Social protection

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Social protection encompasses the financial assistance and services provided to those in need or at risk of hardship. It is provided by central government, local authorities, private bodies such as voluntary organisations (the ‘third sector’) and individuals. It provides a safety net to protect the vulnerable in society: those who are unable to make provision for a minimum decent standard of living. Social protection policies aim to reduce poverty and wealth gaps through the national minimum wage, means-tested benefits, payments such as working tax credits to low earners and assistance with child care. Assistance is provided through direct measures such as benefits payments, tax credits or pensions, payments in kind such as free prescriptions, and the provision of services such as local authority (LA) home-care help. Unpaid care, often provided by family and neighbours, also plays an important part.

Key points

Expenditure

- Social security benefit expenditure in the UK increased by 128 per cent from £72 billion in 1979/80 to £165 billion in 2009/10, after allowing for inflation
- In 2009/10 local authorities in the UK spent more than £30 billion on personal social services

Social care

- In 2009/10, more than 183 million hours of home care was provided by local authorities in England compared with just over 151 million hours in 2003/04, an increase of 21 per cent
- In England during 2009/10 nearly 1.7 million adults received caring services, of which almost 1.5 million were community-based services

Older people

- In 2008/09, 29 per cent of all pensioners in the UK had no pension provision other than state retirement pension
- In 1983, 70 per cent of people in Great Britain either agreed or agreed strongly that older people should be encouraged to retire earlier to reduce unemployment; by 2009 this had fallen to 15 per cent

Families and children

- In 2008/09, 71 per cent of lone parents with dependent children in the UK were in receipt of working tax credit, income support or pension credit, compared with 17 per cent of couples with dependent children
- Grandparents remain the most common source of informal child care in Great Britain. In 2008, where the mother was in work, 36 per cent of couples and 33 per cent of lone mothers relied on grandparents to provide informal childcare

Working age and state pension age

Where the term working age is used it refers to those aged 16–59 for women and 16–64 for men. Similarly where the term state pension age is used it refers to those aged 60 and over for women and 65 and over for men. This is because much of the data were collected before the current changes to the age at which women can collect their State Pension. This age is in the process of rising for women from 60 to 65 to equalise with men (this affects women born after 5 April 1950); and then state pension age for both men and women is due to increase from 65 to 66 between 2024 and 2026. Current proposals in the Pension Bill may change this.

Expenditure

The Department for Work and Pensions (DWP) in Great Britain and the Department for Social Development in Northern Ireland are responsible for the administration and payment of all social security benefits, with the exception of child benefit and tax credits which are the responsibility of HM Revenue & Customs (HMRC). Social security benefits include payments relating to unemployment, disability allowances, and retirement pensions and benefits. Allowing for inflation, social security benefit expenditure in the UK increased by 128 per cent from £72 billion in 1979/80 to £165 billion in 2009/10 (**Figure 1**).

Figure 1 Social security benefit expenditure¹ in real terms²

1 See endnote: Expenditure on social protection benefits¹.

2 Adjusted to 2009/10 prices using the GDP market prices deflator (Q2 2010).

Source: Department for Work and Pensions; HM Revenue & Customs; Veterans Agency; Department for Social Development, Northern Ireland

Spending on specific benefits is influenced by a range of factors. Expenditure on various elements of unemployment is affected by the economic cycle, while expenditure on the elderly, primarily pensions, is affected by demographic change. Government priorities also have an impact as its

policies attempt to address other issues affecting society. Expenditure on social security benefits has risen each year between 1979/80 and 2009/10 apart from a decrease between 1987/88 and 1989/90, a small fall between 1996/97 and 1997/98 and a very small fall in 2006/07. In 1981/82 and 1991/92 the annual increase in expenditure was 10 per cent, reflecting increases in the number of people who were unemployed or economically inactive during the economic recessions in the early 1980s and 1990s (Social Trends 41: Labour Market chapter), and more than 7 per cent between 2008/09 and 2009/10 at the time of the most recent recession.

Of the £165 billion UK benefit expenditure in 2009/10, £147 billion was managed by the DWP in Great Britain. Most of this, £97 billion (65 per cent of the Great Britain total), was paid to people of state pension age (age 65 and over for men and 60 and over for women) though this total excludes £1 billion of war pensions payments made by the Veterans Agency to ex-services personnel and their dependents throughout the UK. In Northern Ireland, the Department for Social Development administers benefits and in 2009/10 spent nearly £5 billion on welfare benefits and payments.

Expenditure directed at people of working age accounted for £47 billion (32 per cent). A further £3.7 billion was payable to adults for the benefit of children. These payments include elements of income support, disability allowances, housing benefit and council tax benefit paid because of the presence of children in the family, but exclude child benefit payments which are the responsibility of HMRC. Expenditure on those with disabilities is not related to age and is therefore spread across people of state pension age, of working age and children, and totalled £25.8 billion (17.5 per cent).

Child benefits payments, administered by HMRC, totalled nearly £12 billion in the UK in 2009/10. HMRC has also provided financial assistance since 1999/2000 in the form of tax credits which are not included in the expenditure in Figure 1. Child tax credit is available to families on low or moderate incomes, whereas working tax credit is available to adults who are in work but on low or moderate incomes and can be claimed in addition to child tax credit. In the 11 years since their introduction, expenditure on tax credits has risen from £1.1 billion in 1999/2000 to £27.6 billion in 2009/10 when they were being paid to around 6.1 million families in the UK.

The British Social Attitudes Survey asks adults aged 18 and over in Great Britain to give their opinion on the effects of government spending on social security benefits (**Table 1**). Between 1999 and 2009 attitudes towards those receiving benefits have become more negative.

Table 1 **Attitudes to government spending on social security benefits¹**

Great Britain

Percentages

	Agree/agree strongly			Neither agree or disagree			Disagree/disagree strongly		
	1999	2007	2009	1999	2007	2009	1999	2007	2009
The welfare state encourages people to stop helping each other	32	30	34	34	36	38	32	31	25
The government should spend more money on welfare benefits for the poor even if it leads to higher taxes	40	32	27	30	33	28	28	33	43
Many people who get social security don't really deserve any help	27	36	34	31	35	33	40	27	32
If welfare benefits weren't so generous people would learn to stand on their own two feet	38	53	53	27	23	24	34	22	22

¹ Respondents aged 18 and over were asked 'please tick a box to show how much you agree or disagree with the following statements.'

Source: *British Social Attitudes Survey, National Centre for Social Research*

In 2009 more than half of adults questioned (53 per cent) either agreed strongly or agreed that if welfare benefits weren't so generous people would learn to stand on their own two feet, an increase of 15 percentage points since 1999. Over the same period the number of adults supporting increases in welfare benefits has fallen. In 2009 just over one in four adults (27 per cent) agreed or strongly agreed the Government should spend more money on welfare benefits for the poor, even if it leads to higher taxes, this is a considerable decrease from 4 in 10 adults agreeing with this statement in 1999. Alongside this change in attitude, 2009 expenditure on benefits was £165 billion compared with around £123 billion in 1999, after allowing for inflation, and expenditure per head rose from just over £2,100 to more than £2,600 per head between 1999 and 2009 (refer to **Figure 1**).

Over the same period, not only had people's attitudes towards the amount of money spent on benefits become more negative but their attitudes on the use of the benefit system had also changed. In 2009 over a half (53 per cent) of adults in Great Britain agreed with the statement that if welfare benefits weren't so generous people would learn to stand on their own two feet, compared with 38 per cent in 1999. There was also a slight change in the proportion of people agreeing with the statement that the welfare state encourages people to stop helping each other (34 per cent in 2009 compared with 32 per cent in 1999). As well as provision of additional income through benefits the government also provides services to those in need, many of these through local authorities.

Table 2 Personal social services expenditure

United Kingdom	£ million				
	2005/06	2006/07	2007/08	2008/09	2009/10
United Kingdom	24,566	26,044	27,553	29,187	30,385
Sickness & disability	7,019	7,305	7,956	8,469	8,952
Old age	8,617	8,892	9,368	9,929	10,290
Family and children	6,309	6,654	7,024	7,481	8,082
Unemployment	837	1,424	1,391	1,384	1,105
Social exclusion nec	1,784	1,769	1,814	1,924	1,956

Source: HM Treasury, PESA 2010 National Statistics

In 2009/10 local authorities in the UK spent more than £30 billion on personal social services, an increase of more than £5.8 billion since 2005/06, although these figures have not been adjusted to remove the effects of inflation over this period. This was an increase of around 24 per cent in expenditure on personal social services while expenditure on total public sector expenditure on social protection services, also unadjusted for inflation, increased by almost 31 per cent. Over the same period prices, based on the retail prices index (RPI), increased by around 16 per cent. Personal social services include provision of home help and home care; services for looked after children and children on child protection registers; foster care provided by local authorities; and services for the unemployed. More than £10 billion was spent on older people aged 65 and over (**Table 2**). This was the largest category of expenditure in 2009/10 (34 per cent of expenditure) a small decrease from 35 per cent of expenditure in 2005/06. Spending on sickness and disability was the next largest category at nearly £9 billion, 29 per cent of expenditure. Expenditure on family and children is not restricted to any category of person and will include provision of goods, services and benefits and was the third largest category of expenditure at more than £8 billion, more than a quarter (27 per cent) of expenditure.

Eurostat collects social protection expenditure information across the 27 member states of the European Union (EU-27) as part of the European System of Integrated Social Protection Statistics (ESSPROS). ESSPROS defines social protection as encompassing all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs. It should be noted that the UK makes much more use of tax credits as a means of social protection than most other EU nations and these, totalling £24 billion in 2008/09, are not included in the estimates of expenditure.

Figure 2 Expenditure¹ on social protection as a percentage of GDP: EU-27 comparison, 2008

Percentages

¹ Social protection expenditure and receipts are calculated in line with the methodology of the latest 'European system of social protection statistics' (Esspros) manual. Expenditure includes social benefits, administrative costs and other expenditure linked to social protection schemes.

Source: Eurostat

In 2008 UK spending on social protection, excluding tax credits, was equivalent to 23.7 per cent of gross domestic product (GDP), below the EU-27 average of 26.4 per cent (**Figure 2**). However, when expressed in terms of expenditure per head and in purchasing power standard (PPSⁱⁱ), UK expenditure was 6,900 PPS, higher than the EU-27 average of 6,600 PPS per head.

As a percentage of GDP, expenditure on social protection was highest in France, at 30.8 per cent, followed by Denmark (29.7 per cent) and Sweden (29.4 per cent). Of all the EU-27 countries, Latvia recorded the lowest expenditure on social protection as a percentage of GDP, at 12.6 per cent, followed by Romania and Estonia (14.3 per cent and 15.1 per cent respectively). Of the EU-15 countries Luxembourg spent the least at 20.1 per cent, less than Slovenia (21.5 per cent) and Hungary (22.7 per cent) two of the recent accession countries.

Social care

Since the early 1990s, government policy has been to provide help and assistance through local authorities to people who need care to continue to live in their own homes as independently as possible. This can include financial help or the provision of services to those who qualify. Such services may involve routine household tasks within or outside the home, personal care of the client, or respite care to support the clients' regular carers.

Figure 3 Actual number of contact hours of home care provided during the year: by sector^{1,2}

England
Hours (millions)

1 In 2008/09 the methodology for estimating for missing data was changed.

2 Components may not add to totals due to the estimation methodology for years prior to 2008/09.

3 Councils with social services responsibility.

Source: The NHS Information Centre for health and social care, *Community Care Statistics 2009-10: Social Services Activity Report, England*

As well as council-run care homes, local authorities provide home care services to those with physical disabilities (including frailty associated with ageing), dementia, mental health problems and learning difficulties. In 2009/10, 183 million hours of home care was provided by councils in England to households compared with just over 151 million hours in 2003/04, an increase of 21 per cent (**Figure 3**). However, this has fallen by 9 per cent since 2008/09 when around 200 million hours of home care was provided. All the increase in care provision between 2003/04 and 2009/10 was in care provided by the independent sector, which increased by 51 per cent, while at the same time care provided by councils with social services responsibilities decreased by 43 per cent. In 2003/04 the independent sector provided 68 per cent of home care, by 2009/10 this had increased to 84 per cent.

Table 3 **Estimated number of clients receiving services: by service type and age group, 2009/10**

England	Thousands		
	All aged 18 and over	18–64	65 and over
Total number of clients receiving services¹	1,698	550	1,148
Community-based services²	1,464	507	958
Home care	557	104	453
Equipment and adaptations	512	118	394
Professional support	445	240	204
Day care	195	89	106
Meals	100	7	93
Direct payments and personal budgets	166	74	92
Short-term residential – not respite	76	14	62
Other	119	50	69
Residential care			
Independent sector residential care/LA-staffed residential care	215	48	167
Nursing care	90	9	82

1 The 'Total of clients receiving services' is the number of clients receiving one or more services at some point during the year excluding double counting.

2 A client may have received more than one type of community-based service during the year and thus there may be some double counting across service categories, but each client is counted only once in the total of community-based services.

Source: The NHS Information Centre for health and social care, *Community Care Statistics 2009-10: Social Services Activity Report, England*

In England during 2009/10 nearly 1.7 million adults received caring services: of these almost 1.5 million received community-based services, such as meals on wheels, house cleaners, housing modifications for those with disabilities or the elderly or even day-care centres (**Table 3**). The largest users of services, around two-thirds of the total, were the 1.1 million clients aged 65 and over. Within the 65 and over age group the most commonly received services were 'home care' and 'equipment and adaptations', 453,000 and 394,000 clients respectively.

There were also more than 550,000 clients aged 18 to 64. In this age group the most common service was 'professional support', received by 240,000 clients. This category includes education of individuals regarding health matters and advice on health and mitigation of health risks. Those over 65 dominated every service group except 'professional support' where those aged 18 to 64 made up 54 per cent of the clients. This was particularly so for 'meals', 'nursing care', 'short-term residential – not respite' and 'home care', where those aged over 65 made up 80 to 90 per cent of the clients.

Sick and disabled people, depending upon the nature and severity of their condition, are entitled to a number of financial benefits. Incapacity benefit (IB) and severe disablement allowance (SDA) are benefits principally for people of usual working age who are unable to work because of illness and/or disability, although a small number of beneficiaries are older. These benefits can be claimed in addition to other benefits. It should be noted that from 27 October 2008 Employment and Support Allowance replaced Incapacity Benefit and Income Support paid on incapacity grounds for new customers.

In 2009/10 there were nearly 2.7 million working age recipients of IB and other benefits in the UK (**Table 4**, overleaf). This was around 0.3 million more than in 2008/09, but still lower than in recent years. There has been a largely downward trend from 2004/05 when the number of recipients was more than 2.8 million. The decrease in IB recipients in 2008/09 and 2009/10 is, in part, offset by the recipients of Employment and Support Allowance (ESA), so that the net reduction between 2008/09 and 2009/10 in recipients of IB and ESA was around 150,000.

Disability living allowance (DLA) is a benefit for people who are disabled, have either personal care needs or mobility needs, or both, and who are aged under 65. Attendance allowance (AA) is paid to people who are ill or disabled after their 65th birthday and who need someone to help with their personal care. In 2009/10 there were almost 5 million people in receipt of DLA and/or AA in the UK, compared with around 4.4 million in 2004/05. Around two-thirds of these were claiming DLA over the same period and while the number of those in receipt of DLA or AA has increased, the ratio between them has remained steady.

Table 4 Recipients of selected benefits for sick and disabled people^{1,2}

United Kingdom

Thousands

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Working-age recipients of Incapacity and other benefits^{3,4}	2,819	2,765	2,720	2,679	2,661	2,664
Incapacity Benefit only	836	794	753	718	597	463
Incapacity Benefit and Income Support/Pension Credit	646	626	615	601	527	429
Incapacity Benefit and Disability Living Allowance	544	550	553	558	552	514
Incapacity Benefit, Income Support/Pension Credit and Disability Living Allowance	471	484	499	517	536	520
Employment and Support Allowance only ³	..	..	..	..	151	371
Employment and Support Allowance and Disability Living Allowance ³	..	..	..	..	22	98
Severe Disablement Allowance only	9	8	7	6	6	5
Severe Disablement Allowance and Income Support/Pension Credit	15	13	12	10	9	8
Severe Disablement Allowance and Disability Living Allowance	56	53	48	44	40	37
Severe Disablement Allowance and, Income Support/Pension Credit and Disability Living Allowance	180	172	167	161	155	149
Other combinations	61	64	66	63	67	69
Attendance Allowance/Disability Living Allowance⁵	4,355	4,479	4,601	4,723	4,860	4,993
Attendance Allowance ⁶	1,477	1,524	1,567	1,603	1,638	1,673
Disability Living Allowance (All ages) ⁶	2,879	2,955	3,033	3,120	3,222	3,320

1 See endnote: Benefit unitsⁱⁱⁱ.

2 Figures are taken from the February of each year.

3 From 27 October 2008 Employment and Support Allowance (ESA) replaced Incapacity Benefit and Income Support paid on the grounds of incapacity for new claims. Figures for Northern Ireland not available.

4 The age at which women reach State Pension age will gradually increase from 60 to 65 between April 2010 and April 2020. This will introduce a small increase in the number of working-age benefit recipients and a small reduction in the number of pension-age recipients. Figures from May 2010 onwards reflect this change.

5 Individuals receiving both Attendance Allowance and Disability Allowance are counted twice.

6 Includes those in receipt of an allowance but excludes those where payment is currently suspended, (for example, because of a stay in hospital).

Source: Department for Work and Pensions; Department for Social Development, Northern Ireland

Older people

In the UK much of central government expenditure on social protection for older people is through payment of the State Pension. Nearly everyone of state pension age (currently age 65^{iv} for men and 60 for women) receives this pension, whatever the level of their other income. Some also receive income-related state benefits, such as council tax benefit or pension credit.

Table 5 Pension receipt: by type of pensioner benefit unit¹, 2008/09

United Kingdom

Percentages

	Pensioner couples	Single male pensioners	Single female pensioners	All pensioners
State Pension only ²	20	29	40	29
State Pension Plus				
Occupational, but not personal pension ³	52	52	50	51
Personal, but not occupational pension ⁴	12	11	4	8
Both occupational and personal pension	10	5	2	6
No state pension, but some occupational or personal pension ⁵	3	1	1	2
No state pension, occupational pension or personal pension	4	2	3	3

1 See endnote: Benefit unitsⁱⁱⁱ.

2 State pension includes basic and additional state pension, Widow's pension and Widowed parent's allowance.

3 Occupational pension includes annuities bought with lump sums from occupational pensions.

4 Personal pension includes annuities bought with lump sums from personal pensions, trades union and friendly society pensions.

5 Combinations can include: No state pension and some occupational pension only; no state pension and some personal pension only; no state pension and some occupational and personal pension.

Source: *The Pensioners' Incomes Series, Department for Work and Pensions*

People can also make their own provision for retirement to supplement the state pension through occupational, personal or stakeholder pensions^{iv}. In 2008/09, 29 per cent of all pensioners in the UK had no pension provision other than state pension (**Table 5**). Single women were more likely to have a state pension only (40 per cent) compared with single men or pensioner couples (29 per cent and 20 per cent respectively). Over half (52 per cent) of single male pensioners in the UK had an occupational pension in addition to the state pension, compared with 50 per cent of single female pensioners and 52 per cent of pensioner couples. The proportions of pensioner benefit unitsⁱⁱⁱ who received a personal pension as well as the state pension were much lower than those who received an occupational pension; 11 per cent of single male pensioners, 4 per cent of single female pensioners and 12 per cent of pensioner couples. The lower proportions for women may be in part because women traditionally had lower employment rates than men (see Chapter 4: Labour market, Figure 4.4). Women were also less likely to have been self-employed, an employment status where a personal pension is the main source of private pension provision.

Table 6 **Receipt of selected social security benefits among pensioners: by type of benefit unit¹, 2008/09**

United Kingdom	Percentages		
	Single male pensioners	Single female pensioners	Pensioner couples
Any income-related benefit²	38	43	19
Specific income-related benefits:			
Council tax benefit	33	38	17
Pension credit	20	29	11
Housing benefit	24	22	7
Non-income-related: disablement benefits³	23	23	26

1 Pensioner benefit units. See endnote: Benefit unitsⁱⁱⁱ.

2 Includes benefits not listed here. Components do not sum to the total as each benefit unit may receive more than one benefit.

3 Disability living allowance (care and mobility components); severe disablement allowance; industrial injuries disability benefit; armed forces compensation scheme; and attendance allowance.

Source: *Family Resources Survey, Department for Work and Pensions*

In 2008/09, 38 per cent of single male pensioners and 43 per cent of single female pensioners in the UK received income-related benefits, compared with 19 per cent of pensioner couples (**Table 6**). Council tax benefit was the most commonly received benefit by all groups, followed by pension credit and housing benefit. With the exception of housing benefit, single female pensioners are more likely than single male pensioners or pensioner couples to receive income related benefits. The largest difference between single male and single female pensioners was receiving pension credit with 29 per cent of women receiving this compared with 22 per cent of men. This is most likely because fewer women receive the full rate of state retirement pension. For pensioner couples the proportion was again lower, at 11 per cent. Single women were also more likely to receive council tax benefit (38 per cent) than either single men (33 per cent) or couples (17 per cent). However, slightly more single men than women received housing benefit (24 per cent compared with 22 per cent), again for couples the figure was much lower at 7 per cent. Receipt of non-income-related benefits was more even with 23 per cent of single male and female pensioners being in receipt of disablement benefits compared with 26 per cent of couples, the only area where couples were more likely to be in receipt of benefits than single pensioners.

Pension credit is a means-tested benefit comprising guarantee credit and savings credit. Guarantee credit is for people aged 60 and over living in the UK. It ensured a minimum income of £132.60 per week for single pensioners and £202.40 for pensioner couples in 2010/11. The savings credit element is for those with some savings, whether single or living with a partner, where either partner is aged 65 and over. The maximum savings credit payable in 2010/11 was £20.52 per week for single people or £27.09 for people with a partner. Savings credit is generally available to single people with an income of up to £184 per week and couples with an income of up to £270 per week, although these thresholds may be higher depending on a range of factors such as disability, caring duties or certain housing costs such as mortgage interest payments.

Table 7 **Attitudes towards older people in the labour force¹**

Great Britain

Percentages

	Agree		Neither agree nor disagree		Disagree	
	1983	2009	1983	2009	1983	2009
Men	73	17	12	21	14	59
18–24	70	25	18	27	13	46
25–40	70	12	12	27	17	58
41–64	79	17	10	17	10	64
65 and over	72	21	11	19	16	57
Women	67	13	15	21	18	64
18–24	67	16	17	24	16	56
25–40	62	7	17	22	21	69
41–59	66	12	12	22	20	64
60 and over	71	18	14	17	12	61
All aged 18 and over	70	15	13	21	16	61

¹ Respondents aged 18 and over were asked to tick a box to show how much they agreed or disagreed with the statement, 'older people should be encouraged to retire earlier to reduce unemployment'.

Source: *British Social Attitudes Survey, National Centre for Social Research*

Views about older people and retirement have changed over the last 25 years (**Table 7**). In 1983, 70 per cent of people aged 18 and over in Great Britain either agreed or agreed strongly that older people should be encouraged to retire earlier to reduce unemployment, in 2009 this had fallen to 15 per cent. There were differences between men and women, with more men being in agreement than women (17 per cent and 13 per cent respectively in 2009). There was also a noticeable difference was between age groups with a higher proportion of those entering the job market (18–24-year-olds) and those of retirement age agreeing that older people should retire early in 2009. However, these proportions were still substantially lower than in 1983.

Families and children

The Government provides a number of social security benefits targeted at families with children in the UK. They include tax credits, income-related benefits paid to low-income families, such as housing benefit, council tax benefit and income support and non-income-related benefits, such as child benefit and incapacity or disablement benefits.

Table 8 Receipt of selected social security benefits among families: by type of benefit unit¹, 2008/09

United Kingdom		Percentages	
	Lone parent with dependent children ²	Couple with dependent children ²	
Any benefit or tax credit³	97	97	
Income-related			
Council tax benefit	44	7	
Housing benefit	42	6	
Jobseeker's allowance	2	3	
Tax credits			
Working tax credit/income support/pension credit	71	17	
Child tax credit	75	53	
Non-income-related			
Child benefit	94	95	
Disablement benefits ⁴	7	6	

1 Families where household reference person is under state pension age. See endnote: Benefit unitsⁱⁱⁱ.

2 Children aged under 16, or aged 16 to 19 and not married or in a civil partnership and living with their parents and in full-time non-advanced education or in unwaged government training.

3 Includes all benefits not listed here. Components do not sum to the total as each benefit unit may receive more than one benefit.

4 Disability living allowance (care and mobility components), severe disablement allowance, industrial injuries disability benefit, armed forces compensation scheme and attendance allowance.

Source: *Family Resources Survey, Department for Work and Pensions*

In 2008/09 child tax credit was the most common source of assistance among families in the UK, with three-quarters (75 per cent) of lone parents with dependent children in the UK and more than half (53 per cent) of couples with dependent children in receipt (**Table 8**). As with working tax credit the amount that can be received differs depending on circumstances: lone parents are likely to receive larger amounts because their income is less than couples and they are just as likely to use paid childcare. This may reflect the employment status of lone-parent mothers, who head the majority of lone-parent families and are less likely to be employed than mothers with a partner, and

consequently less likely to have a partner who can provide informal childcare (see also Chapter 2: Households and families). While the numbers in receipt of tax credits is high among all families, the receipt of income-related benefits is much higher among lone-parent families than couples. More than half of all lone-parent families receive some combination compared with less than 1 in 10 couples (51 per cent and 9 per cent respectively). The most common income-related benefit is council tax benefit (44 per cent and 7 per cent respectively) closely followed by housing benefit (42 per cent and 6 per cent respectively). The receipt of non-income related benefits among families is much more even with around 9 out of 10 receiving a non-income-related benefit; this is primarily child benefit which is received by 94 per cent of lone parents and 95 per cent of couples.

According to the Department for Work and Pensions 2008 Families and Children Study (FACS 2008) lone parents with dependent children in Great Britain were more likely than couples with dependent children to have loans other than a mortgage, 52 per cent compared with 44 per cent. Lone parents were also more reliant on loans from friends or relatives, 16 per cent compared with 8 per cent of couple families and less likely to have bank overdrafts or loans. Lone parents were also more likely to apply for a Social Fund^v loan, 12 per cent of lone parents compared with 1 per cent of couples. Lone parents working up to 15 hours per week were more likely than those working 16 hours or more to borrow money using these methods. Just over a fifth (21 per cent), of lone parents working up to 15 hours borrowed from friends or relatives compared with 11 per cent of those working 16 hours or more. The difference was greater for those with Social Fund loans, where a quarter (24 per cent) of lone parents working up to 15 hours received such a loan compared with 1 per cent of those working 16 hours or more. They were also more reliant on loans from finance companies than banks or building societies, when compared with lone parents working 16 or more hours or couples.

Table 9 **Childcare arrangements for children with working mothers: by family characteristics, 2008**

Great Britain

Percentages¹

	Child care not required	Formal child care ²	Informal child care ³				
			Ex partner/ non- resident parent	Grand- parent	Older sibling/ other relative	Other informal ⁴	Total informal
Family type							
Lone parent	40	30	16	33	5	10	46
Couple	42	31	2	36	3	9	44
Family type working status							
Lone parent: 1 to 15 hours	53	21	6	19	8	4	32
Lone parent: 16 hours and above	39	31	17	34	5	10	47
Couple – both: 16 hours and above	39	33	2	38	4	9	45
Couple – one only: 16 hours and above	52	22	1	31	3	9	38
Age of child							
0–4	21	56	4	46	9	7	52
5–10	31	34	6	46	14	15	56
11–16	70	6	5	18	9	5	27

1 Percentages do not sum to 100 per cent as respondents could give more than one answer.

2 Respondents could give more than one source of informal child care.

3 Includes nurseries/crèches, nursery schools, playgroups, registered childminders, after school clubs/breakfast clubs, and holiday play schemes.

4 A friend, neighbour or babysitter, who came to the home.

Source: *Families and Children Study, Department for Work and Pensions*

The Family and Children Study (FACS) also showed that in 2008 in Great Britain, 60 per cent of working lone-parent families and 58 per cent of couple families, where the mother worked, made use of some form of childcare. While the proportions of couple families and lone-parent families using formal and informal childcare were similar, lone parents were more likely than couples to make use of most types of informal childcare (which can be provided by family members, partners, ex-partners or friends) except for grandparents. As children get older, the use of formal childcare decreases. In 2008, 56 per cent of children aged under five whose mothers worked were looked after under formal childcare arrangements (**Table 9**). The proportion of children of primary school age (aged 5 to 10) was much less (34 per cent), and decreased further to around 6 per cent when

they reached secondary education age (aged 11 to 16). Use of informal childcare changes much less and is greater among children of primary school age than those of pre-school age. The decrease in use of informal childcare between primary school age and secondary education age (aged 11 to 16) is also less than that of formal child care, with more than half of children under 10 (52 per cent of those aged 0 to 4 and 56 per cent of those aged 5 to 10) and around a quarter (27 per cent) of children aged 11 to 16 receiving this form of childcare.

The use of child care by households with non-working mothers was much lower than in those with working mothers. In households with a working mother 44 per cent used informal childcare, this dropped to 24 per cent of households with non-working mothers. Formal childcare was used by 31 per cent of families with a working mother and by half this number for families where the mother did not work (15 per cent).

When a child is assessed as being subject to a continuing risk of significant harm they may be placed on a local authority's 'at risk' register. These registers are maintained and managed by social services departments.

Table 10 Children and young persons on the at risk register¹

United Kingdom						Number of children	
	2003	2004	2005	2006	2007	2008 ²	2009
Neglect	13,100	13,400	13,900	14,500	15,500	16,600	19,200
Emotional abuse	6,000	6,100	6,300	7,000	8,300	9,900	11,100
Physical abuse	5,800	5,500	5,200	4,900	4,800	5,400	5,400
Sexual abuse	3,300	3,100	3,000	2,900	2,600	2,000	2,000
Multiple/not specified	4,500	4,000	3,500	3,200	3,400	2,500	2,900
Total number of children	32,700	32,100	31,900	32,500	34,600	36,400	40,600

¹ At 31 March each year. Children and young persons aged under 18.

² Data revised.

Source: Department for Children, Schools and Families; Welsh Government; Scottish Government; Department of Health, Social Services and Public Safety, Northern Ireland

While the number of children on 'at risk' registers throughout the UK remained roughly the same between 2003 and 2006 there has been an increase since 2006. As at March 2009 there were more than 40,000 children listed (Table 10). The number of children on the 'at risk' register increased by 11.5 per cent between 2008 and 2009 which was the largest year-on-year increase over the period and represents a 24.2 per cent increase since 2003. However, the overall increase was not consistent across each of the reasons for being on the register. Neglect was the most common reason given for a child being placed on the register in 2009 (47 per cent) followed by emotional abuse (27 per cent). Although these percentages have increased, they have been the two most common reasons for a child being on the register each year since 2003. The number of children on the register because of neglect or emotional abuse increased 46.6 per cent and 85.0 per cent respectively between 2003 and 2009 while those in all other categories fell. The number

of children on the register because of physical abuse fell by 6.9 per cent and as a result of sexual abuse by around 39.4 per cent. The number of children classified to multiple reasons or unspecified reasons also fell by 35.6 per cent although this may be due in part to more children being classified to specific categories.

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Notes

i Cash benefits

Income support: Periodic payments to people with insufficient resources. Conditions for entitlement may be related to personal resources and to nationality, residence, age, availability for work and family status. The benefit may be paid for a limited or an unlimited period. It may be paid to the individual or to the family, and be provided by central or local government.

Other cash benefits: Support for destitute or vulnerable people to help alleviate poverty or assist in difficult situations. These benefits may be paid by private non-profit organisations.

Benefits in kind

Accommodation: Shelter and board provided to destitute or vulnerable people, where these services cannot be classified under another function. This may be short term in reception centres, shelters and others, or on a more regular basis in special institutions, boarding houses, reception families, and others.

Rehabilitation of alcohol and drug abusers:

Treatment of alcohol and drug dependency aimed at reconstructing the social life of the abusers, making them able to live an independent life. The treatment is usually provided in reception centres or special institutions.

Other benefits in kind: Basic services and goods to help vulnerable people, such as counselling, day shelter, help with carrying out daily tasks, food, clothing and fuel. Means-tested legal aid is also included.

Employment and support allowance

Employment and support allowance (ESA) was introduced in October 2008 to replace incapacity benefit (IB) and incapacity-related income support (IS). The figures relating to ESA in Table 8.9 (Recipients of selected benefits for sick and disabled people) have been thoroughly quality assured to National Statistics standards. However it should be noted that this is a new benefit using a new data source which may not have reached steady state in terms of operational processing and retrospection.

ii Purchasing power parities

The international spending power of sterling depends both on market exchange rates and on the ratios of prices between the UK and other countries. Purchasing power parities (PPPs) are indicators of price level differences across countries. PPPs tell us how many currency units a given quantity of goods and services costs in different countries. PPPs can thus be used as currency conversion rates to convert expenditures expressed in national currencies into an artificial common currency (the Purchasing Power Standard, PPS), eliminating the effect of price level differences across countries.

The main use of PPPs is to convert national accounts aggregates, like the gross domestic product (GDP) of different countries, into comparable volume aggregates. Applying nominal exchange rates in this process would overestimate the GDP of countries with high price levels relative to countries with low price levels. The use of PPPs ensures that the GDP of all countries is valued at a uniform price level and thus reflects only differences in the actual volume of the economy.

PPPs are also applied in analyses of relative price levels across countries. For this purpose, the PPPs are divided by the current nominal exchange rate to obtain a price level index (PLI) which expresses the price level of a given country relative to another, or relative to a group of countries like the EU-27; more information is available at:

epp.eurostat.ec.europa.eu/portal/page/portal/purchasing_power_parities/introduction

iii **Benefit units**

A benefit unit is a single adult or couple living as married and any dependent children living with them in the same household, where the head is below state pension age (60 for women and 65 for men) and where one or both are in receipt of a benefit. A pensioner benefit unit is a single person over state pension age or a couple where one or both adults are over state pension age.

iv **Pension schemes**

A pension scheme is a plan offering benefits to members upon retirement. Schemes are provided by the state, employers and insurance firms, and are differentiated by a wide range of rules governing membership eligibility, contributions, benefits and taxation.

Occupational pension scheme: An arrangement (other than accident or permanent health insurance) organised by an employer (or on behalf of a group of employers) to provide benefits for employees on their retirement and for their dependants on their death.

Personal pension scheme: A scheme where the contract to provide contributions in return for retirement benefits is between an individual and an insurance firm, rather than between an individual and an employer or the state. Individuals may choose to join such schemes, for example, to provide a primary source of retirement income for the self-employed, or to provide a secondary income to employees who are members of occupational schemes. These schemes may be facilitated (but not provided) by an employer.

Stakeholder pension scheme: Available since 2001, a flexible, portable, defined-contribution personal pension arrangement (provided by insurance companies with capped management charges) that must meet the conditions set out in the *Welfare Reform and Pensions Act 1999* and be registered with the Pensions Regulator. They can be taken out by an individual or facilitated by an employer. Where an employer of five or more staff offers no occupational pension and an employee earns more than the lower earnings limit (the entrance level for paying tax), the provision of access to a stakeholder scheme with contributions deducted from payroll is compulsory.

v **Social fund**

The social fund is available to people on low incomes faced with expenses they find difficult meeting from their normal income. Payments come in the form of payments, grants or loans and can cover maternity costs, funeral costs, fuel costs, items of clothing and footwear, furniture items and items relating to the safety and well-being of individuals and families.

Maternity grant: also known as Sure Start maternity grant is a fixed amount of £500 to help people on low income buy clothes and equipment for a new born baby, it does not have to be repaid.

Funeral payment: is a payment to people on low income to help with the essential costs of a funeral. Proof has to be provided of expense and the payment does not have to be repaid but it can be recovered from the estate of the person who has died.

Budgeting loan: is a loan to people on low income to help pay essential lump sum payments which are difficult to budget for. It is an interest free loan which must be paid back to the social fund.

Crisis loan: is a loan to people on low income who need money quickly because of expenses in an emergency or disaster. It is an interest free loan which must be paid back to the social fund.