Monitoring poverty and social exclusion in Wales 2005
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Monitoring poverty and social exclusion in Wales 2005

Peter Kenway, Naomi Parsons, Jane Carr and Guy Palmer
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As ever, responsibility for the report, including any errors within it, belong to the authors alone.
Introduction

Poverty and social exclusion

The aim of this report is to harness the power of statistics to the subject of poverty and social exclusion in order to highlight the problems that are faced by a substantial minority of the population living in Wales. It is part of a series going back to 1998 which, though usually focused on Britain as a whole, has also included two reports for Scotland.

Low income is clearly central to this subject: the number of people with low income, measured in various different ways, is at the heart of this report. The report, though, goes beyond that, guided by the modern view of poverty that sees it as a condition in which someone lacks the opportunities that are open to the average citizen, as well as by the notion of social exclusion. This term, which emerged into political debate in Britain in 1997, has come to overlap with the broad view of poverty but also extends it in a number of directions. One of these directions concerns problems that arise from the policies and practices of various organisations including providers of services in both the public and private sectors.

At the same time, the scope of the report is limited by the restriction that the topics included must be ones that are likely either to cause low income or be associated with low income. The first category includes topics such as lack of work or poor paying work and, in turn, some of their causes, for example lack of qualifications. The second category includes topics such as poor health, inferior access to health services, and dissatisfaction with various aspects of one’s neighbourhood or locality. In these latter cases, the report usually makes a point of showing that the problem in question is one that is worse, on average, for disadvantaged groups. Besides low income itself, some proxies that are used for disadvantage include socio-economic class, housing tenure and employment status.

Inside Wales

The report also has a strong geographical focus, reflecting a desire to observe differences within Wales and see how far different aspects of disadvantage overlap with one another. There are three levels of geography in the report: small local areas (either electoral wards or statistical units belonging to the 2001 Census called output areas, each one of which typically contains about 300 homes); local authority areas, of which there are 22 in Wales; and sub-regions, which are groupings of local authorities. These sub-regions are as follows:

- North East – Flintshire, Wrexham
- East – Powys, Monmouthshire
- Valleys – Torfaen, Rhondda Cynon Taff, Caerphilly, Blaenau Gwent, Merthyr Tydfil, Neath Port Talbot
- Cardiff
- South – Newport, Vale of Glamorgan, Bridgend, Swansea
- West – Carmarthenshire, Pembroke, Ceredigion
- North West – Gwynedd, Isle of Anglesey, Conwy, Denbighshire.
In practice, the use of the sub-regions is fairly restricted with most graphical presentations usually showing each local authority area separately. To help read the graphs in this report, both Cardiff and the six Valley local authority areas are picked out separately.

The report does not focus on the areas that are benefiting from the Welsh Assembly Government’s Communities First programme. As the programme is still in its early stages, little is likely to be gleaned from the statistics that are the basis of most of this report.

**Graphs, text and discussion groups**

The attempt to sharpen the vague yet politicised concepts of ‘poverty’ and ‘social exclusion’ to the point where they can be measured has both pros and cons. On the one hand, a well-chosen statistic can be a simple and powerful way to convey information about a complex phenomenon. On the other hand, precisely because it is a simplification, it can weaken and distort understanding.

The report addresses this latter weakness in various ways. First, the subject of each graph is something concrete and understandable. Second, the most important topics are treated more than once. Third, all the indicators are supported by two kinds of accompanying text: first, in the topic introduction to a group of two or three indicators that sets the context, and second, in a page of ‘key points’ facing each indicator, which puts the main points in the graphs into words and adds supporting information from other sources. In addition, the report’s summary presents a series of narratives around particular selections of themes.

As well as the statistical material, the report also includes comments and observations that were made in three discussion groups conducted specifically for the project during May 2005 by Professor Dave Adamson. The discussion groups were conducted in community facilities in three areas and involved members of the local community. An acceptable level of age representation was achieved in all three groups and different levels of engagement with community programmes and training opportunities were evident. The three groups were:

- an inner-city, urban location within Cardiff with high levels of deprivation and poor housing quality
- a community in the Upper Rhondda Valley, characterised by privately owned terraced housing in close proximity to social housing
- a primarily rural community in an extremely remote setting on the western edge of Neath Port Talbot that has a history of mining as the primary source of employment.

In writing this report, we often found the comments made by participants in these groups both interesting and helpful in connecting the abstract material here with direct experience; a selection of them have therefore been included in the topic introductions. It should, however, be emphasised, that these are partial views and are not beyond challenge.

Finally, the website associated with this and the other reports in this series – www.poverty.org.uk – includes 80 other graphs as well as all the data presented here. Yet even after this, there remain areas where the report has far less to say than ideally it should. In particular, there are no graphs devoted to the situation of people from minority ethnic groups. This problem, to do with availability of reliable data, is not unique to Wales. Where independent research provides relevant material, however, it has been included within the supporting text.
Summary

Low income is clearly central to the subject of poverty and social exclusion: the number of people with low income, measured in various different ways, forms the first chapter of this report. The report does, however, go well beyond that, with subsequent chapters on education, work, health and well-being, and access to services. The chapters are divided into topics and the topics into indicators, usually made up of a pair of graphs and associated text.

Following a list of key points, this summary presents an overview of the material in the main report via a series of commentaries organised around particular groups of people:

- children and young adults: poverty and educational outcomes
- workless, working-age adults: poverty and barriers to work
- working-age adults in work: poverty and poor jobs
- pensioners: poverty and access to services.

At the end of the summary there is a table that shows the ranking for each local authority on a range of indicators for which local authority level data is available.

Indicators are referred to by a number and a letter, 2A for example referring to the upper (A) graph in indicator 2. Three of the indicators – 5, 18 and 24 – are represented by maps rather than graphs.

The material in the report is complemented by a website – www.poverty.org.uk – where all the indicators and graphs are updated as and when new data becomes available.

Key points

Steady falls in the proportion of people of all ages living in low income households have brought poverty rates in Wales down to the UK average [1A, 1B, 2A, 2B]. Though highest in the Valleys, every part of Wales has significant levels of child poverty [4A].

Unemployment has also fallen steadily, again to UK levels or below [12A, 13B]. There are, however, more people ‘economically inactive but wanting work’ than unemployed, especially in the Valleys [12A, 12B].

Homelessness is, by contrast, rising sharply [27A] as is the number of homeless households placed in temporary accommodation [27B].

Wales stands out for the high prevalence of working-age ill health, and not just among those age 50 or above [24]. It is highest in the Valleys, but pockets with high levels of long-term illness are also found across much of the west of Wales [24].

Poor qualifications increases the risk of both unemployment and low pay [14A]. People perceive sickness and disability, caring responsibilities, and a shortage of suitable jobs to be major barriers to work [15A]. Everywhere in Wales, most people who have access to a car use it to get to work [32A].
Households where someone is in work are a rising share of those in poverty [3B]. Low pay is especially associated with part-time work [16B]. Most low-paid workers are women. The public sector is a major, direct employer of low-paid workers [17B].

Low pay is most prevalent in parts of rural Wales especially Pembrokeshire, Ceredigion, Gwynedd and Powys.

As in England, improving trends in educational attainment at 11 and 16 slowed around 2000 and in some cases came to a halt [6A, 6B, 7A]. Wales has a particularly high proportion of 16-year-olds failing to get any GCSEs at all [7B].

17-year-olds who have neither five good GCSEs nor an equivalent vocational qualification are very unlikely to have got any further qualifications by the age of 24 [8B].

Both the quality of GP services, as measured by the proportion of ‘single-handed’ practices, and the provision of childcare places are lower in the Valleys than elsewhere in Wales [26B, 15B].

Broad indicators of child health and well-being, including the state of the teeth of 5-year-olds and the incidence of births to mothers who conceived under the age of 16, are worse in the Valleys than elsewhere, especially in Blaenau Gwent and Merthyr Tydfil [22A, 22B].

The whole of the west of Wales is marked by a lack of central heating, the problem being worst in Gwynedd, Isle of Anglesey and Conwy.

**Children and young adults: poverty and educational outcomes**

Thanks to sizeable falls in recent years, the proportion of children in Wales living in low income households is now the same as the average for Britain as a whole. A decade ago, by contrast, the child poverty rate in Wales was well above average [2B]. Despite this progress, however, one in every four children in Wales still lives in a low income household. This proportion is higher than that for either pensioners or working-age adults [2A].

Sizeable numbers of the children living in low income households are to be found in every part of Wales, with roughly a third of them living in the Valleys, a third in Cardiff and the rest of the south, and a third elsewhere [4A]. While the child poverty rate (that is the proportion of all children living in an area who are in low income households) is highest in the Valleys, the rates in Cardiff, the rest of the south, the west and the north west are all close to the Wales average [4B].

In what sorts of households do these children live? Rather more than half are in lone parent rather than two parent families. Whereas the vast majority of lone parent families in poverty (80 per cent) are doing no paid work, nearly as large a majority of the two parent families in poverty (67 per cent) have at least one of the adults doing paid work.

Children in areas where low income is widespread face other disadvantages from the very beginning of their lives. The differing availability of registered childcare places is a sign of the varying provision for children of pre-school age. Such places are in shortest supply in all Valley local authorities [apart from Torfaen]; and there is only half as much available in Blaenau Gwent than in Rhondda Cynon Taff [15B].

Another sign of the way in which young children in the most deprived areas suffer from other disadvantages too can be seen in their teeth, with five-year-olds in Merthyr Tydfil and Blaenau
Gwent having twice as many decayed, missing or filled teeth as five-year-olds in Flintshire, Vale of Glamorgan or Monmouthshire [22A].

Although direct information on how children in low income households fare at school is not available, data on entitlement to free school meals gives a proxy for the proportion of children in each school who are in poverty. Combined with school level examination results, this shows how schools with relatively many children from low income households compare with the average for all schools.

Using this information, improvements in test results since the mid-1990s (measured by falls in the proportion of children failing to achieve various levels and grades) have occurred in schools with high numbers of pupils on free school meals, as well as schools on average. This is true at both the primary [6A] and the secondary [6B] levels. Nevertheless, there remains a considerable gap between schools depending on how many low income pupils they have. For example, among schools with the fewest pupils entitled to free schools meals, just 6 per cent of 16-year-olds in 2004 failed to achieve at least five GCSEs. By contrast, 27 per cent of 16-year-olds failed to reach that level in schools with a high proportion of free school meals [6B].

At age 11, although improvement in English seems to have stalled in 2002, improvements in Maths and Welsh continue up to the present [6A]. At age 16, by contrast, the bulk of the improvement in school performance since the mid-1990s actually took place in the period up to 2000, since when there has been little further progress. As a result, the 15 per cent of pupils getting fewer than five GCSEs at age 16 in 2003/04 is the same as the proportion four years earlier [7A]. On this measure, moreover, Wales does worse than any of the English regions, a result due to the high proportion – 7.5 per cent – of 16-year-olds in Wales who gain no GCSEs whatsoever [7B].

The proportion of 16-year-olds failing to reach the higher standard of five ‘good’ GCSEs (that is, at grade C or above), has continued to come down, albeit more slowly in recent years compared with the later 1990s, to just under half of all 16-year-olds in 2003/04 [7A]. The question, as far as poverty and social exclusion are concerned, is whether this standard deserves quite the status that it has come to be accorded. The answer appears to be that it does.

What leads to this conclusion is the finding that, whereas very few 17-year-olds with five ‘good’ GCSEs leave their education there, very few of those 17-year-olds who fall short of five ‘good’ GCSEs (or the vocational equivalent) have acquired any more qualifications by the age of 24 [8B]. Put at its starkest, this means that for the third of 17-year-olds who fail to reach this standard, there are, in effect, no second chances.

In its turn, failure to acquire adequate qualifications greatly increases the likelihood of future poverty during adulthood. For example, those aged 25 to 50 with no qualifications face a 25 per cent chance of economic inactivity, an 8 per cent chance of unemployment and a 60 per cent chance of low pay (below £6.50 an hour) [14A]. All of these are risk factors for poverty. The acquisition of qualifications reduces these risks: some GCSEs (but no good ones) cuts the unemployment risk to 5 per cent and the low pay risk to 50 per cent. But it is only with A levels or equivalent (which most of those with five good GCSEs now go on to achieve) that these risks fall below average.
Workless, working-age adults: poverty and barriers to work

More than three-fifths of the people in low income, working-age households have nobody in their household who is working [3B]. This makes worklessness the single most important reason for poverty, affecting some 200,000 working-age adults in the latest year.

Half of all workless households are single person households while a further quarter are lone parent households. Two adult households with dependent children account for just a tenth of workless households [11A].

People who are not working are classified under one of two headings. Those who want to work, are available to start work within two weeks and who have been actively seeking work in the last four weeks are counted as ‘unemployed’. Anyone else is counted as ‘economically inactive’. But a quarter of the economically inactive want to work: the reason that they are not counted as unemployed is either that they are not available to start work shortly, or have not been actively seeking work recently.

Since the mid-1990s, the rate of unemployment among young adults in Wales aged 18 to 24 has come down sharply, and is now slightly below the UK average [13B]. Like the child poverty rate, young adult unemployment is something that used to be an even greater problem in Wales than in other parts of the UK. Although that is no longer the case, the unemployment rate for this age group is still 10 per cent, far higher than for older workers.

Over the same period, the total number of people in Wales who are unemployed has almost halved, to around 60,000 [12A]. As a result, unemployment is no longer a major cause of poverty, accounting for just one in eight of the working-age households in poverty nowadays, down from one in four in the mid-1990s [3B].

The number of people who are economically inactive wanting work has also come down but more slowly, to around 95,000 [12A]. It is a greater problem than unemployment for every age group from 25 onwards, especially for women and for older people. It is also a problem that affects women more than men in all age groups [13A].

Across Wales, the number of people economically inactive but wanting work is usually higher where unemployment is higher, and vice versa. Taken together with unemployment, the proportion of people ‘wanting work’ is highest in Neath Port Talbot, Rhondda Cynon Taf, Blaenau Gwent and Merthyr Tydfil. In each of these areas, at least one in eight of all working-age people are wanting work [12B].

The Valleys also stand out for the high proportion of people describing themselves as suffering from a limiting long-term illness. Five of the six local authority areas with the highest rates of limiting long-term illness anywhere in England or Wales are in the Valleys. Large parts of the west – Carmarthenshire, Ceredigion, Gwynedd and Isle of Anglesey – also have many localities with above average levels of limiting long-term illness [24].

Sickness or disability is overwhelmingly the most important reason why working-age people receive social security benefits in Wales over a long period [23A].

Such sickness or disability is not confined to older working-age people. Mental and behavioural conditions, rather than musculoskeletal ones, are the biggest reason why people are claimants of Incapacity Benefit or Severe Disablement Allowance [23B]. Local authority areas with the highest rates of limiting long-term illness among those over 50 are also the ones with the highest rates among younger age groups.
Given the scale of limiting long-term illness, it is not surprising that poor health and/or disability is cited by half of men and a quarter of women wanting work as the principal thing that prevents them from working. It is not the only reason cited though: a quarter of men also cite the lack of a suitable job while women cite a wider range of reasons including, notably, caring responsibilities for both children and adults [15A].

The challenge is to understand how all the different factors that cause people to be ‘workless wanting work’ interact with one another. Although a lack of skills and qualifications (not the same thing) is certainly important, it is unlikely that this alone can explain a problem that has such pronounced gender, health and geographical features. In this regard, two other factors stand out. The first is that childcare provision is much lower in the Valleys than elsewhere in Wales, especially in Blaenau Gwent and Neath Port Talbot [15B].

The second is the lower rate of car ownership in some of the Valleys, especially Blaenau Gwent and Merthyr Tydfil [32A]. The overall connection between car ownership and work status is very strong, with just one in ten of those working full-time lacking access to and daily use of a car, compared with two-thirds of those who are workless but wanting work [32B]. The fact that having a job makes a car affordable obviously strengthens this connection. However, since a high proportion of people throughout Wales who have access to a car use it to go to work, a lack of a car will be a barrier to work [32A]. In addition, the working-age households who are most likely to lack cars are single adult ones, both with and without dependent children [31B], and these are the types of household that make up the great bulk of the workless households [11A].

**Working-age adults in work: poverty and poor jobs**

Forty per cent of low income working age households have someone working [3B]. This is actually a larger share than in the mid-1990s when working households accounted for only 30 per cent of those in low income, working-age households. As a result, there are some 150,000 working-age adults suffering from what could be called ‘in-work poverty’, that is, they are in a low income household and either working themselves and/or living with a partner who is working.

Particularly at risk are those households classified as ‘some working’, that is, either where the jobs being done are part-time only or where (in a two adult household) one person is not working at all. More than a fifth of the people in these households have low incomes. Even among those where all the adults are working, there is still a small risk of being in low income.

So, while work greatly reduces the risk of poverty, it does not reduce it to zero.

Three factors increase the likelihood that someone will be low paid. The first is that the worker is young: two-thirds of those aged 21 and under are paid less than £6.50 an hour (the principal marker of low pay used in this report). But workers aged 21 and under account for only a small proportion of all low-paid workers.

The second factor influencing low pay is when the worker is a woman. In particular, a bigger proportion of full-time female workers (25 per cent) are paid less than £6.50 an hour than full-time male workers (15 per cent) [16B].

The third factor is that the job is part-time. This is the biggest direct cause of low pay, with 60 per cent of part-time workers being paid less than £6.50 an hour and 25 per cent of them being paid less than £5 an hour [16B]. Although there is no evidence of gender pay inequality within
part-time work, most part-time workers are women. Because of the high risk factor attached to part-time work, part-time workers account for half of all those who are low paid. Taking full- and part-timers together, two-thirds of low paid workers are women.

More than half the people employed in both the hotel and restaurant sector and retail/ wholesale sector are low paid, the majority of them women [17A]. The retail/wholesale sector also accounts for the largest share of low-paid workers – some 30 per cent of the total. The public sector (public administration, education and health) is second, with 20 per cent [17B]. This figure includes only those who are employed directly by the public sector; those providing contract services like cleaning are not included in it.

Low pay in the public sector, as well as in contract services, is the result not of market forces but of negotiations over budgets, pay scales and the rules to be applied to the procurement of services from contractors. Against this background, it is noteworthy that only 20 per cent of those paid £6.50 or below belong to a union, compared with some 60 per cent of those earning between £15 and £21 an hour [20B].

Few low-paid jobs are in industries that face direct competition from abroad. Manufacturing, which is the single most exposed sector, accounts for only 10 per cent of low-paid jobs [17B]. There are two parts of Wales where the resident population is still particularly dependent on manufacturing: Wrexham and Flintshire in the north east, and the Valleys along with Bridgend in the south [18].

Low pay goes along with other problems. Half of unskilled or partly-skilled working-age adults have undertaken no further learning since leaving formal education, compared with just one in five of those with a managerial or professional background [10A]. This imbalance is repeated and strengthened in the pattern of workplace training where the lower a person’s level of qualification, the less their chance of their receiving job-related training [20A].

Given the high risk of poverty associated with unemployment, the most important disadvantage that people in work can face is to lose their job. Nearly half of the men and a third of the women making a new claim for Jobseeker’s Allowance (that is, beginning a new spell of unemployment) were last claiming this benefit less than six months ago [19A]. This effectively means that many of the jobs that unemployed people go into last less than six months. These proportions have changed little in a decade. They show that, for some people at the bottom of the labour market, work, rather than being the route out of poverty is, at best, a temporary respite from it.

Pensioners: poverty and access to services

The proportion of pensioners in low income households has come down from around 25 per cent in the mid-1990s to around 20 per cent now, a rate comparable to that for working-age adults [2A]. Pensioner continue to account for some 18 per cent of all those people living in poverty [3A].

Most of the fall that has taken place has been among single pensioners, for whom the risk of poverty is now no different from the risk faced by pensioner couples. On the latest figures, some 50,000 single pensioners, and 75,000 pensioners living as couples, are in poverty.

Beyond money, pensioners face particular problems to do with access and isolation. A third of all pensioners in Wales live alone. It is widely agreed that support networks are less strong
than they used to be, with family often living far away and with neighbours less likely to provide help and support. And many older people have limitations on their ability to travel, either because of mobility problems or because of a lack of transport options with which they are comfortable.

Such issues are most common among older, single women. Because women generally live longer than men, three-quarters of all those aged 65 and over who live alone are women and half of all women aged 75 and over live alone.

There are, however, no obvious statistics available to measure the extent of social isolation among older people and how this is changing over time. In this context, the analysis in this report focuses on access to services.

There are no statutory services that focus on social exclusion among older people. Local authorities therefore have a choice about how much resource and attention they devote to the subject. In practice, however, their ability to do so has become increasingly constrained because of the need to devote ever-increasing resources to the personal care needs of the growing numbers of frail, older people. So, for example, the home care service in Wales is usually now restricted to personal care whereas cleaning and shopping used to be a major part of the service. In consequence, the proportion of older people in receipt of home care from their local authority has almost halved over the past decade despite increased expenditure [26A].

Older people are major users of the health service, and therefore its availability and quality are of particular importance to them. The number of patients per doctor varies by a large degree across Wales, from around 2,000 per doctor in Flintshire and Rhondda Cynon Taff to 1,200 in Powys and Ceredigion [26B]. A second measure that relates more directly to the quality of GP services provided is the proportion of doctors who are working alone in single-handed practices. This proportion is highest (indicative of problems with quality) in the Valleys and Flintshire, with Blaenau Gwent and Merthyr Tydfil standing out in particular [26B].

Pensioners – particularly single pensioners – are more dependent on public transport than any other group, with two-thirds of them not owning a car [31B]. Yet only a bare majority of households without a car judge buses to be adequate for reaching the local town centre or shops. For some basic transport needs, especially getting to the local hospital and travel on Sundays, this proportion falls to a third or lower [31A].

Finally, demographic changes currently in train mean that the demand for services for older people will rise more rapidly in the coming years than they have done in the past. For example, over the last decade the number of pensioners aged 85 and over went up some 20 per cent while the number of younger pensioners barely changed. Over the coming decade, however, the number of pensioners aged 85 or over is forecast to rise by 30 per cent with the number of younger pensioners rising by 15 per cent.

Geographic distribution of poverty and social exclusion

The following table summarises the rankings for twenty-two indicators where local authority-level information is presented in the report. They are arranged in the order in which they have been discussed in this summary. The prevalence of each indicator by local authority area is: purple – worst 3; dark blue – next worst 4; pale blue – next worst 4; white – remaining 11.
## Summary table by local authority

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Chapter 1  **Income**

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Individuals in low income

In any economically advanced society, ‘poverty and social exclusion’ denotes the condition in which someone is unable to possess or do those things that most people in that society take for granted.

There is, of course, huge scope to debate what should be counted under this heading. One of the key ideas behind this report is that there cannot be a single measure of what constitutes either poverty or social exclusion. As a result, what is presented here is a range of indicators chosen to reflect the complexity of this condition. But while no single indicator alone is enough, it is surely inevitable that in a society where so much is provided via ‘the market’, low income is at the heart of the problem.

Low income

‘Low income’ is defined in relation to median household income in Britain as a whole. Median household income is the income of the average household and it makes sense as far as poverty is concerned to use this as the yardstick as it is likely to be closely related to levels and patterns of consumption that are taken for granted in society. A household whose income is well below median income is therefore unlikely to be able to live normally by the standards of that society.

How far below median income should the threshold marking low income be drawn? The convention, which we follow, is to define low income as one below 60 per cent of median income (although in places we also provide information in relation to other thresholds such as 40 per cent and 50 per cent). Broad justification for this threshold can be found in the various budget studies that have been conducted that, in painstaking detail, work out exactly what people need to spend each week in order to reach what is called a ‘low but acceptable’ standard of living.

This, though, is not an esoteric subject that only experts can understand. The question of what constitutes an income too low to get by on is one that anyone with a good sense of what things cost can answer. Below is a list showing what ‘60 per cent of median household income’ per week is currently worth, the amount varying depending on the number of adults and children the household contains.

- A single adult: £100 per week.
- Two adults: £180 per week.
- Two adults with two dependent children: £260 per week.
- A single adult with two dependent children: £180 per week.

These figures apply after housing costs (rent or mortgage payments) have already been paid. They therefore represent the total sum of money available to spend on everything else, ranging from food, heating, travel, clothing and phone, through to those things where money needs to be set aside each week, whether for presents, a new kettle, a short holiday – or just a rainy day.
Income poverty

Being related to median income, the 60 per cent low income threshold rises each year because median income rises. In this report, we refer to people in households whose income falls below this 60 per cent threshold as being in income poverty.

It is also possible to choose a 60 per cent income threshold in one particular year and then uplift this in subsequent years by the rate of inflation. We refer to this as a fixed low income threshold. Although this does not have the status of the current (or contemporary) low income threshold described above, it is an important point of reference. This is because, rising more slowly than the current low income threshold, the number of people with incomes below the fixed threshold ought to be falling more quickly year by year. If the number below the fixed threshold stops falling, that is a strong sign that something is very wrong.

There are three other terms that are used frequently here. The rate of poverty is the proportion of the population (or sub-group of the population) in income poverty. Thus, the child poverty rate is the proportion of the entire child population living in households with poverty income. The risk of poverty for a population or a sub-group is measured in exactly the same way as the rate of poverty. By contrast, the share of poverty is the proportion of the population with poverty incomes that fall into some particular group (for example on the basis of where they live).

Choice of indicators

The indicators presented here are:

1A – the proportion of people in households with low incomes, over time.

1B – the proportion of people in low-income households in Wales compared with the equivalent proportions in Scotland and the English regions.

2A – the proportions of children, pensioners and working-age adults in low-income households over time.

2B – the proportion of children in low income households in Wales compared with the equivalent proportions in Scotland and the English regions.

3A – the proportion of people in low income households by family status.

3B – the proportion of people in low income, working-age households by work status.

Highlights

There has been a gradual decline, over time, in the proportions of both children and pensioners in Wales suffering from income poverty.

The rates of income poverty in Wales are now much closer to the average for Britain as a whole, whereas they used to be markedly higher.

There has been a fall in the proportion of people in income poverty due to unemployment, and a rise in the proportion as a result of low incomes from work.
**Trends in low income**

The proportion of the population below the contemporary low-income threshold is down by a sixth since 1994/95; the proportion below a fixed threshold is down by a half.

![Graph showing the proportion below low income thresholds after deducting housing costs (per cent)](source)

The proportion of people in low-income households in Wales has fallen more quickly than in most of the rest of Britain, bringing it to just above the average for Great Britain.

![Graph showing the proportion below 60% of median income, after deducting housing costs (per cent)](source)

The first graph shows the number of people living in households below 60 per cent of the contemporary British median household income for each year since 1994/95. The graph also shows the proportion of the population living in households with incomes below the fixed threshold of 60 per cent of the 1994/95 British median household income (adjusted for price inflation).

The second graph shows how the proportion of the population in low-income households in Wales compares with other regions in Great Britain. For each region, the first column shows the average proportion on low income for the years 1994/95 to 1996/97 and the second column shows the average proportion on low income between 2001/02 and 2003/04. This averaging over three-year bands has been done to improve the statistical reliability of the results.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). The self-employed are included in the statistics. Income is disposable household income after deducting housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

Overall adequacy of the indicator: **high**. The FRS is a well-established annual government survey, designed to be representative of the population as a whole.
Key points

Relating to low income

- The proportion of people with incomes below the contemporary low income threshold (60 per cent of median household income in the current year) fell from 27 per cent of the population in 1997/98 to 22 per cent in 2003/04. This fall of around 100,000 people means that some 650,000 people in Wales were living in ‘income poverty’ in 2003/04.

- Similarly, there has been a big fall in the proportion of people with incomes below 50 per cent of median household income. By contrast, there has been very little fall in the proportion living below the still lower 40 per cent threshold.

- This means that the number of people in Wales who are living in what could be called ‘deep poverty’, some 250,000 people, has not changed over the last decade. The falls that have taken place have therefore been among households whose incomes were closer to the 60 per cent threshold in the first place.

- The fall in the proportion of people in ‘income poverty’ in Wales over the last decade is the second largest of any of the British regions, with only the North East of England recording a larger fall. As a result, the proportion of people in ‘income poverty’ in Wales is now only just above the British average.

- As real incomes for the whole of the population have risen, so the number of people living in households below a fixed income threshold has been falling. For example, the proportion of people with incomes below a fixed low income threshold (60 per cent of median household income in 1994/95) fell from 24 per cent of the population in 1997/98 to 12 per cent in 2003/04.

Relating to material deprivation

- Reflecting the rise in real incomes over time, the proportion of low income households lacking selected consumer durables has fallen considerably over the last decade. So, for example, a sixth of people in the poorest fifth lacked washing machines in 2003 compared to a third a decade earlier; similarly, a sixth lacked a microwave in 2003 compared to a half a decade earlier and a tenth lacked a freezer compared to a third a decade earlier.¹
The proportion of people in low income households has been falling among all age groups, but it has fallen most quickly for children.

The proportion of children in low income households in Wales has fallen more quickly than anywhere else in Britain, taking it to the average for Great Britain.

The first graph shows the risk of a person being in a low income household, with the data shown separately for children, pensioners and working-age adults.

The second graph shows how the proportion of children in low income households in Wales compares with other regions in Great Britain. For each region, the first column shows the average proportion on low income for the years 1994/95 to 1996/97 and the second column shows the average proportion on low income between 2001/02 and 2003/04. This averaging over three-year bands has been done to improve the statistical reliability of the results.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). Income is disposable household income after deducting housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

Overall adequacy of the indicator: high. The FRS is a well-established annual government survey, designed to be representative of the population as a whole.
Key points

Relating to children living in low income households
- The proportion of children living in income poverty has come down sharply, and faster than the proportion for the population as a whole. Even so, at 27 per cent in 2003/04, the proportion for children was still greater than that for either working-age adults or pensioners.
- The fall in the proportion of children in income poverty in Wales over the last decade has been larger than in either Scotland or in any of the English regions. As a result, the child poverty rate in Wales, which was one of the worst in Britain (behind only London and the North East) in the mid-1990s, is now at the same level as for Britain as a whole.
- There is a big difference between the risk of income poverty for children in single or two adult households: more than half of all children in lone parent households are in low income compared to a fifth of children in couple households. As a result, more than half of the children in Wales now living in low income households are in lone parent households.

Relating to pensioners living in low income households
- The proportion of pensioners in income poverty has also been falling, from around 25 per cent in the mid-1990s to around 20 per cent now. Pensioners are now no more likely to be in income poverty than working-age adults.
- Most of the fall in pensioner poverty has been among single pensioners. As a result, whereas single pensioners used to face a higher risk of poverty than pensioner couples, this is no longer the case.

Relating to working-age adults living in low income households
- The proportion of working-age adults living in low income households has also been falling, from an average of 24 per cent of all working-age adults in the mid-1990s to an average of 21 per cent now.
- All of this fall has been among working-age adults with dependent children, where the proportion in low income has fallen from around 29 per cent in the mid-1990s to around 24 per cent now.
- By contrast, the risk of income poverty among working-age adults without dependent children has fallen by less than 2 per cent, to 19 per cent. Within this group, the risk for single adults is almost twice that for couples, that is, 26 per cent compared with 14 per cent.
Risk of low income by family type and work status

A third of all people in low income households are working-age adults without dependent children.

Source: Households Below Average Income, DWP

Two-fifths of people in low income, working-age households have someone in their household in paid work.

Source: Households Below Average Income, DWP

The first graph shows a breakdown of those on low income, with the data broken down by children, pensioners and working-age adults with and without dependent children. The inner ring shows the average for the three years 1994/95 to 1996/97 and the outer ring shows the average for the three years 2001/02 to 2003/04.

The second graph shows a breakdown of low income households by economic status. The inner ring shows the average for the three years 1994/95 to 1996/97 and the outer ring shows the average for the three years 2001/02 to 2003/04. Both self-employed households and households where the head or spouse is aged 60 or over are excluded from this analysis.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). The averaging over three-year bands has been done to improve the statistical reliability of the results. Income is disposable household income after deducting housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

Overall adequacy of the indicator: high. The FRS is a well-established annual government survey, designed to be representative of the population as a whole.
Key points

Relating to all households by family type

- Over the period 1994 to 1997, of those in income poverty 31 per cent were children, 24 per cent were working-age adults with dependent children, 27 per cent were working-age adults without dependent children, and 18 per cent were pensioners.

- Over the period 2001 to 2004, among those in income poverty, children accounted for 29 per cent while working-age adults without dependent children also accounted for 29 per cent.

- Of the 640,000 people living in households in income poverty in 2003/04, 170,000 were children and 120,000 were pensioners. Of the remaining 350,000 working-age adults, 200,000 did not have any dependent children.

- Of the 120,000 pensioners in income poverty, just over half lived as couples while a further third were single females. This means that there were almost twice as many female pensioners in poverty as male pensioners.

- Of the 350,000 working-age adults in income poverty, there were slightly more women than men. Half of these people lived as couples and half as singles. Two-thirds of the singles did not have dependent children.

Relating to working-age households by work status

- Of those in working-age households in income poverty, 27 per cent were in households where the adults were counted as unemployed in the period 1994 to 1997. By 2001 to 2004, this proportion had halved, to just 13 per cent.

- By contrast, the proportion of people in working-age households in income poverty with at least one adult in work rose from 30 per cent in the mid-1990s to 37 per cent over the period 2001 to 2004.

- As a result, three times as many people in 2001 to 2004 were in ‘in-work poverty’ as were in poverty arising from unemployment. In the mid-1990s, by contrast, the two groups were similar in size.

- Although the ‘shares’ of income poverty accounted for by different household types have changed since the 1990s, the risk of poverty faced by each household type has barely changed at all. Unless all adults in the household are working (and at least one of them full-time), the risks are high: 80 per cent for unemployed; 60 per cent for other workless; and 20 per cent for those with some paid work.

- This means that the overall fall in income poverty among working-age households has come about because of a shift of people from the high risk categories (that is, lacking work) into lower risk categories (that is, in work), rather than from a reduction in risk within any particular category.
The spread of low income

Official data on the proportions of people living in income poverty in different parts of Wales are not published by government statisticians. Rather, Wales, Scotland and the English regions constitute the lowest level at which such data is available. There is, however, much interest in how the incidence of income poverty varies across Wales. In order to produce poverty estimates for different parts of Wales, this section combines all-Wales data on income poverty with local authority level data on the numbers claiming various social security benefits and tax credits.

Results are presented for the seven sub-regions defined in the introduction.

Choice of indicators

The indicators presented here are:

4A – the estimated share of children who are in low income households in each of the seven sub-regions.

4B – the estimated proportion of children and the proportion of working-age adults in low income households in each of the seven sub-regions.

5 – map: small areas within Wales with high levels of people claiming one or more of a number of social security benefits.

Highlights

The children living in poverty in Wales are spread more or less equally between the Valleys, Cardiff, the South and the rest of the country.

The gap between rates of poverty for children and working-age adults is greatest in Cardiff and least in the Valleys.

As well as the Valleys, small local areas with marked concentrations of low income households are located along the North Wales coast, southern Carmarthenshire and Isle of Anglesey.

Income poverty and benefits/tax credits

People in income poverty and people receiving either tax credits or means-tested social security benefits such as Income Support (IS), Jobseeker’s Allowance (JSA) or the Guarantee Credit element of Pension Credit are by no means always the same people. On the one hand, a substantial minority of those with poverty incomes get none of these benefits. On the other, even some of the people who receive IS or JSA nevertheless have a household income above the poverty line. The position of people receiving either Incapacity Benefit (IB) or Severe Disablement Allowance (SDA) is even more mixed. Anyone who is solely reliant on these benefits has a low income but it is also quite possible for someone whose income is not low to receive these benefits.
This means that the map based on the numbers claiming particular benefits cannot strictly be interpreted as showing income poverty; it is, however, still a sound picture of the localities in Wales where low incomes are especially prevalent.

By contrast, the two graphs can be interpreted as dealing directly with income poverty, as they scale the raw benefit numbers using all-Wales level data on the connection between benefits and income poverty.

**Recent and future changes in the child population**

The graph below shows, for each of the seven sub-regions of Wales, the percentage change over the 10-year period to 2003 in the sizes of the population of under 5s and of 5- to 19-year-olds. It also shows the official prediction for the next 10 years of how these populations will change across Wales as a whole.

While the child population has varied in a rather mixed way over the 10-year period to 2003, the prospect for the next decade is of marked decline. This decline is already apparent in the under-5s population, with the sub-regional pattern in the under-5s over the last decade being a fair indicator of what the sub-regional pattern for the whole child population is likely to be over the next decade. The expected substantial fall in the child population, greatest in the most disadvantaged areas, presents an opportunity to look at how resources are used in a somewhat less pressured way.
Low income by sub-region of Wales

A third of the children in low-income households live in the Valleys, with a further third in Cardiff and the South.

The difference between the proportion of children and adults in low-income households is greatest in Cardiff.

The first graph shows the estimated proportion of children in low income households (defined as 60 per cent of the contemporary British median household income after deducting housing costs) living in each of the seven ‘sub-regions’ of Wales. The second graph shows the estimated proportions of a) children and b) working-age adults in each of the seven sub-regions who are in low income households.

In both cases, these estimates have been derived from analysis of the 2003/04 Households Below Average Income dataset for Wales as a whole to establish the proportion of recipients of various social security benefits and tax credits in low income households. These benefits were: Income Support, Jobseeker’s Allowance, Incapacity Benefit, Severe Disablement Allowance, Working Tax Credit and Child Tax Credit. These proportions were then applied to data on the numbers claiming these benefits at local authority level.

Overall adequacy of the indicator: medium (children); low (adults). While all data sources are well-established and reputable, the link between benefits/tax credits and low income is higher for children (90 per cent of those in low income households receiving at least one of these benefits or tax credits) than for adults (60 per cent).
Key points

Relating to the geographical distribution of children in poverty

❖ Around a third of all children living in income poverty in Wales – 50,000 children – live in the six Valley local authority areas of Neath Port Talbot, Merthyr Tydfil, Blaenau Gwent, Caerphilly, Rhondda Cynon Taff and Torfaen.

❖ However, large numbers of children living in households in income poverty are to be found throughout Wales. A tenth live in Cardiff. A fifth live in the rest of the South (Swansea, Bridgend, Newport and Vale of Glamorgan). Between them, the number of children living in poverty in these areas equals those living in the Valleys.

❖ A similar number again live in other part of Wales: 12 per cent in the West (Carmarthenshire, Pembrokeshire and Ceredigion); 12 per cent in the North West (Gwynedd, Isle of Anglesey, Conwy and Denbighshire); 8 per cent in the North East (Wrexham and Flintshire); and 5 per cent in the East (Monmouthshire and Powys).

Relating to the rates of child and working-age adult poverty

❖ In terms of the rate of child poverty – that is, the proportion of children in a particular area who are living in income poverty – the six Valley local authority areas stand out, with a proportion in excess of 30 per cent. At the opposite end of the spectrum, in the East and the North East, the proportion is around 20 per cent. In each of the other areas – Cardiff, the South, the West and the North West – the child poverty rate is about 27 per cent.

❖ On average in any of these areas, the poverty rate among children is about a third higher than the rate for working-age adults. There is, however, some marked variation around this average. Thus, in the Valleys child poverty is only a fifth higher than the rate among working-age adults. By contrast, it is two-fifths higher in Cardiff.
Map: dependence on state benefits

Wards with a lot of people dependent on state benefits, though concentrated in the Valleys and the four main cities, are to be found throughout Wales.
Key points

Relating to high concentrations of people dependent on state benefits

- The measure of low income used here is based on the proportion of the population in each electoral ward receiving Incapacity Benefit, Severe Disablement Allowance or any of the main means-tested benefits, namely Income Support, Jobseeker's Allowance or the Pension Credit Guarantee. Neither recipients of tax credits nor those pensioners receiving only the State Retirement Pension are included. This is therefore a map showing wards in Wales that have high levels of low income due to dependency on non-work state benefits.

- Wards in the top sixth are those where the proportion of people receiving state benefits exceeds 25 per cent. Those in the second sixth contain between 20 per cent and 25 per cent who are dependent while those in the third sixth contain between 16 per cent and 20 per cent.

- Half the wards with the highest level of dependence on state benefits (ie where the proportion of people receiving state benefits exceeds 25 per cent) are in the Valleys.

- Two-thirds of the wards in the local authority area of Merthyr Tydfil are ones with this highest level of dependence on state benefits. So, too, are more than half the wards in Blaenau Gwent and more than a third of the wards in Rhondda Cynon Taff, Caerphilly and Neath Port Talbot.

- Outside of the Valleys, nearly half the wards in Llanelli have high dependence on state benefits, as do between a quarter and a third of the wards in Cardiff, Newport, Swansea and Wrexham. Wards in Llanelli and these four local authority areas account for a further fifth of all the wards in Wales with a high dependence on state benefits.

- Apart from Monmouthshire, wards with this highest level of dependence on state benefits are found in every other local authority area. Towns in these other areas with more than one such ward include Holyhead, Rhyl, Caernarfon and Barry.

- There are some differences between the areas with the highest level of dependence on state benefits and those with merely above average levels of dependence. More than three-fifths of the wards in Bridgend, Isle of Anglesey and Carmarthenshire have above average levels of dependency on state benefits.

- By contrast, Cardiff has fewer than half of its wards with above average dependency, despite having more than a quarter of them with high levels of dependency. Swansea is average on both measures. The picture this paints – and the map itself shows this clearly – is that Cardiff, more than anywhere else in Wales, is a place marked by inequality of income.

The map shows how the proportion of adults who are in receipt of a key ‘non-work’ benefit varies by electoral ward.

Only wards with an above average proportion are shaded, with the darkest shade being the sixth of wards with the highest proportions, the next shade being the second sixth and the lightest shade being the third sixth.

For working-age adults, people are included in the count if they are in receipt of any of the following: Jobseeker’s Allowance (JSA), Income Support (IS), Incapacity Benefit (IB) or Severe Disablement Allowance (SDA). This measure, rather than the narrower measure of JSA and IS only, is used because those in receipt of IB and SDA are also out of work and many have a low income.

For pensioners, people are included in the count if they are in receipt of the Minimum Income Guarantee (subsequently re-named the guaranteed part of Pension Credit). This is the main means-tested benefit for pensioners.

The data is for August 2003 and is from the DWP Information Centre. The data for working-age adults has been processed to avoid double-counting of people in receipt of more than one of the benefits. 2001 Census populations for each ward have been applied to calculate the proportions in receipt of the benefits.

Overall adequacy of the indicator: medium. The data itself is considered to be very reliable and is based on information collected by the DWP for the administration of benefits. The issues relate to its interpretation given that it is a measure of the numbers reliant on state benefits and not a direct count of people on low income. So, for example, it does not include households where someone is working but where the household is still on a low income.
Chapter 2  Education

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Children with few qualifications

The importance of education for young people’s life chances is well known. Over the last 20 years or so, education has assumed an even greater importance as many traditional routes into the labour market for those without qualifications have been closed off. Higher levels of qualifications and different skills are required to prosper in the more knowledge-based economy.

Economic ‘returns to education’ are not the only reason for looking at educational attainment. Poor performance at school can affect a child’s self-esteem and confidence. It also affects the likelihood of participating in learning as an adult, the benefits of which extend beyond employment.

While overall trends in outcomes at age 16 are very important, the real focus of concern here is on the outcomes of children from disadvantaged backgrounds. In particular, if ‘failure’ at 16 carries a high price, and if the chances of failure are that much higher for those who are already disadvantaged, then rather than ‘opportunity for all’, we have a system that means that disadvantage cascades down from one generation to the next.

Choice of indicators

The indicators in this section look at performance of pupils in compulsory education, both for pupils on average and for pupils from disadvantaged backgrounds, using data on entitlement to free school meals as a proxy to measure deprivation. The indicators are:

6A – the proportion of all 11-year-olds failing to achieve level 4 in literacy (English and Welsh) and numeracy at Key Stage 2, compared to pupils in schools with a high proportion of deprived pupils.

6B – the proportion of 16-year-olds failing to achieve 5+ GCSEs (including GNVQs) according to the level of deprivation of the school.

7A – the proportion of pupils with no GCSEs, fewer than 5 GCSEs (including GNVQs) and fewer than 5 ‘good’ GCSEs over time.

7B – the proportion of pupils in Wales with no GCSEs and fewer than 5 GCSEs (including GNVQs) compared to the English regions.

Highlights

For pupils overall, both at 11 and 16, the unambiguous improvements in educational outcomes in the second half of the 1990s generally stalled around 2000.

Pupils from more deprived backgrounds shared in that improvement, although the gap in performance with pupils on average did not narrow.

The proportion of pupils attaining either no or just a few qualifications at 16 is higher in Wales than in Scotland or in any of the English regions.
The relationship between outcomes at 11 and 16

The figure below takes the measures of educational outcomes at 11 and 16 in each local authority area and plots them against one another. Overall, there is a clear relationship between the percentage of 11-year-olds in the local authority area failing to achieve level 4 at Key Stage 2 and the percentage of 16-year-olds failing to achieve at least 5 GCSEs. There is also considerable variation between local authority areas, with the worst having twice the proportion failing to reach the designated level, at both 11 and 16.

There are, however, some significant exceptions to the general relationship. In particular, it is noticeable how much worse Cardiff and Swansea do at age 16 than their scores at age 11 would suggest; that is, they are average at age 11 but joint second worst (albeit by only a small margin) at 16. By contrast, Flintshire and Gwynedd, who are slightly worse than average at 11, have the second and third best outcomes at 16.

One possible explanation for the performance shift in Cardiff and Swansea might be that the average is brought down by a few very poorly performing secondary schools. In Cardiff, for example, although the average proportion of pupils failing to get 5 GCSEs is 18 per cent (4 per cent higher than the all-Wales average), the range is from 2 per cent in one secondary school to 35 per cent in another. Six of the twenty secondary schools have over a quarter of their pupils failing to get 5 GCSEs.

Variation in exam performance between schools with similar proportions of children on free school meals shows that deprivation does not necessarily lead to low attainment. For example, research published by the Welsh Assembly Government on the 50 secondary schools where more than 25 per cent of children were on free school meals, found that 10 made progress more significantly than would be expected between Key Stage 2 and Key Stage 3, and a further eight by significant margin.\(^1\)

A range of factors have been identified by secondary schools in deprived areas as having an impact on attainment. They include: having key personnel in position to drive improvement; monitoring of learning and teaching and promotion of effective practice; making effective use of attainment data; and focusing on issues such as the transition between Key Stages 2 and 3, literacy, behaviour management, and attendance.\(^2\)
The proportion of 11-year-olds in deprived schools failing to achieve level 4 at Key Stage 2 has fallen sharply but is still much higher than for 11-year-olds on average.

Although the gaps narrowed during the late 1990s, GCSE results are still strongly linked with deprivation.

The first graph compares the proportion of children failing to reach level 4 at Key Stage 2 (11 years old) in schools that have at least 33 per cent of pupils receiving free school meals with that for all maintained mainstream schools. The graph shows English, Maths and Welsh separately and shows changes over time. The data source is the National Assembly for Wales Education Statistics.

The second graph compares the proportion of students failing to obtain five or more GCSEs (A*-G) for groups of schools with differing proportions of pupils receiving free school meals. For each year’s data, both the GCSE results and the proportion receiving free school meals relate to that year. The grouping of the schools has been chosen to best illustrate the differing trends. The data sources are school-level data from the National Assembly for Wales on GCSE results for 15-year-olds and on the proportion of all the pupils in the school receiving free school meals. It covers all local authority maintained secondary schools. Where either GCSE results or free school meal data for particular schools for particular years is not known, these schools have been excluded from the analysis for that year.

Overall adequacy of the indicator: medium. While the data itself is sound enough, the choice of the particular levels of exam success is a matter of judgement.
Key points

Relating to 11-year-olds

- In schools with more than a third of their pupils entitled to free school meals, the proportion of children failing to reach level 4 at Key Stage 2 in English fell from 49 per cent in 1997 to 32 per cent in 2004. This compares with a fall over the same period for the average school from 33 per cent to 18 per cent. So, results have been improving, both for deprived schools and for schools on average, but the gap between them remains large.

- The figures for the proportion failing to reach level 4 at Key Stage 2 in Maths are similar. One possible difference between the Maths and English figures is that, whereas the results for English appear to have stabilised in 2002, those for Maths appear to still be on a downward (that is, improving) trajectory.

- Although the figures for Welsh at Key Stage 2 show some similarities, there are also important differences. For the average school, performance in 1997 in Welsh was worse than in English or Maths but, by 2004, performance in all three subjects was virtually identical. By contrast, for schools with a high proportion of children entitled to free schools meals, performance in Welsh was much better than that in either English or Maths in 1997 but was, by 2004, slightly worse than in these other subjects. These comparisons must be treated with some caution, however, as only 18 per cent of all primary children in Wales were assessed in Welsh at Key Stage 2 in 2004.¹

Relating to 16-year-olds

- The proportion of pupils failing to obtain at least 5 GCSEs was markedly lower in 2004 than a decade earlier in almost all groups of schools, whatever their number of pupils from disadvantaged backgrounds.

- More specifically, this proportion has come down by about a third over the decade, seemingly whatever the level of disadvantage. So among the tenth of schools with the highest proportion entitled to free school meals, the proportion of pupils failing to get 5 GCSEs fell from 38 per cent in 1995 to 27 per cent in 2004. Among the fifth of schools with the fewest pupils entitled to free school meals, the proportion fell from 9 per cent to 6 per cent.

- Over the period to 2000, there was a clear decline in the gap between performance in schools with many pupils from disadvantaged backgrounds and performance in other schools. Since then there has been no further narrowing of the gap, which remains large.
Few qualifications at age 16

The proportion failing to get 5 good GCSEs has continued to come down, but the proportion failing to get 5 GCSEs at all stopped coming down in 1999/2000.

The proportion of 16-year-olds with few GCSEs is much higher in Wales than elsewhere because of the higher numbers who get no GCSEs.

The first graph shows the proportion of students (defined as pupils aged 15 at 31st August in the calendar year prior to sitting the exams) failing to obtain five or more GCSEs at grade C or above, with the data shown separately for those who obtain no GCSEs at all (either because they don’t enter for exams or they achieve no passes), those who do obtain some GCSEs (A*-G) but less than five, and those who obtain five or more GCSEs but less than five at grade C or above.

The data source is the National Assembly for Wales Education Statistics. The data covers all schools in Wales.

The second graph compares the proportion of students in Wales failing to obtain five or more GCSEs (A*-G) with those in the English regions, with the data shown separately for 1998 and 2004.

The data sources are DfES and the National Assembly for Wales. The data covers all maintained schools.

Overall adequacy of the indicator: medium. While the data itself is sound enough, the choice of the particular levels of exam success is a matter of judgement.
Key points

Relating to the trends over time

- 10.5 per cent of 16-year-olds in 1994/95 failed to obtain any GCSEs whatsoever. By 2003/04, this proportion had fallen to 7.5 per cent.

- 10 per cent of 16-year-olds in 1994/95 obtained some, but fewer than five, GCSEs. By 2003/04, this proportion had also fallen to 7.5 per cent.

- 38 per cent of 16-year-olds in 1994/95 obtained five or more GCSEs but did not obtain five ‘good’ GCSEs, that is, at grades A to C. By 2003/04, this proportion had fallen to 34 per cent.

- In total, therefore, 59 per cent of 16-year-olds failed to obtain five ‘good’ GCSEs in 1994/95. By 2003/04, this proportion had fallen to 49 per cent.

- Among pupils getting either no GCSEs or fewer than five, almost all of the improvement in performance occurred in the period up to 1999/00. By contrast, the proportion getting five or more GCSEs but not five ‘good’ ones has continued to come down slowly but steadily.

- The fact that the fall in the proportion obtaining either no or fewer than five GCSEs came to an end around the turn of the decade is not unique to Wales. Exactly the same thing can be seen in the results for England.4

Relating to the comparison with English regions

- Despite a significant fall between 1998 and 2004, the proportion of pupils getting fewer than five GCSEs was higher in both years in Wales than in any of the English regions.

- What causes Wales to stand out like this is the high proportion getting no GCSEs – around 7.5 per cent compared with between 4 per cent and 6 per cent in the English regions.

- This unfavourable situation for 16-year-olds in Wales contrasts with the situation at age 11, where the proportions failing to achieve level 4 at Key Stage 2 in English and Maths were lower in Wales than in any of the English regions.5
Adult education

It is widely agreed that post-16 education, or lifelong learning, is an important element of economic and social regeneration. Lifelong learning has the potential to contribute to economic regeneration by ensuring that the workforce continues to learn and adapt its skills so it can face the challenges of a changing labour market, and become more efficient and knowledge based. It can contribute to social regeneration by ensuring that those who missed out on education and learning earlier on in their educational experiences have a new opportunity, thus helping them to get work and to participate more in society.

The Learning Country

The benefits above are recognised in the *The learning country* – the Assembly’s strategy for learning until 2010. Its objectives are to remove barriers to learning, widen participation, and develop skills for the workforce.\(^6\)

*The learning country* aims to reduce the number of 19-year-olds without NVQ levels 2 and 3.\(^7\) Qualifications for young adults are important as no or low qualifications are strongly correlated to unemployment and low pay.

*The learning country* also aims to widen access to higher education. Although higher education is by no means essential, and although lack of higher education is not a determinant of poverty and social exclusion, the extent to which young adults from disadvantaged groups go on to higher education is important since it represents the much broader issue of inequality of opportunity.

More generally, *The learning country* aims to increase overall participation in adult education. Engaging adults in learning enables them to access new skills, which in turn enables people to adapt better to social and economic change. This will be particularly important for those who are already disadvantaged, to ensure that they do not become even more so.

Choice of indicators

*The learning country* provides the context within which the indicators in this section have been chosen. They are:

8A – the proportion of young adults with few qualifications at age 19 over time.

8B – a comparison of levels of qualifications achieved by people aged 17 and 24.

9A – the proportion of wards in each deprivation quintile where less than a quarter go on to higher education.

9B – the over and under ‘performance’ of local authorities in higher education participation in relation to their level of deprivation.

10A – participation rates in adult learning by social class.

10B – participation rates in post-16 learning, by local authority.
The nature of the challenge

The indicators in this section confirm why it is right to attach such importance to improved levels of qualification and widening access to education among adults. At the moment, further learning appears to be very strongly linked to educational attainment while at school, with those failing to have acquired a ‘good’ qualification by the age of 17 being very unlikely to go on to do so in the future. ‘Learning Pathways’ should have an impact on this, since it is deliberately structured around ages 14-19 to offer continued support for those who may otherwise consider dropping out at 16, but it will be some time before any differential outcomes will be discernable.

Essentially, the challenge is to break the link that exists at the moment whereby those with the fewest qualifications gained in formal education are also the people least likely to continue with learning, while those who take most advantage of learning are those who are already well qualified.

This pattern extends well beyond young adults – a much higher proportion of adults from unskilled or partly skilled backgrounds have not participated in learning than those from professional or managerial groups.

Some of the barriers to be overcome here are about time and cost, but they are not the only obstacle: for example, attitudes towards learning are important, too, with research suggesting that those from unskilled or partly skilled socio-economic classes are less likely to view current opportunities as relevant, interesting or useful.

The fundamental question is how far attempts to break the link between present qualifications and future learning should be focused on work. Programmes that aim to improve people’s chances of getting a job (or a better job) by raising their level of qualifications have important advantages including clarity of purpose, measurable goals and outcomes that can be given a monetary value. Yet such programmes also risk deepening the divide between those who are in or near employment and those who are furthest away from it. In principle at least, ‘learning for its own sake’, does not carry quite that danger.
Few qualifications at ages 17, 19 and 24

One in four 19-year-olds fail to achieve a basic level of qualification while one in ten have no qualifications at all.

![Graph showing the proportion of 19-year-olds failing to achieve a basic level of qualification with data for the years 1997/98 to 2004/05.]

Source: Labour Force Survey, ONS

Very few 17-year-olds without either five good GCSEs or NVQ2 at age 17 have acquired further qualifications by the age of 24.

![Graph showing the proportion of the age group with various levels of highest qualification for 17-year-olds and 24-year-olds.]

Source: Labour Force Survey, ONS; the data is the average for the years 1997/98 to 2004/05

The first graph shows the proportion of 19-year-olds without a basic qualification, with the data shown separately for those without NVQ2 or equivalent and those without any GCSEs at grade G or above. To improve statistical reliability, the figures for each year are the averages for the four quarters to the relevant winter quarter. DfES equivalence scales have been used to translate academic qualifications into their vocational equivalents. So, for example, NVQ2 or equivalent includes those with five GCSEs at grade C or above, GNVQ level 2, two A5 levels or one A level. In line with these equivalence scales, 45 per cent of those with an ‘other qualification’ are considered to have NVQ2 or equivalent.

The second graph shows how the proportion of young adults with various levels of highest qualification varies by age. The levels of qualification shown are a mixture of academic and vocational qualifications. The ages shown are 17 and 24. To improve statistical reliability, the figures are the averages for the years 1997/98 to 2004/05.

The data source for both graphs is the Labour Force Survey (LFS). Respondents who did not answer the questions required to perform the analysis have been excluded from the relevant graphs.

Overall adequacy of the indicator: medium. The LFS is a large, well-established, quarterly government survey designed to be representative of the population as a whole but the fact that the analysis is for 19-year-olds only means that the sample sizes are still small.
Key points

Relating to few qualifications at 19

- The proportion of 19-year-olds without any qualification at all has been fluctuating around 10 per cent since the late 1990s.
- The proportion of 19-year-olds who have some qualifications but not to an NVQ2 level (which includes 5 GCSEs at grades A to C) has been fluctuating around 15 per cent since at least the late 1990s.
- Taken together, the proportion of 19-year-olds failing to achieve a basic qualification fell from 31 per cent in 1997/98 to 24 per cent in 2002/03 since when it has risen again to 29 per cent. In view of the fluctuation in the underlying series, however, it is unclear how much significance should be attached to this.

Relating to qualifications at 17 and 24

- A third of 17-year-olds (averaging over the period 1997 to 2004) had either no qualifications at all or qualifications that fell short of both 5 GCSEs at grades A to C or (vocational) NVQ2. An almost identical proportion of 24-year-olds over the same period were in the same situation. This would seem to imply that a 17-year-old who has failed to acquire a basic qualification is very unlikely to have remedied this situation by the time he or she is 24.
- By contrast, five-sixths of those who held at least 5 GCSEs at grade C or above at age 17 went on to achieve a further qualification by the time they were 24.
- While this confirms the importance of achieving ‘five good GCSEs’ by the end of compulsory education in Year 11 (age 16), that is not quite the whole story since both vocational NVQ2s and NVQ3s, as well as AS levels, count towards the ‘five good GCSEs’ measure at age 17. This implies that the crucial level of attainment in school exams taken in Year 11 lies somewhere between ‘at least five GCSEs’ (which 15 per cent fail to reach) and ‘at least five good GCSEs’ (which almost 50 per cent fail to reach).
- 13 per cent of 16- to 19-year-olds are not in education, employment or training (NEETs) in Wales, compared to 11 per cent in England, and 14.5 per cent in Scotland.10
Entry to higher education

In the most deprived wards, it was rare for more than a quarter of 18-year-olds to go to higher education at the end of the 1990s. In the least deprived wards, it was normal.

The first graph shows how the proportion of young adults who go on to higher education varies by electoral ward with the wards grouped by level of deprivation.

The second graph provides an analysis of the numbers of wards where the proportion of young adults going on to higher education is significantly different from that which might be expected given the level of deprivation in that ward. A ward is classified as 'more than expected' if any of the following are true: the ward is in the most deprived fifth but the proportion of young adults going on to higher education is more than 24 per cent; the ward is in the second most deprived fifth but the proportion is more than 32 per cent; or the ward has average deprivation but the proportion is more than 43 per cent.

A ward is classified as 'less than expected going on to higher education' if any of the following are true: the ward is in the least deprived fifth but the proportion of young adults going on to higher education is less than 32 per cent; the ward is in the second least deprived fifth but the proportion is less than 24 per cent; or the ward has average deprivation but the proportion is less than 16 per cent.

The data source for both graphs is Participation of Local Areas (POLAR) data published by the Higher Education Funding Council for England (HEFCE). The latest ward-level data is for 1999 and, to improve statistical accuracy, the data presented is the average for the years 1997 to 1999.

Overall adequacy of the indicator: medium. The data shows some strong results but requires a certain amount of interpretation.
Key points

Relating to rates of entry by the level of deprivation of the area

- In half of the most deprived 20 per cent of wards in Wales, fewer than one in six 18-year-olds go on to higher education. In a further third of these wards, between one in six and one in four go on to higher education.

- Three-quarters of the wards where fewer than one in six go on to higher education are in the most deprived 20 per cent of wards. Nine-tenths are in the most deprived 40 per cent of wards.

- More than half of the least deprived 20 per cent of wards in Wales see a minimum of four in ten 18-year-olds go on to higher education. By contrast, almost no wards in the most deprived 20 per cent of wards in Wales see four in ten going on to higher education.

Relating to the geographical pattern of ‘exceptional performance’

- There is a geographical pattern to the spread of wards across Wales where the proportion of 18-year-olds going on to higher education is markedly different from what would be expected on the basis of the ward’s level of deprivation alone. In particular, local authorities in the west – Ceredigion, Gwynedd, Isle of Anglesey and Carmarthenshire – have a high proportion of wards doing markedly better than expected, while parts of the east – chiefly Flintshire and Monmouthshire but also to a lesser extent Torfaen and Newport – have a high proportion doing markedly worse than expected.

- Some elements of the pattern are a result of the way in which over- and under-performance have been defined. For example, wards with higher than average levels of deprivation simply cannot produce results that are markedly worse than expected. Likewise, wards with below average levels of deprivation cannot produce results that are markedly better than expected. No significance should therefore be attached to the fact that Blaenau Gwent, Merthyr Tydfil or Rhondda Cynon Taff have negligible levels of under-performance.

- Over-performance on this measure can still be consistent with a very low level overall going on to higher education. For example, a quarter of Merthyr Tydfil’s wards over-performed relative to their deprivation score. However, the proportion of 18- and 19-year-olds who go on to higher education from there is still one of the lowest in Wales (20 per cent) – a proportion lower only in Blaenau Gwent (18 per cent).\(^{11}\)
Adult participation

Half of unskilled and partly skilled working-age adults have not undertaken any learning since leaving school.

The 'standardised participation rates' for all types of post-16 learning are much higher in rural parts of Wales than in either the urbanised areas or the Valleys.

The first graph shows the proportion of adults aged 17 and over who have not studied or taken part in learning activity since leaving school, with the data broken down by social class. According to this socio-economic classification, AB represents professional/managerial; C1 intermediate and junior non-manual; C2 skilled manual; and DE partly skilled or unskilled.

The data source is the NIACE Survey on Adult Participation in Learning in Wales 2002 and 2003, with the results for the two years combined. The data includes all types of learning, both informal and formal, and training.

The second graph shows the standardised participation rates (SPRs) for all types of post-16 learning (higher education, further education and training) for each local authority.

The SPR is the number of learners living in an area divided by the expected number of learners for each authority, multiplied by 100. An SPR of less/more than 100 indicates that there are fewer/more learners than the Welsh national average.

The data source is a calculation carried out by ELWa based on administrative data collected in 2000/01.

Overall adequacy: limited. Questions have been raised over the breadth of the definition of ‘learning’ used in the survey and the sample size is relatively small.
Key points

Relating to participation in all forms of adult learning by social class

- Half of unskilled and partly skilled adults (socio-economic groups D and E) have not taken part in any 'learning activity' since leaving formal education. This compares to one in three for adults from skilled manual and non-manual backgrounds (socio-economic group C) and one in five from professional and managerial backgrounds (socio-economic groups A and B).

- Three-quarters of people from unskilled or partly-skilled backgrounds report no recent or current involvement in adult learning, compared with two-thirds of people from skilled manual backgrounds and a half of people from non-manual, professional and managerial backgrounds.

- The figures relating to aspirations to learn in the future show a similar picture. Three-quarters of people from unskilled and partly skilled backgrounds report that they are unlikely to participate in learning in the future, compared with two-thirds of those from skilled manual backgrounds and a half of those from non-manual backgrounds.

Relating to participation in all forms of adult learning by local authority area

- 'Standardised participation rates' for the major types of adult learning (further education, higher education and training) for those aged 16 and over and living in the area are highest in rural parts of Wales (Conwy, Carmarthenshire, Monmouthshire and Denbighshire), and lowest in the Valleys, Cardiff and Wrexham.

- The highest participation rates in further education for adults over the age of 18 (the largest component of adult education) are in Conwy, Denbighshire and Neath Port Talbot, and the lowest are in Vale of Glamorgan and Cardiff.

- Half of all adults over the age of 19 in further education are from the least deprived quarter of all electoral wards. By contrast, only one in seven are from the most deprived quarter of wards.

- The highest participation rates for training are in Blaenau Gwent, Torfaen, Vale of Glamorgan, and Neath Port Talbot. The lowest rates are in Cardiff, Monmouthshire and Flintshire.

- The indicator does not pick up on all forms of adult learning. Community learning, whether run directly by the local authority or contracted out, is common in parts of South Wales, particularly Newport and Cardiff. In 2002/03, there were around 25,000 such learners across Wales. Adult learning provided by the Workers Education Association and local further education colleges is common in the north of Wales, such in Gwynedd, Conwy, Wrexham, Flintshire and Denbighshire. No information is available on learning activities funded by employers.

Non-market returns to education

- Personal development, work-related reasons, and education/progression are the most common reasons given for participating in learning (over half of current or recent learners state these reasons). Reasons of personal development are more common among women, and work-related reasons are more common among men.

- Reported benefits of learning include personal development, increased self-confidence and meeting new people. Men are more likely than women to report increased earnings or a tangible impact on their work situation as a result of learning.
## Chapter 3 Work

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Unemployment and worklessness

The steady and prolonged fall in unemployment is frequently cited as testimony to the success of the UK government’s economic strategy and its superiority over that of other European Union countries where rates of unemployment remain far higher. But the ‘unemployed’ as they are officially defined and counted are but a part of the group of people who would like a job if one were available. That this is not just an esoteric point, to be seen only through the statistics, is clear from the way in which members of the discussion groups pointed to the high number of people claiming Incapacity Benefit as masking a problem of serious under-employment in their area.

A full picture, therefore, of under-employment requires attention to both ‘unemployment’ and what is described as ‘worklessness’. Since these two terms sound as if they should be describing the same thing, when they are not, it is helpful to begin by explaining the differences between them, and who, and in what circumstances, is counted as what.

Unemployment

Unfortunately, even the term ‘unemployment’ gets used in an ambiguous way.

The official estimate of unemployment is based upon the ILO (International Labour Organization) definition, namely, a count of jobless people who (a) want to work, (b) are available to start work in the next two weeks, and (c) have been actively seeking work in the last four weeks, or who have just found a job and are waiting to start. Across the UK as a whole, ILO unemployment stands at around 1.4 million, some 60,000 of whom are in Wales.

Quite separately, the ‘claimant count’ records the number of people claiming the relevant social security benefit (Jobseeker’s Allowance – JSA). The claimant count always gives a smaller figure because some people who are ILO unemployed are either not entitled to JSA or choose not to claim it. With the UK claimant count now well below one million (around 40,000 in Wales), some politicians – perhaps understandably – like to refer to it when talking about unemployment. But in this report, unemployment always means ILO unemployment.

Economically inactive wanting work

Everybody who is either working or unemployed is ‘economically active’. Everybody else is ‘economically inactive’. ‘Workless’ is therefore a term that includes both the unemployed and the economically inactive.

Someone is economically inactive if they are not working and they fail any one or more of the three criteria (a) to (c) above, necessary to be counted as ILO unemployed. Some three-quarters of the economically inactive fail criterion (a), that is, they do not want work. The other quarter, however – the economically inactive who do want work – are the people who are closest to being ‘unemployed’.
The table below shows how the current 60,000 unemployed and 100,000 economically inactive wanting work are divided between men and women and according to the principal reasons (for the economically inactive) why they are not actively seeking work or not available to start in the next few weeks.

<table>
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<tr>
<td>Economically active</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>35</td>
<td>25</td>
<td>60</td>
</tr>
<tr>
<td>Economically inactive wanting work</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Long-term sick/disabled</td>
<td>25</td>
<td>15</td>
<td>40</td>
</tr>
<tr>
<td>Looking after family/home</td>
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<td>25</td>
<td>30</td>
</tr>
<tr>
<td>Not yet started looking</td>
<td>5</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
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<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>75</td>
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<td>160</td>
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</table>

Those who are long-term sick or disabled are the biggest single group among the economically inactive wanting work, but the second group, only slightly smaller, are those who are looking after family or home. Since most of this second group are women, when unemployment and economic inactivity are taken together, there are slightly more women than men now wanting work in Wales.

Choice of indicators
The indicators presented here are:

11A – the proportion of working-age households who are workless, separately for one and two adult households with and without dependent children, for each year since 1995.

11B – the proportion of children in workless households, Wales compared with the English regions and Scotland.

12A – the numbers wanting work, separately for those classified as unemployed and those classified as economically inactive but wanting work, for each year since 1995/96.

12B – the proportion wanting work, separately for the unemployed and the economically inactive wanting work, for each local authority area.

13A – the proportions of the working age population who are unemployed or economically inactive wanting work, separately by age group and for men and women.

13B – the unemployment rate among 18- to 24-year-olds, now and a decade ago, Wales

Highlights
Most workless households are single adult households, and most of these do not have dependent children.

Those counted as ‘economically inactive wanting work’ now far outnumber those counted as ‘unemployed’, especially in the Valleys.

Unemployment among young adults in Wales is now close to the UK average, whereas a decade ago it was much worse than average.
Workless households

Half of all workless households are single adult households without dependent children.

The first graph shows the number of workless working-age households (ie households where none of the adults are working) as a proportion of total working-age households, with the data being grouped into the following four household types: single adults without dependent children; lone parent households; households with two or more adults but no dependent children; and households with two or more adults and one or more dependent children.

The second graph shows how the proportion of children aged under 16 and living in households in which none of the working-age adults have paid employment in Wales compares with elsewhere in the UK. To improve their statistical reliability, the figures are averages for the years 2002 to 2004.

In both graphs, households which are entirely composed of full-time students have been excluded from the analysis, as have households where their economic status is not known. Full-time students have also been excluded from the calculations to decide whether the household has one or more than one adult. So, for example, a household comprising one full-time student and one other working-age adult has been allocated to the ‘one adult’ household type.

The data source for both graphs is the Labour Force Survey (LFS) household datasets for the spring quarter of each year.

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The data source for both graphs is the Labour Force Survey (LFS) household datasets for the spring quarter of each year.

Overall adequacy of the indicator: high. The LFS is a large, well-established, quarterly government survey designed to be representative of the population as a whole.
Key points

Relating to workless households by family type

- The overall proportion of working-age households who are workless, which remained around 22 per cent throughout the late 1990s and as recently as 2001, had fallen to 19 per cent by 2005.
- Single adult households without children account for 50 per cent of all workless, working-age households, a proportion that has remained steady over a decade. A further 20 per cent are single adults with children, with the other 30 per cent being two adult households.
- Among workless households with dependent children, single adult households account for some 60 per cent. Although this proportion has fluctuated from year to year, it is little different now from what it was a decade ago.

Relating to children in workless households

- Eighteen per cent of all the children in Wales live in workless households. This is somewhat higher than for the UK as a whole (16 per cent). There is, however, considerable variation in this proportion between the different parts of the UK, from 25 per cent in London and 23 per cent in the North East of England, to 10 per cent in the South East of England.
- The number of children living in workless households in 2004 (110,000 children) has barely changed from what it was in the mid-1990s (120,000). Over a period when both unemployment and ‘workless wanting work’ fell sharply (indicator 12), this is a very small fall.
- Although Welsh-specific statistics are not available, UK statistics suggest that at least two-thirds of the children in workless households live in lone parent households, with only a third living in two adult households.
Wanting paid work

Unemployment has nearly halved over the last decade but the number who are 'economically inactive but wanting work' has come down by only a quarter.

The proportion of the working-age population who lack, but want, paid work is higher in the Valleys than elsewhere.

The first graph shows the proportions of the working-age population who are either 'economically inactive' but want paid work or unemployed (on the ILO definition).

The data source is the Labour Force Survey (LFS). To improve statistical reliability, the data for each year is averaged across the four quarters to winter 2004/05.

The second graph shows, for 2003, how the proportion of the working-age population who lack, but want, paid work varies by local authority.

The data source is the Local Area Labour Force Survey. This is effectively LFS with selected booster samples to compensate for small sample sizes.

Overall adequacy of the indicator: high. The LFS is a large, well-established quarterly government survey designed to be representative of the population as a whole.
Key points

**Relating to trends over time**

- The number of people who are classified as ‘ILO unemployed’ has come down from around 110,000 in 1995/96 to 60,000 in 2004/05. The decline over this period has been fairly steady. In 2004/05, this represented 3.5 per cent of the working-age population.¹

- The number of people who are classified as ‘economically inactive but wanting work’ has also declined over this period, from around 135,000 to 100,000. In 2004/05, this represented 5.5 per cent of the working-age population.

- One implication of this is that unemployment now only accounts for about 40 per cent of the people who say that they want work. A second implication is that, because the number of people unemployed has fallen faster than the number of economically inactive people wanting work, the fall in the unemployment rate overstates the rate of fall in the total number of people wanting work.

- The 9 per cent of the working population wanting work in Wales is similar to the UK average.

- Two-fifths of the economically inactive who want work are long-term sick or disabled. A further quarter describe themselves as ‘looking after family or home’.

**Relating to the differences across Wales**

- The proportion of the working-age population who are ‘ILO unemployed’ ranges from 5 per cent in Blaenau Gwent and Rhondda Cynon Taff to 2 per cent in Wrexham. The proportion who are economically inactive but want work ranges from more than 11 per cent in Neath Port Talbot to 2 per cent in Flintshire.

- Taken together, the proportion wanting work, whether ‘unemployed’ or ‘economically inactive’ is highest in four of the Valleys areas (Neath Port Talbot, Rhondda Cynon Taff, Blaenau Gwent and Merthyr Tydfil) and lowest in the north (Flintshire, Wrexham and Gwynedd). The proportion in Neath Port Talbot – 15 per cent – is three times that in Flintshire.

- Whereas the Valleys score a bit worse than the rest of Wales on unemployment, they score a lot worse than the rest of Wales on economically inactive but wanting paid work.

**Relating to unemployment and inactivity among black and minority ethnic groups**

- The employment rate among black and minority ethnic groups is lower than among white people. In particular, black minority ethnic women in Wales are less likely to be working than white women.²

- Racism, language barriers, lack of careers advice, inadequate enterprise support, lack of role models, bias in recruitment and selection, ineffective equal opportunities policies, and disparities in educational attainment adversely affect employment, income and well-being.³
Worklessness by age

At every age, and for both women and men, those who are economically inactive but want paid work outnumber the unemployed.

Unlike a decade ago, the unemployment rate for 18- to 24-year-olds in Wales is now similar to the UK average.

The first graph shows, for the latest year, how the proportions of either unemployed or ‘economically inactive’ but wanting paid work vary by age and sex.

The second graph shows, for the latest year, how the proportion of those aged 18 to 24 in Wales who are unemployed compares with elsewhere in the UK, with the data shown separately for 1995/96 and 2004/05.

The data source for both graphs is the Labour Force Survey (LFS). To improve statistical reliability, the data for each year is the average for the four quarters up to the winter quarter.

Overall adequacy of the indicator: high. The LFS is a large, well-established, quarterly government survey designed to be representative of the population as a whole.
Key points

Relating to worklessness by age and gender

- The proportion of the working-age population that is 'ILO unemployed' is higher for men than women. For both men and women, however, it is higher among younger working-age people than older ones. Four per cent of men aged 25 to 34 are unemployed compared with 2 per cent for men aged 50 to retirement. For women, the comparable figures are 3 per cent of those aged 25 to 34 and 1.6 per cent of those aged 50 to retirement.

- The proportion of the working-age population who are economically inactive but would like work is fairly uniform – between 4 per cent and 5 per cent – for both men and women and among most age groups. The exception is women aged 25 to 34 where the rate is more than 7 per cent.

- Except for men aged 25 to 34, for whom the proportions are almost the same, the economically inactive wanting work substantially outnumber the ILO unemployed.

Relating to unemployment among young adults aged 18 to 24

- The proportion of young adults aged 18 to 24 in Wales who were unemployed fell from 17 per cent in 1995/96 to 10 per cent in 2004/05. This, which was the fastest rate of decline anywhere in the UK apart from the North East and North West of England, means that Wales has moved from being considerably worse than average a decade ago to being average in UK terms now.

- Wales now has a lower proportion of young adults unemployed than Scotland, Northern Ireland, the North East, the West Midlands and London. A decade ago, only London, the North East and the North West had higher rates.

- Despite these falls, the proportion of 18- to 24-year-olds who are unemployed is around three times that for adults aged 25 to retirement.
Barriers to work

The reasons why people who express a desire to work but nevertheless do not do so are many and varied. For example, they may lack the skills or qualifications for the jobs that are available. They may have other commitments, such as childcare or caring for an elderly relative. They may be suffering from a limiting long-term illness that restricts the type of job that they are able to do. The pay may be too low to make it financially worthwhile to take a job, especially if the costs of taking a job (for example the bus fare to work), are seen as high.

The complexity of the subject means that, besides the two indicators presented here, there are at least six others that are also directly relevant to this subject, namely: the numbers of 16-year-olds and young adults without adequate qualifications (indicators 7 and 8); low pay (indicators 16 and 17); and access to transport (indicators 31 and 32).

Multiple barriers to work

A further source of this complexity is that the problem many people face involves a combination of different barriers to work. Recent research has shown how each disadvantage or barrier reduced the probability of employment, independent of the effect of other disadvantages. At one extreme, only 4 per cent of individuals with no disadvantages were unemployed, compared with 90 per cent among those facing six disadvantages (namely, to be without a partner, disabled, poorly qualified, over the age of 50, a member of a minority ethnic group and living in an area of weak labour demand). The importance of multiple barriers to work was also clearly recognised by participants in the discussion groups.

Lone parents provide one example of how different barriers interact. The availability and affordability of childcare is bound to be critical for lone parents. Yet of all working-age households, lone parents are the group with the lowest levels of car ownership. Solving the childcare problem may therefore only make a tangible impact on employment if there is good public transport available, too.

Barriers can be inter-related in more subtle ways, too, for example the links between poor health and lack of a job. Obviously, a limiting long-term illness can be a barrier to work. But participants in one of the discussion groups also suggested that, in the absence of economic opportunity, individuals sometimes interpreted their illnesses as having a greater debilitative effect than would be the case if work were more easily available.

Some barriers may be higher for women than men. This is not just because women are far more likely than men to shoulder responsibilities like caring for children or relatives. Research has reported the failure to provide opportunity and choice for young women entering work through training, especially among lower socio-economic groups. Vocational routes into work for those without higher educational qualifications are not as widespread for young women as they are (albeit in a limited way) for young men. As a result, young women leaving school with few or no qualifications face a greater barrier to work than young men.
Choice of indicators

In view of its importance, it is regrettable that there is no data available on multiple barriers to work. The indicators presented here cover a range of different kinds of barriers to work, as follows:

14A – the proportion of economically active people who are ILO unemployed, by highest level of qualification.

14B – the proportion of adults without basic literacy and numeracy skills, compared to English regions.

15A – the proportion of men and women citing various barriers to work as the reason for not doing a paid job.

15B – the number of children per registered childcare place by local authority.

Limits to the effects of lowering barriers to work

It is important to be clear about the limits of policies designed to reduce barriers. For example, if what really matters are multiple barriers, then policies also have to be multiple, too, for example for lone parents, policies for skills and childcare and transport.

There is also the question of what the objective is. For example, there is no doubt from the information provided here and elsewhere that an individual’s chances of getting a better job are that much greater the more qualifications they have. Self-evidently, however, that does not mean that if everybody got an extra qualification, everybody would be able to get a better job.

Similar limitations would apply to policies on childcare or transport. Better childcare provision would clearly enable parents in general and lone parents in particular to more easily find and take paid work. Better transport provision in particular areas would likewise help people who lived there. But unless such measures were accompanied by a growth in the overall number of jobs, they can do no more than shift the work around. For parts of the population who do face particular problems, ‘shifting the work around’ in their favour could be a reasonable objective. If the objective is larger than that, for example, to increase the overall number of people in paid work in Wales, reducing barriers to work has to be accompanied by policies directly aimed at both the quantity and quality of jobs themselves.

Highlights

Although the absolute risk is currently low, the fewer qualifications a person has, the greater is their risk of unemployment.

Health or disability is the dominant barrier for men, but for women the reasons are much more varied and include caring responsibilities, for both children and adults.

Local authorities in the Valleys have fewer registered childcare places than other parts of Wales.
The lower their level of qualifications the more likely a person is to be unemployed.

Wales has a higher proportion of adults without basic literacy skills than any English region, and the second highest without basic numeracy skills.

The first graph shows risk of unemployment (ILO definition) according to the individual's highest level of education. The data is for those aged 25 to 50. People aged less than 25 have been excluded because both their unemployment and low pay patterns are rather different, in part because of the substantial proportion still in education. People aged over 50 have been excluded because the high prevalence of ‘no qualifications’ among this age group makes their aggregation with the younger age group somewhat problematic. The data source is the Labour Force Survey (LFS). To improve statistical reliability, the data is averaged for the four quarters to winter 2004/05.

The second graph shows the proportion of adults aged 16 to 64 with below Level 1 literacy and numeracy skills. The standard for Level 1 is equivalent to that demanded for Level 1 (or a D-G grade GCSE) in the National Qualifications Framework. If someone is below Level 1, it suggests that they lack the necessary literacy or numeracy to achieve a formal qualification. The data source is the National Survey for Adult Basic Skills in Wales 2004, and the Skills For Life Survey for England in 2002/03. The Welsh survey is designed to be comparable with the Skills for Life Survey.

Overall adequacy of the indicator: medium. The LFS is a large, well-established, quarterly survey designed to be representative of the population as whole. For the second graph, there is some question over the extent to which the assessment (‘real world’ tasks) used to ascertain literacy level correctly identifies a deficit in literacy skills rather than other skills required to solve the tasks.
Key points

Relating to the risks arising from low qualifications

- The likelihood of unemployment among those aged 25 to 50 rises sharply the lower a person’s level of qualifications. Among those who are economically active, nearly 8 per cent of those without any qualifications are unemployed, two and half times the average rate of 3 per cent.

- Each extra level of qualification appears to contribute to a reduction in the likelihood of unemployment. Among those with some GCSEs but no ‘good’ ones (that is, at grade C or above), 5 per cent are unemployed. Those with at least one good GCSE face a 3 per cent risk of unemployment. Among those with higher qualifications, the unemployment rate is lower still.

- At least in a time of low unemployment, by far the biggest risk associated with low qualifications is low pay: 60 per cent of people aged 25 to 50 with no qualifications earn less than £6.50 an hour. This compares with an average of about 25 per cent across this group as a whole.

- Again, extra qualifications help reduce the risk: with at least one GCSE, the risk drops to 50 per cent and with at least one good GCSE, the risk drops to 35 per cent.

- There is also a higher risk of economic inactivity: 25 per cent of all people aged 25 to 50 with no qualifications being economically inactive.

- In summary, among all people aged 25 to 50 who have no qualifications, 30 per cent are either economically inactive or unemployed while 40 per cent are employed but low paid.

Relating to basic literary and numeracy skills

- Fifty-three per cent of the working-age population in Wales lack basic numeracy skills, a higher proportion than in any of the English regions apart from the north east. The average for England as a whole is 46 per cent.

- Twenty-five per cent of the working-age population in Wales lack basic literacy skills, again a higher proportion than in any of the English regions. The average for England as a whole is 16 per cent.

- Other data shows that the lack of basic skills varies between areas. The Valleys areas (Blaenau Gwent, Merthyr Tydfil, Caerphilly, Torfaen and Neath Port Talbot) had the highest proportions of people lacking basic literacy and numeracy skills.  

- Those without Level 1 in basic skills are less likely to participate in adult learning, thus reinforcing the disadvantage they already experience by having low skills levels.

- Most of the adult learning is in subjects other than basic skills. Ensuring widespread access and provision of basic skills teaching for adults is a key priority of the Assembly.
For both men and women, poor health is the most often cited barrier to work. For women, childcare and caring responsibilities are also often cited.

The first graph shows the main reasons for not working given by men and women who are not working but want to work. Note that individuals can state more than one reason for not working. Note also that the figure referring to ‘childcare’ is a combination of the two responses in the survey – ‘childcare not available’, and ‘childcare too expensive’; and that ‘carer’ refers to someone with responsibility for a family/household member other than a child. The data source is the Future Skills Wales Household Survey 2003.

The second graph shows the number of registered childcare places per children aged 0-8 in each local authority. Registered childcare places include provision through childminder provision, creches, full day care and sessional day care. The source is the QA Plus Database of the Welsh Assembly Government, supplied by the Care Standards Inspectorate for Wales. The data is for 2004.

Overall adequacy: limited (first graph), medium (second graph). In the first graph, the sample size is small and it may be that some people are reluctant to identify their reason for not working. In the second graph, the data is comprehensive and updated on a continuous basis. However, it does not capture informal childcare, such as relatives and friends looking after children.
Key points

**Relating to stated barriers to work**
- Poor health is the single most frequently stated barrier to work by both men and women with a half of men and a quarter of women giving this as a reason.
- Aside from poor health, the most frequently stated reasons for women not being able to work are caring responsibilities (16 per cent) and childcare (15 per cent). For men, the second most common reason is ‘lack of/unsuitable jobs available locally’ (23 per cent).
- If caring responsibilities for both adults and children are combined, it becomes the single biggest barrier to work for women (around 30 per cent). Note that this excludes those not working because they want to look after their children.
- The proportion of women stating childcare as a barrier to work is likely to have been greater if the sample included only those women with children. For example, at a UK level, research found that the most frequently mentioned barrier to work among lone parents related to childcare, with half reporting a lack of suitable childcare in their area.10

**Relating specifically to childcare provision**
- The number of children per registered childcare place is much higher in the Valleys than in other parts of Wales. For example, there are 19 children for every childcare place in Blaenau Gwent compared to three for every place in Denbighshire. Most authorities in Wales have fewer than six children per place.
- Registered childcare places are not the only form of childcare that is used. Seventy per cent of parents in Wales, whether by choice or not, rely on informal arrangements, especially grandparents.11
- Childcare is a particular barrier to work among lone parents.12 Around 40 per cent of lone parents working less than 16 hours per week said that problems of finding or affording childcare were preventing them from working, or working more.13
- Even where childcare places are available, costs can be prohibitive. The childcare component of the Working Tax Credit pays a maximum of 70 per cent of childcare costs through the pay packet of low-income earners. However, if a parent in Wales is eligible for the maximum amount, they are still likely to pay around £40 per week in Wales for a nursery place.14
Low pay

Indicator 3 showed that households where at least one person is working contain more than a third of the non-pensioners in income poverty in Wales, a proportion that is sharply up from what it was in the mid-1990s. With ‘in-work poverty’ on this scale, low pay has to be seen as a primary cause of poverty.

Pay and poverty

The relationship between pay and poverty is not direct. First, while it is the individual who is paid, poverty is assessed on the basis of household income. Two people with the same pay can have quite different household incomes, depending on how many people are in their household and how many of them are working. Second, total pay per week depends on both the rate of pay and the number of hours worked. Third, in-work incomes for some, but by no means all, households can be boosted, in some cases substantially, by working and child tax credits.

These reasons mean that it is not possible to describe any particular rate of hourly pay as a ‘poverty wage’. At one extreme, a lone parent, with two children, working 16 hours a week at £4.50 an hour would, thanks to the tax credits, have a household income slightly above the income poverty threshold. At the other, a single earner in a two adult household working 35 hours a week would need to be paid almost £9 an hour to reach the same standard of living.

The indicators in this section use a figure of £6.50 an hour as the low pay threshold. This represents the wage rate that a couple, one working full-time and one part-time, would require in order to produce a household income just above the income poverty threshold for themselves and one dependent child. Households with fewer children are above the income poverty threshold at slightly lower wage rates, while those with more children require somewhat higher rates. £6.50 is therefore a middle range figure.

These calculations take no account of tax credits. That is because if work is to be the route out of poverty on a sustainable, long-term basis, it must be work that can pay a wage that achieves this without the subsidy that tax credits represent.

Choice of indicators

The indicators presented here are:

16A – the ratio of pay at both the top and the bottom of the earnings distribution to average male pay, for men and women separately, over time.

16B – the proportion of people earning different rates of hourly pay, men and women separately, full- and part-time employees.

17A – the proportion of employees in each industry sector earning less than £6.50 an hour.

17B – the proportion of all employees earning less than £6.50 an hour, by industry sector.
The spread of low pay and tax credits across Wales

For each of the 22 local authorities, the graph below shows: i) the proportion of employees who were paid less than £6.50 an hour in 2004; and ii) the proportion of working-age households getting one or both of Working or Child Tax Credit in 2004.

There are two points of interest:

- The large variation in the percentage of low-paid employees between different local authority areas, from just above 20 per cent in Vale of Glamorgan, Torfaen and Monmouthshire to 40 per cent or more in Pembrokeshire, Ceredigion and Gwynedd. There is a strong geographical pattern here, low pay being more widespread further north and west.
- There is a much smaller degree of variation in the percentage of households receiving tax credits and a very limited relation between the extent of low pay and the extent of tax credits. For example, Ceredigion and Torfaen have the same percentage of households receiving tax credits even though the former has twice as much low pay as the latter.

Highlights

- The gap between pay near the bottom of the pay scale and average pay has been narrowing slowly for both men and women.
- The majority of part-time jobs are low paid. The majority of low-paid workers are women.
- Only a small minority of low-paid jobs are in parts of the economy that face international competition and with it the threat that the job could move overseas. Many low-paid jobs are in the public sector.
Low pay by gender

Earnings for men and women at the bottom of the pay scale have been rising faster than average earnings.

The first graph focuses on pay differentials. It shows four statistics: the pay of men one-tenth of the way from the top/bottom of the male pay distribution; and the pay of women one-tenth of the way from the top/bottom of the female pay distribution. In each case, the statistics are shown as a proportion of average (median) hourly pay of full-time male employees thus providing a measure of earnings inequalities. The data source is the New Earnings Survey (NES) up to 1998 and the Annual Survey of Hours and Earnings (ASHE) from 1998 onwards. The two surveys use slightly different methods of calculation so the NES figures have had a small adjustment applied to cater for this. The NES does not cover companies that are not registered for VAT nor people who changed or started new jobs during the survey period so such data have also been excluded from the ASHE figures.

The second graph shows, for the latest year, the distribution of employees across the pay spectrum with the data shown separately for part-time women, part-time men, full-time women and full-time men. The data source is ASHE. The proportions have been calculated from the hourly rates at each decile using interpolation to estimate the consequent proportion earning in each of the pay groups.

Overall adequacy of the indicator: medium. ASHE is a large annual survey of employers but the published data does not provide direct estimates of the number of people at various low-pay thresholds for Wales.
Key points

**Relating to inequalities in earnings**

- Over the past decade, earnings near the bottom of the pay scale for both men and women have risen faster than the earnings of the average male worker. In 1995, a man at the 10th percentile of the male pay distribution was paid 55 per cent of what the average male worker earned; by 2004, this had risen to 58 per cent. A woman at the 10th percentile of the female pay distribution was paid 48 per cent of what the average male worker earned; by 2004, this had risen to 52 per cent.

- Earnings near the top of the pay scale for both men and women have also risen faster than the earnings of the average male worker. A man at the 90th percentile of the male pay distribution in 1995 was paid 184 per cent of what the average male worker earned; by 2004, this had risen to 193 per cent. The comparable figures for women, are 162 per cent in 1995, rising to 172 per cent in 2004.

- Taken together, these results point to a narrowing of the pay distribution among those with below average earnings and a widening of the distribution among those with above average earnings.

**Relating to pay by gender and part-time/full-time**

- Our marker of low pay is £6.50 per hour. On this definition, 60 per cent of part-time workers were low paid in 2004. This proportion was similar for men and women.

- Among full-time workers, 25 per cent of women are low paid compared with 15 per cent of men.

- Half of those who are low paid are part-time workers, the great majority (five-sixths) of them women. With half of the low-paid full-timers also being women, women account for two-thirds of all low-paid workers.

- Around 25 per cent of part-time workers are very low paid, that is, paid less than £5 an hour in 2004. Among full-timers, the proportions for both men and women are much less than 10 per cent.

**Relating to pay by age**

- At all ages, the proportion of part-time workers who are low paid is always at least two-fifths.

- Two-thirds of all workers aged 21 and under are low paid. Even so, those aged under 21 account for just a sixth of all low-paid workers.

- A third of all low-paid workers are aged under 30. A quarter are aged 50 or above.
The location of low pay

More than half of employees in the retail, hotel and restaurant sectors are paid less than £6.50 per hour. Two-thirds of these are women.

![Graph showing the proportion of employees in different sectors earning less than £6.50 per hour, with separate data for men and women.]

Source: Labour Force Survey, ONS; the data is for the four quarters to winter 2004/05

Two-fifths of all low-paid workers work in the retail, hotel and restaurant sectors. A further fifth work in the public sector.

![Pie chart showing the distribution of low-paid workers across different sectors.]

Source: Labour Force Survey, ONS; the data is for the four quarters to winter 2004/05

The first graph shows how the proportion of workers who were paid less than £6.50 per hour varies by industry sector, with the data shown separately for men and women.

The second graph shows the share of low-paid workers by industrial sector.

The data source for both graphs is the Labour Force Survey. People whose hourly pay rates cannot be calculated from the survey data have been excluded from the analysis.

Overall adequacy of the indicator: medium. The Labour Force Survey is a large, well-established, quarterly government survey designed to be representative of the population as a whole but there are some doubts about the reliability of its low-pay data.
Key points

Relating to the proportions of workers in each industry who are low paid

- Both the hotel and restaurant sector and the retail and wholesale sector have a majority of workers who are low paid (that is, earning less than £6.50 an hour). In hotels and restaurants, the proportion is 80 per cent, two-thirds of whom are women. In retail and wholesale, the proportion is 60 per cent, more than half of whom are women.

- Other sectors where between 30 per cent and 40 per cent of workers are low paid are construction and transport/communication (where the majority of low-paid workers are men) and financial and other services (divided half and half between men and women).

- Besides administrative and secretarial occupations, the majority of women workers in sales and customer services, elementary occupations, and process, plant and machine operatives are low paid.

Relating to the proportions of low-paid workers between industries

- The sector with the largest number of low-paid workers in Wales is the retail and wholesale sector, containing almost 30 per cent of all low-paid workers. This reflects both the size of the sector and the high proportion of low-paid workers within it.

- The public sector – public administration, education and health – is the sector with the second largest number of low-paid workers, some 20 per cent. It should be noted that these are workers who are employed directly by the public sector. It does not include, for example, staff engaged in cleaning, who are employed by contractors working for the public sector.

- Only a small minority of low-paid workers are in sectors that face international competition and the consequent threat that the job could move abroad. The jobs that are likely to be at risk in this way include those in manufacturing and some parts of financial services, other services, and transport and communication: perhaps 20 per cent of all low-paid jobs in total.16

Relating to job segregation by gender and ethnicity

- Work place segregation by gender is sharper in Wales than in other parts of the UK.17

- The Equal Opportunities Commission reports that young people in Wales, particularly girls, lack careers advice, work experience placements, and training opportunities that would help them make genuine career choices and get jobs that attract higher pay. Instead, young people are channelled into traditional jobs according to gender, with traditional notions of ‘men’s work’ and ‘women’s work’ still dominant.18

- The majority of men and women belonging to a minority ethnic group in Wales are employed in low-paid sectors: hotels and restaurants (19 per cent and 14 per cent respectively); wholesale and retail trade (17 per cent); motor vehicles repair (17 per cent) and health and social work (16 per cent and 27 per cent respectively).19

- There are differences between minority ethnic groups. Over 50 per cent of Bangladeshi and Chinese people in Wales are in the hotel and catering sector, whereas Indian, Black African and Black Caribbean people are more likely to be in the health and social care sector.20

- Public sector jobs are a particularly important source of employment for women from Black and minority ethnic groups with half of Black Caribbean and Black African women working in this sector.21
Since 1997, the number of jobs in Wales has risen by 10 per cent. This growth, which is in line with what has happened across the UK as a whole, is necessary for reducing levels of worklessness in Wales and the high risk of poverty that goes with it. However, it is not just a question of any job; rather, the jobs have to be of a good enough quality, too. ‘More jobs’, in other words, must go hand in hand with ‘better jobs’.

Better jobs

The idea that the member states of the European Union need to pursue both more and better jobs is the cornerstone of the European Employment Strategy. Beyond the pay itself, which is obviously crucial, a long list of factors contribute to the quality of a job. They include: wider financial benefits such as sick pay, holiday pay and a pension; job security, including whether the job is permanent or for a fixed term only; the level of task discretion and supervision as well as the intensity of the job; good relations with both managers and fellow employees; adherence to both gender and race equality; adherence to high standards of health and safety; access to training at work, along with the prospect of progression in work; the location of the job; flexibility over hours, to allow people time off to meet other responsibilities; access to a grievance procedure and/or the right to be represented by a trade union.

Some of these factors were raised during the discussion groups in our study. Participants in one group talked about the importance of job security. The principal employer locally had shed 200 jobs and there were now perceived to be no long-term employment contracts available in the area. Low pay was mentioned as a barrier to work in the sense that low pay, especially in a part-time job, meant that the financial return from taking a job is often too low. This problem was explicitly linked with the high cost of the public transport needed to get to work – hence the importance of the location of jobs.

Choice of indicators

The indicators presented here are:

18 – map of the location of small areas with high concentrations of manufacturing industry.

19A – the short-term nature of the jobs taken by people who are unemployed, measured by the proportion making a new claim for JSA less than six months after their last claim, over time.

19B – the proportion of people in either part-time or temporary jobs who are content with a job of that status.

20A – the proportion of people receiving job training, broken down according to the level of qualifications that the person already has.

20B – the proportion of people belonging to a trade union, broken down by the rate of pay.
Background: trends in numbers of different types of jobs

As the graph below shows, beneath the steady growth in the number of jobs in Wales over the past eight years, there has been a marked change in the mix of jobs. As it happens, the number of jobs in private sector services and the number in the public and voluntary sectors are roughly equal and have risen in line with one another over recent years, from around 350,000 in 1997 to around 420,000 in 2005. By contrast, the number of jobs in manufacturing, construction and other production activities has fallen, from 290,000 in 1998 to 245,000 in 2005.

These figures show that the favourable trend overall in jobs in Wales since the late 1990s hides considerable differences between sectors. The significance of this is evident in the production industries, which now account for only a quarter of the jobs in Wales, and are dominated by male, full-time employment. Forty per cent of full-time male jobs are in this sector, compared to just one in six of all full-time female jobs and one in twenty part-time jobs. The steady loss of jobs in this sector over recent years, therefore, has a disproportionate impact on the kind of employment available in Wales.
Map: dependence on manufacturing jobs

Almost all the small local areas where a high proportion of residents are dependent on manufacturing jobs are in the Valleys, Bridgend, Flintshire and Wrexham.

Indicato r 18
Key points

Relating to where people with jobs in manufacturing live

- The dependence on manufacturing is measured here by the proportion of people with a job living in an area who reported, in the 2001 Census, that they worked in manufacturing. It is, therefore, a map of where people who work in manufacturing live, rather than where manufacturing jobs are located.

- Small local areas in the top sixth are those where the proportion of people working in manufacturing exceeds 27 per cent. Those in the second sixth contain between 21 per cent and 27 per cent in manufacturing while those in the third sixth contain between 16 per cent and 21 per cent.

- Almost all the small local areas with a high dependence on manufacturing jobs (above 27 per cent) are found in two parts of Wales: the Valleys (three-fifths of the total), along with Bridgend (one-tenth); and Flintshire and Wrexham (a quarter).

- Four-fifths of the small areas in the local authority area of Blaenau Gwent have rates of dependence on manufacturing jobs in excess of 27 per cent. Almost half of the small areas in Caerphilly and Wrexham have dependency rates that high.

- Outside of the local authorities already mentioned, small areas with a high dependence on manufacturing jobs occur in Llanelli, Newport and Newtown (Powys).

- Notable for the complete absence of small areas with high dependence on manufacturing are Cardiff and (with a handful of exceptions) Swansea. These cities do, however, still contain some small areas with some above average dependence on manufacturing jobs.

Indicator 18

Work

Job quality

For each of the 10,000 ‘output areas’ in Wales, the map shows the proportion of people with a job living in the area who reported, in the 2001 Census, that they worked in manufacturing. It is, therefore, a map of where people who work in manufacturing live, rather than where manufacturing jobs are located.

‘Output areas’ are small areas defined by the Office for National Statistics for analysing data at a small area level. They have been defined so that they have roughly equal populations.

Only output areas with an above average proportion are shaded, with the darkest shade being the sixth of output areas with the highest proportions, the next shade being the second sixth and the lightest shade being the third sixth.

The data source is the 2001 Census.

Overall adequacy of the indicator: high. The question in the Census is factual where it is relatively straightforward for someone to decide whether they work in manufacturing or not.
Insecurity at work

Nearly half of the men and a third of the women making a new claim for Jobseeker’s Allowance were last claiming less than six months ago.

![Graph showing the proportion of men and women making a new claim for Jobseeker’s Allowance less than six months since last claim.](image)

Source: JUVOS cohort, first quarters of each year, ONS

Just one in ten part-time workers want a full-time job but one in four temporary workers want a permanent job.

![Graph showing the reasons for temporary and part-time employment.](image)

Source: Labour Force Survey, ONS; the data is for the four quarters to winter 2004/05

The first graph tackles insecurity at work through the issue of people who find themselves taking a succession of jobs interspersed with periods of unemployment. It shows the probability that someone who makes a new claim for Jobseeker’s Allowance was last claiming that benefit less than six months previously. This is effectively the same as the proportion of people finding work who then lose that work within six months. Figures are shown separately for men and women. The data is taken from the spring quarters of the Joint Unemployment and Vacancies Operating System (JUVOS) cohort.

The second graph shows the principal reasons that people give for taking part-time work or temporary work. In each case, the main point of interest is those taking these forms of work who would prefer, respectively, full-time or permanent work. The data source is the Labour Force Survey (LFS). The data is the average for the four quarters to winter 2004/05.

Overall adequacy of the indicator: medium. While the claimant count data is sound, the narrow definition of unemployment that it represents means that it understates the extent of short-term working interspersed with spells of joblessness.
Key points

**Relating to claimants of Jobseeker’s Allowance**

- In 2005 nearly half of the men, and a third of the women, making a new claim for Jobseeker’s Allowance were last claiming this benefit less than six months ago. In other words, half of men and a third of women who find work, no longer have that work six months later. This shows the short-term nature of the jobs that many unemployed people go into.

- Although the proportions have changed little over the period, the actual number of people caught in the cycle of unemployment, short-term work, then unemployment again, has come down as overall levels of unemployment have fallen. In the first quarter of 2005, the number of men making a new claim for JSA who had last been claiming less than six months earlier was 12,500, compared with 16,000 in the first quarter of 1996. For women, the comparable figures are 2,800 in 2005, down from 4,200 in 1996.

- The types of jobs taken by unemployed people are likely to be temporary, part-time, self-employed and lower skilled than previous employment. The rate for claimants returning to unemployment after a spell in employment is particularly high among those on temporary contracts.

- Various explanations have been offered for this link between unemployment and short-term work. For example, barriers to retaining work may be similar to the barriers that prevent work in the first place; a pre-existing problem may become important, or a new issue may arise, which then prevents an individual from continuing with work. Alternatively, those who are unemployed may have an increased probability of becoming unemployed because over time unemployed workers lower their aspirations and accept poorer-quality jobs.

**Relating to part-time and temporary work**

- The vast majority of part-time employees – 85 per cent – do not want a full-time job. By contrast, only 25 per cent of temporary employees do not want a permanent job. This suggests that, whereas part-time employment is a positive choice, temporary employment is usually not.

- Of the 15 per cent of people doing a part-time job who nevertheless want a full-time job, two-thirds (10 per cent) report that they cannot find a full-time job.

- Of the 75 per cent of people doing a temporary job who nevertheless want a permanent one, a third (25 per cent) report that they cannot find a permanent job.
Support at work

The lower a person’s level of educational qualifications, the less likely they are to receive job-related training.

![Bar chart showing the proportion of employees who received job-related training in the last three months according to the level of the employee's highest qualification.](chart)

<table>
<thead>
<tr>
<th>Qualification Level</th>
<th>Percentage of Employees Receiving Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>No qualifications</td>
<td>20</td>
</tr>
<tr>
<td>GCSEs below grade C</td>
<td>25</td>
</tr>
<tr>
<td>GCSEs A*-C</td>
<td>30</td>
</tr>
<tr>
<td>A level or equivalent</td>
<td>35</td>
</tr>
<tr>
<td>Higher education</td>
<td>40</td>
</tr>
<tr>
<td>Average</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Labour Force Survey, ONS; the data is for the four quarters to winter 2004/05 combined.

Only a fifth of workers earning less than £6.50 an hour belong to a trade union compared with more than half of those earning £9 to £21 an hour.

![Bar chart showing the proportion of people currently employed who are members of a trade union or staff association, with the data shown separately by level of pay.](chart)

<table>
<thead>
<tr>
<th>Pay per Hour</th>
<th>Percentage of Employees in a Trade Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £6.50</td>
<td>20</td>
</tr>
<tr>
<td>£6.50 to £9</td>
<td>30</td>
</tr>
<tr>
<td>£9 to £15</td>
<td>50</td>
</tr>
<tr>
<td>£15 to £21</td>
<td>70</td>
</tr>
<tr>
<td>£21 or more</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: Labour Force Survey, autumn 2004 quarter, ONS.

The first graph shows the proportion of employees who have received some job-related training in the last three months according to the level of the employee’s highest qualification. DfES equivalence scales have been used to translate vocational qualifications into their academic equivalents. Training includes both that paid for by employers and by employees themselves.

The second graph shows the proportion of people currently employed who are members of a trade union or staff association, with the data shown separately by level of pay.

The data source for both graphs is the Labour Force Survey (LFS). In the first graph the data is the average for the four quarters to winter 2004/05. The figures in the second graph are for the 2004 autumn quarter of the LFS (the data is only collected in the autumn quarters).

Overall adequacy of the indicator: medium. The LFS is a well-established, quarterly government survey, designed to be representative of the population as a whole. But a single, undifferentiated notion of ‘training,’ without reference to its length or nature, lessens the value of the indicator.
Key points

Relating to training at work

- The higher a person’s level of educational qualifications, the more likely they are to receive training at work.

- On average, 30 per cent of employees aged between 25 and retirement report that they have received job-related training in the last three months. Among those with no qualifications, less than 15 per cent have received training. Among those with a higher educational qualification, 43 per cent have.

- This pattern is reflected in the proportions receiving training according to the nature of their occupation. So among those in elementary occupations, plant and machine operatives, or those engaged in skilled trades, fewer than 20 per cent have received job-related training in the past three months. Among those in professional or associate professional occupations, the proportion is almost 50 per cent.

- There are also large variations in this proportion between different industries. In the production industries (manufacturing, construction, transport and communication and agriculture), 20 per cent have received job-related training in the past three months. This compares with 45 per cent in public administration, education and health.

Relating to trade union membership

- The proportion of workers belonging to a trade union is lower among those being paid less than £6.50 an hour than among any other pay group.

- Only a fifth of all those earning less than £6.50 an hour belong to a trade union, compared with two-fifths of those earning between £6.50 and £9 an hour and over half of those earning between £9 and £15 an hour.

- The proportion belonging to a trade union is highest among those earning between £15 and £21 an hour: 58 per cent. The 30 per cent of those earning more than £21 an hour who belong to a union is still a higher proportion than that for those earning less than £6.50 an hour.

- Two-thirds of female trade union members – but only two-fifths of male union members – are paid less than £9 an hour.

- At every level of pay, the proportion of women belonging to a trade union is always greater than the proportion of men. Even so, there are 50 per cent more male than female trade union members who are paid above £9 an hour. By contrast, among those earning less than £6.50, women trade union members outnumber men by two to one.
**Chapter 4 Health**

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<th>Indicator/map</th>
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<td>22: Ill health among children</td>
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<td>Morbidity and premature mortality</td>
<td>23: Long-term illness and disability</td>
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<td>Access to health and social services</td>
<td>26: Access to health and social services</td>
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Children’s health and well-being

The link between poor health and deprivation is well established. Poor health among children is a particularly clear representation of that link. Unlike health indicators for adults, there is less room for debate about individual and lifestyle choices, therefore naturally shifting the focus to the circumstances and the environment in which they live. This means that the ‘effect’ of deprivation can be seen more easily. It is also well established that poor health in childhood is a predictor of poor health in adulthood, and the multiple disadvantage that it entails. Thus, the disadvantage of poor health is perpetuated.

A profile of the health of children and young people in Wales (2004) highlighted key factors that influence children’s health. They may relate to the physical environment, such as local facilities and services. They may relate to the socio-economic environment, such as income, quality of housing, education etc, which in turn affect individual lifestyles. Poor housing, for example, is known to increase the risk of cold-related illness and asthma among children. Low income, for example, may result in poor nutrition and lack of resources to avoid other health problems. Ill health may also relate to poor access to health care services.

The problem is that the distribution of these negative influencing factors is not equal. People in deprived areas have a higher exposure to negative influences, and have a reduced capacity to deal with them. Deprivation and health (2004) showed how the poorest, most deprived wards suffered poorer health across the vast majority of health outcomes compared to more affluent wards. The indicators below are a small selection of examples where this link is most apparent.

Choice of indicators

The indicators presented here are:

21A – the proportion of babies born with low birthweights, over time.
21B – infant mortality by social class, over time.
22A – the number of decayed, missing or filled teeth among 5-year-olds, by local authority.
22B – births to girls who conceived under the age of 16, by local authority.

Highlights

The persistent gap in child health outcomes, whether or not the overall trend is upwards (low birthweight babies) or downwards (infant deaths).

The large differences in child health and well-being, such as under-age births or oral health, between different parts of Wales.
Indicators relating to birth

The choice of particular indicators relating to birth in a report on poverty and social exclusion needs careful explanation. Although they are not alone in this, one source of complexity is that indicators relating to birth link present disadvantage with future disadvantage. Where they are unique, however, is the way that at least some of them are concerned with the future disadvantage of two people, that is, both the child and its mother.

Teenage pregnancies

Births to girls who conceived before the age of 16 illustrates the full complexity of the issues. First, it points to the disadvantage for the child of having a teenage mother. Such a child is more likely to be of a low birthweight, which in turn means they are more likely to die within the first few weeks of life, or develop certain chronic diseases, such as heart disease or diabetes, in adulthood. The child is also more likely to perform poorly at school, to have educational and emotional problems, and suffer illness, accident or injury. If she is a girl, she is also more likely to become a teenage mother herself.

Second, it is a marker of the mother’s present disadvantage – and the disadvantage that the child is therefore born into. The major risk factors for teenage pregnancies include poverty, being in care, and low educational attainment. The link between teenage pregnancy and low educational attainment in the wider teenage/young adult population is also clear – with high rates found in areas with high proportions of 16- to 24-year-olds without qualifications and low participation in higher education. Low educational attainment is in turn a high risk factor for poor employment prospects, whether unemployment or low-paid employment.

Third, it relates to the future prospects of the mother. Teenage pregnancy can therefore be an expression of low aspirations and lack of opportunity – the choice to have a baby may be considered a good option in the circumstances.

Low birthweight

The issues around low birthweight are slightly different. The principal concern here is with the child. In particular, there are higher health risks for a low birthweight baby: they are much more likely to die within the first few weeks of life, or develop certain chronic diseases, such as heart disease or diabetes, in adulthood. Very low birthweight (under 1.5 kilograms) is associated with long-term disabilities such as cerebral palsy. Low birthweight is also associated with broader indicators of disadvantage including poor maternal health and poor nutrition. As a result, a low birthweight baby is likely to be disadvantaged in ways that extend beyond its health.
Disadvantage at birth

**The proportion of babies with a low birthweight is slightly higher than it was in the mid-1990s.**

![Graph showing the proportion of babies with low birthweight over years.](image)


**The gap in the rate of infant deaths among those from manual and non-manual social backgrounds has widened since the mid-1990s.**

![Graph showing the rate of infant deaths by social class over years.](image)

Source: Childhood, infant and perinatal mortality statistics, DH3, ONS

The first graph shows the proportion of babies born each year who are defined as having a low birthweight, ie less than 2.5 kilograms (5 1/2 lbs). The data is for live births only (ie it excludes still-births).

The second graph shows the annual number of infant deaths per thousand live births, with the data shown separately according to the social class of the father. Infant deaths are deaths which occur at ages under one year.

The data is based on a 10 per cent sample of live births using year of occurrence. Cases where the social class of the father is unknown have been excluded from the analysis. The data is up to 2001 only because the definitions of social class were changed in 2002 and the data by social class from 2002 onwards is not considered to be reliable for Wales.

The data source for both graphs is the Office of National Statistics DH3 statistics.

Overall adequacy of the indicator: limited. The ideal for the first graph would have been to present data broken down by social class but such data is not considered to be reliable for Wales. The value of the second graph is lessened because it only goes up to the year 2001.
Key points

Relating to low birthweight babies

7.25 per cent of babies born in 2003 in Wales were of a low birthweight (less than 2.5 kilograms), slightly higher than it was a decade previously. This increase in low birthweight babies can be explained by improved medical technologies, resulting in more successful deliveries of low birthweight babies, and increased fertility treatment that is more likely to lead to a low birthweight baby.\(^\text{11}\)

Since the mid-1990s, the proportion of babies of low birthweight born to parents from manual social backgrounds in England and Wales has been about 1.5 per cent higher than that for babies born to parents from non-manual backgrounds. While the year-to-year variation in this data clouds the picture, it does not appear that the overall rise in the incidence of low birthweight babies is confined to just one of these two groups.\(^\text{12}\)

Overall, there is a noticeable geographical pattern to the incidence of low birthweight babies. The highest rates were recorded in Merthyr Tydfil, Blaenau Gwent and Rhondda Cynon Taff (ranging from 8.5 per cent to 9.5 per cent), along with Cardiff and Newport. The lowest rates were recorded in rural mid- and north Wales plus north east Wales.

The proportion of low birthweight babies is highest among those babies registered solely by their mother (9.5 per cent) and lowest among those registered by married parents (6.5 per cent).

Relating to infant deaths

A gap appears to have opened up in the rate of infant deaths since the mid-1990s between children born to parents with a non-manual social background and ones born to parents from a manual social background.

The link between infant mortality and disadvantage can also be seen at the area level. Over the years 1998-2001, the infant mortality rate in the most deprived fifth of areas in Wales was 60 per cent higher than in the most affluent fifth of areas.\(^\text{13}\)
Ill health among children

Five-year-olds in most parts of the Valleys have, on average, more decayed, missing or filled teeth than children in other parts of Wales.

The first graph shows how the average number of missing, decayed or filled teeth for 5-year-olds varies by local authority. The data source is the Welsh Oral Health Information Unit from a survey of 5-year-olds conducted by the British Association for the Study of Community Dentistry. The data is for 2004.

The birth rate for girls who conceive under the age of 16 in parts of the Valleys is three times higher than in some other areas in Wales.

The second graph shows how the birth rate for girls conceiving under the age of 16 varies by local authority. To improve statistical reliability, the data is averaged for the six years to 2003.

The data source is the Office for National Statistics (ONS).

Overall adequacy of the indicator: high. The dental data is based on a very large survey and the collection of conception and births statistics is an established process.
Key points

Relating to poor dental health

- The number of decayed, missing or filled teeth in the mouths of 5-year-olds varies across Wales, from an average of 3.5 teeth per child in Merthyr Tydfil and Blaenau Gwent to an average of 1.5 teeth per child in Flintshire.

- Five-year-olds in four local authority areas have, on average, three or more decayed, missing or filled teeth – all in the Valleys. Five-year-olds in five local authority areas have, on average, fewer than two decayed, missing or filled teeth – all in the east or the south.

- The average number of decayed, missing or filled teeth in the mouths of 5-year-olds across Wales as a whole is just under 2.5. This compares unfavourably with Scotland and all the English regions. In the best of these regions – the South East and the West Midlands – 5-year-olds on average have just one decayed, missing or filled tooth.14

- Other studies confirm that the prevalence of poor oral health is much higher in Wales than in other parts of Britain. In 2003, for example, 52 per cent of children in Wales had at least one decayed, missing or filled tooth compared to around 41 per cent in England. Prevalence has remained unchanged for over 10 years.15

Relating to births to girls conceiving before the age of 16

- The proportion of girls aged 13 to 15 conceiving a child and subsequently giving birth varies from between 8 and 9 per 1,000 girls in Blaenau Gwent and Merthyr Tydfil to 2 per 1,000 in Monmouthshire.

- While five of the six local authorities in the Valleys show above average rates, Blaenau Gwent and Merthyr Tydfil stand out for having rates that are at least 50 per cent higher than anywhere else.

- The proportion of girls aged 13 to 15 conceiving a child is also highest in Blaenau Gwent and Merthyr Tydfil – between 13 and 16 per 1,000 – compared with 6 per 1,000 in Ceredigion. This is a much smaller difference between Blaenau Gwent and the area with the lowest rate (2½ times) than for the statistics on birth (4 times).

- The birth rate among girls who conceived between the ages of 13 and 15 over the three years 2001 to 2003 averaged just below 4 per 1,000. Only the North East of England and Yorkshire and the Humber had (slightly) higher rates. The lowest rates – below 3 per 1,000 – were in the South East, South West and East of England.16

- Among older teenagers (15- to 19-year-olds), the UK as a whole stands out as having the highest teenage birth rate in Western Europe; twice that of Germany, three times as high as France and six times as high as the Netherlands.17
Morbidity and premature mortality

Ill health among the working-age population is at the heart of Wales’ social and economic problems. Previous themes discussed how ill health is perceived to be the biggest single barrier to employment among men (15A) and how high rates of claiming Incapacity Benefit are seen as masking under-employment. They also discussed how the number of people who are economically inactive but want work has fallen much less than unemployment, and in much of Wales now far outstrips it (12A,12B). By contrast, unemployment rates in Wales, which a decade ago were among the highest in Britain but are now no worse than the UK average (13B), having improved considerably.

It is also important to emphasise that, according to the 2001 Census, the prevalence of ill health was greater in Wales than in any other region of the UK. More than 18 per cent of working-age people in Wales described themselves as suffering from a limiting long-term illness, a fraction higher than in the North East of England and well above the England and Wales average of 14 per cent. But it is for its geographical concentrations of ill health that Wales in general, and the Valleys in particular, really stands out, with Merthyr Tydfil, Blaenau Gwent, Neath Port Talbot, Rhondda Cynon Taff and Caerphilly being the second, third, fourth, fifth and sixth worst local authority areas (out of a total of 376 across England and Wales) for self-reported ill health. Only Easington, in the North East of England, did worse. Torfaen was fifteenth.

Choice of indicators

The indicators presented here are:

23A – the proportion of people claiming social security benefits for two years or more, by the reason for claiming, over time.

23B – the proportion of claimants of Incapacity Benefit or Severe Disablement Allowance suffering from a range of medical conditions.

24 – map: local areas in Wales with high rates of self-reported long-term illness.


25B – rates of premature mortality by local authority area.
**Links in long-term illness by age and place**

The graph below highlights another pattern exhibited by the areas with high rates of limiting long-term illness, namely that an area with a relatively high rate for one age group is likely to have a relatively high rate for other age groups, too. The particular age groups shown on the graph are:

50- to 59-year-olds for whom the proportion reporting limiting long-term illness varies from just over 20 per cent to nearly 50 per cent; and

35- to 49-year-olds for whom the proportion reporting limiting long-term illness varies between 13 per cent and 24 per cent.

![Graph: Percentage with limiting long-standing illness, 50-59 versus 35-49](image)

The graph is strongly suggestive of two points. First, the fact that significant levels of limiting long-term illness can be found in every age group, including those who were only children in the 1980s, demonstrates that the problem is not just a condition of former miners or steel workers who may have lost their jobs years ago. Second, because illness rates in a particular place are higher or lower at every age group there must be some ‘area’ dimension contributing to the problem.
Long-term illness and disability

The vast majority of people receiving out-of-work benefits on a long-term basis are sick or disabled.

A third of all claimants of Incapacity Benefit or Severe Disablement Allowance have mental or behavioural conditions.

The first graph shows all those of working age who were in receipt of a ‘key out-of-work benefit’ for two years or more. ‘Key out-of-work benefit’ is a DWP term which covers the following benefits: Jobseeker’s Allowance, Income Support, Incapacity Benefit and Severe Disablement Allowance. Note that this list is slightly different from ‘key benefits’, which also include Disability Living Allowance.

For each year, the total is broken down by type of claimant: sick and disabled, lone parents, unemployed and others (for example carers and asylum seekers).

As can be seen from the first graph, the majority of long-term claimants of ‘key benefits’ are sick or disabled. In this context, the second graph shows, for the latest year, a breakdown by reason for those who have either been in receipt of Incapacity Benefit for two years or more or are in receipt of Severe Disablement Allowance.

The data source for both graphs is the DWP Information Centre. The data is for the month of February of each year. The data has been analysed to avoid double-counting of those receiving multiple benefits by matching data from individual samples.

Overall adequacy of the indicator: high. The data is thought to be very reliable. It is based on information collected by the DWP for the administration of benefits.
Key points

Relating to long-term benefit dependency

Sickness or disability is now overwhelmingly the single most important reason why working-age people claim out-of-work benefits in Wales over a long period. In 2005, 83 per cent of working-age people – 160,000 people – receiving an out-of-work benefit for two years or more were classified as sick or disabled.

This proportion has risen from 74 per cent in 1997. This is mainly because the number of people receiving long-term out-of-work benefits for other reasons has fallen. In particular, the number who are long-term unemployed has fallen by three-quarters.

Long-term sickness or disability, as measured by people claiming either Incapacity Benefit (IB) or Severe Disablement Allowance (SDA) for two years or more, is not confined to people coming up to retirement. Just 40 per cent of those claiming one of these benefits for two years or more are aged over 55. A further quarter are aged between 45 and 54. The remaining third or so are aged under 45.

Relating to medical conditions of those claiming IB or SDA

A mental or behavioural disorder is the medical condition most likely to be exhibited by working-age people who are claimants of out-of-work disability benefits, namely IB or SDA. This accounts for 36 per cent of all claimants.

22 per cent of those who are claimants of IB or SDA have musculoskeletal disorders. Although just over half of them are men, this still means that only 13 per cent of all long-term claimants of IB or SDA are men suffering from musculoskeletal disorders. Any image of this group as being made up of mainly ‘older men with bad backs’ is therefore clearly misleading.

Disorders of either the nervous or circulatory systems or arising from injury/poisoning account for a further fifth of individuals, leaving a further quarter due to ‘other’ reasons.

Overall, 57 per cent of long-term IB or SDA claimants are men. A similar proportion can be seen in most of the individual categories, although the proportion who are men rises to around 70 per cent for circulatory diseases and injury/poisoning.

Relating to risk of mental ill health

Half the people aged 25 to 64 who are long-term sick or disabled are assessed as being at high risk of developing a mental illness.

By contrast, only one in six of those who are in work are assessed as being at high risk. For those who are unemployed, about a third are assessed as at high risk.

The proportion of women assessed as being at high risk is slightly higher than that for men. This applies across all three groups; namely those in work, those who are unemployed and those who are long-term sick or disabled. The differences between men and women are, however, small compared with the differences between work, unemployment and sickness/disability.
Map: location of long-term illness

Location of long-term illness
Although most concentrated in the Valleys, neighbourhoods with a high proportion of working-age people reporting a limiting long-term illness are found across Wales.
**Key points**

**Relating to small local areas with a high proportion of working-age long-term illness**

- Small local areas in the top sixth are those where the proportion of working-age people describing themselves as suffering from limiting long-term illness in the 2001 Census exceeds 25 per cent. Small local areas in the second sixth contain between 20 per cent and 25 per cent of the working-age population describing themselves in that way, while those in the third sixth contain between 16 per cent and 20 per cent.

- Just over half of the small local areas with the highest levels of limiting long-term illness (above 25 per cent) are in the Valleys. In general, these small areas are concentrated towards the north of the local authorities in the Valleys.

- Just over half of the small areas within the local authority of Merthyr Tydfil have rates of limiting long-term illness in excess of 25 per cent. Apart from Torfaen, the other Valley local authorities have a third or more of their small areas with rates in excess of 25 per cent.

- Small areas with rates of limiting long-term illness in excess of 25 per cent are found in every local authority in Wales. Apart from the Valleys, the local authorities with a disproportionately high share of these small areas are Carmarthenshire, Swansea and Bridgend which between them contain a further fifth of these areas.

- In addition, concentrations of small areas with rates of limiting long-term illness in excess of 25 per cent occur in Cardiff, Newport, Rhyl, Wrexham, Barry, Abergele and Colwyn Bay.

- Limiting long-term illness is also not restricted to towns either. Carmarthenshire, Ceredigion and Isle of Anglesey contain many rural areas with above average levels of illness. So, too, does much of the coastal strip in north Wales from Conwy to Flint.

**Relating to limiting long-term illness at local authority and national level**

- Among local authority areas, the proportion of the working-age population who describe themselves as suffering from limiting long-term illness varies from 27 per cent in Merthyr Tydfil to 14 per cent in Monmouthshire.

- Six of the seven local authorities with rates in excess of 20 per cent are in the Valleys; the seventh is Carmarthenshire.

- At 18 per cent, limiting long-term illness among the working-age population is higher in Wales than in Northern Ireland, Scotland or any of the English regions.

- Limiting long-term illness and disability rises with age. The proportion of those aged 65 to 74 who describe themselves as suffering from limiting long-term illness varies from 65 per cent in Merthyr Tydfil to 40 per cent in Ceredigion.

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For each of the 10,000 ‘output areas’ in Wales, the map shows the proportion of adults aged 16 to 59 self-reporting a limiting long-standing illness.

‘Output areas’ are a small area defined by the Office for National Statistics for analysing data at a small area level. They have been defined so that they have roughly equal populations.

Only output areas with an above average proportion are shaded, with the darkest shade being the sixth of output areas with the highest proportions, the next shade being the second sixth and the lightest shade being the third sixth.

The data source is the 2001 Census.

Overall adequacy of the indicator: **high**. The question asked in the Census is the usually accepted way of measuring the prevalence of limiting long-standing illness.
Premature death

Since the mid-1990s, the rate of premature death has fallen in Wales as elsewhere in Great Britain.

The rate of premature death is 50% higher in Blaenau Gwent and Merthyr Tydfil than in Ceredigion.

Premature death is arguably the simplest, most accessible indicator for ill health, being a summary measure of all major health problems which result in death.

The first graph shows the number of deaths of those aged under 65 per 100,000 people aged under 65, with separate statistics for men and women. For comparison purposes, the equivalent data for Great Britain as a whole is also shown. Note that 2001 Census population estimates have been assumed to apply for all the years shown.

The second graph shows, for the latest year, how the rate of premature death varies by local authority. To improve statistical reliability, the data is averaged over the latest three years.

The data source for both graphs is ONS Mortality Statistics Division. The data is standardised to the total European population by age and sex.

Overall adequacy of the indicator: medium. The data on death rates is sourced from administrative data and represent counts of all deaths but does not directly relate to issues of poverty and social exclusion.
Key points

Relating to Wales in comparison with the rest of Great Britain

- The rate of premature death has fallen steadily since the mid-1990s, at a similar pace to that for Britain as a whole.

- Although the rate of premature death among men (260 per 100,000) is much higher than it is for women (165 per 100,000), there has been a bigger improvement among men since the mid-1990s (down 16 per cent) than among women (down 10 per cent).

- In 2003, the rate for men and women combined of 210 deaths per 100,000 people aged under 65 was similar to the British average, lower than Scotland and the North West and North East of England but higher than the south of England.

Relating to rates of premature death across Wales

- The rate of premature death in two local authority areas – Blaenau Gwent and Merthyr Tydfil – is 10 per cent higher than in any other local authority area and 50 per cent higher than in Ceredigion, the area with the lowest rate.

- In general, the highest rates of premature death are found in the Valleys, Conwy, Newport and Denbighshire. The lowest rates are usually found in the more rural parts of Wales.

- The rate of premature death for men is higher than the rate for women in every local authority area. Where rates are high, they tend to be high for both men and women, and vice versa.

- Comparing the periods 1991 to 1993 and 2001 to 2003, rates of premature death have gone down in every local authority area except for Conwy.

- In general, rates for men appear to have fallen fastest in those areas where the rate was lower to begin with. As a result, the variations between authorities for men are greater now than they used to be.

- Research in the 1990s showed that inequalities in premature mortality were widest in cities, narrowest in deeper rural areas, and of intermediate and comparable value in the rest of Wales. Given the socio-economic determinants of ill health, this means that the impact on health for those at the deprived end of the socio-economic spectrum is less marked in deeper rural areas than in urban areas. 22
Access to health and social services

There are many aspects to the problem of poor access to health and social services. Low levels of knowledge about what is available is one. Limited mobility is another. Cost, in time or money, is a third, with those on lower wages less able to afford the time off work to address health matters. These barriers affect disadvantaged groups disproportionately, poor access therefore being both a cause and a consequence of other forms of deprivation and exclusion. Poor access to these services may affect not just the person who needs them, but also their family or friends who support them.

Choice of indicators

The indicators in this section measure two aspects of service provision, one specific to pensioners and the other of importance more generally. They are:

26A – the proportion of people over the age of 65 being helped by their local authority to live at home, over time.

26B – the number of people per general practitioner (GP) and the proportion of GPs who are in a ‘single-handed’ practice (that is, they work on their own rather than in partnership) by local authority.

People being helped to live at home is a proxy measure for helping to reduce social exclusion among older people. Pension Credit and the benefits system help with the income side of poverty but do nothing for the widespread problems of loneliness and lack of support.

The number of people per GP is a measure of the quantity of primary care while the proportion of GPs who are ‘single-handed’ is a proxy for the quality of that care. Although, of course, there are exceptions to the rule, larger practices are often associated with better quality provision. They are more likely to qualify for ‘quality service payments’. They are also able to offer more extensive treatment at clinics, more diverse services, as well as a choice of GP.

Highlights

The state, in the shape of social services, is doing much less than it did to provide services which provide basic support to older people and help alleviate loneliness.

Both the quantity and quality of primary care provision varies across Wales, with particular problems in north east Wales and some of the Valley areas.

Wider concerns about access to health and social care

Concerns about access to health care were raised in all three discussion groups. Just getting to what were seen as increasingly centralised services was one, a car being viewed as a near-essential in view of the state of public transport.

Other concerns related to quality and quantity. Participants were concerned that their local practice was being run by two elderly GPs; a third GP had left and they expected it would take a long time to fill the vacancy; and there was no female GP.
Inequalities in provision are not just confined to the aspects of health care presented here. For example, an examination of the prevalence of arthritis in Welsh local authorities found that hospital activity rates in poor areas were less than expected considering the greater incidence of arthritis.26 Other studies have shown uneven patterns in the provision of dental care, again showing less provision in deprived areas, and more provision in affluent areas.27

The overall concern is that the ‘inverse care law’, a phrase first coined by a Welsh GP in 1971, still applies, namely, that the availability of good medical care varies inversely with the need of the population served.28

**Trends in the pensioner population**

Changes in the pensioner population contribute to an understanding of the pressure on services used heavily by this age group. The graph below shows how the size and geographical spread of those aged 65 to 84, and those aged 85 and above, changed between 1993 and 2003 and how they are forecast to change between 2003 and 2013. The 85+ age group have been separated out because they place the highest demand on health and social services.

At the all-Wales level, the key point is that the demand for services is likely to grow more rapidly in the next 10 years than it has done in the last 10. In particular, the 85+ age group will grow by 35 per cent in the next 10 years, compared with 20 per cent in the last. The younger pensioner group will also grow by 15 per cent whereas over the last decade it has hardly grown in size at all.

The increase in the pensioner population has not been uniform across Wales. Over the past 10 years, growth in both groups has been lowest in Cardiff and the North West (Isle of Anglesey, Gwynedd, Conwy and Denbighshire). By contrast, the 85+ age group has grown by 25 per cent in both the East (Powys and Monmouthshire) and the West (Ceredigion, Carmarthenshire and Pembrokeshire) with lower growth – but still the highest in Wales – among the younger pensioner group.
Access to health and social services

The number of people aged 65 and over receiving home care halved between 1994 and 2001 but has remained steady since then.

A high proportion of GP practices in the Valleys and Flintshire are single-handed.

The first graph shows the number of people aged 65 and over receiving home care provided by local authorities at the end of each stated year. The major home care service is home help but it also includes meals-on-wheels, day care etc. The data source is SSDA303 data collections (1994 and 1995), AS2 data collections (1997 to 2001) and PM2 data collections (2002 onwards). The data for 1994 and 1995 is estimated from a direct count of the number of people receiving home help multiplied by the ratio between home care clients and home help clients in 1997. Statistics for 1996 are not available so have been estimated as the average of the 1995 and 1997 figures.

The second graph provides data about the numbers and type of General Practitioners (GPs) by local authority. The bars show the proportion of Unrestricted Principals who are single-handed. An Unrestricted Principal is a practitioner who is in contract with a local health board. The vast majority of GPs are Unrestricted Principals. The line shows the number of people per Unrestricted Principal. The data source is the 2003 General Medical Services Census, as presented in the National Assembly for Wales publication, Workforce statistics for general practitioners in Wales, 1993-2003.

Overall adequacy of the indicator: *medium*. The underlying data is considered reliable. However, the selection of the data presented is largely driven by what is available rather than what would be ideally analysed.
Key points

Relating to help to live at home

The number of clients aged 65 and over receiving home care from their local authority almost halved between 1994 and 2001, falling from around 40,000 to around 22,000. Since then, the number being helped has remained fairly steady. This decline is because available resources have been focused on those deemed most in need rather than because the total amount of resources has been decreasing.29

Within Wales, there is a near threefold variation between local authorities in the proportion of 75-year-olds and older helped to live at home. There is, however, no obvious geographical pattern to the variation, with the proportions being lowest in Wrexham, Gwynedd, Conwy and Vale of Glamorgan, and highest in Merthyr Tydfil, Swansea and Isle of Anglesey.

Relating to GPs and GP practices

The number of patients per GP is highest in Flintshire and Rhondda Cynon Taff (around 2,000) and lowest in Ceredigion and Gwynedd (around 1,200).

An average of 6 per cent of GPs in Wales are practising single-handed. There are, however, big variations across Wales, with a quarter of GPs in Blaenau Gwent being single-handed, 17 per cent in Merthyr Tydfil and 14 per cent in Flintshire. By contrast, there are none in Vale of Glamorgan, Isle of Anglesey or Powys.

In 2001, two-thirds of GP practices with one or two partners were not eligible for the ‘quality service payments’ that are made to GP practices meeting certain primary care standards. By contrast, two-thirds of those with five or more were eligible. Within the former Bro Taf Health Authority, Merthyr Tydfil and Rhondda Cynon Taff reported the highest levels of non-eligible practices (79 per cent and 65 per cent) while Vale of Glamorgan and Cardiff had the lowest (25 per cent and 44 per cent respectively).30

Almost half of all GPs are aged 55 or over in Merthyr Tydfil. Other authorities with a high proportion are Blaenau Gwent (44 per cent), Rhondda Cynon Taff (42 per cent) and Caerphilly (31 per cent). This compares to an all-Wales average of 18 per cent.31 This is both a symptom of recruitment problems and an indication of poor access in the future as GPs in these areas begin to retire.32

Merthyr Tydfil has the lowest proportion of women GPs (13 per cent), followed by Blaenau Gwent (17 per cent). This compares to the all-Wales average of 31 per cent. Highest levels are found in Vale of Glamorgan, Cardiff and Monmouthshire, where over 40 per cent of GPs are women.33

Hospital admissions for conditions such as asthma, angina and diabetes which could be treated at primary level may also be another indication of poor primary provision. A 1997 study of the prevalence of asthma in Wales found greater admissions in deprived areas. It also reported less use of inhalers in deprived areas, indicating that preventative medicine was less widely accessed. Such studies highlight the possibility of less equitable access to care, but do not preclude other explanations, such as non-compliance with use of medication.34
## Chapter 5  Services

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Lack of affordable housing, especially for young people, was a key issue raised in the discussion groups. High house prices relative to income was seen as meaning that taking on a mortgage was rarely an option. Social housing was felt often to be unsuitable, in terms of both size (for families rather than single people) and location (in low demand areas, with low economic opportunity and service provision). Rent levels, the need for deposits that many young people find hard to afford, and concerns over insecurity of tenure meant that the private rented sector was the least preferred option – but also the only one that might really be available.

The background to this is provided by statistics on what has happened to the stock of social housing in Wales. The share of the total housing stock represented by social housing has fallen from 21 per cent in 1995 to 18 per cent in 2004.\(^1\) By contrast, the need for homes in Wales is estimated to be rising by 8,600 net new homes per year between 1998 and 2016, of which 2,500 a year are required in the social housing sector. It is also estimated that, as of 1998, there was a backlog of unmet need of 33,000 dwellings, made up of concealed families, private tenants who are sharing and crowded private/social tenants.\(^2\) Apart from Cardiff and Swansea, the ratio of house prices to household income is generally highest in rural areas, which are the very areas with the smallest proportion of social housing.\(^3\)

### Homelessness

Homelessness is of course very important in its own right, but it is also presented here as a symptom of the wider problems about the lack of availability of suitable, affordable housing.\(^4\)

In particular, a person can be homeless – in the sense of not having a home of their own – without lacking a place to stay altogether (‘roofless’). The 1996 Housing Act recognises this. According to the Act, a person is homeless if they have no legal right to occupy their accommodation, or they have no place that is reasonable to continue to occupy. As a result, homeless people live in a wide variety of circumstances: some are roofless, but others – the great majority – live temporarily with friends or relatives.

### ‘Statutory homelessness’, ‘priority need’ and ‘homeless-at-home’

Homelessness is a subject where the precise meaning of certain key terms is very important to an understanding of the subject.

To become **statutorily homeless**, a person must first apply to the local authority, and then be accepted according to the legislative criteria. It therefore only covers a proportion of the total homeless population, since many will not even approach the local authority, and even when they do, they may be dissuaded from applying to be classified as statutorily homeless.\(^5\)

Being statutorily homeless only translates into a right to be provided with accommodation if the applicant is also assessed as being **‘in priority need’**, according to the legislation.
Priority need groups include families and people deemed to be vulnerable for a variety of reasons, for example because they are young, care leavers, have poor mental health, are leaving prison etc. Those deemed to be in priority need have to be provided with long-term accommodation. Many are, however, initially placed in temporary accommodation. Those who are statutorily homeless but deemed ‘not in priority need’ – around a third of the households accepted as statutorily homeless – are offered advice and assistance but not accommodation.

The Homeless Persons (Priority Need) (Wales) Order 2001 enlarged the group of people to whom local authorities owed a full homelessness duty. Partly as a result, whereas priority-need cases accounted for just over half of those accepted as being statutorily homeless in 1997/98, they accounted for two-thirds by 2003/04. Re-drawing the boundary between who is, and who is not, in priority need cannot of itself affect the numbers who are deemed to be legally homeless. On the other hand, it most certainly could have an impact on how well the authorities are coping with their responsibilities towards homeless people.

*Homeless at home* is ‘any arrangements whereby a household which has been found to be eligible for assistance, unintentionally homeless and in priority need remains in (or returns to) the accommodation from which they are being made homeless, or in other accommodation found by the applicant’. In other words, people who are ‘homeless at home’ are ones who have been classified as in priority need but who, for the time being, are staying with relative or friends. It should be noted that not all the people staying with relatives or friends fall into this group, but just those who have been found by their local authority to be homeless and eligible for support.

**Choice of indicators**

The indicators presented here are:

27A – the number of people accepted each year as statutorily homeless in Wales.

27B – the number of people in temporary accommodation at the end of each period.

These two graphs measure quite different things. The first measures the number of people accepted by their local authorities as having become (statutorily) homeless during the year in question – the size of the ‘flow’ into homelessness. Rises or falls in this graph are saying something about the changes in the social conditions that cause people to become homeless.

The second graph measures the overall number of people at a point in time who are housed in temporary accommodation. Temporary accommodation is only a partial solution to homelessness. Sustained rises or falls in this graph therefore say something about how well the authorities are meeting their responsibilities towards homeless people.

**Highlights**

The number of people judged to be ‘statutorily homeless’ has doubled in just four years.

The number of people housed in various forms of temporary accommodation has trebled in just two years.
The number of households accepted as statutorily homeless has doubled in the last four years, with most of the increase being households without dependent children.

The number of homeless households in temporary accommodation has trebled over the past two years.

The first graph shows the number of households in Wales who are accepted as statutorily homeless by their local authority in the stated year, with the data split between those with and without dependent children. It includes both those ‘in priority need’ and those ‘not in priority need’ but excludes those deemed to be intentionally homeless (a relatively small number). For 2003 and 2004, the numbers with children are a direct part of the data. For the years prior to 2002, the numbers with children have been estimated by using the numbers deemed ‘in priority need’ because of children and adding a percentage of those deemed ‘in priority need’ because of domestic violence, where this percentage is the proportion of domestic violence cases in 2003 where there were children.

The second graph shows the number of homeless households in temporary accommodation, measured on the last day of each year, with the data being shown separately for those placed in temporary accommodation by their local authority and those who are ‘homeless at home’.

The data source for both graphs is the quarterly homelessness bulletins published as part of housing statistics by the National Assembly for Wales.

Overall adequacy of the indicator: medium. While there is no reason to believe there is any problem with the underlying data, the extent to which it leaves ‘homelessness’ dependent on administrative judgement is not satisfactory.
Key points

**Relating to the numbers accepted as statutorily homeless**

- The number of households who have been accepted as statutorily homeless doubled from around 8,000 in 2000 to almost 16,000 in 2004.
- Two-thirds of those accepted as statutorily homeless are households without dependent children. Most of the others are lone parents, with only 7 per cent being couples with children.
- In 2004, the biggest reason for homelessness in Wales was loss of accommodation with relatives or friends (28 per cent).
- Rates of homelessness have been rising throughout Great Britain. In England, the number of acceptances rose from 160,000 to 190,000 over the same period while in Scotland it rose from around 33,000 to around 39,000. The rate of increase has, however, been much faster in Wales.

**Relating to the numbers in temporary accommodation**

- The number of homeless households in temporary accommodation has trebled over the past two years and has risen fivefold since 1997, from 700 to 3,500.
- This rise has taken place across temporary accommodation in general but has been particularly marked over the last two years in the numbers of people classified as ‘homeless at home’. ‘Homeless at home’ accounted for more than a third of all people in temporary accommodation in 2004 – some 1,300 people.
- The use of bed-and-breakfast accommodation has increased eightfold since 1997 and now accounts for a quarter of people in temporary accommodation (900 people). It can, however, be a very inadequate form of temporary accommodation, with poor conditions and lack of facilities, and often resulting in separation from support services such as social services and GPs. The Welsh Assembly is currently drafting legislation to restrict its use for homeless households.
- Of the remainder, a further 400 are in local authority properties, 300 are in private rented properties and 200 are in hostels.
- In 2001, people from black and minority ethnic groups accounted for 7 per cent of homeless people in hostels even though these groups accounted for only 2 per cent of the population of Wales. Black and minority ethnic households accounted for 3 per cent of all statutory homeless households in 2004.
Housing: quality and neighbourhood

Poor quality housing is linked to a range of poor health outcomes, such as cold-related illnesses, asthma, anxiety, depression, long-term illness and a lower overall quality of life.

Important, too, is the neighbourhood. Problems associated with poor neighbourhoods, such as inadequate services and facilities, can confer huge disadvantages on their residents. In turn, problems expressed at a neighbourhood level often represent problems originating well beyond the neighbourhood, such as economic and housing market trends, and social inequalities.

Choice of indicators

The indicators presented here are:

28A – the proportion of homes without central heating, by income group, over time.
28B – the proportion of unfit homes by tenure and household type.
29A – dissatisfaction with neighbourhood by tenure and household type.
29B – dissatisfaction with various aspects of the neighbourhood by tenure.

Limitations on improvements in quality

For at least a decade, installation of modern central heating has been one of the most important ways that the standard of homes, especially in the social rented sector, has been raised. However, the presence of central heating is only a partial indicator of the ability to adequately heat a home – the efficiency and affordability of the fuel used is also significant. With no gas supply to their village, members of one discussion group pointed out that many residents were reliant on coal-fired and electric heating systems which were seen as expensive and inefficient. This presents low-income households with a dilemma: either leave the home inadequately heated or spend a disproportionately large amount of money on fuel. With the gas supply network in Wales unlikely to expand in the near future, this is an issue for many communities without a current supply.

Highlights

The proportion of homes that are in a poor condition has been coming down steadily and has now reached a very low level.

Of the small numbers of homes that are deemed ‘unfit’, two-fifths are lived in by pensioners, the majority of whom are owner-occupiers.

There are higher levels of neighbourhood dissatisfaction among social housing tenants than among home owners or those living in private rented accommodation.
Factors behind dislike of the neighbourhood

Following the official survey from which the information is drawn, dislike of the neighbourhood is presented in the indicator according to whether the problems are to do with ‘environment’, ‘facilities’ or ‘people’. Whereas problems with the first two subjects may be traced to a lack of resources, ‘people’ issues – neighbours, children and young people ‘hanging around’ – are less easily remedied.

A lack of facilities could be a major reason why ‘people’ issues, especially ‘young people hanging round’, are a cause of such dissatisfaction. Although not evident in the statistics, a lack of facilities for young people was something repeatedly mentioned by the discussion groups in the rural and Valley communities, both of which felt that there was a lack of suitable statutory youth service provision for young people.

‘People’ problems also become more understandable when seen in the context of declining neighbourhoods. As a neighbourhood starts to become unpopular, evidenced by hard-to-sell properties or an over-supply of social housing, those with the greatest economic opportunities tend to leave the area, while those with fewer opportunities remain. The resulting increased concentration of disadvantage in turn puts the social infrastructure under strain, and crime, vandalism, and insecurity may increase. Social networks within the communities shrink, and antagonism toward neighbours grows.

This dynamic of neighbourhood decline appears in a recent study of disadvantaged neighbourhoods across England and Wales. Although it is a generalisation, it does pick up on concerns raised in all three group discussions:

- Signs of social infrastructure under strain were evident in concerns about community safety. These were (unsurprisingly) most apparent in the inner-city community, where group members had major concerns about prostitution, drug dealing and violent crime. Although none of these problems were necessarily new, the community now felt unable to control the situation themselves, and did not trust the police to do so.

- Declines in social networks and increased antagonism were evident through concerns raised about people in their neighbourhoods. Residents in the Valleys group felt that lettings policies had led to an increased concentration of vulnerable people or ‘anti-social’ households in their areas. As a result, some people were asking for transfers elsewhere. Those who remained often feel a greater weight of responsibility to stop the community slipping further into decline.

- Declining provision in local areas was viewed as commonplace across all services – police, health, schools, leisure etc. Participants in one discussion group expressed the view that service providers (both public and private) had abandoned the community, seeing it as ‘the back of beyond’ or the ‘backwoods’. Participants in two of the groups reported feeling increasingly reliant on voluntary and community organisations, rather than statutory services.
Housing quality

The proportion of homes lacking central heating has been falling rapidly among both those with average incomes and those with low incomes.

![Graph showing the proportion of homes lacking central heating by income group from 1994/95 to 2003/04.](image)

Source: The Family Resources Survey, ONS

Most unfit homes are owner-occupied and two-fifths are lived in by pensioners.

![Graph showing the proportion of unfit homes by owner-occupation and tenure and whether they are lived in by pensioners or working-age adults.](image)

Source: Living in Wales 2004, LGDU-Wales

The first graph shows the proportion of households without central heating. The data is split to show households on below average and average incomes separately. Income is household disposable income, equivalised to take account of household composition and is measured after deducting housing costs. The data source is the Family Resources Survey (FRS). The missing years are because the question about central heating is only asked in some years.

The second graph provides a breakdown of homes that are unfit according to whether the home is owner-occupied or rented and, within this, whether the occupiers are pensioners or working-age adults. The data source for the second graph is Living in Wales, 2004 from the Local Government Data Unit – Wales. A home is classified as ‘unfit’ if, based on an independent survey, it is deemed to be below standard on any one of the following physical aspects: structural stability, disrepair, dampness, lighting, heating, ventilation, water supply, food preparation, WC, bath/shower/wash-hand basin or drainage.

Overall adequacy of the indicator: medium. The FRS is a well-established, regular government survey, designed to be nationally representative. Because of small samples, however, care should be taken in interpreting changes from year to year.
Key points

Relating to central heating

- The proportion of households lacking central heating has been falling quickly in recent years and is now half the level that it was in the mid-1990s.

- This fall has happened for both households in the poorest fifth of the population and for households on average incomes, although the level is still somewhat higher among households with below average incomes than those with average incomes – 7 per cent compared with 5 per cent.

- Recently published data (for seven years ago) shows that almost half of those living in homes with fixed heaters but no central heating were also living in fuel poverty. This compares to a rate of 30 per cent in homes with central heating.\(^{17}\)

- Homes in the private rented sector are more likely to be without central heating (around 15 per cent) than those in social housing (7 per cent) and owner-occupied housing (6 per cent). Numerically, because the owner-occupied sector is by far the most common housing tenure, around three-fifths of the 90,000 homes without central heating are owner-occupied.\(^{18}\)

- Homes without central heating are concentrated in rural areas, where there is less extensive connection to the gas network. The gas network is least extensive in Ceredigion, Isle of Anglesey, Powys and Gwynedd.\(^{19}\)

Relating to homes that are unfit

- To be classified as ‘unfit’, a home must fail one or more health and safety requirements constituting the ‘human habitation fitness standard’. These include the requirement for the home to be structurally stable, free from serious disrepair and free from damp as well as to make adequate provision for heating, lighting and ventilation.\(^ {20}\)

- Two-thirds of unfit homes are owner-occupied. Two-fifths of these are occupied by pensioners.

- The proportion of unfit homes in Wales has decreased significantly over time. Based on current definitions of unfitness, almost 20 per cent of the housing stock was ‘unfit’ in 1986. By 1998, this had fallen to 9 per cent of the stock, and in 2004, to 4 per cent of the stock. This equates to 50,000 unfit homes.\(^ {21}\)

- By far the biggest reason for unfitness is ‘disrepair’ (52 per cent), followed by dampness (33 per cent).

- The combination of high levels of owner-occupation and lower average incomes results in more low-income home ownership in Wales. Half of those with incomes below the income poverty line are home-owners; for pensioners, the proportion is three-quarters.\(^ {22}\)

- Black and minority ethnic group households are more likely to experience poor housing than white households (around 20 per cent compared to 11 per cent). This average masks considerable differences between black and minority ethnic groups. 37 per cent of Bangladeshi communities and 28 per cent of Black Africans experience housing deprivation. By contrast, 17 per cent of mixed ethnic households and 14 per cent of Caribbean households have poor housing.\(^ {23}\)
Dissatisfaction with neighbourhood

Families with children are more likely to be dissatisfied with their local neighbourhood, whether they are owner-occupiers or tenants.

A greater proportion of people in social rented accommodation dislike their local neighbourhood than people living in other tenures.

The first graph provides an analysis of the extent to which households are dissatisfied with their local neighbourhood. The figures count those who replied ‘fairly dissatisfied’ or ‘very dissatisfied’ to the question ‘how satisfied are you with your local neighbourhood’. Those who answered ‘no opinion’ have been excluded from the analysis.

The second graph provides an analysis of what aspects of their local area households dislike. The data are shown separately for owner-occupiers, private renters and social renters, in each case showing the proportion who dislike their area for ‘people’, ‘environment’ or ‘facilities’ related reasons. ‘People’ reasons comprise no sense of community, children/young people hanging around and neighbours. ‘Environment’ reasons comprise the area not being well maintained, drug-users/pushers, not safe, noisy and isolated. ‘Facilities’ reasons comprise no/poor shops, poor public transport, no/poor facilities for children or teenagers, poor schools and car parking. In each case, the figures presented count those households who disliked at least one aspect within the type of reason.

The data source for both graphs is Living in Wales, 2004 from the Local Government Data Unit – Wales.

Overall adequacy of the indicator: medium. Living in Wales is a substantial survey designed to be representative of private households in Wales but, even so, the sample sizes are relatively small.
Key points

Relating to general dissatisfaction with neighbourhood

- Dissatisfaction with the neighbourhood is higher among working-age adults with dependent children than among either pensioners or working-age adults without dependent children. This difference is greatest for tenants in the social rented sector but fairly negligible for owner-occupiers.

- For all family types, dissatisfaction with neighbourhood is higher among tenants in the social rented sector than among either private sector tenants or owner-occupiers.

- Nineteen per cent of social sector tenants with dependent children are dissatisfied with their neighbourhood. This compares with 15 per cent of working-age tenants without children and 9 per cent of pensioner tenants.

Relating to specific reasons for disliking the neighbourhood

- More than 25 per cent of tenants in the social rented sector dislike their neighbourhood for reasons to do with ‘people’ factors. These are one or more of: problems with neighbours; problems with children and young people ‘hanging round’; and/or a lack of sense of community. By contrast, only 11 per cent of private tenants and 14 per cent of owner-occupiers dislike their neighbourhood for any of these reasons.

- Almost 25 per cent of social sector tenants also cite a range of environmental problems as a reason for disliking their neighbourhood. These include litter, noise, drug misuse and crime. Nearly 19 per cent of private tenants and 15 per cent of owner occupiers also cite these as reasons for dissatisfaction with the neighbourhood.

- Around 15 per cent of people in each tenure see ‘facilities’ problems as a reason for disliking their neighbourhood. These include poor shops, poor public transport, poor schools and poor facilities for young children or teenagers.

- Taken together, the overall pattern here is that concerns about ‘facilities’ are held more or less equally irrespective of tenure while concerns about ‘environment’ are greater among social sector tenants than others. What really marks out social sector tenants, however, are their very much higher levels of concern about ‘people’ related issues.
Access to financial services

When people cannot access financial services, whether it is because they are inappropriately designed, too expensive or difficult to get to, they suffer from what has become known as ‘financial exclusion’. Exclusion from financial services was a major point of concern in the discussion groups.

Lack of access to a bank account is one key aspect of financial exclusion. A bank or building society account is not a panacea, especially when the root of the problem is a shortage of money, but life without one can be more difficult and more costly. It means day-to-day money management is in cash, which complicates bill payments, results in charges for cash payments and can mean paying higher prices for services – utilities companies offer cheaper rates for direct debit payments, for example. It will also cause problems if an employer pays through automatic transfer rather than in cash.

Debt, especially when it involves high rates of interest, is also symptomatic of financial exclusion. The question of whether debt is more problematic in Wales than other parts of the UK is commonly discussed but never resolved given a lack of clear, comprehensive and comparable data. What is known is that Wales has higher levels of credit use and amounts borrowed, and yet has lower average earnings and higher levels of benefit receipts. In the absence of data to objectively establish how problematic debt is (for example, data on interest payments and minimum repayments as a proportion of disposable income), subjective assessments can be a useful substitute as they offer a broad indication of households who are most vulnerable to changes in economic circumstances.

Choice of indicators

The indicators presented here are:

30A – the proportion of households without a bank account, by level of income, over time.

30B – the proportion of people reporting financial difficulties.

Highlights

Although the problem has been declining, low-income households in Wales are still far less likely to have a bank account than households on average incomes.

The proportion of households reporting financial difficulties is higher in Wales than in the rest of Britain.

Credit, debt and bank branches

One of the main ways in which a lack of access to a bank account impacts on low-income households is that it makes them increasingly reliant on sub-market sources of credit. Credit may, or may not, be a good thing in itself but, for low-income households as
well as households on higher incomes, credit appears to be widely used. Yet research has shown that the most disadvantaged people in Wales often have to borrow money from the least reputable lenders, which adds to their already existing financial problems.26

Concerns about the operation of the companies that do provide this credit and the impact that they have on local communities were a major subject for two of the three discussion groups. These concerns include:

- Aggressive marketing. Participants felt that their communities were aggressively targeted by companies. Communities also felt bombarded by credit and store card offers.

- Dependency on trading companies that have high levels of interest. They are seen as the only option, given that ‘postcode screening’ and locally low credit scores make access to other credit sources difficult.

- Lack of information from lenders. Some participants felt that companies did not make people aware of interest rates and the details of their loan agreements were not explained to people, particularly young people.

The reliance on companies such as these points to the failure of the mainstream banks to meet the needs of low-income consumers. One aspect of this is the decline in the number of bank branches. In 2000, the finance union UNIFI reported that the closure of 31 branches in Wales appeared to ‘be concentrated in areas of low economic opportunity where lack of access to financial services increases the problem of social exclusion’.27

Although closures have slowed since 2004, they may pick up again. For example, it has been reported that HSBC is to close 50 branches across the UK. As at July 2005, seven branches had been identified, of which six were in Wales.28

Participants in one of the discussion groups reported that there were no banks in the area and that it was difficult to access banking services in the light of the poor transport links. Specific concerns centred on the appearance of a Cashpoint in the village shop but with a £1.85 fee for all transactions regardless of the amount.

Another broader aspect of the presence of banks is the implication for the long-term viability of communities. Once banks begin to close there begins a downward spiral in respect to financial activity and investment in those areas.29

One response to this has been the growth of credit unions in Wales. Membership of credit unions has doubled since 2001 – from 17,500 to 35,000.30 The limited access to credit unions was lamented by one discussion group. Participants in another who did have access to a credit union viewed it as an essential resource, particularly as regards debt advice. Another response is the Social Fund, which lends money to people on Income Support at zero interest rates but where its ability to do so is limited by both its cash limits and its ‘Income Support only’ rule. The operation of the Social Fund is a matter for the UK government to address.
Financial exclusion

The proportion of low-income households with no bank or building society account has fallen in recent years but is still much higher than that for average income households.

![Bar chart showing the proportion of households with no bank or building society account by income quintile from 1994/95 to 2003/04. The poorest fifth has a consistently higher proportion than the average income group.](chart1.png)

Source: Family Resources Survey, DWP

The proportion of people experiencing financial difficulties is higher in Wales than elsewhere in Great Britain.

![Bar chart showing the proportion of households in Wales and GB excluding Wales experiencing financial difficulties in 1994/95 and 2003/04.](chart2.png)

Source: Indebtedness Survey, 2002, DTI and Welsh Consumer Council

The first graph shows the proportion of households without a bank, building society or any other kind of account. The data are split to show households in the poorest fifth of the income distribution and for households on average incomes (middle fifth of the income distribution) separately. The data source is the Family Resources Survey (FRS). As well as bank, building society and post office accounts, the figures also count any savings or investment accounts but do not include stocks and shares, premium bonds, gilts or Save As You Earn arrangements. Income is household disposable income, equivalised, and is measured before housing costs. Note that although the statistics are for Welsh households only, the allocations to income quintile are those for the total GB population income distribution.

The second graph provides the breakdown of households that are experiencing financial difficulties or were doing so a year previously, with the data shown as a proportion of total households. For comparison purposes the equivalent data for Great Britain excluding Wales is also presented. The data source is a 2002 over-indebtedness survey undertaken by the Department of Trade and Industry combined with an additional Wales booster sample commissioned by the Welsh Consumer Council. The data is unweighted as the weights for the two samples are not obviously on the same basis.

Overall adequacy of the indicator: medium. Care should be taken when looking at change over time because sampling variation for individual years can be large.
Key points

Relating to possession of a bank account

- The proportion of households without any type of bank or building society account has fallen in recent years, both for households in the poorest fifth of the population and for households on average incomes.

- There is, however, still a marked difference between the proportions, with only 4 per cent of households on average incomes lacking a bank account compared with 15 per cent among households on low incomes in 2003/04.

- The proportion of households without access to a bank account is similar to England and lower than in Scotland.\(^{31}\)

Relating to financial difficulties

- One in five households in Wales reported that they were having financial difficulties in 2002. This is slightly higher than in the rest of Britain, where one in six reported that they had financial difficulties.

- Just over half of the households in Wales experiencing financial difficulty in 2002 reported having had financial difficulties a year earlier, too. For most, though not all, their financial problems had not got worse over the period.

- Among clients of Citizens Advice, the ratio of average household debt to average net monthly household income is higher in Wales than in other parts of the UK. The average monthly income of Citizens Advice clients in Wales is some £700 while average debts are about £11,000. The resulting ratio of debt to income of 16 compares with ratios of 14 in England, 12 in Scotland, and 10 in Northern Ireland.\(^{32}\)

- The number of reported debt problems has been increasing faster in Wales than in other parts of the UK, with debt enquiries at NACAB Cymru having risen by two-thirds in the five years to 2002. This compares to an increase at a UK level of a quarter.\(^{33}\) The greatest increase has come in relation to consumer credit enquiries, which now constitute around two-thirds of all enquiries.\(^{34}\)

- Financial difficulties, particularly over-indebtedness, can have a detrimental impact on people's lives. People can suffer from anxiety, depression, or stress as a result.\(^{35}\) Around 60 per cent of people experiencing debt problems which are ‘difficult to resolve’ report related stress and ill health.\(^{36}\) Over-indebtedness can also act as a deterrent to those entering employment, can lead to homelessness and can often reinforce the cycle of deprivation.\(^{37}\)
Access to transport

Transport obviously plays a critical role in promoting social inclusion and reducing disadvantage. Those with good mobility – either access to a car or good public transport – have better access to health care, education and training, a wider range of employment opportunities and local shopping and leisure facilities.

In contrast, those with poor access, often already the most disadvantaged, are cut off from these opportunities and services and are thus prevented from breaking out of the cycle of disadvantage. Where low levels of car ownership exist alongside poor public transport, transport becomes a core ingredient of the pattern of social exclusion.

Choice of indicators

The indicators presented here are:

31A – the ability of local bus services to meet a variety of service needs.

31B – car ownership by household type.

32A – car ownership and the use of a car to get to work, by local authority.

32B – the connection between car ownership and work status.

Highlights

Local bus services fail to meet the transport needs of most households. Single pensioners and lone parents are likely to be the most affected since they have the lowest level of car ownership.

A high proportion of working households everywhere in Wales use a car to get to work. Low car ownership is much more likely to reflect low income than low need.

The importance of transport

Transport emerged as a key theme in the discussion groups held in the rural area and in the Valleys. In both communities, transport links were seen as a major barrier to employment. Public transport links did not connect with places of employment at times which support labour market participation. Members of the groups felt that it was impossible to get to some places of work without a car since public transport, both buses and trains, did not run at the right times. For example, no buses were available to reach centres of employment at Port Talbot, Swansea and Neath by conventional start times. For a 9am start time in Swansea, residents had to catch a 7.20 am bus.

Transport costs are often seen as prohibitive in the context of low wages and part-time work, reducing the financial gain from working to the point where work is not a realistic alternative to benefit dependency. However, from both the personal examples of participants and their assertions about the community, there appears to be a willingness and a desire to work in the mainstream economy and specific policy solutions appear possible. For example, Action Team for Jobs in the Maerdy area has provided dedicated
transport to the Llantrisant Industrial Estate (some 18 miles away) resulting in up to 30 people returning to stable employment.

The inability of public transport to meet transport needs other than the journey to work was also considered to be important. For the community in the Valleys, poor local primary care and no local out-of-hours service means increased reliance on visits to the local hospital. However, such a trip in the daytime requires two separate bus trips – getting there and back was described as a ‘day out’. The local bus service is not an option at night, so access to out-of-hours health care involves a £25 taxi journey.

In the rural area covered by the discussion group, transport difficulties were interwoven with almost every other issue discussed. The identified impact of this ranges from poor nutritional habits (the nearest supermarket is 10 miles away, and fresh fruit is not available in the area) to poor social lives, where young people are restricted to the immediate community in their leisure activities.

One important dimension of low car ownership and poor public transport is the extent to which the effects are mainly felt by women. Women are less likely to own a car and less likely to hold a driving licence. They are therefore more likely to use public transport and more affected by poor provision.

**Sustainable development?**

The uncomfortable conclusion is that a car is a necessity almost everywhere in Wales, both for work and for other uses. For some, this means running a car when it is not economically viable to do so. For others, particularly women, it means having to rely on either a poor public transport system, taxis, or lifts from friends or relatives. When seen in the context of declining local services, the closure of local shops and facilities, job losses, increasingly dispersed job opportunities and shift work, this lack of transport assumes a greater importance as a component of social exclusion in parts of Wales.

Yet the proportion of journeys to work in Wales that are made by car – 80 per cent – is already higher than in any English region or Scotland. This sharpens the dilemma: it is not just a question of increasing access to a car among lower-income groups but of doing so at the same time as shifting some of those now using a car onto other modes of transport. This is a strategic challenge which requires much more than just a few new or improved bus services. Promoting social inclusion through improved transport, including more car usage by lower-income households, needs to be accompanied by policies for sustainable development that protect the environment.
Adequacy of public transport

Buses fail to meet the transport needs of the majority of households, both with and without cars.

![Graph showing the proportion of people for whom the bus is adequate across a range of needs. The data is split to show those with and without cars separately. Survey respondents were asked whether, as far as they knew, the local bus service met their need for each of the categories stated.]


Just about all working-age couples have a car but many working-age singles, and most single pensioners, do not.

![Graph showing the proportion of households who do not have access to either a car or van, with the data shown separately for each major type of household.]

Source: 2001 Census

The first graph shows the proportion of people for whom the bus is adequate across a range of needs. The data is split to show those with and without cars separately. Survey respondents were asked whether, as far as they knew, the local bus service met their need for each of the categories stated.

The source is the March 2004 Welsh Consumer Council Survey, carried out by Beaufort Research of Cardiff on behalf of the Welsh Consumer Council.

The second graph shows the proportion of households who do not have access to either a car or van, with the data shown separately for each major type of household.

The data for the second graph is from the 2001 Census.

Overall adequacy: medium. The Welsh Omnibus Survey is a well-established survey designed to be representative of the population resident in Wales aged 16 and over but is based on a small sample.
Key points

**Relating to the adequacy of bus services**

- Among households without a car, two-fifths describe the local bus service as failing to meet their needs for travel to the town centre or the shops while two-thirds say it does not meet the need for travel to the hospital. Among households with a car, the proportion in each of these cases is higher still.

- Almost all households – 90 per cent, and irrespective of whether they have car – say that the bus service does not meet their needs either for travel at night or travel on Sundays.

- Local bus services do not meet the need for weekday travel for the majority in any part of Wales. Support for the view that local bus services do not meet weekday travel needs is highest in the Valleys, at 80 per cent. At the same time, the proportion of people with daily access to a car is lowest in the Valleys, at 55 per cent.\(^\text{40}\)

- The 2004 Living in Wales survey included a question about satisfaction with public transport. Although levels of satisfaction were much higher than suggested by the 2004 Welsh Consumer Council Survey, the geographic pattern was similar: high levels of dissatisfaction in rural areas (Powys, Ceredigion, Monmouthshire and Carmarthenshire) and some Valleys authorities (Rhondda Cynon Taff and Blaenau Gwent).\(^\text{41}\)

- Women are the primary users of bus services. 56 per cent of women are frequent or occasional users of buses, compared to 39 per cent of men.\(^\text{42}\)

- For both men and women, satisfaction with the local bus services has fallen between 2002 and 2004.\(^\text{43}\)

- People often use a form of transport due to lack of alternatives rather than choice. Four-fifths of bus users in Wales would prefer to travel by car.\(^\text{44}\)

- Bus service costs have risen by 31 per cent over the last 20 years.\(^\text{45}\) Since 1991, the cost per passenger journey has increased more in Wales than in other parts of Great Britain.\(^\text{46}\)

**Relating to groups of people with low access to a car**

- Levels of car ownership are closely linked with the age and number of adults in the households. Thus, fewer than a tenth of working-age couples lack a car, and only a fifth of pensioner couples. By contrast, half of lone parents and two-thirds of single pensioners lack a car. The great majority of these latter two groups are women.

- Physical access to public transport is a major area of concern for older people, and for people with a disability or illness. Many services are not viewed as having been adapted for people with mobility problems.\(^\text{47}\)
Dependence on a car for work

Although the great majority of working households everywhere use a car to get to work, car ownership levels in the Valleys are much lower than in rural areas.

The first graph shows the proportion of working-age households in each local authority without a car, against the proportion of working-age adults in each local authority where one member of the household drives to work. The data source is the 2001 Census.

The second graph shows the proportions of people in each employment category who do not have daily access to a car. The source is the March 2004 Welsh Consumer Council Survey, carried out by Beaufort Research of Cardiff on behalf of the Welsh Consumer Council.

Overall adequacy: high. The Census covers the whole population and the question asked is factual.
Key points

Relating to cars and work

- The proportion of working households where at least one person drives to work is high in every local authority area, ranging from 73 per cent in Cardiff to 86 per cent in Flintshire. This narrow difference suggests that a car is regarded as very important for work everywhere in Wales.

- Although car usage for work is usually higher in rural local authorities there are exceptions, notably Gwynedd (76 per cent) which is towards the bottom. Although the major cities are also towards the bottom of the range, one of them (Swansea) still has a higher rate than Ceredigion or Gwynedd. The distinction between urban and rural at the local authority level is therefore not wholly clear-cut.

- Two-thirds of those working-age people who are unemployed or economically inactive but seeking work have no daily access to a car. By contrast, only one in eight of those in full-time work have no daily access to a car.

- Among those working part-time, the great majority of whom are women, a third lack daily access to a car while two-thirds have it.

Relating to car ownership

- The proportion of working-age households without a car varies from 26 per cent in Merthyr Tydfil and Blaenau Gwent to 10 per cent in Monmouthshire and Powys.

- Unlike the use of a car for work, car ownership among working-age households is usually higher in rural areas, although again Gwynedd is an exception. Car ownership is lowest in the major cities and in the Valleys.

- Another measure of car ownership is the average number of cars owned by each household of working age. This varies from 1.04 in Merthyr Tydfil and Blaenau Gwent to 1.49 in Powys and 1.55 in Monmouthshire. The large cities are towards the low end of the range – 1.15 in Cardiff and Newport and 1.20 in Swansea. Besides Merthyr Tydfil and Blaenau Gwent, Rhondda Cynon Taff and Neath Port Talbot are the only other two areas where the average number of cars per household is as low, or lower, than the cities.

- The crucial question as far as the Valleys are concerned is how much the lower levels of car ownership are due to a lower need for cars and how much due to lower income. It is difficult to believe that the need for a car is lower in the Valleys than in the large cities. This, combined with the finding of the Welsh Consumer Council that the Valleys have the highest proportion of people saying that their daily travel needs were not met by the bus service, points to lower income rather than lower need as the key factor.
Notes

1 Income
1 This is not the same thing as average (mean) income. For example, if the household with the highest income were suddenly to see its income double, average (mean) income would rise as a result. Median income, however, would remain the same.
2 See, for example, Low cost but acceptable: a minimum income standard for working households with children in Swansea, South Wales, Unison Wales, 2002.
3 See www.poverty.org.uk.
4 This measure, rather than the narrower measure of Income Support and Jobseeker’s Allowance only, is used because those in receipt of Incapacity Benefit and Severe Disablement Allowance are also out of work and many have a low income.

2 Education
3 Welsh Assembly Government, 2004 (personal communication). There are large variations between local authorities in the proportion of primary children assessed in Welsh at KS2. Parts of West Wales have high proportions (Gwynedd 98 per cent, Isle of Anglesey 89 per cent, Ceredigion 70 per cent and Carmarthen 40 per cent), whilst parts of South Wales have very low proportions (Monmouthshire 1 per cent, Newport 3 per cent, Torfaen 3 per cent, Blaenau Gwent 4 per cent). The remainder are all relatively low (between 4 per cent and 18 per cent).
4 See www.poverty.org.uk.
11 Young participation in higher education, HEFCE, 2005. The data is the average for 1997 to 2000. Also see www.poverty.org.uk.
12 ‘All forms of adult learning’ means both informal and formal learning activities. Participants in the survey were asked whether they had undertaken any form of learning activities within the given time frame. It is learning in its broadest form. Learning can mean ‘practising, studying, or reading about something. It can also mean being taught, instructed or coached…Learning can be called education or training. [It can be done] regularly…or for a short period of time. It can be full time, part time, done at home, or in another place, like a college. Learning does not have to lead to a qualification’ (Moving forward: survey on adult participation in learning in Wales, NIACE Dysgu Cymru, 2003).
3 Work

1. Note that this is not therefore the ‘unemployment rate’ as usually quoted, since that is expressed as proportion of the economically active population only.


6. A recent report (Beatty, C., Fothergill, S., and Powell, R., Twenty years on: has the economy of the coalfields recovered? Centre for Regional Economic and Social Research, Sheffield Hallam University, 2005) notes that the former coalfield areas of South Wales are making the slowest recovery of any comparable areas in the UK, with coalfields in the Midlands and Yorkshire recovering most quickly. For example, since 1981 the Yorkshire coalfield area has seen a net increase in jobs of 55,000, whereas the equivalent figure for the South Wales coalfield is 5,000.

7. Data provided by BMRB, based on the National Basic Skills Survey for Wales 2005. No precise figures for local authorities are available.


14. This assumes £134 a week for a nursery place for a child of two (Day Care Trust 2004). In Consultation on the interim report of the childcare working group, Welsh Assembly Government, 2004.

15. Assuming £55 a week rent, £15 a week council tax and no childcare costs.

16. That is, all of the low paid jobs in manufacturing plus a half of those in the other sectors listed.


22. For the application of the EES to the UK, see www.moreandbetterjobs.info.

26 See www.poverty.org.uk.

4 Health
1 Deprivation and health, National Public Health Service for Wales, 2004; A profile of the health of children and young people in Wales, National Public Health Service for Wales, 2004; Targeting poor health: Professor Townsend’s report of the Welsh Assembly’s National Steering Group on the allocation of NHS resources (Vol 1), The National Assembly for Wales, 2001 and Gordon, D. et al., Independent report of the research team (Vol 2), University of Bristol, 2002; Williams, H. et al., Health inequalities, deprivation and primary care services in Wales: geographical perspectives, Department of City and Regional Planning, Cardiff University, 2002.
2 A profile of the health of children and young people in Wales, National Public Health Service for Wales, 2004.
4 Deprivation and health, National Public Health Service for Wales, 2004.
12 Childhood, infant and perinatal mortality statistics, DH3, Office for National Statistics.
14 See www.poverty.org.uk.
15 Children’s dental health in Wales, Office for National Statistics, 2003
16 See www.poverty.org.uk.
17 A strategic framework for promoting sexual health in Wales, National Assembly for Wales, 2000.
18 Unpublished data from the DWP Information Centre.
22 Senior, M. et al., Urban-rural mortality differentials: controlling for material deprivation, Social Science and Medicine, Vol 51 289-305, 2000. ‘Deeper rural’ areas are wards with more than 10 per cent employed in agriculture, fishing and forestry.
23 Williams, H. et al., Health inequalities, deprivation and primary care services in Wales: geographical perspectives, Department of City and Regional Planning, Cardiff University, 2002; Report of clinical governance review at Gwent Health Authority and its Local Health Groups, Commission for Health Improvement, 2001.
24 Williams, H. et al., Health inequalities, deprivation and primary care services in Wales: geographical perspectives, Department of City and Regional Planning, Cardiff University, 2002.
26 Gordon, D. et al., Independent report of the research team (Vol 2), University of Bristol, 2002.
27 Williams, H. et al., Health inequalities, deprivation and primary care services in Wales: geographical perspectives, Department of City and Regional Planning, Cardiff University, 2002.

Local Government Data Unit – Wales: Statistics on social service expenditure.


Social deprivation and asthma, Respiratory Medicine, No 91: 603-8. In: Gordon, D. et al., Independent report of the research team (Vol 2), University of Bristol, 2002.

5 Services

1 Table 1.3, Welsh Housing Statistics, 2004.


5 First contact, Shelter Cymru, 2003 and First contact revisited, Shelter Cymru, 2005.


9 See www.poverty.org.uk.

10 Statutory homelessness statistical releases, ODPM and Scottish Executive homelessness statistics.


12 Homelessness and B&B – the case for legislation in Wales, Shelter Cymru and Homeless Link Cymru, 2004.


17 Fuel poverty in Wales, Housing Research Report HRR 3/05, Welsh Assembly Government, 2005. Fuel poverty is defined as households needing to spend over 10 per cent of their full net income (including benefits) to maintain satisfactory heating and cover other normal fuel costs. Figures are for 1997/98.

18 See www.poverty.org.uk.


20 Appendix 1.A Fitness and unfitness, The Welsh Housing Condition Survey, 1998. Other elements of fitness include having an adequate piped supply of water, having satisfactory facilities for the preparation and cooking of food, having adequate washing facilities, and adequate drainage facilities.


22 Households Below Average Income, DWP, 2003/04. Also, see Burrows, R. and Wilcox, S. Low cost homeownership in Wales, Centre for Housing Policy, 2004.
23 Owen, D., Robinson, V. and Gale, R. *Profile of the housing and socio-economic circumstances of black and minority ethnic people in Wales*, Welsh Assembly Government, 2005. The composite housing deprivation index was developed by the Economic and Social Research Council, and is based on data from the 2001 Census. A household is considered to experience housing deprivation if it is any of the following: overcrowded (an occupancy standard of -1 or less); is a shared dwelling without sole use of bath/shower and toilet; or has no central heating.


27 *Submission by UNIFI to the Welsh Affairs Committee in response to the inquiry into social exclusion in Wales*, UNIFI, 2000.

28 Information on bank closures was provided by AMICUS to the *Daily Mirror*. Subsequently, the *Mail on Sunday* reported on closures in Wales (22 May 2005).

29 *Submission by UNIFI to the Welsh Affairs Committee in response to the inquiry into social exclusion in Wales*, UNIFI, 2000.

30 Figure provided by the Wales Co-operative Centre, 2005.

31 See www.poverty.org.uk.


38 58 per cent of women compared to 82 per cent of men in Wales, Welsh Transport Statistics, 2004.


48 2001 Census.