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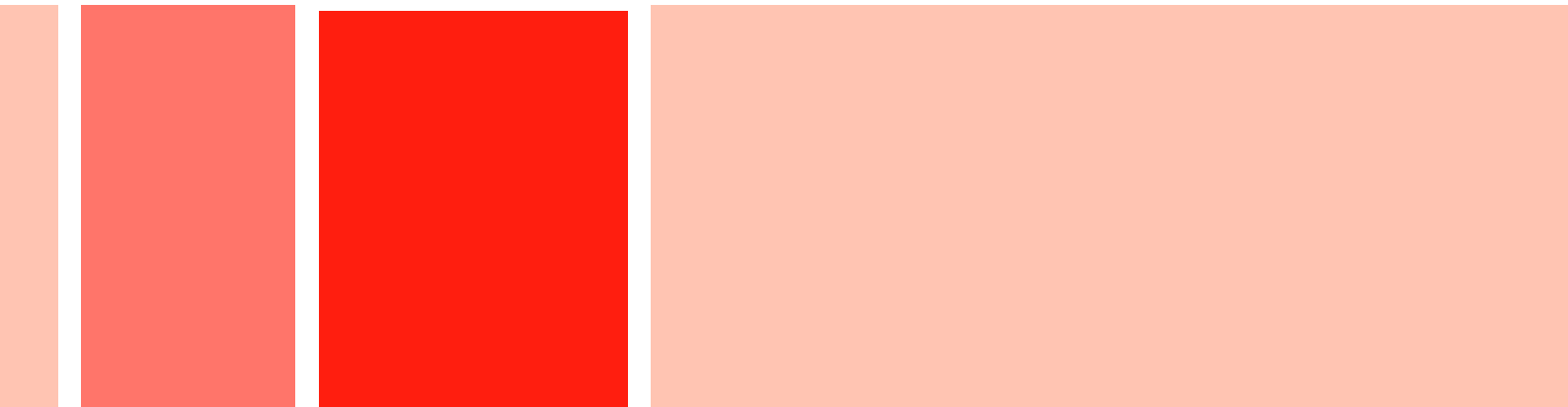
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# Child poverty strategy for Wales: Baseline indicators



# **Child Poverty Strategy for Wales – Baseline Indicators**

## **A report by the New Policy Institute**

Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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## Summary

### Background

1. This report is the first output from the evaluation of the Welsh Child Poverty Strategy. Its purpose, as set out in the Terms of Reference, is to:
  - Construct a comprehensive and detailed quantitative **baseline** profile of Child Poverty in 2005 in Wales and UK.
  - Accompany this with a **timeline** of the main relevant policy statements and actions at UK and Welsh level over the same period.
  - **Highlight** any serious gaps or deficiencies which hamper adequate monitoring and analysis at Welsh level.
2. It provides an overall picture of the direction of travel of child poverty in Wales, and grounds this in the economic and policy context and with data for comparator countries and regions. This baseline report will be updated in 2013 as new data for child poverty indicators become available.
3. The baseline consists of 23 indicators across income poverty, work and worklessness, education and qualifications, housing and services and health inequalities. For each, the baseline level of 2005 is compared with the most recent year's data. Where possible, comparisons are made with other parts of the UK. In some instances, we have been able to compare to dates prior to the introduction of the Strategy, to show some longer term context.
4. The indicators in the baseline have been previously agreed by the Welsh Government, and several have been used in previous reports monitoring child poverty. When commenting on changes over time, we have carried out statistical tests to ensure that changes are statistically significant.
5. The timeline has three main components to it. Firstly, there are three key indicators – child poverty, workless households and unemployment. The second element is the economic context, showing the impacts of the recession. The final element is the policy context, both in the UK and in Wales. The timeline includes the dates of the introduction of these key policies, which were supplied to us by the Welsh Government.
6. We also include commentary highlighting issues around data quality and availability. This includes observations on data currently available and the data necessary to evaluate policies in the future.

### The economic context

7. The approach we have taken is to compare the most recent data available to 2005, the year in which the Child Poverty Strategy was introduced. In many cases, most notably the income poverty measures for statistical accuracy, we combine three years of data comparing the most recent three to the three leading up to the launch of the 2005 Strategy.

8. This choice of starting date is very important and colours much of the findings. In retrospect, 2005 was when the UK economy was at its strongest. Unemployment in Wales was never again lower than in 2005, when it was around 4.6%.
9. The picture for child poverty was similar. In the UK, the proportion of children living in a household with less than 60% of the contemporary median was 29% in 2005, a level which has not since fallen. In Wales (as this document shows later) the level was 28%, the lowest point at any stage in the last 15 years.
10. The recession that began in 2008 and the lack of subsequent economic growth, could have been expected to hamper progress in reducing child poverty. But we should note that some three years before, unemployment and child poverty had already begun to rise. Moreover, the falling median income actually lowered the poverty threshold in the most recent year. This contributed to the UK-wide fall in child poverty in the most recent set of statistics.

### **The policy context**

11. Both UK and Welsh Government policies are important in setting out the context for this baseline report. UK-level policies to tackle child poverty can be traced back to 1999, when Tony Blair made a pledge to eradicate child poverty by 2020. With that were associated a range of policies including the Child Tax Credit and the New Deal for Lone Parents.
12. Most key UK-level policies had been introduced by 2005 but changes thereafter are important. For instance, the level of Child Tax Credit, set by the Chancellor each budget, could make an impact on the number of children in income poverty.
13. This report focuses on what actually happened, and seeks to draw out lessons where possible. Other research, notably from the IFS, looked at what might have happened if certain policies were not in place. They found that for the UK as a whole, child poverty would have risen in the decade to 2010 by around one-quarter had benefits been linked merely to inflation rather than the rises set by the Chancellor each year. Even in the years where child poverty was not falling, policies towards child-related benefits kept poverty from rising<sup>1</sup>.
14. The Welsh Government identified key programmes that could impact on child poverty and a list of relevant policies were sent to us (these are listed in the Appendix). They are discussed at the relevant point in the report. Many (for instance, Steps to Employment, the Youth Engagement and Action Plan) have been introduced in the last year or two, so their effects will not be picked up in this baseline analysis. In addition, we have considered the policies listed in the document “The Impact of Welsh Assembly Government Programmes on Child Poverty: A synthesis of evidence from evaluations”.

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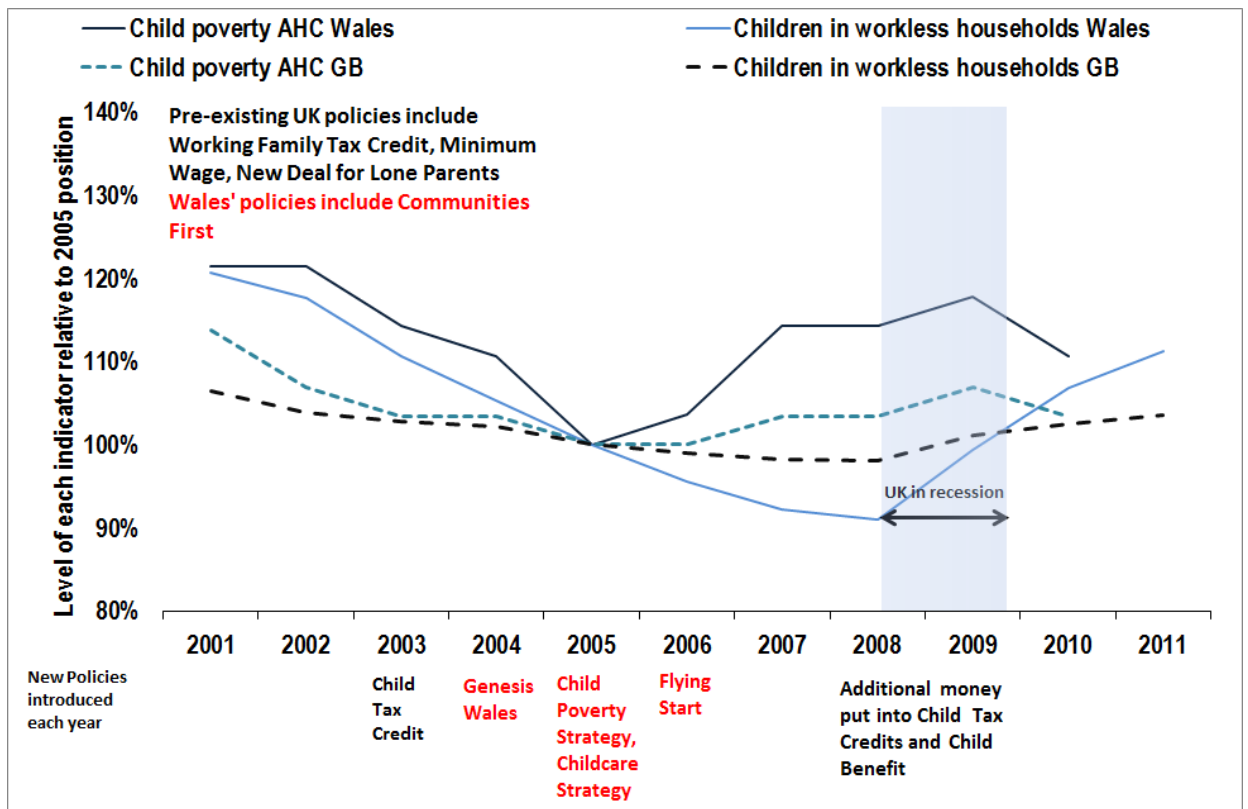
<sup>1</sup> Cited in Ending Child Poverty by 2020 Progress Made and Lessons Learned, CPAG 2012.

15. Of the strategies sufficiently established to impact the analysis, the two with the greatest potential to tackle child poverty were Flying Start, the Early Years Programme (2006) and Genesis Wales, aimed at improving labour market participation (2004).

## Timelines

16. The first timeline below shows two of the indicators from the report – the child poverty rate, the proportion of children in workless households (both three year averages). These indicators are chosen due to their importance in both the 2005 and 2011 strategies, and the availability of data to make longer term comparisons. It shows the changes relative to their level in 2005, where they are set to 100%. Lines are shown for Wales and Great Britain.
17. The introductions of key policies are indicated on the chart but this is simply for context, to understand what was happening when. There is no intention and no basis on which to imply effectiveness or otherwise of the policy.

**Timeline 1 - Trends in child poverty, children in workless households and working age unemployment, with key policy developments highlighted**

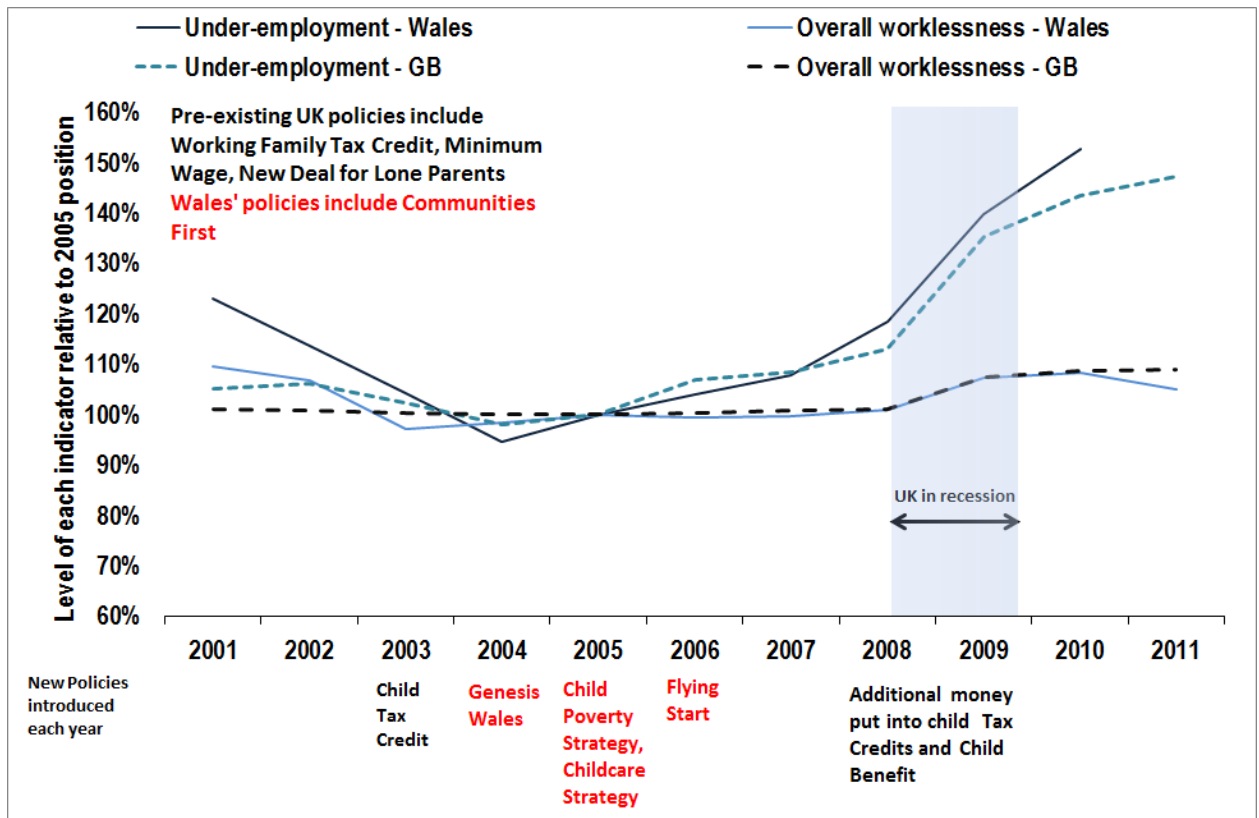


**Source: DWP Households Below Average Income and ONS Workless Households Statistics**

18. The series for child poverty reached its lowest point in Wales in 2005. But the series for children in workless households kept falling until the recession began in 2008, whereupon it rose sharply and kept rising.

19. But it is worth pointing out that between 2008 and 2010/11, child poverty did not rise, either in Wales or the UK as a whole. The additional money put in to tax credits, promised in 2007 and delivered in 2008, may be responsible for this to a certain extent. But the very existence of tax credits themselves acts as a safety net to those families whose working hours have fallen.
20. The next timeline shows two slightly different indicators – under-employment and overall worklessness, for Wales and Great Britain. The picture is very similar.

**Timeline 2 - Trends in under-employment and overall worklessness, with key policy developments highlighted**



**Source: ONS Labour Market Statistics**

21. Again, the series are all compared to the 2005 point. The large proportionate fall in under-employment up to 2005 is worth noting, particularly in the light of the large rise thereafter. Overall worklessness does not see such a rise. Overall worklessness does not rise as much as the rises in unemployment and are actually quite small compared to the overall workless population which makes up just over 30% of the working age population in Wales, and just under 30% in GB as a whole.
22. It is worth noting that the lines for Wales and Great Britain track each other closely. This means that the proportionate changes since 2005 have been similar, even if the overall levels are different.

# 1 Overall findings

1.1 The table below summarises the 23 indicators in the report. It shows the level and the direction of change for Wales and compares it to the North of England. The North of England is chosen as a close “statistical neighbour”, as at the start of the period it shared a similar child poverty rate with Wales. Each entry is colour coded to show the change since the baseline year of 2005. Green shows progress, orange no change and red indicates deterioration.

Topic	Indicator	Wales		The North of England	
		Level in the most recent time period for which data is available	Change since baseline year	Level in the most recent time period for which data is available	Change since baseline year
Income poverty	Children in relative poverty (AHC)	31%	No change	31%	No change
	Children in in-work poverty (AHC)	20%	Worse	21%	Worse
Work and Worklessness	Overall worklessness rate	33%	Worse	33%	Worse
	Under-employment rate	16%	Worse	16%	Worse
	Children in workless households	20%	Worse	19%	Worse
	Lone parent employment rates	55%	No change	56%	No change
	Gross hourly pay – tenth percentile value	£6.20	No change	Not comparable	Not comparable
	Gross hourly pay – median value	£10.10	Worse	Not comparable	Not comparable
Skills and qualifications	Attainment gap at KS2	20 percentage points	Better	Not comparable	Not comparable
	Attainment gap at KS4	34 percentage points	Worse	Not comparable	Not comparable
	Young adults without Level 3 qualifications	45%	No change	46%	Better
	NEETs	19%	Worse	Not comparable	Not comparable
	Working age adults without Level 3 qualifications	50%	Better	51%	Better



Topic	Indicator	Wales		The North of England	
		Level in the most recent time period for which data is available	Change since baseline year	Level in the most recent time period for which data is available	Change since baseline year
Housing and services	Homeless families in temporary accommodation	2800	Better	Not comparable	Not comparable
	Families with children living in overcrowded conditions	23,000	No change	Not comparable	Not comparable
	Families with children without access to bank accounts	4%	No change	3%	Better
Health	Ratio of infant mortality between the most deprived and middle fifths	1.2	No change	Not comparable	Not comparable
	Ratio of low birth weight by deprivation quintiles	1.2	No change	Not comparable	Not comparable
	Ratio of five year olds with dental caries by deprivation quintiles	1.5	-	Not comparable	Not comparable
	Ratio of young people with dental caries by deprivation quintiles	1.4	No change	Not comparable	Not comparable
	Under-16 conceptions by deprivation quintiles	1.7	No change	Not comparable	Not comparable
	Pedestrian injuries 5-14 year olds (hospital inpatient) by deprivation quintiles	1.7	No change	Not comparable	Not comparable
	Children who are killed or seriously injured in road accidents	136	Better	Not comparable	Not comparable

1.2 On seven of the 23 measures there has been a deterioration that is statistically significant. Four of these are in the Work and Worklessness section and one other, the NEETs measure, is clearly affected by the rises in overall unemployment. So, much of the deterioration observed is down to the worsening overall economic conditions. There are four indicators, across the range of topics, that show improvement. The remaining 10 indicators show no change.

## **Comparing to the rest of the UK**

- 1.3 Regional comparisons across the GB show that, for most indicators, Wales has and continues to resemble the North of England, both in terms of the extent of the problem and also the direction of change since 2005. Across indicator measuring low income, worklessness and skills, the rates in Wales are comparable to the North and have moved in the same direction.
- 1.4 From this perspective, Wales followed the same course as the North of England over the last decade with little evidence that specific Welsh policies were more or less effective than those in the North of England.
- 1.5 London stands out in these indicators as having seen the largest fall in child poverty and the lowest rise in unemployment following the start of the recession. It may well be that London is a place apart, wholly incomparable to Wales. But it did have a Child Poverty Commission, and in the form of the Assembly does have an elected central body which other English regions do not, so there may be lessons worth learning from London.
- 1.6 The indicators also allow us to compare Wales and Scotland, though it is important to note that there are significant differences between Wales and Scotland, both having a degree of devolution of powers.
- 1.7 Looking at long time trends in child poverty rates, Scotland had a lower rate than Wales to start with in the mid/late-1990s. Both the countries saw persistent reductions in child poverty from the mid-1990s to the early-2000s. The gap between the two countries was the narrowest in early 2000s. However after the mid-2000s, the poverty rate started rising in Wales whereas it was flat in Scotland. As a result, the gap between the two countries opened up and has been the widest in the recent years.
- 1.8 Unemployment followed a similar pattern; unemployment levels in Scotland were similar to Wales in early-1990s. Both the countries saw a continuous reduction in unemployment until mid-2000s. In fact, due to substantial improvements in Wales, its unemployment proportion was lower than Scotland's in the mid-2000s. However unemployment in Wales started rising since 2005, well before the recession, while it continued falling in Scotland until 2008. In this, Scotland was actually quite exceptional.
- 1.9 Both the countries saw a rise in unemployment since the recession, but the most recent set of figures show unemployment in Wales at a higher rate than Scotland, and increasing more quickly.

## **Income poverty**

- 1.10 On the principal measure - the proportion of children living in households with income below 60% of contemporary median after housing costs – child poverty has risen by three percentage points to 31% between the three years to 2005/06 and the three years to 2010/11. This is not a statistically significant change. Moreover, the proportion does vary a lot from year to year.

- 1.11 We must point out though, that the reason the rate has risen is because the level in the base year was low, relative to the rest of the sequence. The rate of child poverty in the three years to 2005/06 was 28%. A year earlier it was 31% and two years later it was 32%. This is another reason to regard the situation as “no change”, a similar position to much of the rest of the UK.
- 1.12 Using the before housing costs measure, child poverty actually fell slightly by one percentage point over the period. These different trends before and after housing costs may indicate something about rising housing costs being met by rising housing benefit among low-income households, but we have not investigated this further.
- 1.13 One particular aspect of income poverty that has risen is the proportion of children in low-income households who live with a working parent. Matching the pattern of the UK as a whole, this rose from 14% at the time the Strategy was introduced, to 20% in the three years to 2009/10 (the most recent data we have).

### **Work and worklessness**

- 1.14 Between 2005 and 2011 there was little change in the overall level of economic activity (those in paid work plus those unemployed). In both 2005 and 2011, just under three-quarters of working age adults in Wales were economically active.
- 1.15 But within that group, the proportion who were unemployed had grown. By 2011, 6.6% of working age adults in Wales were unemployed, compared with 3.5% in 2005.
- 1.16 There were also significant changes in family work rates. The number of children in workless households rose from 16% to 20%. This was a larger rise than any of the UK areas we analysed.
- 1.17 Secondly, there is the rise in under-employment. We have already seen that the level of unemployment rose, but additionally, the proportion of working age adults in part-time work as they could not find full-time work doubled, from 2% to 4% (around 70,000 people).
- 1.18 This combination, then, of stagnating if not falling wages and fewer hours worked, as well as rising unemployment turning two earner families into single earner families, contributed to the rise in in-work poverty.

### **Education and qualifications**

- 1.19 We look at education indicators for different age groups – 11 year olds, 16 year olds, young adults and the entire working-age population. There appears to have been a significant improvement in attainment among 11 year olds, but doubts around the quality of the data, voiced by the Welsh Government during our early discussions on this project, mean it is not wise to draw any strong conclusions.
- 1.20 Among 16 year olds, there was a fall in the proportion of pupils receiving free school meals who did not attain the expected standard at GCSE (5 GCSEs at A\*-C including maths and English) between 2005 and 2011. However, the proportion of pupils not receiving free school meals who did

not attain this standard fell more quickly. The result is that the gap between poorer children on free school meals and other children actually grew.

- 1.21 When we look slightly further up the age range, we also see a rising number of 16-24 year olds not in education, employment or training (NEETs). However, Wales is by no means unique in seeing these numbers rise (and comparisons across the UK are difficult due to differing definitions).

## **Health**

- 1.22 The health indicators in this report are repeats of those in the last Milestones report as no new data has been made available. For the period we are able to examine, all indicators improved for children in the most deprived areas as well as those in areas with average deprivation. We are unable to say if the gaps have closed to a statistically significant degree, but any closing over that period was small in any case.
- 1.23 What is notable looking at the indicators, is how the gap in risks changes with the age of the child. So while infant mortality is higher in the most deprived areas, the difference in risk compared with average areas is around 25%. The additional risk of low birth weight in deprived areas compared with average areas is also around 25%. When we look at teenage dental health, the difference in risk grows to around 40%. For pedestrian injuries, it is around 70%. When we look at underage conceptions, the increased risk is close also around 70%.
- 1.24 This is a slightly “rough and ready” comparison – the measures are, after all, completely different. But at the very least it suggests that children from lower income backgrounds are persistently faced with higher risks of harm than other children.

## **Comments on data**

- 1.25 In compiling this report, we have been able to take a comprehensive overview of the data available. In our view, there is sufficient data available to assess the majority of the areas the strategy touches upon. There are however some issues.

## **The HBAI sample**

- 1.26 The findings presented in this document are often expressed in terms of statistical significance. Sometimes the sample sizes of the sources we are using is relatively small, meaning that quite large changes have to be observed before we can say they are significant.
- 1.27 The most obvious example of this is the income poverty indicators, where a change of around three percentage points is needed over three years' worth of data before it becomes significant. Given that around 30% of children are estimated to be in poverty, this means that around one in 10 children in poverty would have to be lifted out before we could be sure we had observed a change.
- 1.28 Similarly, the Department for Work and Pensions prefers that the results, when cited, are always rounded to the nearest 100,000. This would mean

that the number of children in poverty in Wales has been 200,000 for the last decade – not a particularly useful finding.

- 1.29 Moreover, the year-on-year trends in Wales are very changeable. In the years from 2002/03, the proportion of children living in poverty has been as low as 27% and as high as 35%. In Scotland, the lowest figure was 24% and the highest was 27%, a range less than half that of Wales.
- 1.30 A larger sample would make a difference. While not small compared with the regions of England, the sample for Wales (one household per 1,175 in Wales) is smaller in relative terms than the Scottish (one household per 596) and Northern Ireland (one household per 376). However, this would come at a cost. To double the precision of the survey, the sample would have to be quadrupled.
- 1.31 It may not only be the size of the sample that is an issue. There is also the structure. The survey samples clusters of households across Wales. By increasing the number of clusters but decreasing the number of households in each cluster, the sample would become more representative and potentially less prone to fluctuation. Unfortunately, we cannot ascertain through the data itself how many clusters are used in any one year.

### **Educational attainment among 11 year olds**

- 1.32 We have included an indicator on educational attainment by 11 year olds, although doubts were expressed among the advisory group as to its quality. It is based on teacher assessment, rather than testing. In England, there is both a teacher assessment and an examination assessment, which may improve reliability.

### **Communication of data and availability across government**

- 1.33 While compiling this report, we made requests to Public Health Wales for data on health inequalities. The data itself is very rich, and could allow for some interesting analysis. Rather than commissioning new datasets or surveys, there is the potential for the Welsh Government to make more of the data it has in this area.

### **Data availability for the 2011 Strategy**

- 1.34 The Child Poverty Strategy of 2011 puts an emphasis on helping people into paid work, reducing inequalities and making poverty less damaging for children. The first of these can be measured using existing statistics quite well – the Labour Force Survey is set up to do this very thing, although tracking individual progress is difficult.
- 1.35 Data on health and educational inequalities, the second focus of the strategy, has been included in this report, so is certainly available. The issue there is around accurate data for 11 year olds and school leavers, as well as GCSE students.
- 1.36 The third presents a real challenge. Making poverty less damaging implies more and better public services. Currently there is no data at a Wales level that can accurately capture this, and any eventual evaluation of the 2011 Strategy will depend on new data sources being set up.

## 2 INCOME POVERTY

### Indicators

- Children living in low-income households.
  - In-work poverty.
- 2.1 Our inferences on whether or not the estimate has changed compared with data from the baseline year, reflect the overall change in the measure rather than fluctuations during the intermediate years.
  - 2.2 Wherever necessary, we use three or more year averages to get a bigger sample and minimise the fluctuations. In order to determine the status of the indicator, we use confidence interval tests at 95% confidence level to ascertain that we are not picking up “random” variability. A metric is said to have improved/worsened only when the fall/rise is statistically significant at this level, otherwise it gets a ‘no change’ status. It is important to note that a confidence interval test is not definitive as confidence intervals are approximations and do not account for sampling design differences.
  - 2.3 But the purpose of this baseline is to get a broad view of child poverty. It is not the statistical significance of one indicator or another that helps us understand this picture, rather the range of topics we consider.

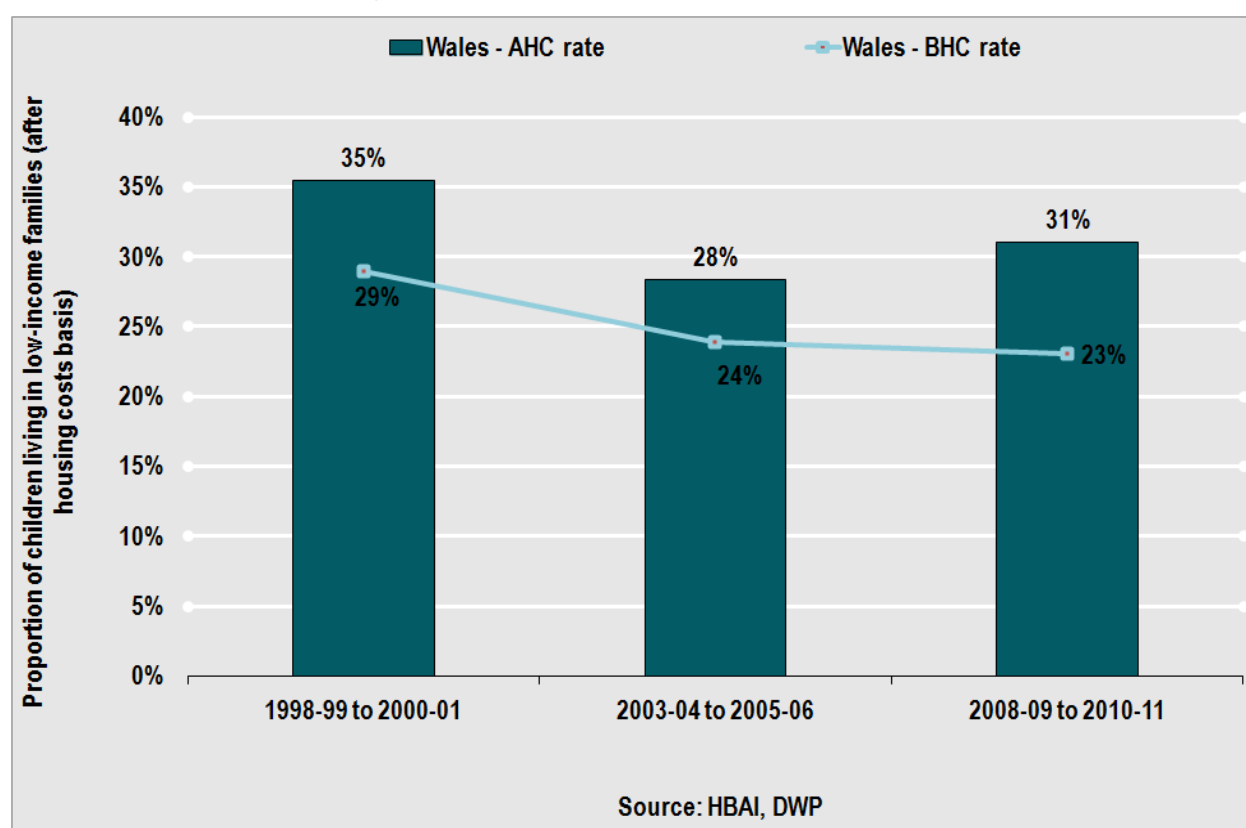
## CHILDREN LIVING IN LOW-INCOME HOUSEHOLDS

### Key points

- In the three years to 2010/11, 31% or 200,000 children lived in low-income families in Wales on the after housing costs measure.
- Though the rise in child poverty since 2005-06 is not large enough to be statistically significant, and there have been particularly large year-on-year fluctuations since 2005.
- Over the period, most of the UK saw no statistically significant change in child poverty.

### Levels and trend in Wales

#### *Proportion of children living in low-income households in Wales over time*



- 2.4 This indicator shows two measures of relative poverty – After Housing Costs (AHC) and Before Housing Costs (BHC) measures. We use the average of three years to 2005-06 as our baseline estimate, which also happens to be the low point in the entire series for both AHC and BHC measures.
- 2.5 On the BHC measure, the child poverty rate in Wales was 23% in the three years to 2010-11, broadly unchanged from the 24% reported in the baseline period.
- 2.6 On the AHC measure, 31% or about 200,000 children lived in low-income families in the three years to 2010-11. This is about three percentage points higher than the rate in the three years to 2005-06. The rise is below the threshold at which it would be statistically significant.

- 2.7 The statistics used here are sourced from the DWP publication, which recommends using numbers rounded to the nearest 100,000. As a result, the estimate of the number of children in poverty in Wales is always 200,000, making it difficult to infer any changes in its level.
- 2.8 It is not possible to comment on year-on-year changes in child poverty in Wales. This is because the figures vary significantly year-on-year. For example, the AHC child poverty rate plummets from 36% in 2007-08 to 27% in just one year 2008-09, and then rises again to 35% in 2009-10. Looking at rolling three year averages over the last 10 years shows that the AHC child poverty rate fell quickly from the early-2000s up to 2005/06, after which it started rising. As can be seen at 31%, the rate for the most recent year is lower than 10 years ago, but is higher than the low point in 2005-06.

### Wales compared with other regions

#### *Child poverty rate (AHC) by region over time*

	2003-04 to 2005-06	2008-09 to 2010-11	Change
The North	31%	31%	No change
The Midlands	30%	31%	No change
South and the East	24%	24%	No change
London	41%	37%	Down
Wales	28%	31%	No change
Scotland	25%	24%	No change

- 2.9 London has the highest child poverty rate in GB. Wales' child poverty rate is lower than that of London, but higher than Scotland and comparable to the regions in the North and the Midlands.

### Relevant policies

- The Child Poverty Strategy, 2005.
- The Childcare Strategy for Wales, 2005, followed by a new strategy in 2011.
- Genesis Wales, 2004.
- Flying Start, 2006.
- Integrated Children's Centres, 2005.
- Families First, 2012.

### Definitions

- 2.10 Poverty is measured by official statistics on low household income. The measure here uses the threshold of 60% of median UK household income in the same year, and after adjustment has been made for household size



and composition. The income is net of income and council tax and after housing costs (AHC) – mainly rent or mortgage interest – has been paid.

- 2.11 Official statistics are published on a before housing costs (BHC) basis. The AHC measure is preferred as it is a more accurate representation of a family's disposable income. Also, the BHC measure can be misleading because on this measure a family could be lifted out of poverty if their housing benefit rises, as this increases their BHC income. However in practice, housing benefit money goes to the landlord to pay off the rent and does not make the family materially better off.

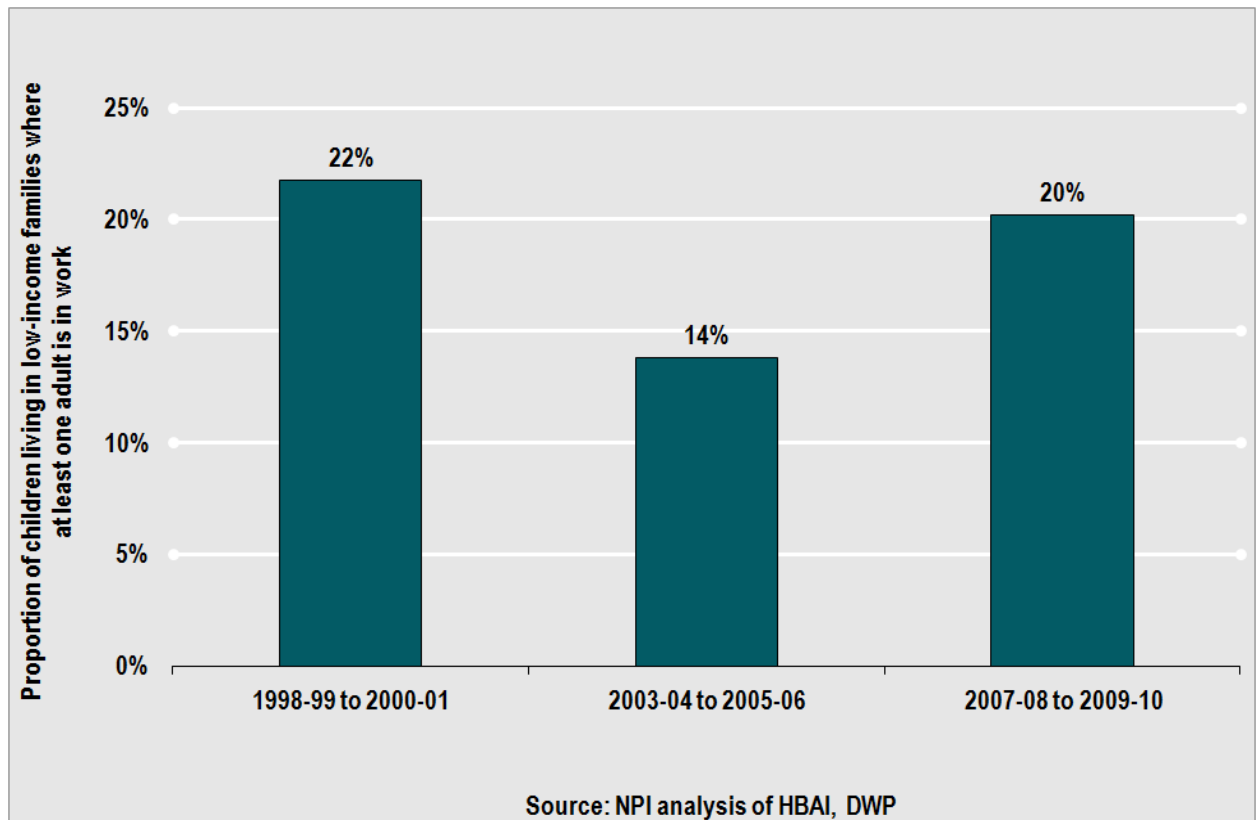
## IN-WORK POVERTY

### Key points

- In the three years to 2009-10, about a fifth of children in Wales living in families where at least one adult was in paid work were in poverty.
- There was a clear rise in in-work poverty compared with the base year in Wales and everywhere else in the UK.

### Levels and trend in Wales

*Proportion of children living in low-income households where at least one adult is in paid work over time*



- 2.12 In the three years to 2009-10, about a fifth of children in Wales living in households where at least one adult was in paid work were in poverty, amounting to some 98,000 children. Children living in such low-income working families accounted for around half of all children in poverty. Compared with the baseline period, in-work poverty rose by about six percentage points by 2009-10, and this rise was statistically significant.
- 2.13 Further analysis shows that children in self-employed families and part-working families (where all adults are working part-time or one partner is not working) made up the majority (about 85%) of children living in in-work poverty.
- 2.14 Such families also have a much higher child poverty rate (37%), compared with 8% for full working families (where at least one adult is in full-time work and the partner is working at least part-time).
- 2.15 As with child poverty rates, the in-work poverty rates also show variations year-on-year. The data suggests a trend similar to overall child poverty –

in-work poverty fell from the early-2000s to mid- 2000s, before beginning to rise again.

2.16 The rise in in-work poverty is corroborated even when a different measure is used. The Welsh Government's child poverty indicators progress report used Tax Credits data from HMRC to monitor in-work poverty rates. According to the report, the percentage of children in in-work poverty clearly increased between 2006-07 and 2008-09.

### **Wales compared with other regions**

#### ***Proportion of children in low-income households where at least one adult is in paid work by region over time***

	<b>2003-04 to 2005-06</b>	<b>2007-08 to 2009-10</b>	<b>Change over time</b>
The North	15%	21%	Up
The Midlands	14%	23%	Up
The South and the East	10%	18%	Up
London	16%	26%	Up
Wales	14%	20%	Up
Scotland	11%	14%	Up

2.17 The in-work poverty rate in Wales is similar to the UK average. In-work poverty rose across all regions, including Wales. The rise in Wales may not be statistically significant, but the overall level of in-work poverty has risen in the UK since 2005-06 and is at its highest ever.

### **Relevant policies**

- The Childcare Strategy for Wales, 2005, followed by a new strategy in 2011.
- Genesis Wales, 2004.
- Integrated Children's Centres, 2005.
- Families First, 2012.

### **Definitions**

2.18 Poverty is measured here on an after housing costs (AHC) basis. A family is said to be in-work if at least one adult is in paid employment or is self-employed, either part-time or full-time.

### **3 WORK AND WORKLESSNESS**

#### **Indicators**

- Overall levels of worklessness.
- Under-employment.
- Children in workless households.
- Lone parent in paid work.
- Median and tenth percentile hourly pay.

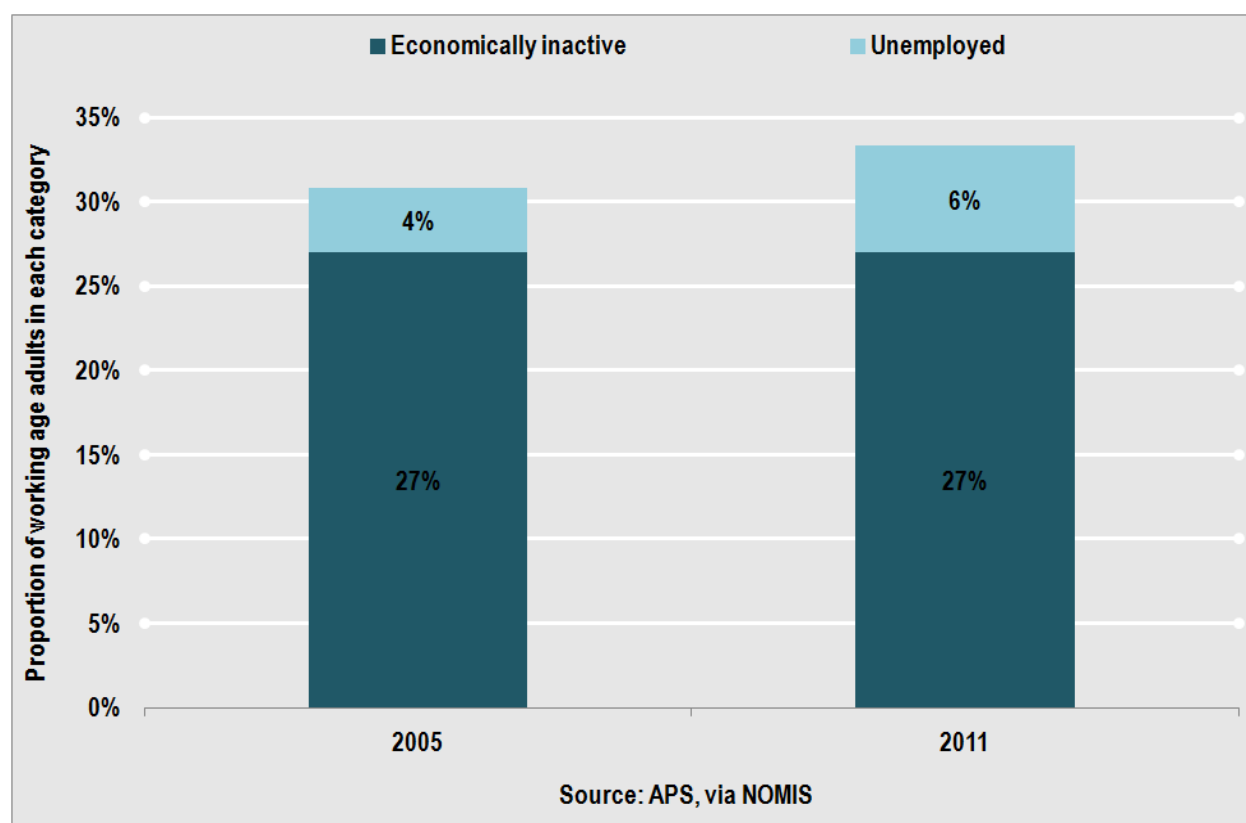
## OVERALL LEVELS OF WORKLESSNESS

### Key points

- Around a third of working age adults in Wales were workless by the end of 2011.
- This proportion had increased since the baseline year, as it has everywhere in the UK outside London.

### Levels and trend in Wales

#### *Proportion of workless working age adults over time*



- 3.1 This labour market indicator measures overall worklessness over time. It breaks down the proportion of working age population not in paid work into those who are unemployed and those who are economically inactive.
- 3.2 Around a third of working age adults in Wales were workless by the end of 2011 - 6% were unemployed and 27% were inactive. This amounted to about 630,000 adults in total. Compared with 2005, the overall level of worklessness had increased by about two percentage points in 2011. The rise was statistically significant.
- 3.3 Within the workless population, the proportion of unemployed people had increased by two-thirds, while the proportion of those inactive remained broadly unchanged.
- 3.4 Though not shown in the graph, the rise in worklessness was matched by a fall in employment in Wales. By the end of 2011, there were around 1.26 million employed working age adults in Wales, below the 1.28 million figure seen in the baseline year of 2005. This was not the case in England

and Scotland. Both the countries saw a fall in employment since 2009, but the levels in 2011 were still higher than the levels seen in 2005.

- 3.5 Further analysis shows that the worklessness rate in Wales was flat at about 31% between 2004 to 2008, rising thereafter. Though the Annual Population Survey does not allow us to analyse earlier years, labour market statistics from the Labour Force Survey indicate that Wales saw a steady reduction in worklessness from late-1990s until the mid-2000s.

### Wales compared with other regions

#### *Proportion of workless working age adults by region over time*

	2005	2011	Change over time
The North	29%	33%	Up
The Midlands	27%	31%	Up
The South and the East	23%	26%	Up
London	32%	32%	No change
Wales	31%	33%	Up
Scotland	27%	29%	Up

- 3.6 At 33%, Wales had the highest worklessness rate in the GB in 2011, or in other words, it had the lowest employment rate. Though Wales' unemployment proportion was similar to national average, its level of economic inactivity was the highest among all regions.
- 3.7 Over the period from 2005, worklessness had increased across all regions, except London.

### Relevant policies

- Want2Work, 2004.
- European Social Fund projects.
- Economic Renewal: A new direction, 2010.
- Genesis Wales, 2004.
- Integrated Children's Centres, 2005.
- School Gates Employment Support Initiative in Blaenau Gwent and Merthyr Tydfil, 2009-11.
- Steps to Employment, 2011.

### Definitions

- 3.8 'Unemployment' is the International Labour Organisation definition, which is used for the official government unemployment numbers. It comprises all those with no paid work in the survey week who were available to start work in the next fortnight, and who either looked for work in the last month or were waiting to start a job already obtained.

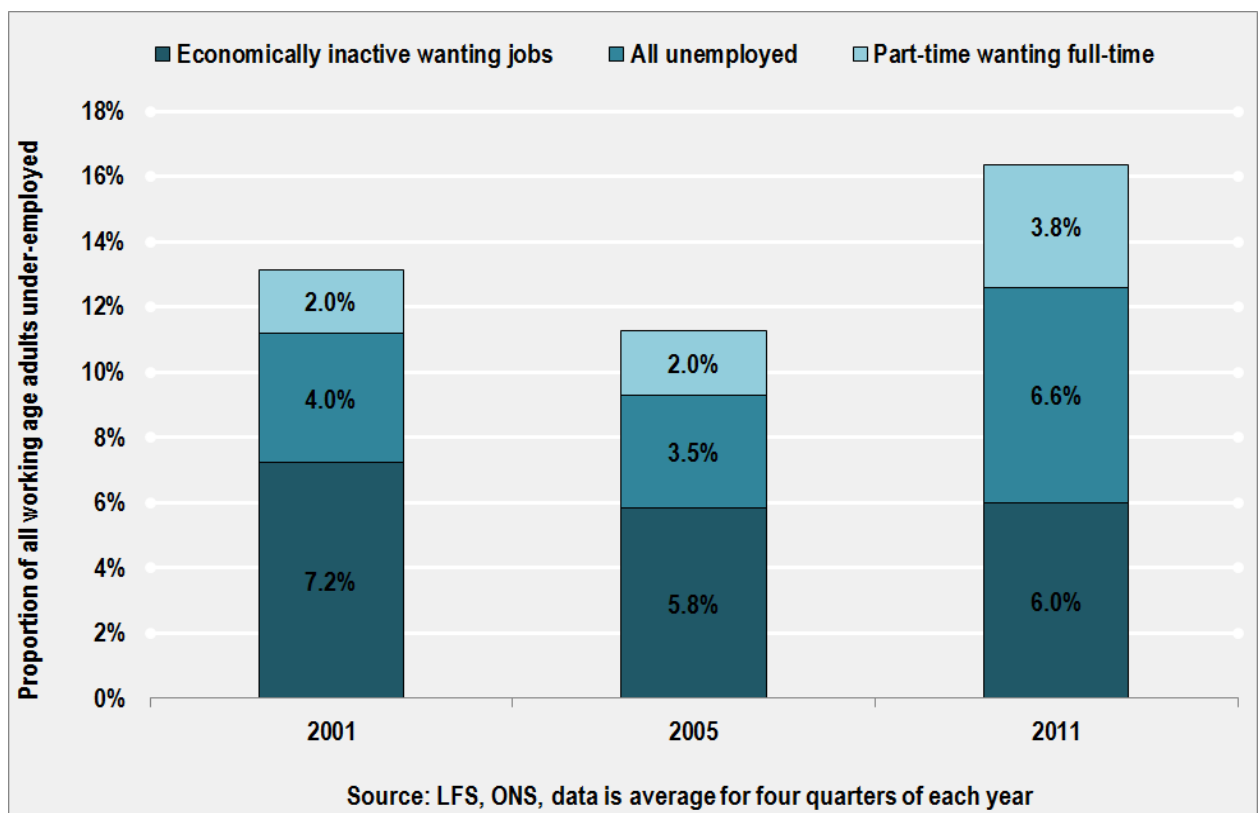
## UNDER-EMPLOYMENT

### Key points

- The number of people “under-employed” (unemployed, economically inactive wanting work or working part time but wanting a full-time job) in Wales rose from 11% to 16% between 2005 and 2011.
- This rise was driven by rises in unemployment and the number of people working part-time wanting full-time work. The proportion of people economically inactive but wanting work did not change.
- Under-employment rose right across the UK over this period.

### Levels and trend in Wales

#### *Proportion of under-employed working age adults over time*



- 3.9 In 2011, around 16% of working age population in Wales was under-employed. This amounted to some 310,000 individuals. In addition to the 125,000 (or 6.6%) unemployed adults, the under-employed group also contained about 110,000 (6%) adults who were economically inactive but wanted paid work and about 70,000 adults (3.8%) who were working part-time because they could not find full-time jobs.
- 3.10 Under-employment in 2011 was higher by five percentage points or 100,000 people compared with the baseline year (2005), which is the low point in the series. The increase was mainly driven by the rises in numbers unemployed and numbers working part-time wanting full-time jobs, both of which almost doubled during the period. Compared with a

decade ago, the level of under-employment in 2011 was up by three percentage points.

3.11 In the years between 2005 and 2011, under-employment was rising year-on-year, with a slower rise at the beginning of the period, a large rise in 2008/09 and slower rises thereafter.

### **Wales compared with other regions**

#### *Proportion of under-employed working age adults by region over time*

	<b>2005</b>	<b>2011</b>	<b>Change over time</b>
The North	11%	16%	Up
Midlands	10%	15%	Up
South and the East	9%	13%	Up
London	14%	17%	Up
Wales	11%	16%	Up
Scotland	12%	16%	Up

3.12 The proportion of under-employment in Wales in 2011 was similar to the national average. During the period between 2005 and 2011, this proportion had increased across all regions.

### **Relevant policies**

General policies:

- Want2Work, 2004.
- European Social Fund projects, 2007-14.
- Economic Renewal: A new direction, 2010.

Policies aimed at families with children:

- School Gates Employment Support Initiative in Blaenau Gwent and Merthyr Tydfil, 2009-11.
- Genesis Wales, 2004.
- Integrated Children's Centres, 2005.
- Steps to Employment, 2011.



Policies aimed at young adults:

- Youth Engagement and Employment Action Plan, 2011-15.
- The Pathways to Apprenticeship, 2010-11.
- Traineeship Programme, 2011.
- The Young Recruits Programme, 2009.
- The Youth Entrepreneurship Strategy (YES), 2010-15.

**Definitions**

3.13 This indicator uses a labour market measure of under-employment. Under-employed includes: i) those who are aged between 16 and 64 and ILO unemployed (wanting, actively seeking and immediately available for work); ii) those aged between 16 and 64 and economically inactive but wanting work (those wanting work but either not actively seeking it or not available immediately); and iii) those working part-time but wanting a full-time job.

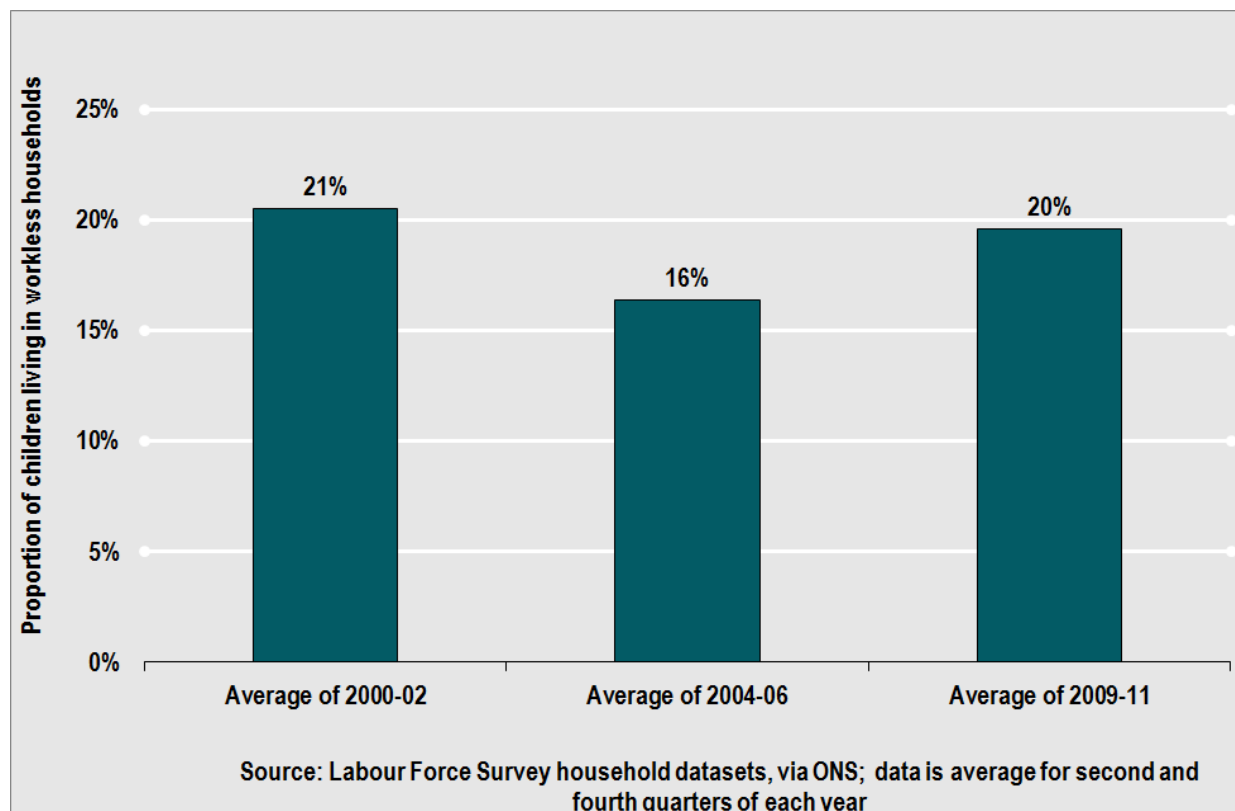
## CHILDREN IN WORKLESS HOUSEHOLDS

### Key points

- By 2011, about 1 in 5 children were living in workless households in Wales.
- Compared with other regions, Wales saw the biggest rise in the proportion of children living in workless households since 2005.

### Levels and trend in Wales

#### *Proportion of children living in workless households over time*



- 3.14 By the end of 2011, 20% or about 1 in 5 children were living in workless households in Wales. This amounted to about 102,000 children. The proportion in 2011 was around four percentage points higher compared with the baseline year of 2005 and was back to the levels seen in early-2000s. The increase from the baseline years is statistically significant.
- 3.15 Data for individual years shows that the proportion of children in workless households was falling continuously from 2001 until 2008, after which it started rising.

## Wales compared with other regions

### *Proportion of children in workless households by region over time*

	Average of 2004-06	Average of 2009-11	Change over time
The North	17%	19%	Up
The Midlands	14%	17%	Up
The South and the East	11%	11%	No change
London	24%	22%	Down
Wales	16%	20%	Up
Scotland	15%	15%	No change

3.16 By 2011, Wales had the second highest proportion of children living in workless households in the UK; only London had a proportion higher than Wales. This was not the case in 2005 when the Welsh proportion was similar to the average. Since 2005, the North of England, the Midlands and Wales all saw an increase in the proportion of children living in workless households; but the rise was the biggest in Wales.

### **Relevant policies**

- School Gates Employment Support Initiative in Blaenau Gwent and Merthyr Tydfil, 2009-11.
- Genesis Wales, 2004.
- Want2Work, 2004.
- Integrated Children's Centres, 2005.

### **Definitions**

3.17 This indicator looks at the proportion of children living in workless households i.e. households that include at least one person aged 16 to 64 where no one aged 16 or over is in employment. Children refers to those under 16.

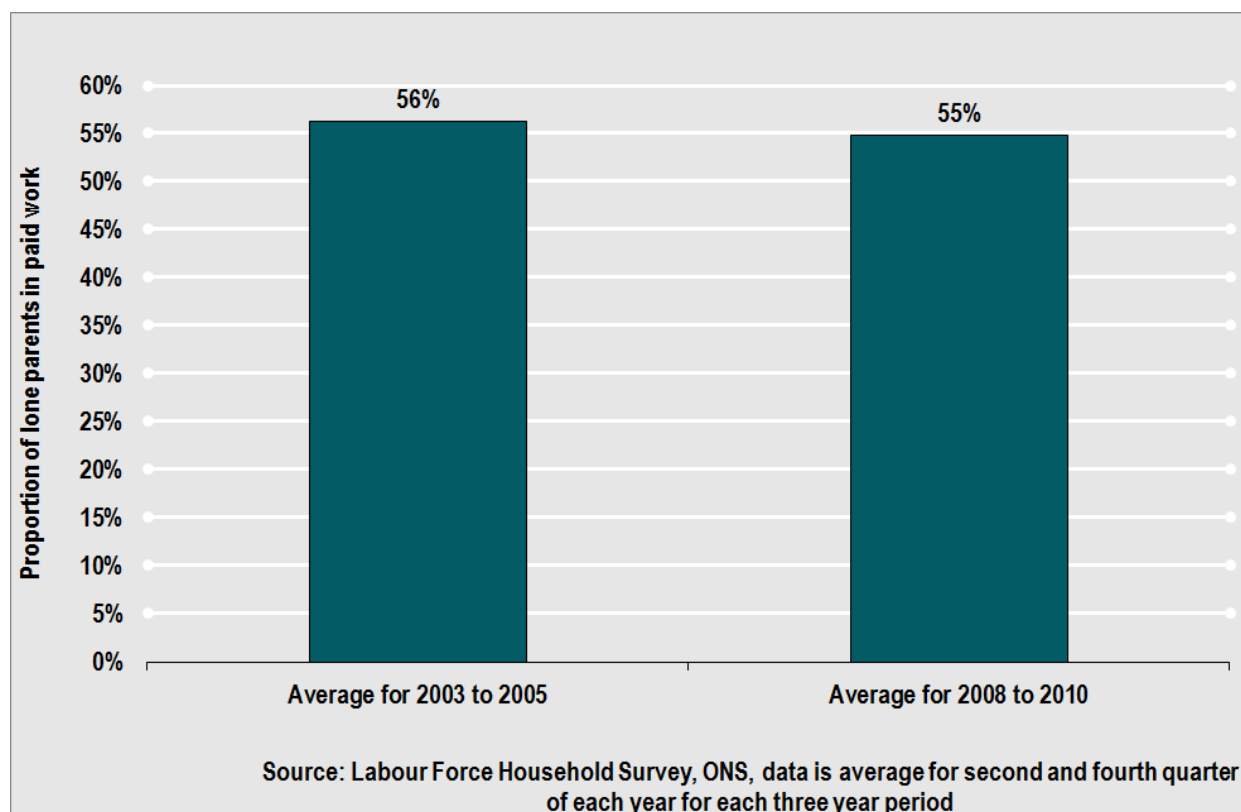
## LONE PARENTS IN PAID WORK

### Key points

- Around 55% or 57,000 lone parents in Wales were in paid work at the end of 2010, similar to the national average.
- The lone parent employment rate in Wales has remained similar to the baseline year of 2005.
- Both the level and the changes over time are similar to the North of England.

### Levels and trend in Wales

#### *Proportion of lone parents in work over time*



3.18 For the three years to 2010, just over half (55%) of lone parents in Wales were in paid work. This amounts to roughly 57,000 lone parents. The proportion had remained broadly unchanged since 2005. Though there is a slight fall in the proportion employed compared with the baseline, this is not significant given the small sample size.

3.19 The sample size for this statistic is quite small. The year-on-year data shows some sudden big changes that are unreliable so we use three year averages to give us a more reliable statistic. The long-term data suggests that lone parent employment was gradually rising between early to mid-2000s, was flat between 2005 to 2008 and then started dropping gradually.

## Wales compared with other regions

### *Proportion of lone parents in paid work by region over time*

	<b>Average for 2003 to 2005</b>	<b>Average for 2008 to 2010</b>	<b>Change over time</b>
The North	55%	56%	No change
The Midlands	56%	56%	No change
The South and the East	61%	63%	Up
London	42%	47%	Up
Wales	56%	55%	No change
Scotland	57%	59%	No change

3.20 The proportion of lone parents in paid work in Wales was similar to the regions in the North of England and the Midlands. It was lower than in Scotland and in the South and East of England. The proportion in Wales and much of the UK did not change much compared with the baseline year, with the exceptions of Northern Ireland and London, which saw substantial improvements over the same period.

### **Relevant policies**

- Genesis Wales, 2004.
- Integrated Children's Centres, 2005.

### **Definitions**

3.21 This indicator looks at the proportion of 'working age' lone parents i.e. those between 16 and 64 years of age. In 'paid work' refers to those with jobs or those in self-employment.

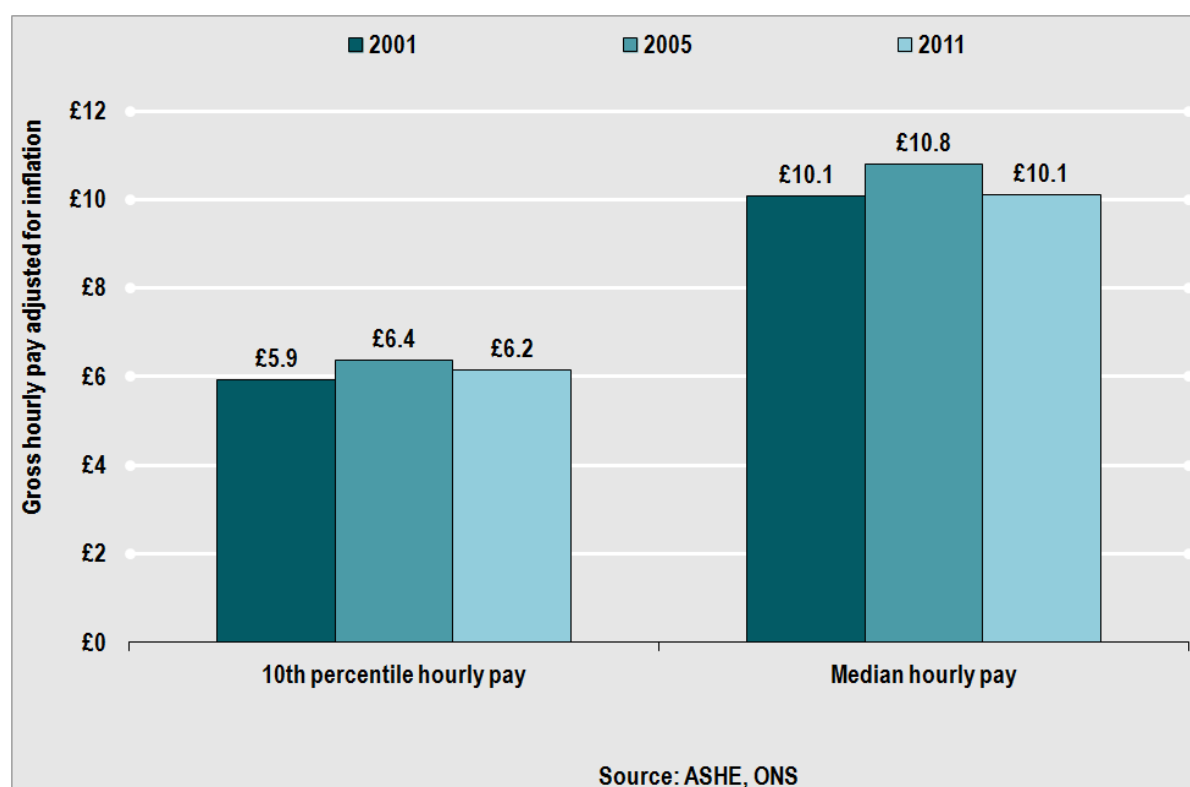
## MEDIAN AND TENTH PERCENTILE HOURLY PAY

### Key points

- As compared with the values in 2005, hourly pay in Wales was stagnant.
- Hourly pay in Wales, both at the bottom and in the middle, was lower than any other region.

### Levels and trend in Wales

#### *Median and tenth percentile value of gross hourly pay in Wales over time*



- 3.22 Measured in 2011 prices, gross hourly pay at the bottom and in the middle in Wales had stagnated by 2011.
- 3.23 Looking at pay at the bottom (tenth percentile value), the hourly rate in 2011 was £6.20, marginally lower than £6.40 in 2005, although somewhat higher than the rate a decade ago.
- 3.24 Similarly, the median hourly pay in 2011 was £10.10, slightly lower than the corresponding value of £10.80 in 2005 and back to the level seen a decade earlier.

## Wales compared with other regions

### *Tenth percentile and median hourly pay by region over time*

	2005		2011	
	Tenth percentile	Median	Tenth percentile	Median
North East	£6.20	£10.41	£6.17	£10.18
North West	£6.41	£11.09	£6.19	£10.33
Yorkshire and The Humber	£6.37	£10.68	£6.22	£10.23
East Midlands	£6.39	£10.95	£6.20	£10.35
West Midlands	£6.46	£11.05	£6.22	£10.40
East	£6.62	£12.07	£6.44	£11.61
London	£7.47	£15.26	£6.94	£14.33
South East	£6.95	£12.79	£6.61	£12.46
South West	£6.47	£10.99	£6.30	£10.51
Wales	£6.37	£10.78	£6.15	£10.11
Scotland	£6.43	£11.14	£6.36	£11.08

3.25 Pay in Wales, both at the bottom and in the middle, was lower than any other region, though the difference between regions in the North of England and Wales is marginal. By 2011, hourly pay had stagnated in all regions.

### **Definitions**

3.26 In order to adjust hourly pay rate for inflation, the Retail Price Index has been used.

## **4 EDUCATION AND QUALIFICATIONS**

### **Indicators**

- Attainment gap at Key Stage 2 - pupils not achieving Key Stage 2 CSI by Free School Meals status.
- Attainment gap at GCSE - pupils aged 15 not getting 5 GCSEs at A\*-C including English/Welsh and Mathematics by Free School Meals status.
- Education attainment of young adults – lacking qualifications at NVQ Level 3.
- Young people not in education, employment or training.
- Adult learning - lacking qualification equivalent to Level 3 or above.



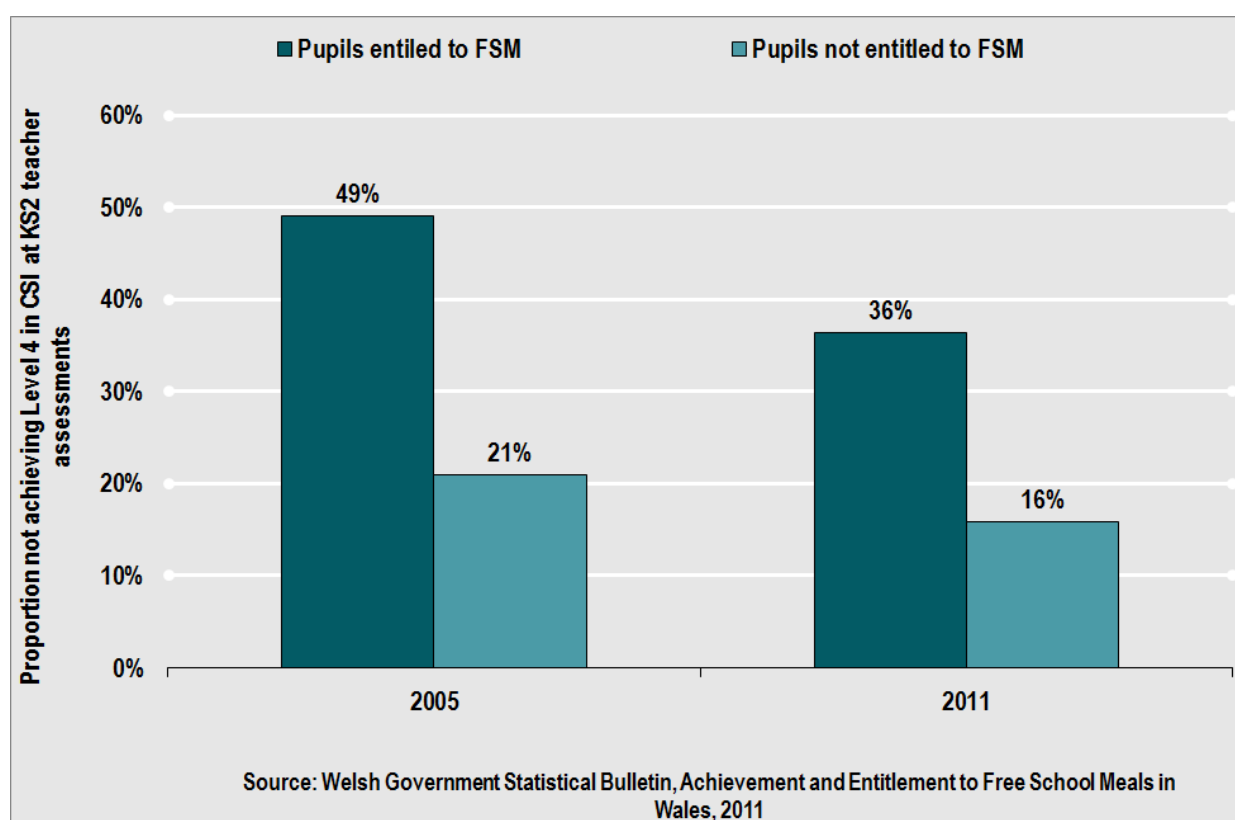
## Attainment gap at Key Stage 2

### Key points

- About 36% of pupils eligible for FSM and 16% not eligible for FSM fail to reach Level 4 in CSI at Key Stage 2.
- The attainment gap between FSM and non-FSM pupils has been narrowing steadily over the period from 2005 to 2011.
- There are though doubts about the quality of the data, as this is based on a teachers' assessment.

### Levels and trend in Wales

#### *Proportion of pupils not achieving Level 4 in CSI at KS2 by free school meals status over time*



- 4.1 Overall a fifth or 6,500 of pupils did not reach Level 4 in the Core Subject Indicator at KS2. There was a significant gap between the performance of pupils eligible for free school meals and those not eligible. The proportion not attaining the stated level among FSM students (36%) was more than twice the proportion for non-FSM students (16%).
- 4.2 However, the performance of both FSM and non-FSM pupils in Wales has been improving since 2005, with this progress faster for those on FSM. As a result, the attainment gap has fallen over the period, from 28 percentage points in 2005 to 20 points in 2011. In fact, the attainment gap has narrowed only at KS2; it has either risen or stayed stable at other key stages.

## **Wales compared with other regions**

4.3 Though Key Stage 2 performance by free school meal entitlement in Wales can be compared with that in England, a CSI indicator is not published in England. But looking at attainment in English and Mathematics, about 42% of pupils on FSM did not get Level 4 in 2011, twice the proportion for non-FSM pupils (22%). The attainment gap is similar to that in Wales.

## **Relevant policies**

- The Primary School Free Breakfast Initiative, 2007.
- Raising Attainment and Individual Standards in Education (RAISE), 2006-07 to 2008-09.
- School Effectiveness Framework, 2008.

## **Definitions**

- 4.4 The CSI represents the percentage of pupils achieving the expected level or above in English or Welsh (First Language), Mathematics and Science in combination.
- 4.5 To receive free school meals, parents have to receive means tested out-of-work benefits. Free school meals are the best available proxy measure for low income in education statistics.

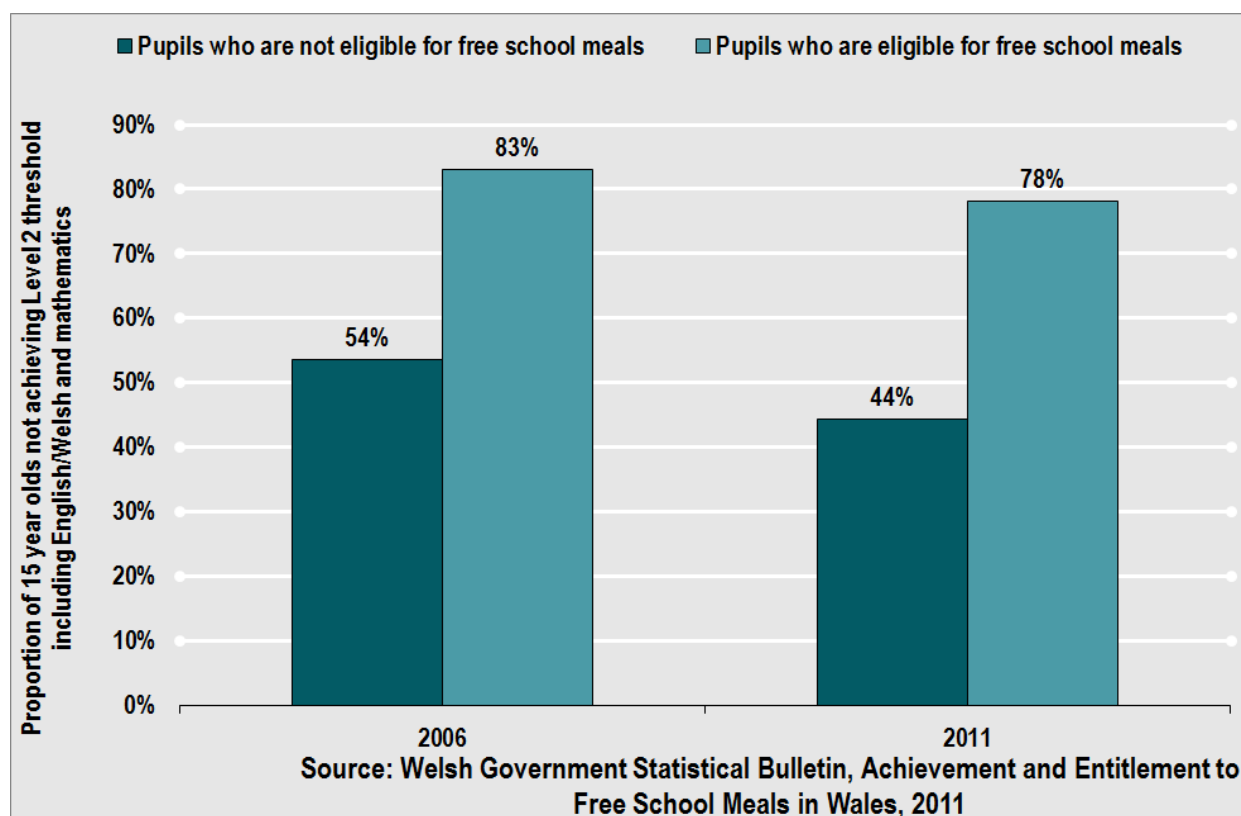
## ATTAINMENT GAP AT GCSE

### Key points

- Overall about 50% or 17,000 pupils do not get 5 GCSEs at A\*-C including English/Welsh and Mathematics. With three-quarters falling short of this level, the proportion is much higher for pupils receiving free school meals.
- The FSM attainment gap in 2011 was much wider than in the baseline year; it increased every year between 2006 and 2010, remaining stable in 2011.

### Levels and trend in Wales

*Proportion of 15 year olds not achieving 5 GCSEs at A\*-C including English/Welsh and Mathematics by free school meals status over time*



- 4.6 A little less than half (44%) of the pupils not receiving free school meals (FSM) do not achieve 5 GCSEs at A\*-C including English/Welsh and Mathematics. This compares to over three-quarters of those receiving FSM. Overall, about 50% or 17,000 pupils do not reach this threshold.
- 4.7 The difference in educational attainment between pupils receiving free school meals (FSM) and pupils not receiving free school meals, i.e. the “FSM gap” was, at 34 percentage points in 2011, wider than in 2006 (30 percentage points). In fact, the FSM gap increased every year between 2006 and 2010, remaining stable in 2011.
- 4.8 The gap has widened despite improvements in performance of both FSM and non-FSM pupils every year since 2006. This is because the proportion not reaching 5 GCSEs at A\*-C including English/Welsh and

Mathematics declined at a faster rate for non-FSM students, dropping by 10 percentage points between 2006 and 2011, than for FSM students, declining by five percentage points over the same period.

### **Wales compared with other regions**

- 4.9 Key Stage 4 performance by free school meal entitlement in Wales is not directly comparable with that in England. In Wales, the data is based on pupils aged 15 at the start of the academic year, whereas in England it is based on pupils at the end of Key Stage 4. However, based on a similar measure, the FSM gap as a whole has not widened in England.
- 4.10 Comparisons cannot be made with Scotland due to the differences in qualification structure.

### **Relevant policies**

- Raising Attainment and Individual Standards in Education (RAISE), 2006-07 to 2008-09.
- School Effectiveness Framework, 2008.

### **Definitions**

- 4.11 The graph shows the percentage of pupils aged 15 at the start of the academic year not achieving 5 GCSEs at A\*-C including English/Welsh and Mathematics. This is equivalent to the NVQ Level 2 threshold.
- 4.12 To receive free school meals, parents have to receive means tested out-of-work benefits. Free school meals are the best available proxy measure for low income in education statistics.

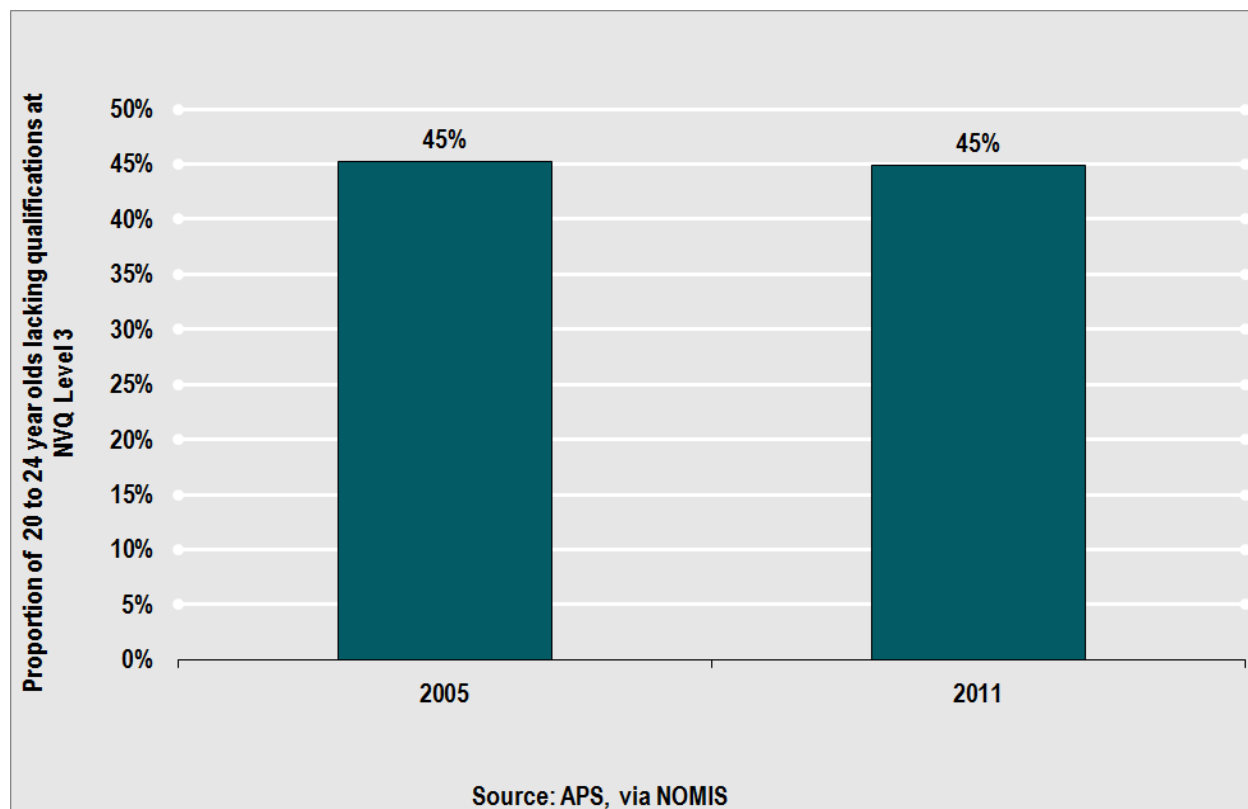
## EDUCATION ATTAINMENT OF YOUNG ADULTS

### Key points

- About 45% of 20 to 24 year olds in Wales lacked a qualification at Level 3 (also known as HND 3, equivalent to 2 A-levels) or above.
- Compared with 2005, there has been no change in the proportion of young adults lacking Level 3 qualifications.

### Levels and trend in Wales

#### *Proportion of 20 to 24 year olds lacking qualifications at NVQ Level 3 over time*



- 4.13 Forty-five per cent of 20 to 24 year olds in Wales lacked a qualification at Level 3 or above in 2011. This amounts to some 93,000 young adults. This proportion has remained fairly static since the baseline year.
- 4.14 It is difficult to interpret changes between individual years because the year-on-year estimates move around between 45% and 48%. This is not a very wide range of variation and hence the overall shape of the series is quite flat, suggesting no significant changes between 2005 and 2011.

## Wales compared with other regions

*Proportion of 20 to 24 year olds lacking qualifications at NVQ Level 3 by region over time*

	2005	2011	Change over time
The North	49%	46%	Down
The Midlands	50%	49%	No change
South and the East	46%	44%	Down
London	44%	34%	Down
Wales	45%	45%	No change
Scotland	40%	41%	No change

4.15 The proportion of young adults lacking Level 3 qualification in Wales is similar to the national average. The Midlands and the North have slightly higher levels than Wales. While some of the regions have seen an improvement in young adult attainment, the proportions in Midlands, Wales and Scotland have not changed much over the period.

### Relevant policies

- Communities First, 2001.
- The Pathways to Apprenticeship, 2010-11.
- The Young Recruits Programme, 2009.
- Education Maintenance Allowances.

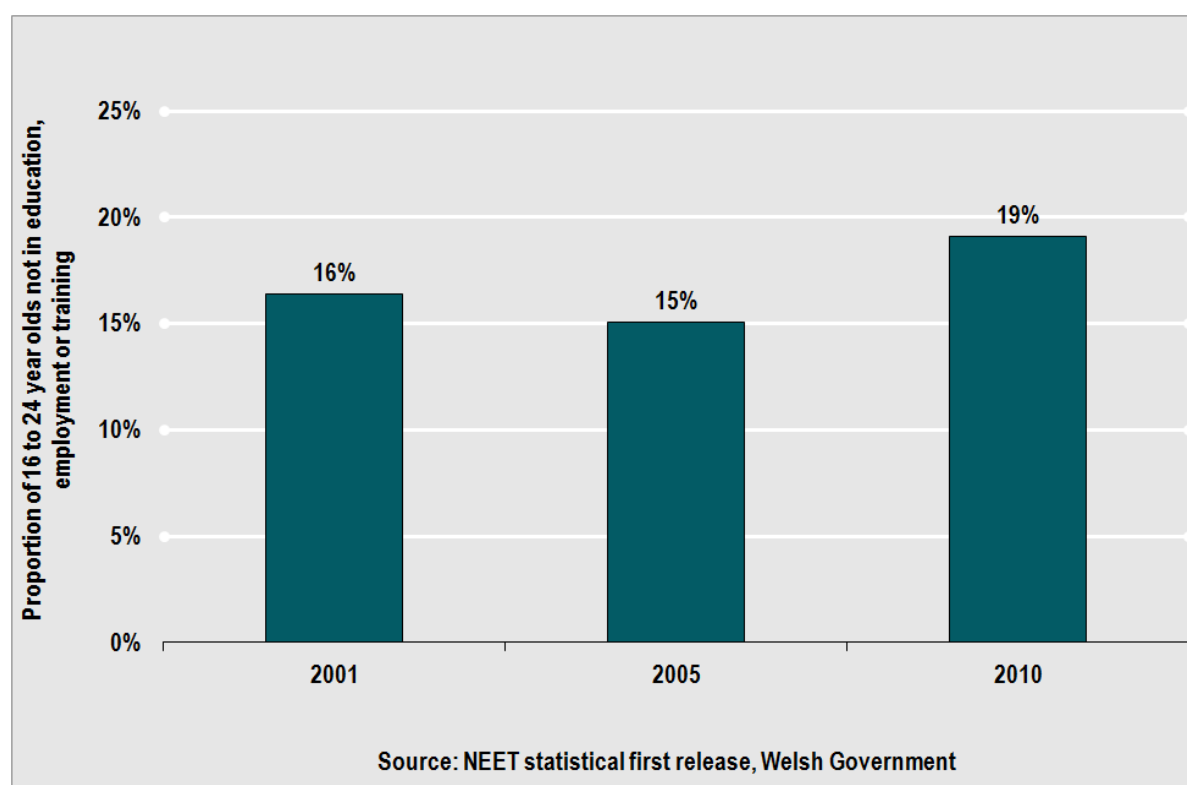
## YOUNG ADULTS NOT IN EDUCATION, EMPLOYMENT OR TRAINING

### Key points

- Around a fifth of young adults aged 20 to 24 were not in education, training or employment in Wales in 2010.
- This proportion has risen compared with the baseline year.

### Levels and trend in Wales

#### *Proportion of 16 to 24 year olds not in education, employment or training over time*



- 4.16 By the end of 2010, around a fifth (19%) or about 71,000 young adults aged 16-24 were not in education, training or employment. Compared with 2005, this proportion has risen by about four percentage points. The increase has been mainly driven by substantial rises among the 19-24 year olds; the proportion of 16-18 year old NEETs has remained broadly unchanged.
- 4.17 The data shows that the proportion of 16-24 year olds classified as “NEET” was falling continuously between 2001 and 2004, which is the low point in the series. It then started rising gradually but steadily, leaping up in 2009 and now is the highest ever in the series (starting from 1996).
- 4.18 It is difficult to assess the statistical significance of this increase in the proportion of NEETs as it is taken from the Statistical First Release (SFR), which uses a combination of education data sources and the APS. Estimates based on APS alone show a confidence interval of about 2%, it would be reasonable to assume that the estimate from the SFR would

have, if not smaller, a similar confidence margin and thus an increase of four percentage points should be statistically significant.

### **Wales compared with other regions**

4.19 Regional breakdowns of NEETs proportion, computed using comparable methodologies, are not available.

4.20 However, we can compare the rate for 16-18 years old in Wales to that in England. The Welsh rate in 2010 was about four percentage points higher than the English rate. This was not the case in 2005, when the rates in both the countries were quite similar. But while the Welsh rate for 16- 18 year olds has not changed much, the English rate has declined, opening up a gap between the two countries.

4.21 For Scotland and Northern Ireland comparable NEET estimates for 16-18 year olds are not published.

### **Relevant policies**

- Communities First, 2001.
- Youth Engagement and Employment Action Plan (2011 to 2015).
- The Traineeship Programme, 2011.
- The Pathways to Apprenticeship, 2010-11.
- The Youth Entrepreneurship Strategy (YES), 2010-15.



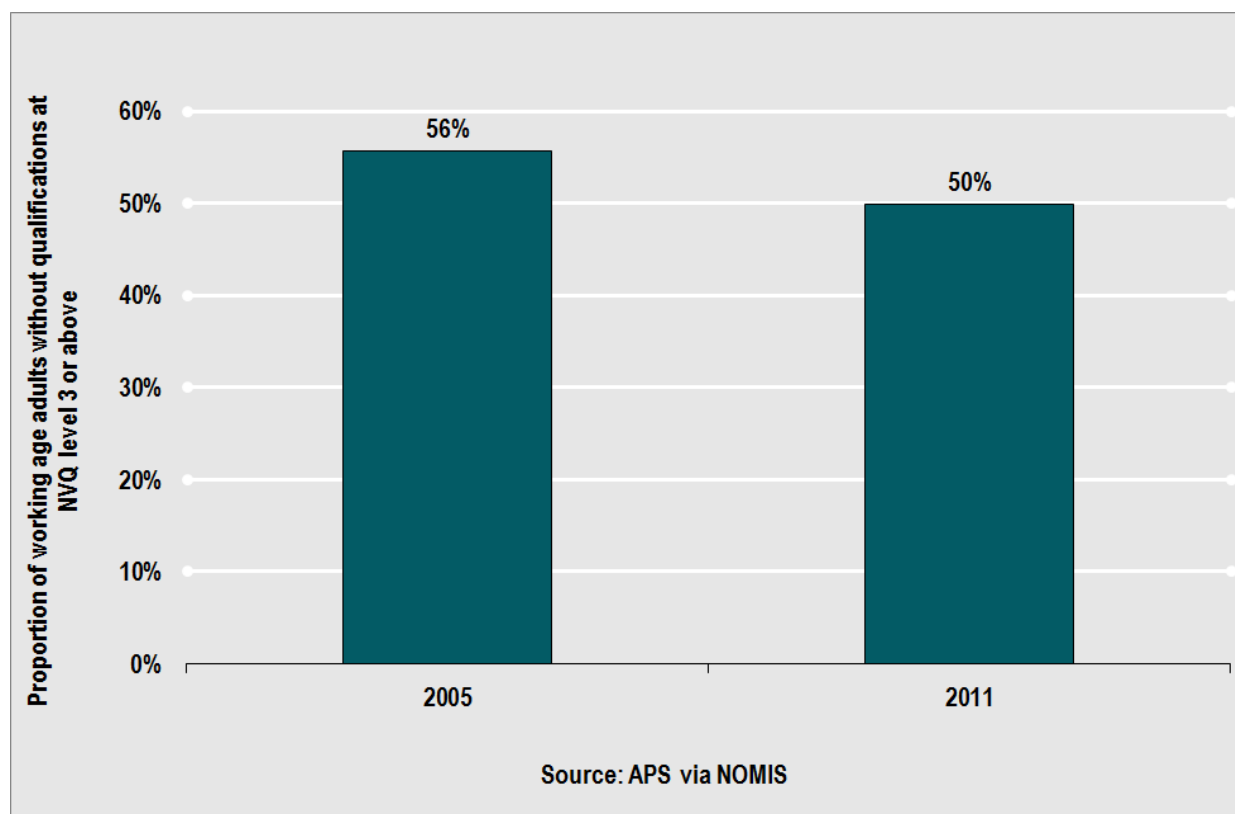
## ADULT LEARNING (LACKING QUALIFICATION EQUIVALENT TO LEVEL 3 OR ABOVE)

### Key points

- Around half of all working age adults in Wales lack qualification at or above NVQ Level 3.
- This proportion was lower in 2011 than in the baseline year.

### Levels and trend in Wales

*Proportion of working age adults without qualifications at NVQ Level 3 or above over time*



- 4.22 By the end of 2011, around half or 940,000 adults aged 16 to 64 lacked a NVQ Level 3 qualification. This was about six percentage points lower than the proportion in 2005 and the fall is statistically significant.
- 4.23 Data for individual years suggests that the proportion of adults lacking Level 3 qualifications was gradually but steadily falling between 2005 and 2011.

## Wales compared with other regions

*Proportion of working age adults without qualifications at NVQ3 or above by region over time*

	2005	2011	Change over time
The North	55%	51%	Down
The Midlands	56%	52%	Down
The South and the East	51%	46%	Down
London	51%	41%	Down
Wales	56%	50%	Down
Scotland	46%	42%	Down

4.24 The proportion of working age adults lacking Level 3 qualifications in Wales was slightly above the national average. All the regions have seen improvements in adult learning since 2005.

### Relevant policies

- The Employer Pledge, 2010-15.

## 5 HOUSING AND SERVICES

### Indicators

- Families living in temporary accommodation.
- Families living in overcrowded conditions.
- Households with children lacking bank accounts.

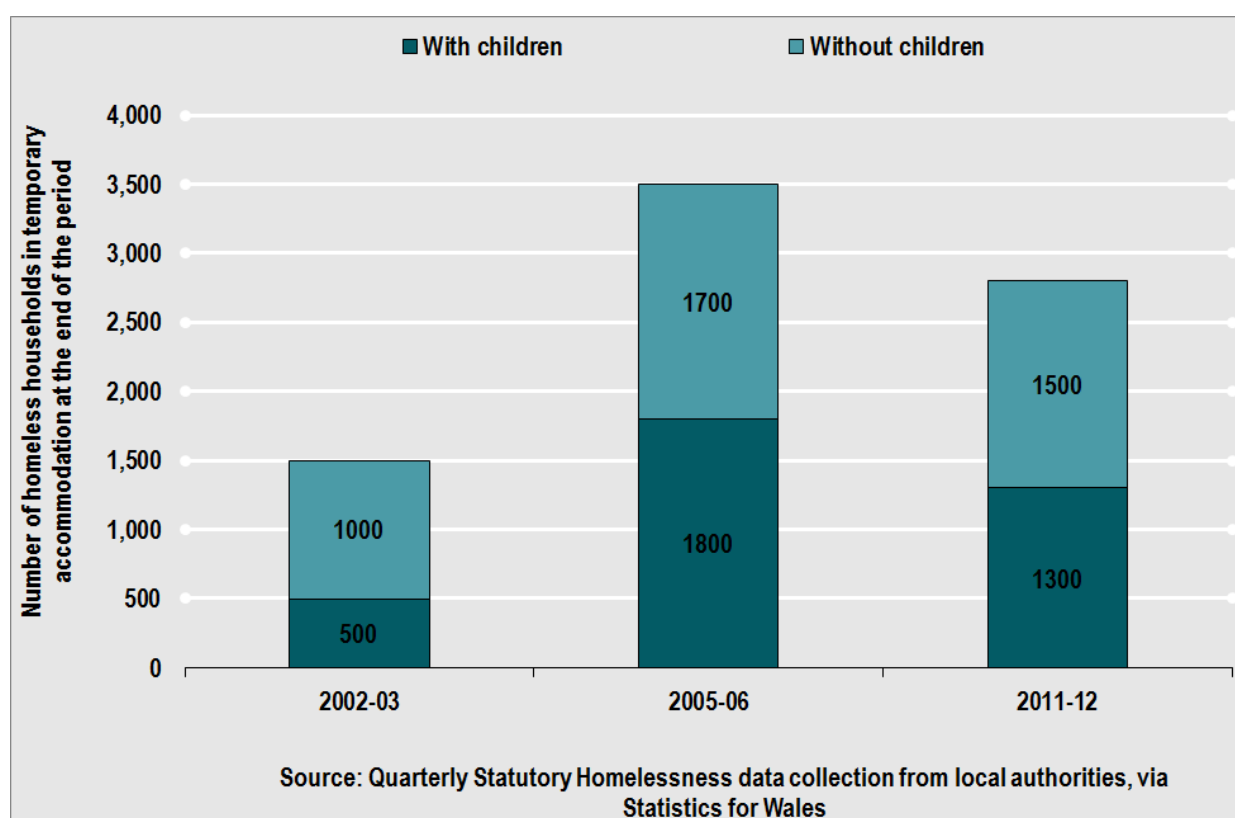
### FAMILIES LIVING IN TEMPORARY ACCOMMODATION

#### Key points

- At the end of the first quarter of 2012, around 2,800 homeless households were placed in temporary accommodation in Wales.
- This number has come down compared with the baseline year.

#### Levels and trend in Wales

##### *Number of homeless households in temporary accommodation over time*



- 5.1 At 2,800, the number of homeless households in temporary accommodation by the end of 2011-12 was about 600 less than the number in 2005-06, the latter being the peak point in the series. Families with children made up about 46% of the total households in temporary accommodation in 2011-12 and this share has declined over the years.
- 5.2 However, longer time trends indicate that following the downward trend in the number of households accommodated temporarily since 2005-06, figures have persistently increased over the last three years.

## Wales compared with other regions

5.3 It is not possible to compare homelessness in Wales to that in England, due to differences in the laws applicable to homelessness eligibility and provisions. But the overall trend in England has been similar – a rise to the middle of the last decade followed by a fall thereafter.

### Relevant policies

- Ten Year Homelessness Plan for Wales from 2009 to 2019.

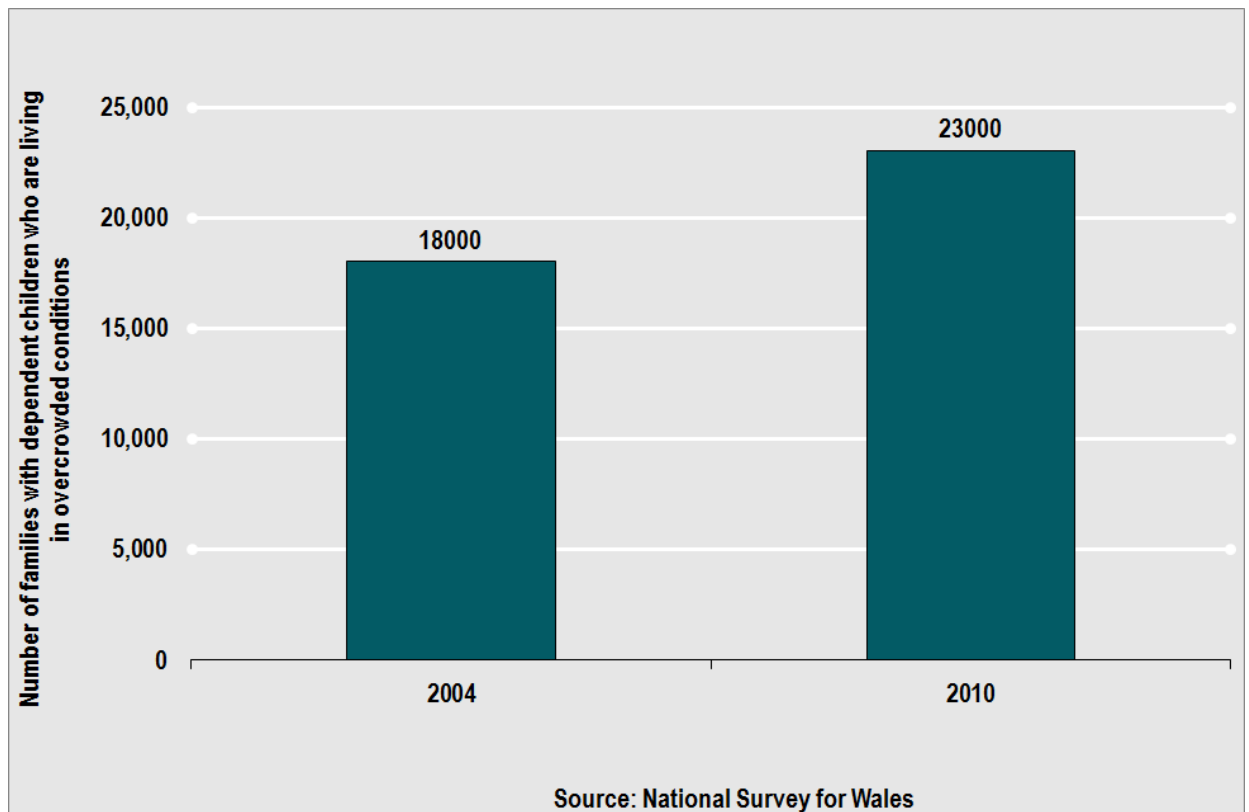
## FAMILIES WITH CHILDREN LIVING IN OVERCROWDED CONDITIONS

### Key points

5.4 The number of families with dependent children living in overcrowded conditions increased between 2004 and 2010, though the rise is not statistically significant.

### Levels and trend in Wales

#### *Number of families with dependent children who are living in overcrowded conditions*



5.5 In 2009-10, about 5% or 23,000 families with at least one dependent child were living in overcrowded conditions. This number was up by around 5,000 since 2004.

## Wales compared with other regions

5.6 Though comparable numbers on the same basis (families with dependent children) are not published for the English regions, the overall

overcrowding trends for all households in England show a persistent rise over the baseline period, especially in the rented sectors.

### **Definitions**

- 5.7 Overcrowding is measured by the Bedroom Standard. Data for 2004 is sourced from the Living in Wales Survey and data for 2009-10 comes from the National Survey for Wales. The data is broadly comparable.

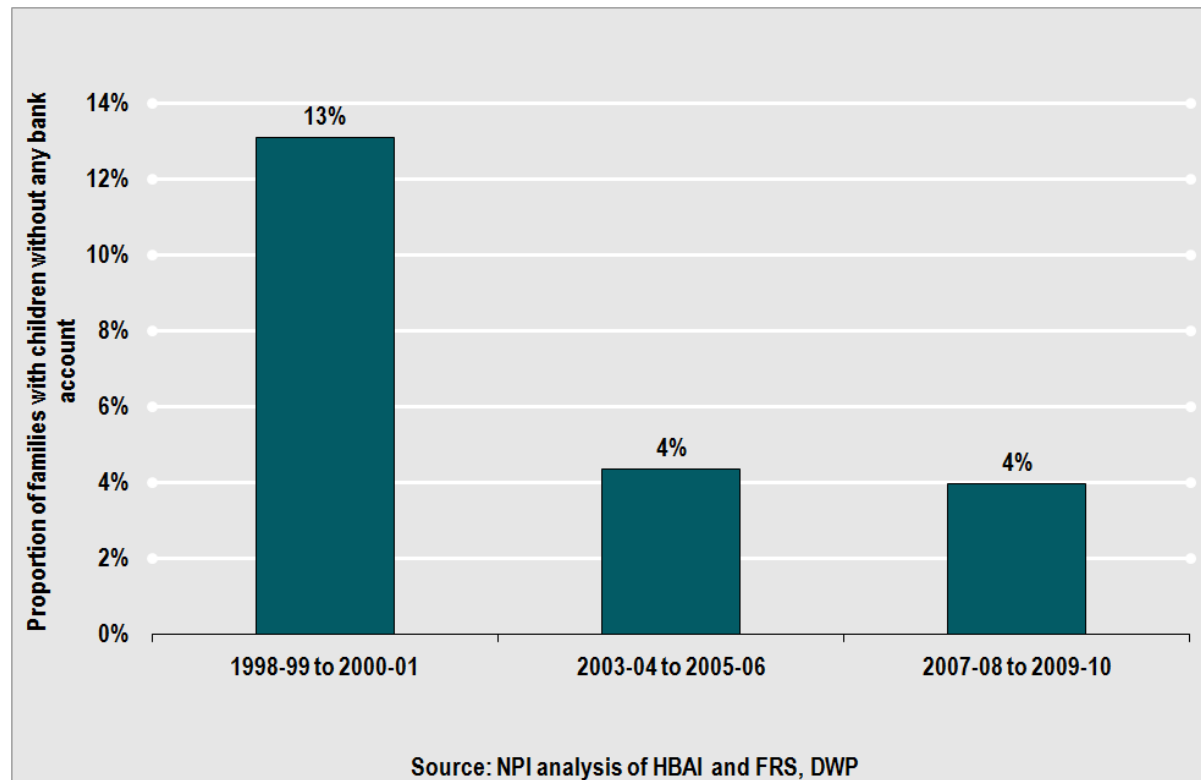
## FAMILIES WITH CHILDREN LACKING BANK ACCOUNTS

### Key points

- In the three years to 2009-10, around 4% of families with children in Wales did not have any bank account.
- This proportion declined substantially over the last decade but has held steady since the baseline year.

### Levels and trend in Wales

#### *Proportion of families with children lacking bank accounts over time*



- 5.8 By the end of 2009-10, around 4% of families with children did not have any type of bank account. This proportion declined rapidly over the last 10 years, from 13% in the three years to 2000-01 to 4% in the baseline period but has been flat since then.

## Wales compared with other regions

### *Proportion of families with children lacking bank accounts by region over time*

	2003-04 to 2005-06	2007-08 to 2009-10	Change over time
The North	5%	3%	Down
The Midlands	7%	5%	Down
The South and the East	2%	1%	Down
London	5%	2%	Down
Wales	4%	4%	No change
Scotland	5%	2%	Down

5.9 Wales has the second highest proportion of families with children lacking bank accounts in GB. This was not the case in the baseline period, when the proportion in Wales was slightly below the national average. However, while other regions with higher proportions have seen a decline over the period, the proportion in Wales has remained fixed.

#### **Relevant policies**

- Financial Inclusion Strategy.
- Access to financial services through Credit Unions project .

#### **Definitions**

5.10 Families without a bank account refer to families lacking any type of account, including savings accounts, basic accounts, Credit Union membership and the Post Office Card Accounts (POCA).

## 6 HEALTH

### Indicators

- Infant mortality by deprivation quintiles.
- Low birth weight by deprivation quintiles.
- Five year olds with dental caries by deprivation quintiles.
- Young people with dental caries by deprivation quintiles.
- Under-16 conceptions by deprivation quintiles.
- Pedestrian injuries 5-14 year olds (hospital inpatient) by deprivation quintiles.
- Children who are killed or seriously injured in road accidents.

6.1 All of the above indicators, except the last one, measure progress in terms of the difference (ratio) in outcomes between the most deprived areas and the middle deprived areas within Wales. They are thus indicators of health inequalities within Wales.

6.2 New data for these indicators will become available in autumn, in its absence we have drawn heavily on the data published in the Milestones Report (November 2011). For indicators that use averages over years or where no data is available for the baseline year (2005), we have used the period from 2000 to 2004 as the baseline period to roughly correspond to the period before the old Child Poverty Strategy was introduced and tracked changes since then.

6.3 Deprivation quintiles are calculated using the lower layer super output areas (LSOAs) rankings from the combined income and employment domains of the Welsh Index of Multiple Deprivation (WIMD). Only these two domains are used as they best represent 'poverty'. The Welsh Index of Multiple Deprivation ranks the 1,896 LSOAs of Wales by deprivation, where rank one is the most deprived, and 1,896 the least. Figures for 2000-2004 are based on WIMD 2005 rankings; 2004-08 are based on WIMD 2008 rankings.

6.4 Both the income and employment domains in 2008 had an extra indicator each compared with the domains in 2005, but there is no indication that this makes a substantial difference to the calculations here based on deprivation quintiles.

6.5 All the analysis in this section rests on the two points in time for which we have data. Given the small numbers in many of the indicators, a reliable year-on-year time series is impossible.

### INFANT MORTALITY

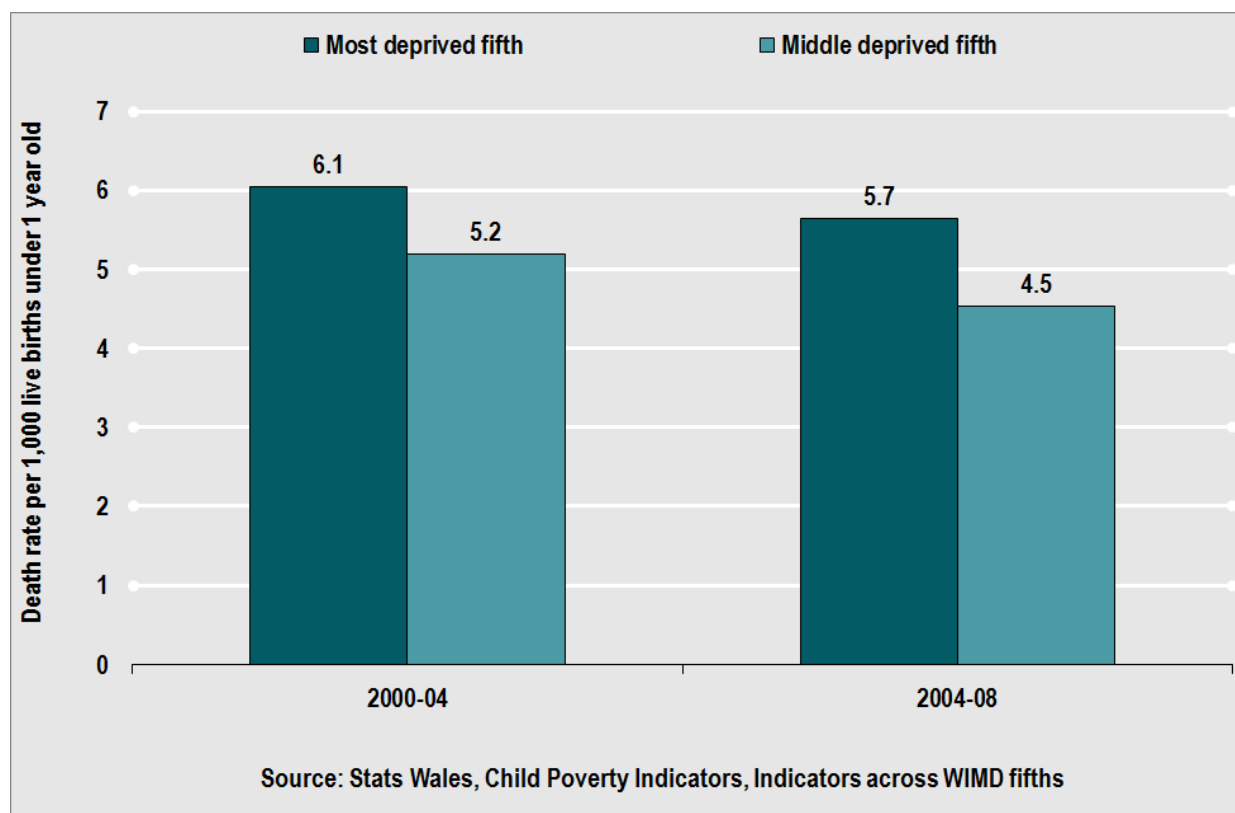
#### Key points

- The gap in the infant mortality rate between the most deprived areas and those in the middle, had not narrowed between 2000-04 and 2004-08.



## Levels and trend in Wales

### Infant mortality rate per 1,000 live births over time



- 6.6 This indicator measures the differences in infant mortality rates by the level of deprivation in an area. The difference between the values for the most deprived and middle most deprived fifths is used to monitor progress.
- 6.7 In the five years to 2008, the infant mortality rate in the most deprived fifth of the areas was 5.7 per 1,000 live births, compared with 4.5 per 1,000 in the middle deprived fifth, giving a bottom to middle ratio of 1.24. The comparable figures for the period 2000-04 were 6.1 per 1,000 live births for the most deprived compared with 5.2 per 1,000 for the middle deprived fifth, giving a ratio of 1.17.
- 6.8 This implies that the gap between the mortality outcomes in the most deprived and the average areas had remained more or less the same despite the mortality rates coming down in each quintile, the fall in the rate in the middle deprived fifth was slightly faster than the fall in the most deprived.

## Relevant policies

- Flying Start, 2006.
- The Healthy Start Scheme, 2006.
- Tobacco Action Plan, 2012.

## Definitions

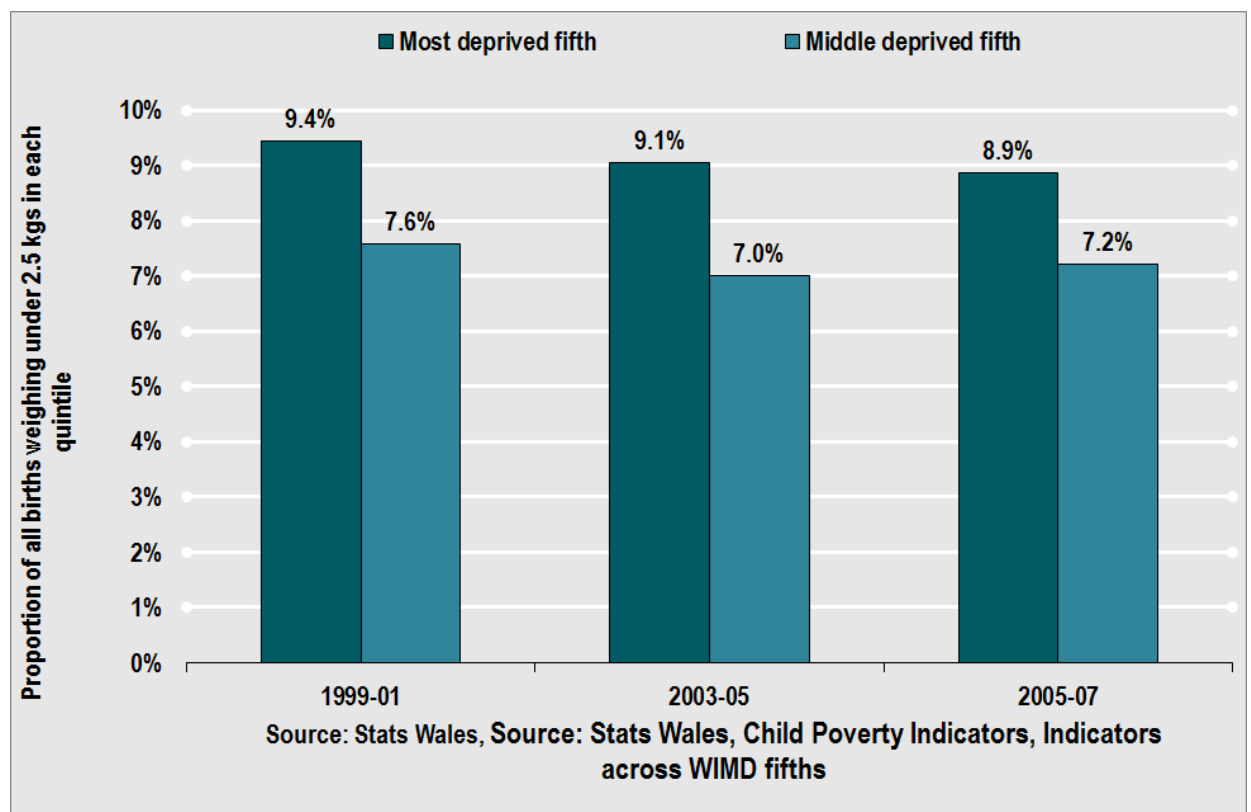
6.9 The figures here are the five year average of infant death rate per 1,000 live births under one year old.

## LOW BIRTH WEIGHT BABIES

### Key points

- Though no new data is available beyond 2007, the gap in the proportion of babies born with low birth weight between most deprived and middle deprived areas has remained at around two percentage points.

### Levels and trend in Wales



6.10 This indicator looks at the proportion of babies born with low birth weight by the area deprivation quintile. As with infant mortality rates, the difference between the values for the most deprived and middle most deprived fifths is used to monitor progress.

6.11 For the most recent data period (2005-2007), about 9% of babies born in the most deprived quintile weighed less than 2.5 kgs, compared with 7% in the middle fifth. This gives a bottom to middle ratio of 1.24. Looking at data from 1999-2001 onwards, the ratio has remained fairly constant.

**Relevant policies**

- Flying Start, 2006.
- The Healthy Start Scheme, 2006.

Recent initiatives:

- Tobacco Action Plan, 2012.

### **Definitions**

The figure used is a three year average of the proportion of all births weighing under 2.5 kgs in each deprivation quintile.

### **FIVE YEAR OLDS WITH DENTAL CARIES**

#### **Key points**

- Five year olds living in the most deprived fifth area of Wales had, on average, more decayed, missing or filled teeth than those in the middle deprived fifth.

#### **Levels and trend in Wales**

6.12 The indicator here looks at the dental health inequalities among five year olds between areas in Wales. It measures the difference in the average number of decayed, missing or filled teeth among five year olds in the most deprived and middle most deprived WIMD fifths.

6.13 In 2007-08, children living in the most deprived fifth area of Wales had, on average, more, decayed, missing or filled teeth (2.7) compared with those living in the middle deprived fifth (1.8). The bottom to middle ratio was 1.5.

6.14 No new data is available beyond 2007-08. Changes in data collection mean that data from earlier years is not directly comparable with 2007-08.

#### **Relevant policies**

- Designed to Smile, 2008.
- Welsh Network of Healthy School Schemes.

### **Definitions**

6.15 This indicator refers to decayed, missing or filled deciduous teeth (dmft). The mean dmft figure shows the mean number of decayed missing or filled teeth in all children aged five.

6.16 Up until 2005-06, the survey had been based on negative consent i.e. data was taken unless the parent of the child objected. Data collection changed from a negative to a positive consent survey i.e. permission is required from the parents for the data to be taken in the 2007/08 year. The change in consent limits the comparability of earlier data. The survey takes place every five years.

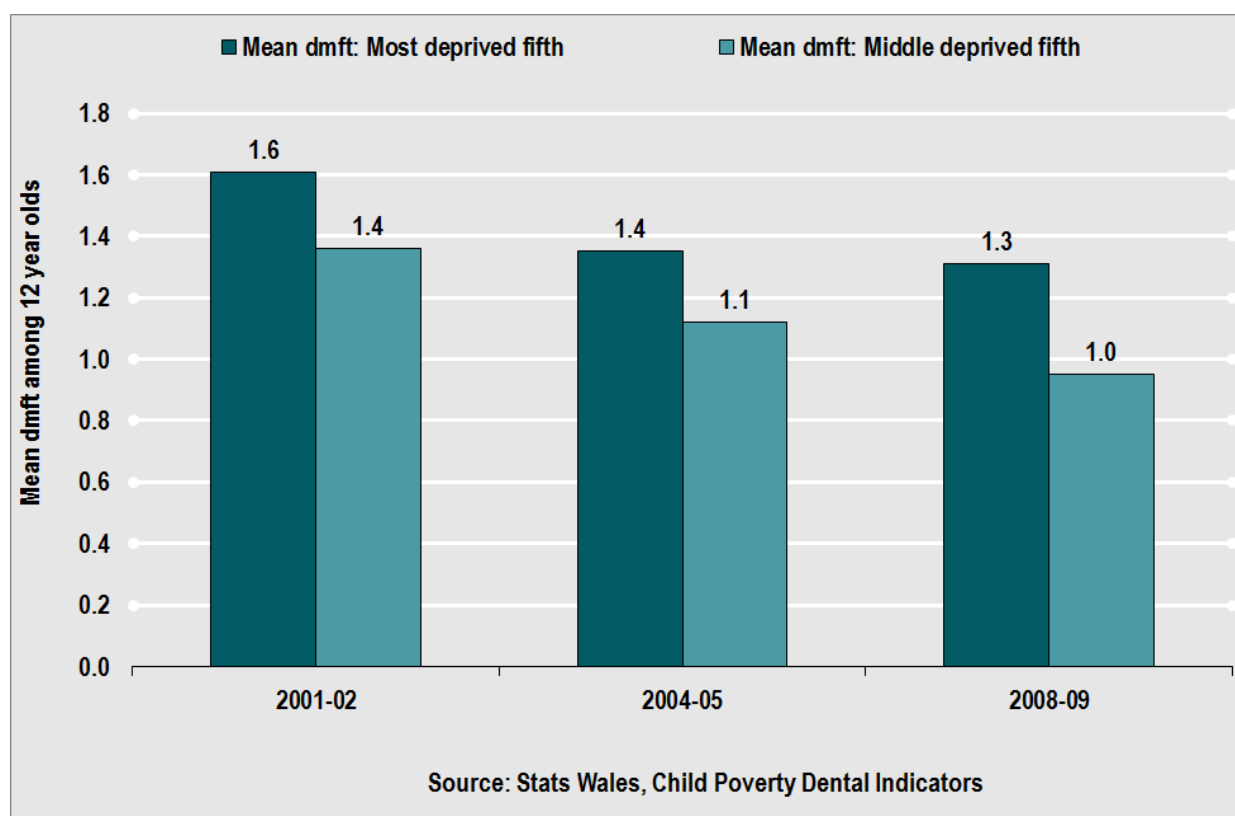
## YOUNG PEOPLE WITH DENTAL CARIES

### Key points

- There has not been any significant change in the ratio of mean, decayed, missing or filled teeth among 12 year olds between the most and middle deprived fifths between 2004-05 and 2008-09.
- Overall, child dental health has improved among all groups.

### Levels and trend in Wales

#### *Mean number of decayed, missing or filled teeth by deprivation quintiles over time*



6.17 This indicator measures dental caries in adult teeth, as recommended by the World Health Organisation. It looks at the difference in the average number of decayed, missing or filled teeth (dmft) among 12 year olds in the most deprived and middle most deprived WIMD fifths.

6.18 In the baseline year of 2004-05, 12 year olds in the most deprived fifth had on average 1.4 dmft, compared with 1.1 in the middle deprived fifth, with the bottom to middle ratio being 1.2. In 2008-09, children living in the most deprived fifth area of Wales had an average of 1.3 dmft; compared with one dmft in the middle deprived fifth, the ratio being 1.4. This implies that there was no substantial narrowing of the gap between the most deprived and the middle deprived areas.

## Relevant policies

- Designed to Smile, 2008.
- Welsh Network of Healthy School Schemes.

## Definitions

6.19 This indicator refers to decayed, missing or filled adult teeth (dmft). The mean dmft figure shows the mean number of decayed, missing or filled teeth in all children aged 12.

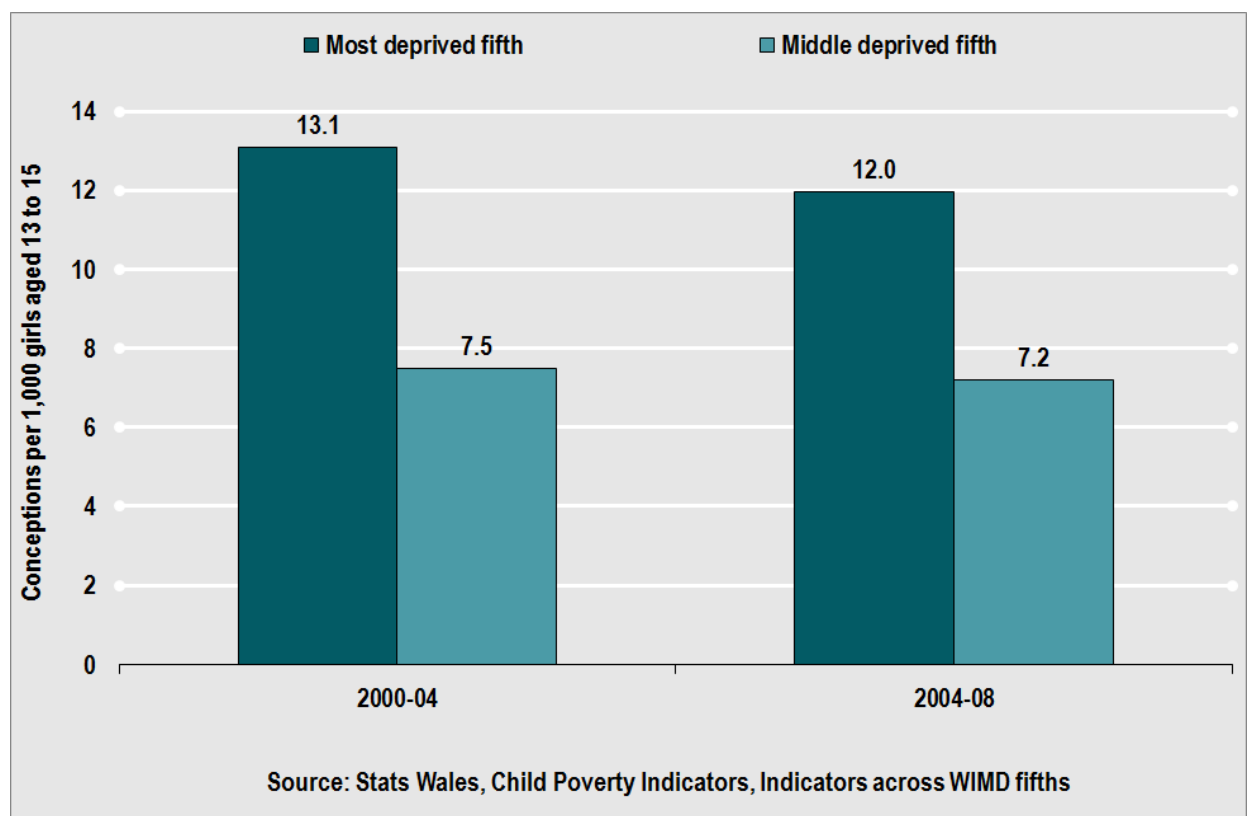
## UNDER-16 CONCEPTIONS

### Key points

- There has been no change in the ratio of teenage conception rates of under-16s between the most deprived and the average areas in Wales.
- Both for girls in the most deprived areas and girls in average areas, the rate of under age conception has fallen in recent years.

### Levels and trend in Wales

#### Conceptions per 1,000 girls aged 13 to 15



6.20 This indicator looks at conceptions among 13 to 15 year old girls by deprivation quintile. The figure is a five year average.

6.21 In the five years to 2004, the rate of conception was 13.1 per 1,000 girls aged 13 to 15 in the most deprived quintile and 7.5 per 1,000 in the middle deprived quintile, implying that girls in the most deprived fifth were 1.75 times more likely to conceive than girls in the middle deprived fifth. By 2008, the conception rate had fallen to 12 per 1,000 in the least

deprived area, but had remained fairly stable at about 7.2 per 1,000 in the middle deprived fifth. As a result the ratio (1.7) in 2004-08 had also remained similar to 2000-04.

**Relevant policies**

- Sexual Health and Wellbeing Action Plan, 2010-15.

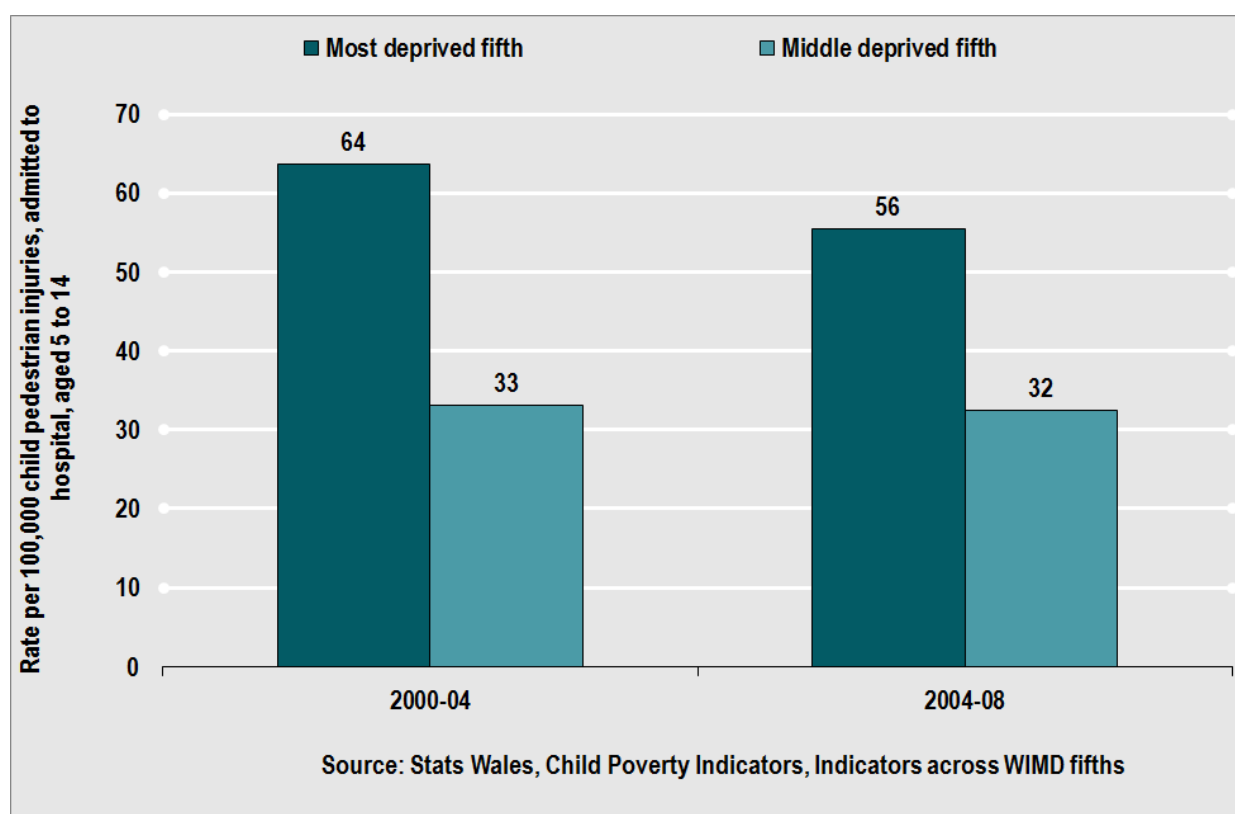
## PEDESTRIAN INJURIES 5-14 YEAR OLDS (HOSPITAL INPATIENT)

### Key points

- The hospital inpatient rate for children injured as pedestrians in the most deprived fifth was slightly lower in 2004-08 than in 2000-04, but remained static in the middle deprived fifth. As a result the ratio between the groups showed little change.

### Levels and trend in Wales

#### Rate per 100,000 child pedestrian injuries by deprivation quintiles



6.22 This indicator looks at the rate of pedestrian injuries, as measured by hospital admissions, by deprivation quintiles. The figure is an average over five years.

6.23 In 2004-08, the hospital inpatient rate for children injured as pedestrians in the most deprived fifth was 56 per 100,000, slightly lower than the 64 per 100,000 in 2000-2004. The corresponding rates for the middle deprived fifth were 32 and 33 per 100,000: broadly unchanged. The ratio between the two groups in 2004-08 was 1.7, compared with 1.9 four years earlier. Though there was a small decline in the ratio, it is difficult to assess whether this change was statistically significant.

### Relevant Policies

- Safe Routes to Schools, 1999, replaced by a new Safe Routes in Communities Programme initiative in 2008-09.



## **CHILDREN WHO ARE KILLED OR SERIOUSLY INJURED IN ROAD ACCIDENTS**

### **Levels and trend in Wales**

6.24 In 2006, about 144 children were killed or seriously injured in road accidents in Wales. This figure was down to 136 in 2009. Thus there has been a small decrease of about 6% in the number of children killed or seriously injured in road accidents.

### **Relevant Policies**

- Safe Routes to Schools, 1999, replaced by a new Safe Routes in Communities Programme initiative in 2008-09.

## APPENDIX – LIST OF RELEVANT POLICIES (ALPHABETICAL ORDER)

Year	Policy	Explanation
2009 - 2013	Access to financial services through Credit Unions project	The Welsh Government has provided significant support to Credit Unions in Wales in their role as affordable credit providers, often to families on low incomes.
2001	Communities First	This was the Welsh Assembly Government's flagship policy to tackle issues in deprived areas. The aim of the programme was to set up partnerships for all areas of deprivation (identified through the Welsh Index of Multiple Deprivation) in order to reduce deprivation and increase life chances for all in the community.
2008	Designed to Smile	Designed to Smile was a national child oral health improvement programme. The core programme had two main parts, a supervised tooth brushing scheme for 3-5 year olds and a promotional programme for 6-11 year olds.
2010	Economic Renewal: A New Direction	This is the Welsh Assembly Government's Economic Development Strategy and aims to create the conditions in which business can thrive. One priority of the ERP is 'broadening and deepening the skills base'. The programme recognises a need to increase efforts to help those who are disengaged in order to reduce inactivity and worklessness.
	Education Maintenance Allowances	The Welsh Government is maintaining EMAs in Wales and is currently considering proposals to extend EMAs to learners on the successor programme to Skill Build for young people (i.e. Traineeships) from 2012.
	European Social Fund projects	These work alongside and around the national "Work Programme" led by JobCentre Plus and its contractors. These projects target client groups identified in the Programmes, and help individuals address a range of often multiple barriers to employment e.g. readiness for work, health needs, transport or childcare barriers.
2012	Families First	Families First is the Welsh Government's key programme for designing better support for families living in poverty, with emphasis on preventative and protective stages. The type of services funded by this programme at the local level will be based on each authority's local needs

Year	Policy	Explanation
		assessment.
2009	Financial Inclusion Strategy	The overall aim of this Strategy (and the Action Plan) is to facilitate a joint-agency response to financial inclusion that will improve the current financial landscape - including awareness-raising, financial capability, advice on income maximisation and money management, specialist debt counselling, accessible savings opportunities and access to mainstream banking and sources of affordable credit through third sector lenders.
2006	Flying Start	This initiative was targeted at 0-3 year olds in the most disadvantaged communities in Wales. It aimed at increasing the life chances of children and families in disadvantaged areas by funding free childcare, health visiting, parenting programmes and basic skills development.
2004-2008	Genesis Wales	A project addressing barriers such as lack of childcare support, transport accessibility, debt, alcohol and drug misuse, and work-limiting health conditions. It is meant to help build confidence and make people ready for work. Genesis Wales 2 was launched from 2008 to 2014.
2005	Integrated Children's Centres	Integrated Children's Centres (ICC) are based on the concept of providing an integrated service to secure good outcomes for children and their parents and thus ensure the best start in life. Each centre provides open access play, early years education, high quality childcare, community training and other vital family support services.
2006-07 to 2008-09	Raising Attainment and Individual Standards in Education (RAISE)	This was a Welsh Assembly Government programme addressing the link between socio-economic disadvantage and pupils' under-achievement in Wales. It provided targeted investment to improve the educational attainment of disadvantaged children in schools where 20% or more of children are eligible for free school meals.
1999	Safe Routes to Schools	This was replaced by a new Safe Routes in Communities Programme initiative in 2008-09 – the initiative aims at improving road safety and reduce child casualties, improving children's health and development and reducing traffic congestion and pollution.

<b>Year</b>	<b>Policy</b>	<b>Explanation</b>
2008	School Effectiveness Framework	The School Effectiveness Framework (SEF) is the overarching policy that seeks to transform educational standards and provision in Welsh schools based on tri-level reform into action (schools, local authorities and the Welsh Assembly Government). The SEF is focused on three inter-related priorities: improving literacy levels; improving numeracy levels; and reducing the impact of poverty on educational attainment.
2009-2011	School Gates Employment Support Initiative in Blaenau Gwent and Merthyr Tydfil	This targeted second potential earners in and around their children's primary school. The project delivers a package of advice, guidance and support alongside informal training and childcare provision.
2010-2015	Sexual Health and Well-being Action Plan	A new Teenage Pregnancy Grant Scheme was launched which includes targeted intervention for those most vulnerable to teenage pregnancy, and addresses the wider determinants of teenage pregnancy through the reduction of child poverty, raising the standard of education and the provision of good quality youth services.
2011	Steps to Employment	A programme for adults 18+ who are not in employment, it offers two defined options: 1. Work Focused Training and 2. Route - Ways to Work.
2009-2019	Ten Year Homelessness Plan for Wales	This plan sets out the guiding principles for the development and delivery of homelessness services in Wales.
2012	Tobacco Action Plan	This proposes actions to address the cessation of smoking needs of priority groups including those around smoking in pregnancy which supports the child poverty targets on infant mortality and low birth weight babies.
2005	The Childcare Strategy	This was followed by a new strategy in 2011.
2005	The Child Poverty Strategy	Overarching strategy for all aspects of child poverty.
2010-	The Employer	Part of the Welsh Government's Basic Skills in the

<b>Year</b>	<b>Policy</b>	<b>Explanation</b>
2015	Pledge Programme	Workplace Project seeks to raise levels of basic skills in the employed workforce through increased and enhanced basic skills support within the workplace. Working in partnership with employers, the projects will raise awareness of the benefits of a skilled workforce and will provide additional support to address identified basic skills needs.
2006	The Healthy Start Scheme	This provides a nutritional safety net to children under the age of four and to pregnant women who are in receipt of certain benefits.
2010-11	The Pathways to Apprenticeship	Open to 16-24 year olds and suited to new school leavers, under this pilot individuals can spend up to a year on a full-time intensive training programme to build up the skills required for a full apprenticeship once the training has been completed.
2007	The Primary School Free Breakfast Initiative	This initiative is intended to help improve the health and concentration of pupils, to assist in the raising of standards of learning and attainment.
2011	The Traineeship Programme	Following the Skillsbuild Programme, this is aimed at young people aged 16-17 who are not in employment and aims to reduce the number of NEETs, by improving young people's employable skills.
2009	The Young Recruits Programme	It supports employers by offering a financial incentive to recruit additional apprentices.
2010-2015	The Youth Entrepreneurship Strategy (YES)	This aims to support young people in Wales to realise their potential, whether it is setting up in business, working for someone else or doing something in the community.
2004-2008	Want2Work	This was a JobCentre Plus and Welsh Assembly Government programme piloted in five areas in Wales between 2004 and 2008. The programme employed a range of techniques in order to encourage people back into work. The programme was voluntary and focused upon people on incapacity benefit and therefore economically inactive.

Year	Policy	Explanation
	Welsh Network of Healthy School Schemes	Actions centre around promoting good health behaviours for children and families – related to nutrition, physical activity, sexual health, mental and emotional health and wellbeing, substance use and misuse, safety and hygiene.
2011-2015	Youth Engagement and Employment Action Plan	This Action Plan replaces the NEETs Plan.