claiming support and does too little to encourage people to move into employment. There is a deep concern, sometimes anger, in many parts of British society that the original principles of the benefit system have been subverted over time. By this view, it has shifted from a source of temporary support for those who have worked but find themselves unemployed to a long-term alternative to paid work for too many people.

‘It should be a safety net to help you back on your feet. But it shouldn’t be that’s what you do day-in day-out, you just claim money from us basically.’

‘I think it [claiming benefits] is a culture. It’s just accepted now that “ach no, I dinnae work. I’ll just get my benefits for this”.’

Focus group participants

A majority of the British public remain broadly sympathetic to people receiving benefits, especially those who are victims of economic change and rising unemployment. Only just over a third agree that ‘many people who get social security don’t really deserve any help’ (35 per cent) or that ‘most people on the dole are fiddling in one way or another’ (37 per cent) (Pearce and Taylor 2013). And there is recognition that paid employment is not appropriate for some (like new parents) and not possible for others (like those with serious disabilities). But there remains a deep sense of unease that the system itself disincentivises people to work or try to improve their situation, even if they want to do so.

‘There are people who don’t work more hours, even when they can work more hours, because they will be less well-off than if they were on benefits, which is not right. It’s not encouraging you to go back to work.’

‘We interviewed an apprentice for an IT job and we wanted to give him the job, so we offered him the job and a decent enough wage. But he said “no” because if he started full-time he wouldn’t get his housing benefit.’

Focus group participants

At the same time, when people have to claim benefits, they often find the system excessively complex and unresponsive to their particular circumstances.²⁹ Arbitrary and inflexible decisions, such as on benefit sanctions and access to disability benefits, can leave people without support at very short notice and with little explanation. This gives the state and its agents in private companies enormous power over individuals. And it leaves people dependent on friends and family, or foodbanks and payday lenders. New rules mean that people can have their entire entitlement to JSA stopped for a minimum of four weeks, for instance, often for a fairly minor infringement of the rules. This is penalty is applied to an average of 45,000 people a month (DWP 2013).

A lack of affordable credit pushes people into expensive and unsustainable borrowing

As family incomes rise slower than the price of basic essentials, many people find themselves needing to borrow to make ends meet. However, there are few sources of affordable credit offered on the terms that many people need, especially after the dismantling of the Social Fund (see Royston and Rodrigues 2013). Payday lenders, pawnbrokers and other high-cost lenders have a growing presence on our high streets as visible and accessible businesses making quick decisions on small, short-term loans. This makes them a popular option for people in need of emergency funds, and many use payday lenders to pay for essentials like travel, heating and food (Which? 2013).

But this kind of borrowing can be exceptionally expensive and people are often encouraged to ‘rollover’ their loans, trapping them in a cycle of debt and hardship. The average loan is around £260, borrowed for a month – and costs £25 for every £100 lent over this period (OFT 2013). Many people with these loans end up losing control of their finances and are unable to break free of what becomes a spiral of debt. Very few banks offer loans of the kind provided by payday lenders, although people with payday loans also typically borrow on expensive overdrafts and credits cards. The result is that people on low to middle incomes often lack choices about who to borrow from and how much to pay. This can put expensive payday lenders in a position of considerable power over people who need to borrow quickly.

²⁹ This feedback was conveyed in our focus group sessions, as described above.

4.3 What would it take to promote reciprocity and financial security?

Most people in Britain want to work hard and contribute. But they need to know that, in return, they will get support to find work, avoid hardship if they lose their job, and not fall into a spiral of debt if they need to borrow. In this section, we consider how the obligation to work can be better matched by the right help to get a job and decent financial protections when people need them most.

Stronger obligations and better support for people facing serious barriers to work

The social and financial benefits of employment are too large for us to accept so many people being cut off from them. Yet over the last 30 years, successive governments have tolerated much higher levels of unemployment and worklessness than is necessary. Although employment levels rose consistently before the crash, returning to rates last seen in the late 1970s, millions of people did not benefit.

Labour's focus in government was on addressing individuals' barriers to work, such as a health condition or responsibility for children. This meant investing in employment programmes that offered jobsearch advice, like help with CVs, interview preparation and identifying vacancies. However, while these approaches are effective for people who are ready for work, they are less effective for those facing significant barriers to employment.

The Coalition government's Work Programme largely continues this strategy, albeit with a different contracting and payment structure in place. The early evidence shows that this programme is about as effective as previous incarnations (like the Flexible New Deal) at supporting those claiming JSA to move into work. And, again, it has been much less successful at supporting people with more significant barriers, such as a health condition or disability, into a job. Both the previous Labour government and the Coalition have done little to change the hiring practices of employers or the structure of opportunities in the jobs markets.

People in Britain rightly think that those who can work should be actively looking for work. But the obligation to look for work must be matched by a realistic prospect of finding a decent job. The majority of people who lose their job find another one quickly and need little help (if any) to do so. But for the minority who face real disadvantages in the jobs market, society must do more. For people with disabilities, this might include more help for employers to deal with the cost of adaptations or to share the risk of future sickness absences. The work capability assessment should be recast to assess what support disabled people need to get back to work rather simply acting as a gateway to benefits. There is a case for much wider use of transitional

work and intermediate labour market programmes that combine intensive support and training with paid work experience. All these approaches are consistent with a social investment strategy, where the goal is to reduce spending on income transfers by intervening in the labour market to maximise employment opportunities (see also Cooke 2013b, Lawton 2013b).

This national strategy could be deepened by local areas taking on more responsibility (and resources) for getting their residents back into work. Political leaders in towns, cities and counties are well placed to bring together the services that people with barriers to work rely on and build relationships with local employers. Currently, however, they have no control over back-to-work services (which are contracted centrally from Whitehall) and few incentives to reduce their residents' reliance on benefits. Many local areas are already showing leadership here – for example, Routes to Work was set up by North Lanarkshire Council together with local charities to provide more tailored support for local people facing long-term unemployment (see Cooke 2013a for further examples).

Specialist charities can often provide the intensive support required by people with the greatest barriers to work – for example, the Glasgow Centre for Independent Living has had great success in placing people with serious disabilities in subsidised jobs, as a stepping stone to permanent employment. However, these organisations struggle to compete with major private companies for large government contracts, so new approaches are needed to make sure we draw on their expertise, reputation and relationships.

If work is to mean an escape from dependency, exclusion and financial hardship, then it must also provide a decent wage and opportunities for people to use their skills and experience. The previous Labour government's prescription of training for people in low-wage jobs coupled with more generous tax credits to lift incomes ultimately did too little to make sure people were in jobs that afforded status, respect and a good wage. There was too little focus on the root causes of low pay, and too little pressure on employers to raise the quality of jobs or give people more of a say at work. The Coalition is doing too little to support dual-earner families, tackle low pay or help employees get a pay rise so that families can escape low income under their own steam (Lawton and Thompson 2013). In future, we need to be more ambitious about the responsibility of employers to make jobs more secure, better paid and more highly valued.

Questions

- How can we strengthen the obligation to work and match it with the prospect of a decent job for people who face real disadvantages in the jobs market?
- How can the energy and expertise of local areas and specialist organisations be mobilised to get people back to work, including through changes to back-to-work programmes?
- How can we shift the hiring incentives and practices of employers so they can meet their obligations to take on those facing disadvantages?

Decent protections for working people in return for contribution

Over the last 30 years, the idea of protection in return for contribution within the British benefit system has been eroded, increasingly overtaken by the expansion of means testing and the rise of 'extra costs' payments in respect of housing, disability and children. This has undermined popular support for working-age benefits by weakening the principle of reciprocity upon which much of that support was previously based. Rebuilding the popularity, resilience and effectiveness of the benefit system requires a revival of the notion of reciprocity, or 'give and take'.

The contributory principle has been weakened over the years by political currents from both left and right, with the left worried that it excludes too many and the right concerned that it extends state support to those with the resources to support themselves. Contributory and means-tested versions of benefits like JSA and employment and support allowance (ESA) are paid at the same rate and have the same name – so someone claiming contributory JSA will see little real difference from a neighbour receiving income-based JSA. The previous Labour government led a major expansion of means testing through the tax credit system, which helped to lift the incomes of millions of families. But ultimately it failed to rebuild support for the working-age benefit system, and so the tax credit system has been left without deep popular roots and unable to fend off the Coalition's cuts (unlike popular areas of spending like the NHS).

The Coalition's programme of benefit reforms does nothing to address these problems. Rather than aiming to rebuild the notion of broadly shared social security, it simply stokes the idea of a system perennially abused by a small minority. Popular measures like a cap on total household benefit receipt appeal to people's desire for limits on benefit spending, but these amount to symbolic cuts rather than real reforms. No part of the Coalition's plans addresses the question of what specific support people will get in return for years of contribution (outside of the pension system). Meanwhile, parts of their programme are creating new

forms of dependency, with more means testing under universal credit and arbitrary benefit decisions that leave people with no independent income.

Rebuilding the popular legitimacy of the working-age benefit system requires institutional reforms that revive the idea of social insurance within the British welfare state. Turning contributory JSA and ESA into a distinct entitlement for those who have a recent work record and which is paid at a higher rate for a temporary period would make it clear what people can expect in return for their contribution. This would mark an important step towards drawing a clearer distinction between ‘social insurance’ for those who have paid in and means-tested ‘social assistance’ for people without a contribution record (which is integral to the more politically secure welfare systems in continental Europe). In the UK, universal credit could provide the basis for a more streamlined system of social assistance, and to lock in this shift, the role of the National Insurance Fund could be revived, giving institutional form to the connection between contributions paid in and entitlements paid out.

There is also an argument for focusing the benefits system on those social needs that can only be addressed through cash transfers – like the need for an independent source of income. Many core social goals are better advanced through institutions and services that people come to know and trust than through an amorphous, bureaucratic and apparently limitless benefit system. Children’s centres, for example, have proved more enduring than child tax credits. There is also considerable public support for building new homes instead of spending more money on housing benefit, and for tackling the root causes of low pay rather than spending more on tax credits (Cooke 2013b). In areas like housing, childcare and social care, subsidies paid directly to individuals are often a less efficient way of developing high-quality, reliable provision and risk pushing up prices in markets with insufficient supply (such as housing). Switching benefit spending into popular and effective services and institutions, and doing more to tackle the underlying causes of rising demand for benefits, could raise the legitimacy of the remaining core of cash entitlements.

Questions

- How might it be possible to revive the ‘national insurance’ ideal, of protection at times of need in return for contributions into the system?
- Should the distinction between ‘social insurance’ and ‘social assistance’ be drawn more clearly in the benefits system, to distinguish between the need for temporary and longer-term support?
- What are the priorities for shifting expenditure away from cash benefits and towards services and institutions over time?

New institutions for accessible and affordable credit

There are times when families on a low income, whether they are in work or not, need extra help to cover a shortfall in income or a spike in expenditure. Mainstream lenders like banks don't cater for those looking for quick access to relatively small amounts of money, while credit cards aren't an option for those with a blemished credit history. This is the gap that payday lending fills, providing a service that people need in a way that suits their circumstances. However, it is also an industry that can end up exploiting people's vulnerability and lack of alternative options. Families need help to cope with, and overcome, financial insecurity, but this requires markets that work for the majority.

The explosion of payday lending in Britain has been a feature of the last five years, linked to the shrinking of other parts of the consumer credit market. The number of payday loans almost doubled between 2009 and 2012 to approximately 8 million, while other forms of lending shrunk by around a third (OFT 2013). However, concerns about the high cost of credit for people on low to middle incomes are not new. Governments have focused on trying to regulate out the worst practices and promoting financial literacy to help people manage their money better. Credit unions have been promoted as an affordable alternative to high-cost lenders, but their scope and coverage is limited.

As payday lending has moved up the political agenda, bolder policy proposals to curb the excesses of payday lenders have been put forward. The Labour party has proposed a levy on payday lenders to help fund the expansion of credit unions and other affordable lenders; the Coalition plans to cap the total cost of credit to curb very high interest rates and loan fees. While both proposals have considerable merit in terms of limiting the worst excesses, they don't necessarily help less well-off people to fulfill their day-to-day needs. People on low incomes need to have quick access to small loans to be repaid over a short term at a low cost, and while tackling the stagnation in living standards will help to reduce the need for this kind of borrowing, it won't eradicate it completely.

Meanwhile, the Coalition has dismantled the Social Fund, which previously met part (but by no means all) of this demand by lending small amounts to people facing hardship, to be repaid out of future benefit income. Responsibility for this emergency support has passed to local councils, the majority of which are offering cash or in-kind grants to people facing the most extreme hardship (Royston and Rodrigues 2013). Now, the number of people being served is much lower, because of budget cuts, while only a minority of councils offer loans – not only is less money available, less money is being returned to the system to pay for future support. This has cut off one of the last remaining sources of small, affordable loans for people on low incomes who are facing short-term financial pressures.

Regulation and education have their place. But we also need new local institutions that are endowed with the resources to lend to people on low incomes in a similar way to payday lenders – but at a much lower cost. This requires non-profit community lenders with the coverage, innovation and financial backing to out-compete high-cost lenders. Local councils could be given responsibility for ensuring this provision exists but might choose to ask local charities or credit unions to run the service on their behalf. Locally-rooted organisations could be well placed to make sensible lending decisions based on face-to-face relationships with potential borrowers, but they will also have to stay ahead of the latest technological and market developments in order to remain competitive with payday lenders. New funds would be needed to subsidise this kind of lending, to make it genuinely affordable; one option would be a levy on the consumer credit market.

Questions

- How could new local institutions offering affordable credit be established and how should they operate?
- How could capital be raised to endow such institutions such that they were able to extend credit on an affordable basis to low income families?

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GETTING OLDER AND STAYING CONNECTED

KAYTE LAWTON

5.1 Introduction

Getting older in Britain no longer necessarily means being poor: there have been sustained improvements in the living standards of older people, and significant falls in pensioner poverty, over the last 30 years. However, longer life expectancy, the breakdown of extended families and the growing number of older people living alone is making it harder for older people to sustain strong relationships and connections to community life. In the context of increasing pressures on public budgets, older people are sometimes presented as a burden on younger generations, despite the enormous contribution that older people make to British life. This briefing paper considers what life is like for older people in Britain today, and what it would take for every older person to feel independent, valued and connected to those around them.

Garforth Neighbourhood Elders Team

Friendship and mutual support in Leeds

The Garforth Neighbourhood Elders Team (Garforth NET) is a local charity supporting older people in Garforth, a small town on the edge of Leeds, and in 13 nearby villages. Garforth is a relatively affluent town, but many of the surrounding villages are former mining communities that have experienced problems with unemployment and antisocial behaviour.

Garforth NET was set up in the mid-1990s by four churches that were concerned about isolation and loneliness among older people. The charity now has around 2,000 people using its services, which include a varied programme of social activities and a befriending service for those who find it hard to leave their house. The organisation is one of 37 'neighbourhood networks' that Leeds city council has helped to build up over the last 20 years. These are independent and locally-rooted organisations that support older people to take part in a range of social and cultural activities, and to make long-lasting friendships with people living nearby.

Like all neighbourhood networks, Garforth NET relies heavily on volunteers, many of whom are older people themselves, but

also has paid workers who support volunteers and manage programmes. Dorothy is in her 70s, and has been volunteering at Garforth NET for five years. Before that she volunteered at a local school helping children with their reading. She likes having the opportunity to ‘give something back’ and make a difference in people’s lives. At Garforth NET, she makes drinks at coffee mornings and talks to guests, making sure that no one is left by themselves. She also makes calls to people they haven’t seen for a while to make sure they are alright. Dorothy has a busy social life: she sees her sister each week and goes for lunch with friends every Wednesday, and is also a member of a local walking group.

Rita also volunteers at Garforth NET, and has done for many years. Her own mum had Alzheimer’s, and she cared for her before she passed away. Rita is a ‘befriender’ at Garforth NET, visiting people in their homes and talking to them on the phone. She really enjoys chatting to her ‘clients’, sometimes for several hours, and is often the only person they talk to apart from their paid carers. Some of the people we met at Garforth NET were, because of health or mobility problems, less active than Rita and Dorothy, and for them the centre is very important for sustaining friendships and social connections. Gladys, for example, is 92 and has recently been in hospital. She gets a lift to Garforth NET each week for the Thursday coffee morning, which is her main source of social contact.

Irene is relatively new to Garforth NET. Her husband died of cancer not long ago, and after that she found it hard to get out and socialise because she didn’t have anyone to go out with. She was a bit nervous about coming to Garforth NET because she didn’t know what to expect, but she found it really fun and has joined the centre’s choir.

5.2 What is it like to get older in Britain?

The stories of Dorothy, Rita, Gladys and Irene remind us that older people, like all of us, want to be able to develop friendships, help others and feel valued. Many of them, like Rita and Dorothy, have their own friendship networks but value opportunities to support others and make new friends. Older people who have mobility problems or who lack strong social networks, like Gladys and Irene, often need support to make contact with others.

However, older people can find that their knowledge, experience and hard work – whether as carers, volunteers or in the workplace – are not

fully recognised, or that their need for companionship is overlooked. In this section we draw on our conversations in Leeds, the Voices of Britain project³⁰ and national data to look at what life is like in Britain for older people and their families.

Growing numbers of older people are making a contribution through paid work and volunteering

As life expectancy has increased, people in their 60s and 70s have become healthier and more independent. The ‘baby boomer’ generation, who are now approaching retirement, tend to have relatively high expectations of public services, but are also keen to avoid dependency and to use their often considerable resources and expertise to help themselves and others (Mental Health Foundation 2012). As a result, growing numbers of older people are making a contribution to British life through paid work, volunteering and unpaid care: over half (55 per cent) of people in their 60s say they have worked, volunteered or cared for someone else in the last month, as do nearly one in three (28 per cent) of those in their 70s. Likewise, while people’s health and mobility tends to worsen in their 80s and 90s, just over one in seven (15 per cent) of people in their 80s also did some voluntary work or cared for someone else in the previous month (though very few were in work at this age).³¹

The employment rate among those aged 65 and over has increased faster than that of any age group over the last decade, and was barely affected by the recession. One in 10 people aged 65 or over are now in paid work, a figure that has doubled since the early 2000s.³² Older workers are far more likely to be self-employed than younger people, and twice as likely to be working part-time as people below the state retirement age (ONS 2012). Older workers have been less affected by the recession than young people, although there has been a large increase in the length of time it takes for unemployed older people to get back into work: half of unemployed people aged 50 and over have been looking for a job for more than a year, compared to one in three young people (ONS 2013a).

Volunteering is an important aspect of many older people’s lives, one which enables them to contribute to their neighbourhood and find new friendships. One third of people aged between 65 and 74 volunteer at least once a month – more than any other age group (TNS BMRB 2013). Just over a quarter (27 per cent) of people aged 75 or over regularly volunteer.

30 <http://voicesofbritain.com/>

31 Author’s analysis using data from wave 5 (2010–11) of Marmot et al 2013.

32 ONS Labour Market Statistics Dataset, <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/november-2013/dataset--labour-market-statistics.html>. 509,000 people aged 65 and over were in work in Q1 2003, compared to 980,000 in Q1 2013. There was little change in the employment of this group in the decade before 2003.

‘I started volunteering because I was redundant at the age of 61, and now I’m 83. It’s complete satisfaction, looking after the elderly. I love them all. It does fill your time and you feel so satisfied with what you’re doing, looking after others who need you.

Peter, 83, Salford (via the Voices of Britain project)

Aside from formal volunteering, older people often commit huge amounts of time and energy to supporting friends and neighbours, helping to overcome isolation and loneliness.

‘There was so much doom and gloom that I thought, “let’s do a morning in my flat”. I picked five residents and we had jam and scones, a raffle, and I just said “introduce yourselves to one another”. It’s gone from strength to strength. The age group is 55 to 89 and they’re brilliant. Community and community spirit is everything.’

Dorothy, 75, Salford (via the Voices of Britain project)

Caring for an elderly partner or relative can put relationships under strain

As well as working and volunteering, an increasing number of older people are taking up the role of caring for others. Almost a million older people (aged 50 and over) care for their partner or an elderly relative. Older women in particular are taking on more caring responsibilities, with a quarter of women aged between 50 and 64 regularly caring for an ill, frail or disabled relative, as do 17 per cent of men in this age group. One in seven people aged 65 or over provide unpaid care to others, and older carers are twice as likely as younger carers to provide ‘intensive’ caring of 50 hours a week or more (Nomis 2013).³³

Family carers are motivated by love, commitment and duty, but looking after an elderly partner or relative can put relationships under immense pressure. Older people who regularly care for elderly family members often find it difficult to pursue their own interests, including work and spending time with the rest of their family.

‘I have to go over most days, and it’s an incredible pressure because I’ve still got my husband and my children at home, and I still work as well. I’ve not only had to deal with her [health problems], but also see the woman I love dearly deteriorating in front of my eyes.’

Wendy, 55, Devon, caring for her 88-year-old mother who has dementia (via the Voices of Britain project)

³³ 39 per cent of carers aged 65 and over provide care for 50 or more hours a week, compared to 19 per cent of carers aged under 65 (Nomis 2013).

For a significant minority of older carers, the responsibilities of caring mean that they struggle to achieve an active and fulfilled life for themselves. Among carers aged 75 and over, 14 per cent say they feel socially isolated, and 16 per cent say they don't do anything that they value or enjoy in their own time (HSCIC 2013a). A minority of older carers also say that their own health is poor, and others may find that the stresses of caring cause their health to deteriorate over time.

Older carers often find it difficult to navigate complex and disjointed government services, or to work productively with professionals in the health and care system.

'She gets very upset about it because it all takes weeks and months, and she's in a lot of pain. Then I get very upset about it and I try to speed things up a bit, and it's an ongoing situation. I'm constantly grappling with systems that don't seem to link with each other.'

Alyson, 60, Dorset, who supports her elderly mother
(via the Voices of Britain project)

Carers often say that they feel their knowledge and expertise is overlooked when they have to interact with formal health and care services. Some feel that they are seen by professionals as a 'nuisance' rather than an ally, and that they aren't consulted when decisions are being made that affect their relatives and family (Muir and Parker 2014 forthcoming). Many older carers also receive little practical support such as respite breaks or help to access social activities (PRTC 2011).

Despite the erosion of extended families in recent decades, grandparents (and particularly grandmothers) provide huge amounts of support for families by regularly looking after grandchildren. Around a quarter of families with young children (aged seven and under) rely on grandparents or other relatives to provide at least some childcare each week (Statham 2011). A growing number of older women of the 'sandwich generation' find themselves caring for both grandchildren and elderly parents. Many face retiring early to cope with these care pressures, even though they might prefer to stay in work longer (Ben-Galim and Silim 2013).

Older people often need help with everyday tasks, but don't always get the right support

Older people with health or mobility problems often need help with everyday tasks like cooking, cleaning and getting dressed to help them stay active and independent. While this support is often provided by family members, many older people and their carers also benefit from help from formal care services.

‘They’ve all been very sympathetic but also very practical, and they have spent a lot of time coming to visit her, trying to find out what the needs are. To have someone else suggest solutions that I didn’t know about has been really nice.’

Ruth, 53, London, who cares for her elderly mother
(via the Voices of Britain project)

More and more people need this kind of help, as life expectancy continues to rise and the number of older people with long-term and complex health problems grows. The erosion of extended families, rising employment among women in their 50s and 60s, and the growing number of older people living alone means that an increasing number of people cannot rely on family to help with all their needs. These shifts are putting pressure on local authority care services, and state-funded services are increasingly reserved for those with the highest level of need. The number of older people (aged 65 and over) receiving publicly-funded care (both in their own home and in care homes) has fallen from 1.2 million in 2004–2005 to 898,000 in 2012–2013, despite the growing elderly population (HSCIC 2006, 2013b). This places extra pressure on families to either take on more caring responsibilities themselves, or to pay for care. It also means that more older people end up in hospital or residential care than is necessary, which is not only more expensive than providing care in people’s homes, but also entirely at odds with older people’s desire for independence and control.

Eighty per cent of older people who receive publicly-funded care are cared for in their own home rather than in residential homes, which reflects a growing desire for independence among older people (HSCIC 2013b). However, older people often find that home care workers are rushed and can only help with basic tasks, and that they have several different carers.

‘They’ve only got nine minutes to make you a meal, so you’re subtly encouraged to go on to microwave food. There are one or two firms that specialise in providing that type of food. It would’ve been great to get a full meal. These meals were made for invalids and I was not an invalid.’

Tom, 71, Edinburgh, who was recovering from a period in hospital
(via the Voices of Britain project)

Pressures on budgets mean that local authorities are increasingly commissioning short care visits in which care workers can only attend to the most basic functional tasks. Just over one in 10 (13 per cent) of local authorities pay home-care providers by the minute, a quarter (24 per cent) pay by the quarter-hour, and just under a third (30 per cent) pay by the half-hour (Lucas and Carr-West 2012). New technology is enabling care companies to monitor the precise whereabouts of care workers and exactly how much time they are spending with each client.

This puts pressure on care workers to complete tasks in a limited amount of time, and means that many older people who receive formal care only see their carer for very short periods of time. For some, this might be the only social contact they have each week.

Most older people would prefer to have a single carer or team of carers, so that they can get to know and trust the people coming into their home, and for carers to have sufficient time for conversation as well as for their other tasks (Bradley 2011). There are also numerous accounts of care professionals failing to perform even basic care tasks well, yet there are few avenues for complaint (Muir and Parker 2014 forthcoming). Public confidence in social care has been undermined by a series of scandals in care homes and widespread recognition of the fact that care workers are often badly paid, lack training and don't have enough time to do their job. Inappropriate or inadequate care can make it hard for older people to stay independent and maintain relationships; it also increases the likelihood that they will end up in hospital unnecessarily.

Too many older people struggle to maintain relationships and stay in touch

The vast majority of older people want to live a rich and active life – and that involves far more than simply having their immediate care needs met. They want to remain independent, feel valued, maintain strong relationships and make new friends (Bowers et al 2009). Even those in their 80s and 90s who have high care needs share this desire to remain active, valued and connected (Katz et al 2011). Yet, nearly one in five people in their 80s and 90s in Britain (17 per cent) say they often feel lonely – almost half a million people. The risk of loneliness is much higher for people aged 80 and over, but a smaller proportion – around 7 per cent – of people in their 60s and 70s also say they often feel lonely. Taken together, more than one million older people in Britain often experience loneliness.³⁴

As people get older, they have to navigate many changes which can make it hard to maintain relationships and a sense of meaning in their lives. Retiring often causes people to feel a loss of status and self-worth, as well the loss of some social connections. Losing a partner or close friends often leaves people feeling lonely or depressed, and health conditions or disability make it harder to stay in touch. The baby boomer generation has the highest marriage rate of the last hundred years, but it also has the highest rate of divorce, which means that many are facing retirement and old age alone.

Many older people are helped to stay active by community groups, faith organisations and local charities like Garforth NET, and find friendship and mutual support through them. These typically complement the

34 Author's analysis using data from ONS 2013b and wave 5 (2010–11) of Marmot et al 2013.

health care and help with everyday tasks that is provided by the NHS and local councils.

‘I’ve been introduced to a support group for speech therapy that has introduced me to a number of fellow sufferers. It’s very helpful to be able to compare notes, as it were, and offer mutual support to each other.’

Alan, 70, Alston, who has Parkinson’s disease
(via the Voices of Britain project)

However, active membership of community and faith groups declines with age for those over 50, as does participation in social and cultural activities (Mental Health Foundation 2012). This can make it harder to access this kind of support, particularly for older people living in isolated areas, and those who lack the confidence to ask for help or who have poor health. Older people can find their health and care needs met, but their need to feel connected and valued unfulfilled. In fact, care needs can get in the way of developing and sustaining relationships if family or paid carers have to focus their limited time on making sure older people have a meal and get dressed. In Leeds, we discovered that some older people found that regular visits from family members didn’t always help them to deal with issues of loneliness because they were so focussed on getting basic care tasks and housework done.

Older people who experience loneliness and isolation are more likely to have both mental and physical health problems, although the direction of causality is not clear. Those who often feel lonely have been found to be at greater risk of depression, sleep problems, low energy and high blood pressure (Mental Health Foundation 2012). Getting older is also associated with other risk factors for depression and poor mental health, such as loss of status, bereavement and chronic illness. One in four older people are thought to have symptoms of depression that require treatment, rising to 40 per cent for those aged 85 and over (Graham et al 2011). However, depression in older people is often seen as a ‘normal’ part of getting older, and so it remains under-diagnosed and under-treated compared to depression in younger age groups (Rodda et al 2011). The baby boomer generation also have the highest consumption of alcohol of any age cohort, which puts them at much greater risk of both mental and physical health problems as they get older (Mental Health Foundation 2012).

5.3 What would it take for every older person to feel independent, valued and connected?

Britain’s older people have a great deal to offer, but sometimes need support to channel their energy, knowledge and experience into helping themselves and others. Rising life expectancy combined with changes in family life mean that we need new institutions that are capable of sustaining the social lives of older people and helping them to continue

making a contribution to British life. In this section we consider what it would take to ensure that every older person feels independent, valued and connected to those around them.

Practical help to make a contribution through paid work and caring for others

Rather than being a burden on younger generations, Britain's older people can help address some of the major challenges that face society, provided that their contribution is recognised and supported. For example, staying in work longer, including beyond the state retirement age, helps older people to maintain their income, social connections and self-esteem, and also makes an important contribution to the public finances.

Although more older people are staying in work, many still face barriers to doing so, including negative employer attitudes, a lack of opportunities to work flexibly, and problems finding work after experiencing job loss. Older people who want to work but face long-term unemployment may need greater support to get back into work, alongside new approaches to flexible working and phased retirement. Japan's network of Silver Human Resources Centres³⁵ provides an example of the type of new local institutions that could match Britain's older people to local jobs, run social enterprises that employ older people, and become neighbourhood hubs for learning and relationship-building.

Older people's role in caring and supporting their families also needs to be more widely recognised. Many older people would like more help to keep working while also caring for grandchildren or elderly parents (or both). Allowing new parents who have returned to work to transfer part of their leave entitlement to a grandparent could help more older people to support their extended families without giving up their job. In Germany, some employees can lower their hours for a limited period of time to care for an elderly or disabled relative, with their wages reduced by less than the reduction in hours. When they return to work full-time, employees continue to receive reduced earnings in order to pay back the difference (Ben-Galim and Silim 2013). This kind of approach could enable some older people to fulfill their caring responsibilities while maintaining their social connections at work.

Questions

- How could employment support in Britain be reconfigured to help older people stay in work?
- What changes to flexible working rules and family leave would make it easier for older people to combine work and care?

35 See http://longevity.ilc.japan.org/f_issues/0702.html

New local institutions where older people can find friendship and mutual support

Over the next two decades the number of people aged 60 and over is expected to grow by 5 million, from 15 million in 2013 to over 20 million. On current projections, it can be expected that nearly 2 million older people will be experiencing chronic loneliness by 2033.³⁶ This includes over 800,000 people in their 80s and 90s, who typically have health and mobility problems that make it hard for them to stay active. We are not doing enough in Britain to ensure that this rapidly growing group of people has the necessary opportunities to sustain their relationships and take part in the everyday activities that give meaning to their lives.

Growing financial pressures on local councils are making it increasingly difficult for formal care services to attend to older people's social needs. Most councils contract out the bulk of their home-care services to private companies and charities, who together provide around 90 per cent of publicly-funded home-care (UKHCA 2013). Councils are under growing pressure to cut costs by focusing on the price of care rather than giving higher priority to the quality of care on offer. Contracts are usually centered on how much time carers spend with clients and what tasks they complete, rather than on what home-care enables older people to do. A provider's track record or local connections are not always taken into account when contracts are awarded, which means that they can struggle to facilitate social connections for the people they care for. In some parts of the country, these pressures are compounded by a lack of innovation in how care contracts are designed and awarded.

The Coalition government intends to cap care fees for people who are not eligible for state support. Meanwhile, the Labour party is developing ambitious plans to bring together funding for the NHS and the care provided by councils, so that more resources can be put into preventative work to keep older people at home and independent. These are important reforms, but their ability to support the social connections of older people with health and mobility problems is likely to be limited. Personal budgets, which have been instrumental in helping disabled people to assume greater control over the care they receive, have slowly spread to older people's care, but have failed to drive a radical transformation in services. At the moment there is not enough money in the system to pay for significantly longer home-care visits, or for the social and cultural activities that many older people want access to.

36 Author's analysis using data from ONS 2013b and wave 5 (2010–11) of Marmot et al 2013. We estimate that the total 60-and-over population will be 20.6 million in 2033. If patterns of loneliness in 2033 are similar to those of today, we estimate that 1.9 million older people will experience 'chronic loneliness'. Of these people, approximately 980,000 will be aged between 60 and 79, and 880,000 will be aged 80 and over.

An alternative way forward would harness the energy and networks of voluntary, faith and mutual organisations, alongside families, to support the relationships and social connections of older people. This doesn't mean that the state should abdicate responsibility for older people's wellbeing and leave charities, churches and families to get on with it by themselves. What it does mean is recognising that the state almost always needs to work with others to bring people together and forge social bonds. Hundreds of charities and informal support groups do this every day in Britain, but most rely on some level of support from the state. In places where such support networks don't exist, the state may need to kick-start activity to ensure that older people in every neighbourhood have opportunities to make connections and feel valued.

In Leeds, this approach is already well-developed through neighbourhood networks like Garforth NET. The council has worked with local charities, community groups and churches to make sure there is a neighbourhood network in every part of the city. This keeps the networks locally rooted while making sure that older people in some parts of town aren't excluded. Council funding is contingent on the networks achieving certain 'outcomes' but, crucially, these outcomes are not judged by narrow metrics alone but through constant feedback and strong relationships between council officers, the networks and other local agencies. These impressively comprehensive and locally-rooted institutions have enabled Leeds to try out a new way of putting together packages of support for older people that addresses both their care needs and their desire for social interaction. Support planners, funded by the council but working on-site at Garforth NET and one other neighbourhood network, get people engaged in local social and cultural activities while arranging for their care needs to be assessed at the same time. If this extra social engagement prevents people from needing more expensive care services down the line, the resultant savings are shared between the council and the network.

A growing number of local authorities – including Derby, Cumbria, Middlesbrough and most authorities in Scotland – are also employing 'care co-ordinators' to help older people make the most of local services and networks. Care co-ordinators, whose role was first created in Australia in the 1980s, have close links to local neighbourhoods and are able to direct people towards community groups, informal support networks and local public services like library reading groups. Developing this approach by bringing the work of statutory and voluntary services together in strong local institutions could provide the basis for new ways of overcoming loneliness and isolation among older people. It could also offer better ways to provide practical and emotional support to older people caring for elderly relatives.

Questions

- How can we strengthen local institutions that help older people to sustain friendships and stay connected to those around them?
- How can we harness the energy and experience of older people to offer support and companionship to others experiencing loneliness?

More of a say for older people and their families in how formal care is provided

The enormous financial pressures on publicly-funded care services means that the options for older people who need care, and their families, are usually fairly limited. Care workers, employed mainly by private companies, come into people's homes for short periods of time to help with basic functional tasks. Since companies are competing largely on price, there is usually little difference between one provider and the next in terms of how care is organised and delivered.

However, if different kinds of social care providers were able to win contracts and develop new ways of delivering care, within the confines of very tight budgets, then older people and their families could have more of a say in how care is provided. In Leeds, social care commissioners, driven by concerns about the focus on 'time and tasks' in existing arrangements and the lack of care providers with local roots, are starting to rethink how they buy care services for local residents. They are experimenting with new kinds of providers, such as an employee-owned care provider set up by the national employee-owned company Care and Share Associates. Local authorities like Wiltshire and Wigan are changing the way they organise care services: they are focusing more on what older people want formal care to help them achieve, paying care workers a salary rather than an hourly wage, and providing greater stability for providers through longer contracts (Lucas and Carr-West 2012).

Local, democratic oversight of care providers by older people and their families could also help to ensure that home-care services become more responsive and locally-rooted. For example, care providers with older people or carers on their boards could be given preference in council contracts. Furthermore, new forms of supported and shared housing could enable older people to stay more independent and connected, and make their own choices about where and how they live. Organisations like Shared Lives Plus are supporting new approaches to housing for people with care needs, in which families share their lives and home with an older person and help them to live independently. Local support networks, often supported by national charities, perform

the vital functions of helping older people to manage their own health conditions or cope with their caring responsibilities, and to give mutual support to others with similar problems.

In each of these cases, direct action by local government and other agencies may be required in order to build-up new capacities. While stretched public budgets place great constraints on new initiatives, the innovative approaches being pursued in places like Leeds, Wiltshire and Wigan demonstrate what can be done even with heavily limited resources.

Questions

- How can councils work with a range of organisations to improve the choice and quality available to older people needing formal care?
- What new democratic arrangements would allow older people and their families to have more of a say about how formal care is organised?

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APPENDIX

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- John Rallings, Barnardos

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- Dan Paskins, Big Lottery Fund
- Rachel Perks, Ashram Housing
- Lynne Perry, Barnardo's
- Matthew Pike
- Cliff Prior, UnLtd
- James Rees, University of Birmingham
- David Robinson, Community Links
- Emily Robinson, Alcohol Concern
- Matt Robinson, Big Society Capital
- Neera Sharma, Save the Children
- Hazel Simmons, Luton Borough Council
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- Trevor Stephenson, Leeds City Council
- Joff Talbot, Tokko Youth Space
- Aidan Thompson, University of Birmingham
- Sian Timoney, Luton Borough Council
- Amy Travis, Leeds City Council
- Rob Trotter, Scope
- Guy Turnbull, Care and Share Associates
- Robin Turner, Routes to Work
- David Walker, University of Birmingham
- Monica Walker, Garforth NET
- Jennifer Wallace, Carnegie UK Trust
- Matt Ward, Leeds South and East Clinical Commissioning Group
- Mick Ward, Leeds City Council
- Margaret Way, Young Talent for Business
- Pete Watson, Citizens Advice
- Kate Webb, Shelter
- Ruth Welford, Barnardo's
- Caroline White, Central Manchester University Hospitals
- Anne Whitehead, Willow's Primary School, Manchester
- Dominic Williamson, Revolving Doors Agency
- Toby Williamson, Mental Health Foundation
- Karen Woloszczak, Acton for Gipton Elderly
- Jon Yates, The Challenge Network

British society is facing a set of challenges that are new to the political agenda. Growth is uncertain, pressures on family life are rising, and more public spending cuts are to come, whoever is in power after 2015. We need a new agenda for social change that learns the lessons of the past and responds to today's problems.

IPPR's Condition of Britain programme is considering how politics, institutions and policies need to change to respond to new currents in British society. This report sets out the findings from the first stage of our work, drawing on national data and conversations with people from across the country. We argue that together, despite austerity and uncertainty, we have the power to build a better society.

IDEAS to
CHANGE BRITAIN