

# Breakthrough Birmingham

*Ending the costs of social breakdown*

THE CENTRE FOR  
SOCIAL  
JUSTICE



## BREAKTHROUGH BIRMINGHAM

6th December 2007

When asked by David Cameron to consider how an incoming Conservative Government could tackle Britain's most acute social problems, I felt it necessary to first better understand the nature and extent of the breakdown I was being asked to address.

The Centre for Social Justice (CSJ) travelled the length and breadth of the country, spending over 3,000 hours in public hearings and consulting over 2,000 organisations and individuals. We listened to poverty fighters nationally and internationally to understand fully which policies work in real life, and what hinders them. The policies in *Breakthrough Britain* are rooted in the wisdom and experiences of people who live, experience, and study social breakdown on a daily basis.

We are therefore delighted that Birmingham City Council has written to the CSJ to highlight the issue of worklessness and to ask us to identify effective ways of tackling it. The letter states that.

*'Worklessness is a national problem and Birmingham, as the largest local authority in the country, has particular challenges when dealing with this issue. However, as you know, the City Council has set about addressing this key issue by working closely in partnership with the other public sector organisations and with the wider businesses community...As always, we are keen to work with the CSJ as we address worklessness in our city, and we look forward to hearing your proposals for dealing with this problem.'*

National policy is failing to help people make the transition from welfare to work, trapping some of the most vulnerable people in society on benefits. The number of working-age residents claiming a key benefit in Birmingham has remained largely static since 2002 – 131,660 in May 2002, and 131,550 in May 2007.

The Government's flagship welfare-to-work programmes – the New Deal – are ineffective. The limited and declining success of the New Deal programmes in Birmingham reflects the national picture. In 2001 3,880 people in Birmingham gained jobs through the New Deal for Young People. In 2006, just 2,405 found work. Comparing the same period for the New Deal 25+, the number of people gaining jobs almost halves from 675 to 360. The number of jobs gained through the New Deal for Lone Parents, drops from 1,290 to 770.<sup>1</sup> Central government must take a fresh and innovative approach to the welfare system if cities such as Birmingham are to get, and sustain, people in work.

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<sup>1</sup> All New Deal data is taken from Neighbourhood Statistics, National Statistics Online

This document outlines some of our recommendations for reforming the welfare system.

In the last few years, Birmingham City Council has been working to reduce social breakdown. This is particularly evident in housing. In 2006, the Kick Start Partnership won first prize at the UK Housing Awards for improving the homes of vulnerable owner-occupiers and received a special award for achievement in social housing. The proportion of Council houses meeting the Decent Homes Standard has more than doubled since mid-2004.

Social housing must play a key role in helping people to move from economic dependency on the state to independence. To this end, the CSJ has launched a policy group to look specifically at this.

Third sector organisations are at the heart of the fight to mend Britain's broken society, and Birmingham is fortunate to have such vibrant and successful voluntary projects and initiatives. I and my team have visited many exemplary organisations in Birmingham, such as Betel, Balsall Heath Forum, the Jericho Foundation, Fairbridge and Families for Peace. We must celebrate and support the excellent work being done by these groups.

I am encouraged to see the commitment in the Council's recent green paper (*Vibrant Urban Villages*) to 'increase both the proportion, and range of services delivered by the VCS [Voluntary and Community Sector]'. Empowering local people and communities will be vital if we are to tackle poverty and the Council's recent Beacon award for increasing voluntary and community sector service delivery is testament to the Council's recognition of this. The CSJ has also awarded Birmingham City Council for their support of the third sector.

I am therefore delighted to have so many friends and representatives from Birmingham's voluntary sector here today – you are transforming people's lives and we are here to identify policies in *Breakthrough Britain* that will support you in doing so.

**We are holding hearings this afternoon in our new policy areas to learn about your experiences working with disadvantaged communities. We want to hear from you what is effective in increasing the life chances of society's most vulnerable people, and this will directly inform our current policy work.**

We look forward to continuing to work with you as we work for Breakthrough in Birmingham.



Rt Hon Iain Duncan Smith MP

## STATE OF THE CITY

### INTRODUCTION – POVERTY AND PROSPERITY LIVING SIDE BY SIDE

Birmingham is Britain's second largest city. In 2005 Birmingham was named European City of the Future and it is currently ranked third best city for business in the UK behind London and Manchester. It has the second highest economic output of any UK city after London. Around £2.5 billion has been invested in major projects being undertaken, and £13.2 billion has been allocated for regeneration projects over the next 10 years. Unsurprisingly, Birmingham is one of the UK's top four most popular city destinations for international tourism.

However despite such impressive economic success and investment, nearly a quarter of Birmingham's wards are estimated to have at least three quarters of their population falling within the 10 per cent most deprived Super Output

Areas (SOA) in the country. Indeed, according to the 2001 census, 77 per cent of households in Birmingham have *at least* one characteristic of deprivation. Perhaps the most visible expression of this deprivation is in Birmingham's unemployment and economic inactivity rates. Despite the city's business success, Birmingham has the highest rate of unemployment out of all our core cities.

The strength of Birmingham's third sector organisations shows that many in the city do not accept such levels of deprivation and are fighting hard to reverse the trend of breakdown. The policy recommendations contained in this report are designed to tackle the causes of poverty and breakdown in order to make Birmingham a truly great city.



Billions are being put into regenerating Birmingham, making it an exciting and vibrant city.

### ECONOMIC DEPENDENCY - THE CYCLE OF POVERTY AND BREAKDOWN

#### *Worklessness*

- Birmingham has nearly 180,000 residents of working-age that are economically inactive.
- In May 2007 over 131,000 working-age adults in Birmingham (21 per cent) were on a key benefit. This is 48 per cent higher than the national rate.
- Birmingham has the highest unemployment rate of all our core cities at 5.7 per cent. This is more than double the national rate.
- Nearly a quarter of all economically active adults in some wards in Birmingham are on Jobseeker's Allowance.

- In Birmingham, almost 28 per cent of Jobseeker's Allowance claimants have been claiming benefits for 12 months or more. This is 75 per cent higher than the national rate of 16 per cent.

Work is the best and most sustainable route out of poverty. Among households where all adults work just 5 per cent are below the poverty line. The risk of poverty increases almost ten-fold when no adults work.

The benefits of work are not just financial. Research shows that income from work facilitates social inclusion and improves physical and mental health: income from benefits has the opposite effect.<sup>2</sup>

People living in severe poverty are predominantly from workless households and according to the 2001 census, nearly 28 per cent of all households in Birmingham contain no working adults. This directly impacts the life chances of both the adults and the children living in them – a working household is not only less likely to be in poverty themselves, but children living in the household are less likely to be in poverty as adults.<sup>3</sup> It also represents a significant waste of working capital for Birmingham's economy.

#### **Youth worklessness**

- 17 per cent of young people in Birmingham are unemployed, and in some wards this increases to more than a quarter of young people (see case studies 1 and 2 below).
- Nearly 11.4 per cent of 16-18 year olds in Birmingham are categorised as NEET (not in education, employment or training) compared to 7.7 per cent nationally.
- In some wards in 2004, almost one in five school leavers were categorised as NEET.

Worklessness is often intergenerational, and Birmingham's youth unemployment and NEET rates appear to reflect this. A Prince's Trust paper, *The cost of exclusion*, highlighted the long-term wage penalty which results from not being in education, employment or training. Citing both national and international research the paper refers to a 10-15 per cent impact on wages.<sup>4</sup>

The future prospects of some of Birmingham's young people are being severely restricted by worklessness. As with the city's adult population, immediate action must be taken to reverse this trend of poverty and social exclusion.

<sup>2</sup> *Is Work Good for your Health and Well-Being?*, Gordon Wadell and A Kim Burton, 2006

<sup>3</sup> *The intergenerational transmission of disadvantage and advantage for various studies*, Centre for Longitudinal Studies, Briefing February 2007

<sup>4</sup> *The Cost of Exclusion: counting the cost of youth disadvantage in the UK*, The Princes Trust, 2007



### ***Educational Failure***

- In 2006, 41 per cent of students in Birmingham achieved 5 A\*-C grades at GCSE.<sup>5</sup> This is only just below the national average of 46 per cent but includes independent and selective school results.
- In 2006, 73 per cent of Birmingham's *non-selective state schools*, 49 out of 67, performed below the national average at GCSE.
- Over 8,700 fixed period exclusions were given to students in Birmingham secondary schools in 2005/06 – nearly 12.5 per cent of the school population. This is around 20 per cent higher than the national rate.

Educational achievement is fundamental in shaping a young person's life prospects. The level of youth unemployment and the number of NEETs in

Birmingham is, at least in part, explained by the fact that 73 per cent of the city's state schools are struggling to equip their young people with good qualifications. In an increasingly skilled economy qualifications are vital, without them an individual's employability is significantly decreased.

More than one in five working-age people in Birmingham have no qualifications, which is almost 46 per cent higher than the rate for Great Britain. Low levels of qualifications go hand-in-hand with high levels of worklessness. If a significant number of Birmingham's schools are failing to equip their young people with the skills needed to ensure employability,

then unacceptable levels of worklessness will persist in Birmingham.



Too many young people are not achieving at school. Voluntary organisations like Fairbridge provide the support to ensure that these young people are not left behind.

### ***Family breakdown***

- At the time of the 2001 census, there were 37,696 lone parent households in Birmingham – almost 30 per cent of all households. This figure is 34 per cent higher than the national rate of 21.8 per cent.
- In Birmingham, more than one in 20 girls between the ages of 15-17 will become pregnant – this is above the national rate of one in 24.
- In Birmingham 78 children per 10,000 are looked after by the Local Authority – this compares to 55 per 10,000 nationally.

Having a working role model at home increases the chances of a child being in work in adulthood. The worklessness rate for lone parents nationally is 42 per cent, compared to 5 per cent for couple households with dependent children. Strengthening the family would have considerable impact on the number of children living in a household with a working role model and would therefore improve their future prospects.

This would also have much broader implications. Children from families that have experienced family breakdown are also much more likely to become teenage mothers or get involved in crime. The family environment is instrumental in the

<sup>5</sup> All GCSE results include English and Maths

physical, emotional and psychological development of a child and the pressures of economic dependency put considerable strain on its stability.

## LIVING AT THE MARGINS OF SOCIETY

### *Geographical concentrations of deprivation: a vicious circle*

*'the UK's densest concentrations of worklessness [are] often in relatively small geographical areas, at sub-local authority level, distinct neighbourhoods or even streets. In these areas...local people face multiple problems, including lower educational attainment, poor health, bad housing and high crime rates.'*

Working Links, welfare-to-work agency, submission to the Social Justice Policy Group

### **CASE STUDY 1: Washwood Heath Ward (Hodge Hill constituency)**

#### **Deprivation**

- 99% of the ward's population falls within the 10% most deprived SOAs in England
- 2004 ward estimates show that just 55% of households own their home, compared to almost 70% of households nationally
- Over a third of households do not have central heating, compared to less than one in ten nationally

#### **Population**

- 2004 ward estimates show that 70% of residents are from Asian and black communities
- Over 60% of residents are from Bangladeshi and Pakistani groups, who nationally have the lowest employment rates and highest economic inactivity rates

#### **Worklessness**

- 34% of working-age residents have never worked or are long-term unemployed
- Just 7.5% of residents are educated to degree level, this is nearly 65% lower than the national rate
- 35% of young people are unemployed, this rises to 40% for young men

#### **Educational Failure**

- Every school in Hodge Hill constituency is performing below the national average at GCSE
- According to Ofsted, the majority of young people attending the two secondary schools in the ward have English as a second language; and the proportions of young people with special educational needs and claiming free school meals is above average

## **CASE STUDY 2: Sparkbrook Ward (Hall Green constituency)**

### **Deprivation**

- 89% of the ward's population falls within the 10% most deprived SOAs in England
- 2004 ward estimates show that just 42% of households own their home
- Nearly one in four homes do not have central heating

### **Population**

- 2004 ward estimates show that 73% of residents are from Asian and black communities
- According to the 2001 census, 28% of households with dependent children are headed by lone parents

### **Worklessness**

- 34% of the ward's working-age population is out of work and claiming benefits
- In 2006 22.5% of working-age residents were unemployed and on Jobseeker's Allowance
- 31% of young people are unemployed
- According to the 2001 census, 32% of the ward's population has no qualifications, compared to 14.1% of the UK working-age population

### **Educational Failure**

- Sparkbrook ward does not have a single state secondary school
- Each of the four state secondary schools nearest Sparkbrook Ward is performing well below the national average at GCSE, including English and Maths
- In each of these four schools more than half of their student body is eligible for free school meals
- More than 80% of students in these four schools have English as a second language

The above case studies of Washwood Heath and Sparkbrook wards clearly show the interlocking nature of breakdown and poverty. One pathway to poverty – such as worklessness or educational failure – leads to another, leaving people trapped at the margins of society. Tackling deprivation requires a comprehensive approach. We must address each aspect in order to remove the multiple barriers to social inclusion and mobility faced by the most disadvantaged in society.

### ***Destitution and desperation – the repercussions***

People living in deprivation and experiencing multiple pathways to poverty are more likely to be involved in crime, or addicted to drugs and alcohol. Marginalised in society, self belief and aspirations are significantly reduced. People therefore turn to negative sources of affirmation and inclusion.



## A. CRIME

Reflecting the national picture, overall recorded crime in Birmingham has declined in the last 12 months. However violent crime, and in particular firearms offences are particularly high in Birmingham.

- In 2006/07, Birmingham's crime rate for violence against the person was 57 per cent higher than the national average.
- Birmingham, along with London, Liverpool, and Manchester, has been identified by police and the Home Office as responsible for over half of all gun crime nationally.
- The West Midlands Police area has the largest concentration of firearms incidents. Birmingham city centre tops the league with 75 incidents, one for every 207 residents.



People living in deprivation and at the margins of society are more likely to turn to crime, drugs and alcohol.

### Youth crime

*former drug dealers, policemen who work with gangs and gun crime, and community workers who get alongside youngsters at risk of turning to violence all say the same thing: the hostility and tension on the streets of Birmingham is worse than it ever was.<sup>6</sup>*

Finding the trigger for gun crime, Birmingham Post, 12th September 2007

Young people disenfranchised by educational failure and deprivation are more likely to commit crime and join a gang than their peers – particularly if they have experienced family breakdown.

- Young people accounted for nearly one quarter of all crimes in which action was taken during 2006.
- Some gangs use terrifying weapons such as the MAC-10 machine pistol capable of firing 1,200 rounds a minute. After the deaths of Letisha Shakespeare and Charlene Ellis in a gang shooting that included a MAC-10, the Crown prosecution claimed that such weapons were certain to lead to what the military would describe as “collateral damage”.
- Education Minister Jim Knight told a Commons inquiry in 2007 that gangs were active in 10 Birmingham schools.

The West Midlands Mediation and Transformation Service began in 2005 to tackle the rising gang violence in Birmingham. Leroy McKoy, a member of the mediation service, talked about the causes of gang culture in an interview with The Guardian

6 *Birmingham Post*, 12 September 2007, [http://icbirmingham.icnetwork.co.uk/birminghampost/perspective/features/tm\\_method=full&objectid=19779156&siteid=50002-name\\_page.html](http://icbirmingham.icnetwork.co.uk/birminghampost/perspective/features/tm_method=full&objectid=19779156&siteid=50002-name_page.html)

*'it is hard to dissuade young men with few job prospects or role models from seeing gang members as ghetto superstars'.<sup>7</sup>*

Young people need viable and attainable alternatives to gang culture, they need a future. A good educational grounding provides skills for employability, and employment can provide that future.

## **B. ADDICTION**

**Drug and alcohol abuse is often the result of having experienced acute social breakdown, and perpetuates the cycle of deprivation: an addict is unlikely to be able to sustain employment or look after a child.**

- The number of people treated for drug-related conditions in Birmingham in 2005/06 reached 6,504, up 40 per cent in five years.
- During the period January-March 2006, Birmingham's rate for drug-related offences was 50 per cent higher than the national rate.
- Nearly half of all people arrested and held in custody by police in Birmingham test positive for class A drugs including heroin or crack cocaine.
- In Birmingham and the Black Country alcohol-related hospital admissions increased by 50 per cent between 2001/02 and 2005/06.

## **ENSURING A BETTER FUTURE FOR BIRMINGHAM RESIDENTS**

### ***Turning lives around – third sector support***

**Across the country there are thousands of grassroots poverty fighting organisations working to tackle deprivation and social breakdown. These charities are transforming people's lives on a daily basis. Birmingham is no exception with numerous excellent projects working with disadvantaged people.**

### **CASE STUDY 3: Jericho Foundation, Balsall Heath**

Jericho started as a drop-in centre in Balsall Heath and is now a successful and innovative social enterprise helping some of Birmingham's most disadvantaged residents to make the transition from welfare to work. Jericho offers advice, training, support and skills development, and runs five businesses – construction, print and promotion, design, catering and cleaning – which can provide paid work experience for 250 clients a year. The charity believes that one-to-one tailored support is the only way to overcome the multiple barriers that their clients face, and to ensure that the work they move into is sustainable. As well as running their offices and workshops in Balsall Heath, they also conduct outreach work with some of the city's hardest to reach residents.

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<sup>7</sup> *Fighting guns with words in Birmingham*, The Guardian, 16 May 2005

#### CASE STUDY 4: Fairbridge Birmingham

Fairbridge works with excluded and vulnerable young people to help facilitate their transition back into mainstream society. The charity offers one-to-one support and structured activities to raise self-esteem, develop skills and identify goals in order for the young people to fulfill their potential. Many of the young people Fairbridge works with are either homeless, in care, or without a secure family environment. They therefore often have huge emotional and psychological barriers to participation in education or employment. Fairbridge helps them overcome these and equips them with the skills to re-engage.

**‘My life was a mess when I came to Fairbridge...Fairbridge was a lifeline...It kept me away from the bad stuff...I now believe in myself again’**

Lee McConville, 21

Government must recognise the invaluable role that innovative third sector organisations play in helping individuals and families to rebuild their lives and achieve their potential. They must recognise that people living in disadvantaged communities are more likely to engage with voluntary rather than public sector organisations: in some communities trust in state services is very low. We therefore recommend using the third sector, where there is a proven track record of success, to deliver an increased proportion of public services.

To strengthen the third sector and enable it to play a greater role in our most vulnerable communities, increased levels of government funding are required. Crucially, this must be with less prescription and on a longer term basis than is currently available. There should also be greater indirect statutory funding through tax relief, match funding and community endowments.

#### *Supporting work and independence*

**Current policies to get people back to work are not working for Birmingham. The city needs effective national policies that will facilitate an individual's transition from welfare to work, and, crucially, keep them in work. This in turn will mean fewer workless households and therefore improved life chances for the children in these households.**

#### *Providing personalised support to help people back to work*

Programmes designed to help people to make the transition from welfare to work must be tailored to the individual if complex, and often multiple, barriers to work are to be overcome. One-to-one action plans should be drawn up by a personal adviser based on an accurate assessment of the individual, and the plan should be grounded in a work-first approach.

We therefore recommend outsourcing welfare-to-work programmes to innovative and successful private and third sector organisations to deliver a one-to-one service.



The Jericho Foundation runs a number of social enterprises to provide work experience for people struggling to find employment.

#### *Sustained support*

Making the transition from welfare to work is one thing, sustaining work is another. Currently a disturbing number of benefit claimants who do find work are unable to stay there, instead falling back onto benefits. This is particularly true for lone parents.

We therefore recommend maintaining one-on-one support for a minimum of 12 months after an individual has moved into work. To ensure that this happens we propose that payment of providers is primarily results-based and reflective of the need to *keep* people in work: payment should be staggered once a client is in work. Payment should also be tiered to reflect the complexity of a client's case.

#### *Clear work expectations*

Less than 20 per cent of non-pension welfare expenditure places any expectations on its recipients: people are left languishing on benefits, moving further and further away from the labour market in the process. We therefore recommend revising the benefits system in order to ensure a 'something for something' culture which supports those in genuine need of support, but ensures those who can work do so.

#### *Incentivising work and reforming the welfare system*

The Centre for Social Justice is currently undertaking an in depth study of both in- and out-of-work benefits in order to recommend detailed reforms that will ensure a benefits system that incentivises work, strengthens the family, minimises fraud and is simplified to increase accessibility and effectiveness.

#### *Educational failure to educational achievement*

**Schools must be equipping young people with the skills to ensure them a bright future. Educational underachievement and failure too often lead to worklessness and social exclusion. Too many of Birmingham's young people are trapped in failing schools. This is unacceptable: Birmingham needs a school policy that delivers for all.**

#### *Pioneer Schools*

Pioneer Schools are designed to provide an alternative to failing schools. Young people cannot be left to languish indeterminately in schools that are not delivering educational excellence. Parents must be able to act.

Pioneer schools would enable innovative and committed organisations and individuals (including parent groups) to establish new schools in the most deprived localities. These schools would be independent from Local Authority control and therefore able to implement their own recruitment and remuneration structures for employees and teachers, and be free to employ creative and

innovative ways of engaging and supporting pupils. This would give parents an alternative to their child's long-term failing school.

#### *The best leadership for the toughest schools – rewarding success*

The success of an organisation is directly linked to the quality of its leader: schools are no exception. Without a strong head teacher capable of communicating an ethos of commitment, discipline and aspiration, a school is unlikely to deliver the high standard of education we should be demanding for our children.

In order to attract head teachers to challenging schools who are capable of motivating a staff team and inspiring their pupils to achieve we must reward their work. A premium must be placed on delivering high quality education, especially in primary schools where payment of head teachers is particularly poor. Good leadership in primary schools is essential given the importance of early intervention, and we therefore recommend the introduction of a Disadvantaged Primary School Personnel Investment Fund. This fund, as well as being used to attract and reward excellent head teachers, could be used to equip schools with administrative and bursarial support and thereby reduce the bureaucratic burden currently suffocating head teachers.



Young people need stability, support and positive role models: the family and school environments must provide these.

#### *Every parent matters*

Parental involvement in a child's education, and therefore a parent's relationship with their child's school, is crucial. We therefore recommend the introduction of Home-School Charters to identify the rights and responsibilities of parents, pupils and teachers; 'be a credit to your child' courses to help parents get the best out of the education system for their children; and full-time Home-School Support Champions to help parents support their child's educational development.

#### *Strengthening the family*

**Family breakdown reflects and perpetuates the levels of deprivation and worklessness – with its associated outcomes such as crime and addiction – that blight too many communities. Tackling Birmingham's family breakdown will lead to corresponding improvements in these other areas.**

#### *Delivering greater family well-being*

Effective and accessible support for families must be available in the heart of our communities. We therefore recommend the introduction of Family Hubs to ensure the integration and coordination of services, and an enhanced role for health visitors in preventing dysfunction in a child's development.

*Relationship and parenting education and support*

Relationship and parenting education is highly valuable for both adults and children, and should therefore be available nationally through schools and third sector organisations. Particular attention should be paid to vulnerable families, targeted through appropriate access points such as Family Hubs.

*Recognising and rewarding marriage*

There is an overwhelming body of evidence demonstrating that the best outcomes for children are from married couple families. We must support an institution that benefits children and adults so profoundly, and for this reason we recommend the introduction of a transferable tax allowance for married couples.

*Supporting two-parent family formation*

The current tax credit system disadvantages two-parent families. The 'couple penalty' in the Working Tax Credit means that couples are better off living apart than together. We therefore recommend enhancing the couple element in order to allow for the second adult.



Voluntary sector organisations are transforming disadvantaged communities and the lives within them. We must support their inspirational work.

## CONCLUSION

Birmingham is one of the UK's greatest cities. It is vibrant, diverse and economically successful. However despite considerable investment in regeneration, the city still has concentrations of acute deprivation, high levels of worklessness, and many young people in non-selective state schools are experiencing educational failure. The rewards of economic growth must benefit all.

The policies contained in this report will help make Birmingham a great city for *all* of its residents. They will enable people in the most deprived communities to participate fully in society. They will enable the most disadvantaged people to aspire and achieve. In short, these proposals will build on the work being done by inspirational voluntary sector organisations in the city to help mend Birmingham's broken society.





The Centre for Social Justice

9 Westminster Palace Gardens, Artillery Row, London SW1P 1RL

t. 020 7340 9650 • e: [admin@centreforsocialjustice.org.uk](mailto:admin@centreforsocialjustice.org.uk)

[www.centreforsocialjustice.org.uk](http://www.centreforsocialjustice.org.uk)