

An Inclusive Society

**A Framework for Tackling Poverty
and Social Exclusion**

Policy Paper 43



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Summary

The Problem of Social Exclusion

Liberal Democrats are dismayed that we continue to live in a divided Britain with far too many of our fellow citizens missing out on the basic building blocks of a decent standard of living.

Low income is obviously an important factor, but in our view social exclusion is about far more than just low income. It reflects a lack of access to decent public services, concerns about personal safety, a poor quality environment and in some cases a lack of any sense of community or belonging. We also believe that disadvantages often ‘hunt in packs’ and that a combination of these problems can produce an unacceptable quality of life for too many of our fellow citizens. The main purpose of this paper is to set out a distinctive Liberal Democrat strategy to tackle this situation - the Quality of Life Index.

The Quality of Life Index

The Quality of Life Index (QLI) is a democratically determined statement of the set of entitlements which a citizen might reasonably expect to enjoy in order to participate fully in society and have a decent quality of life. The list would be updated regularly in order to reflect the rising aspirations of an increasingly affluent society.

The first stage in constructing the QLI would be to determine which items should be included on the list. Ultimately these would be determined by the public, on the basis of large-scale social surveys, but it would be necessary to begin with some pilot interviews with members of the public in different parts of the country and different social groups to see what sorts of issues were raised.

Once a list of specific entitlements had been established, the public would then be invited to prioritise those which it felt constituted ‘basic entitlements’, necessary for a decent quality of life. Separate lists would be constructed for each community – going down to the community/parish council level if possible. In this way the preferences of, for example, an ethnic minority group which would simply disappear within a national picture, could be explicitly recognised in the local ranking of priorities

After the items contained on the list had been ranked in priority order, it would then be necessary to assess how far individuals and communities fell short of being able to secure their QLI. Local authorities could be given the resources to undertake a wholesale ‘community audit’ of the quality of life of the residents of their local area. This would help to paint a comprehensive picture of regional variations in quality of life in Britain.

Advantages of the Quality of Life Index

The QLI would provide a single yardstick against which all Government policy initiatives could be assessed, and would be a powerful driver for change. The process of compiling the QLI would test public opinion about which sorts of items should be on the list at all and would also measure the intensity with which the public sought to have those items included. The second

benefit of this approach is that the exact definitions used in the list (e.g. what does ‘access’ to a good school mean?) could be determined by asking the public which definitions most closely reflected what they wanted.

As a result, policy-makers would be forced to consider far more than at present the extent to which their policies were meeting the directly expressed needs of the public and in particular of specific communities. This would imply a much more ‘bottom-up’ approach to policy making, with policy being designed to meet the needs of specific communities in a targeted way.

Specific Policy Proposals

In addition to setting up the Quality of Life Index, Liberal Democrats would make an immediate attack on poverty and social exclusion through measures including:

- Repealing the ‘single room rent’ restriction and reviewing other ceilings in the Housing Benefit system.
- Bringing 16 and 17 year-olds back into the benefit system and ending the discriminatory lower rate of benefits for the under-25s.
- Introducing a National Home Insulation Programme to complete comprehensive energy conservation work on some half a million homes per year, and helping people maintain and improve their homes by reducing the rate of VAT on home improvements.
- Reforming utility policy, for example by ending higher unit costs for people using prepayment meters which penalise low income households.
- Increasing the basic state pension, primarily by means of new and enhanced ‘age additions’.
- Introducing a simplification of benefit rules and benefit forms and provide greater assistance to people seeking to claim benefits.
- Reforming the local taxation system to make it more progressive, for example by replacing council tax with local income tax.
- Reforming the national taxation system to make it more progressive, for example by introducing a 50p income tax rate on top earners while reducing the tax burden on the lowest paid.
- Improving take-up of school meals.
- Supporting community economics schemes such as LETs and community IT access.

The Scale of the Problem

1.0.1 Despite having one of the largest economies in the world, Britain remains a divided society. Throughout Britain, individuals, families and sometimes whole communities still suffer from low incomes, poor quality public services, poor health made worse by a poor environment, and an exclusion from the quality of life which most people take for granted. Two decades of Conservative Government created growing private affluence for some, alongside continuing deprivation for others. There is little evidence so far that New Labour's policies have significantly reversed that trend. Liberal Democrats believe that a highly unequal distribution of economic and political power mean that too many people in Britain today are excluded from the quality of life which the majority have come to expect.

1.0.2 Evidence of a divided Britain is widespread:

- In 1998/99 over 10,000 people were refused a loan from the Social Fund because they were regarded as too poor to be able to pay it back.
- A baby born to a parent in Social Class IV or V is one third more likely to have a low birth weight than a baby born to any other parent.
- Life expectancy at birth is about five years less for babies born in the two lowest socio-economic classes compared with those in the two highest classes.
- The average life expectancy of a rough sleeper is 42 years.

- In Scotland, 25% of the housing stock suffers from problems of damp and condensation.
- In 1998/99 there were around 50,000 'Excess Winter Deaths' – the highest figure for many years, and substantially higher than any comparable country.
- The proportion of workless heads of household is twice as high in social housing as in other forms of housing tenure.
- 70% of households headed by a person of Pakistani or Bangladeshi origin are in the poorest fifth of the income distribution.
- 1 in 6 school leavers has problems with basic literacy.
- The poorest fifth of the population pay a higher percentage of their gross income in tax than the richest fifth.

1.0.3 These statistics and many others besides paint a picture of a divided Britain with far too many of our fellow citizens missing out on the basic building blocks of a decent standard of living. The purpose of this paper is to set out a distinctive Liberal Democrat strategy to tackle this situation - the Quality of Life Index. The fourth chapter also sets out some of the specific policy actions which we would take.

1.0.4 Inevitably, however, one paper cannot cover in detail all the policy measures which have a long term impact on poverty and social exclusion. Liberal Democrats believe that a wide range of policy areas not primarily seen as poverty alleviation measures, such as education and

local government reform, have a vital role to play in creating a society from which no-one is excluded, and many of our other policy statements are therefore highly relevant.

1.0.5 In particular, Policy Paper 36 *A Clean Bill of Health* (NHS and long-term care), Policy Paper 30 *Re-inventing Local Government* (local government reform in England), Policy Paper 37 *Engaging Communities* (urban regeneration), Policy Paper 34 *Breaking Down Barriers*

(disability policy), Policy Paper 32 *Housing Policy into the 21st Century* (Housing), Policy Paper 21 *Investing in Excellence* (schools) and the general Policy Review Document *Moving Ahead* all propose Liberal Democrat policy initiatives which would help in different ways to combat social exclusion. Further relevant proposals are contained in Policy Paper 39 *An Age of Opportunity* which is also the subject of debate at the Bournemouth 2000 party conference.

A New Approach – The Quality of Life Index

2.1 The Nature of Social Exclusion

2.1.1 The reasons why people are missing out on the quality of life enjoyed by the majority are many and various. Low income is an important consideration, and society is increasingly geared around the lifestyles of the relatively affluent majority. However, in our view social exclusion is about far more than low income. It reflects a lack of access to decent public services, concerns about personal safety, a poor quality environment and in some cases a lack of any sense of community or belonging. We also believe that disadvantages often ‘hunt in packs’ and that a combination of these problems can produce an unacceptable quality of life for too many of our fellow citizens.

2.1.2 These problems are clearly multi-faceted and are not amenable to a single solution. However, whilst recognising this, there is a danger that Government action on social exclusion becomes diffuse and difficult to evaluate. For example, at one extreme, the first poverty audit published by the Department of Social Security in Autumn 1999, lists no fewer than 32 main indicators of poverty and social exclusion, with no attempt to prioritise those which are the most important. At the other extreme, Government ministers are increasingly given to referring to a single policy (for example, a benefit rise) as lifting a specific number of people ‘out of poverty’, when all that is meant is that income has gone from being a few pounds below to a few pounds above an arbitrarily specified poverty line.

2.1.3 What is needed is an approach which recognises the multi-faceted nature of social exclusion but also provides a meaningful yardstick against which the scale of the problem - and the effectiveness of any solutions – can be measured. Our proposal of a ‘Quality of Life Index’ is designed to meet that need.

2.2 The Quality of Life Index

2.2.1 The Quality of Life Index (QLI) is simply a statement of the set of entitlements which a citizen might reasonably expect to enjoy in order to participate fully in society and have a decent quality of life. Crucially, the items included in this list would be democratically determined, not laid down from ‘on high’. The list would be updated regularly in order to reflect the rising aspirations of an increasingly affluent society.

2.2.2 The following gives a flavour of the sort of items which might be listed as part of the Quality of Life Index:

- A decent income.
- Access to quality public services, including schools, hospitals, social services, public transport etc.
- Access to shops, post offices etc.
- Affordable housing of a minimum standard.
- A secure and clean environment.
- Open spaces for recreation.

- Employment opportunities in a local labour market.
- Freedom from crime.

2.2.3 The obvious danger of constructing a list of this sort is that it simply becomes a wish-list and offers little in the way of definition or prioritisation. However, the process of compiling the QLI would test public opinion about which sorts of items should be on the list at all and would also measure the intensity with which the public sought to have those items included. This could be used to guide the priorities of policy makers. The second benefit of this approach is that the exact definitions used in the list (e.g. what does ‘access’ to a good school mean?) could be determined by asking the public which definitions most closely reflected what they wanted.

2.2.4 Once the list had been constructed, and the items contained on the list had been ranked in priority order, it would then be necessary to assess how far individuals and communities fell short of being able to secure their QLI. This could potentially be a mammoth research task, although the lack of detailed information of the sort necessary is a sign of the failure of successive Governments seriously to tackle divisions in society.

2.2.5 In gathering data about lack of access to basic goods and services, regional and local authorities at all levels should have a key role to play. Local authorities could be given the resources to undertake a wholesale ‘community audit’ of the quality of life of the residents of their local area. This would help to paint a comprehensive picture of regional variations in quality of life in Britain.

How Would the Quality of Life Index Work?

3.1 Constructing the QLI

3.1.1 The first stage in constructing the QLI would be to determine which items should be included on the list. Ultimately these would be determined by the public, on the basis of large-scale social surveys, but it would be necessary to begin with some pilot interviews with members of the public in different parts of the country and different social groups to see what sorts of issues were raised. It seems likely that issues such as income, housing, public services, economic opportunities and the environment would figure on such a list. The exercise could be co-ordinated by the Cabinet Office, which currently has responsibility for Social Exclusion issues, and to try to avoid too much of a departmental emphasis in the whole process. Active steps would have to be taken to ensure that socially excluded individuals themselves were fully involved in this exercise.

3.1.2 Once there had been some attempt to identify the types of items to be included, it would then be necessary to consider what specific definitions should be used. For example, most people would agree that access to a decent standard of health care should be a basic entitlement, but opinions might vary as to whether the priority was (for example) ready access to a GP, maximum waiting times for non-urgent surgery or some other measures of the quality of service. It would be an essential part of the exercise that the list should be formed of specific and measurable 'entitlements'

rather than vague aspirations. Only in this way can Government be held to account

for any failures to deliver on these entitlements.

3.1.3 Once a list of specific entitlements had been established, the public would then be invited to prioritise those which it felt constituted 'basic entitlements', necessary for a decent quality of life. It might be that on-line technology could be used to assist as many people as possible to express a preference on their priorities, whilst not excluding those who did not have access to such technology. A critical part of this exercise would be that different communities might have different priorities, and that policy-makers would realise that tackling one issue on the list would have a different effect on the quality of life of different groups.

3.1.4 In some exercises of this sort, a simple majority is enough for an item to be included as something which society regards as a necessity. This is perhaps a slightly crude approach and is vulnerable to the charge that minority needs may not be properly reflected.

3.1.5 A partial solution to this would be to ensure that separate lists were constructed for each community – going down to the community/parish council level if possible. In this way the preferences of, for example, an ethnic minority group which would simply disappear within a national picture, could be explicitly recognised in the local ranking of priorities. The preferences of small deprived areas within generally affluent districts should also be picked up in this way.

3.1.6 Having established a set of priority lists for each local community it would then

be necessary to gather information on how far citizens within that area were able to realise those entitlements. This would require the bringing together of a vast amount of data on incomes, housing, environment and public services from local and national data sources. The result would be a comprehensive audit of the extent to which citizens in each community were falling short of their basic entitlements.

3.2 Updating the QLI

3.2.1 The initial construction of the QLI would be a major task. It would prompt central and local government to set up systems for collecting data about local preferences and local patterns of service on a regular and ongoing basis.

3.2.2 Once this exercise had been completed, it would be necessary to update the QLI from time to time. This would in part reflect rising aspirations as a society became more prosperous, and also would reflect changes in society. For example, access to the Internet might not feature on a QLI constructed in 1990 but might well feature on a list constructed in 2005. Both the items on the list and the priority which is attached to each would therefore need to be updated periodically.

3.3 Impact on Policy - Making

3.3.1 An aggregate picture could be presented for the whole country, but this would be the sum of each of the individual studies for each local area. Each individual study would reflect both the priorities of the local community and the pattern of local services. As a result, policy-makers would be forced to consider far more than at present the extent to which their policies were meeting the needs of specific communities. This would imply a much more 'bottom-up' approach to policy making, with policy being designed to meet

the needs of specific communities in a targeted way, rather than applying broad-brush policy solutions which were not tailored to local needs. **It is a central tenet of our approach to social exclusion that the problems of local communities are best addressed by the local communities themselves being properly resourced and supported to develop their own solutions.**

3.4 The Nature of the Index

3.4.1 A vital part of this exercise is to raise a debate about the nature of one's entitlement as a member of society. One of the strengths of the exercise is that it will identify which items are overwhelmingly regarded as necessary for a decent standard of living. To the extent that some people are lacking what the public as a whole regards as essential will provide a strong impetus for priority action.

3.4.2 It is fair to say however, that there must be some limitations on the extent to which an individual can claim as an 'entitlement' all of the items which appear on the eventual list for his or her community. For example, an individual who chooses to live at the top of a mountain cannot reasonably demand an entitlement to quality public services on the doorstep. It may therefore be necessary for the local audits to attempt to capture the extent to which any deprivation did not necessarily imply any automatic entitlement.

3.5 Marginalised Groups

3.5.1 The Quality of Life Index could be a powerful tool in the hands of those who belong to groups on the edge of society and those who work with them. The process of defining a QLI would, by definition, involve the whole of society and would set out some entitlements which

most people thought could reasonably be expected by a member of that society. Marginalised groups would then be able to highlight the extent to which they, in particular, fall short of these entitlements. Public policy which failed to address the needs of these groups would then also fail to make a major impact on the overall indicators of poverty and social exclusion.

3.5.2 To give one example, the majority of members of a local community might want to include ‘access to public transport’ as one of their basic entitlements. Disabled members of the local community would then be in a position to highlight the fact that, in many cases, the design of existing public transport prevents them from exercising that ‘entitlement’ and this could act as a powerful driver for change.

Specific Policy Proposals

4.1 Introduction

4.1.1 Our most fundamental proposal is that the whole framework within which Government tackles the issues of poverty and social exclusion needs to be overhauled, and that the ‘Quality of Life Index’ concept provides the way forward. Rather than target poverty in terms of a single crude measure or, alternatively, provide a lengthy statistical list with no sense of priorities, the QLI would provide a single yardstick against which all Government policy initiatives could be assessed – something which is currently sadly lacking. This approach is very much consistent with the Liberal Democrat view (expressed in Policy Paper 8, *Agenda for Sustainability*) that measuring ‘growth’ simply in terms of changes in money GDP fails to capture the full range of factors which affect our quality of life.

4.1.2 It is also true to say that until the exercise of surveying popular priorities has been completed, any more specific policy proposals would need to be regarded as provisional. If it should turn out, for example, that lack of adequate access to health care was a priority concern of large numbers of people, then it would be to this issue that Government attention should turn.

4.1.3 Nonetheless, a paper on poverty and social exclusion would not be complete without some specific proposals as to how some of the likely concerns about these issues might best be addressed. It is to this that we now turn. Some of this section draws together existing party policies which will have a beneficial effect on poverty and social exclusion.

4.2 Social Security

4.2.1 The performance of the economy as a whole will clearly be a major determinant of general living standards, and general economic policy is beyond the scope of this paper. However, there will always be significant numbers of people for whom paid employment is not possible or appropriate, and Government policies are a key determinant of the incomes of these people. Issues which we identify as key areas for reform include:

- Benefit exclusions and sanctions – too many people are living below the poverty line because they are either excluded from benefit altogether (for example, 16 and 17 year-olds, most students) or because they are suffering from benefit sanctions (for example, for ‘voluntary unemployment’, for failing to ‘name the father’ in a CSA case etc.); **we would bring 16 and 17 year-olds back into the benefit system; we also believe that there should be a comprehensive review of the living standards of those who are living below basic benefit levels and the reinstatement of a comprehensive minimum income level;** the work of the Family Budget Unit and others on budget standards would be a valuable starting point for this work; we believe that when the state gives benefits designed to meet need, it may require recipients to show that the need is not self-inflicted, for example by seeking work. We also believe that starvation is not a punishment which should be inflicted by authority in a civilised society. Any attempt to reconcile these principles must call for research evidence on the effects of sanctions. It

must show what income is legally available to those sanctioned, how successful they are in meeting their basic needs, and what are the effects of sanctions on health, offending and future employability among those sanctioned and their dependents. We condemn successive Governments for their failure to conduct such research, and will oppose further sanctions until we can form an opinion of their likely effects.

- **Housing support** – the current housing benefit system fails to meet the full housing costs of many tenants, with young people particularly affected; **we would repeal the ‘single room rent’ restriction and review other ceilings in the Housing Benefit system; we would phase out the discriminatory lower rate for the under-25s.**
- **Pensioners** – many older pensioners in particular are struggling to make ends meet and resent being forced onto means-tested benefits to obtain a decent income level; **we would substantially increase the basic state pension, and introduce new and enhanced ‘age additions’ in order to target help on those most in need without means-testing.**
- **The Social Fund** – benefit levels are inadequate to provide for essential lump sum purchases such as cookers. Thousands of applicants for Social Fund loans are turned down on the basis that they are simply too poor to

repay the loans. Ninety Five percent of loan repayments are taken directly from recipients’ benefits, leaving hundreds of thousands of people below the poverty line; **we would therefore review the scope for a limited reintroduction of grants for essential items;**

- **Paperwork** – the complexity of the process of applying for benefits has been repeatedly highlighted as a barrier for many people; **we would introduce a radical simplification of benefit rules and benefit forms and provide greater assistance to people seeking to claim benefits;** we would also place a duty on Benefits Agency personal advisers to maximise the income of the claimant, and inform of any benefits they may be entitled to;

4.3 Taxation

4.3.1 An important contribution to reducing the huge and unprecedented income inequalities which have arisen in Britain in the last two decades would be by means of a more progressive overall tax system. The tax system as whole is not progressive, taking a slightly higher proportion of the incomes of the poor than of the rich. Worse still, whereas the burden on the rich has remained roughly unchanged over the last two decades, the burden on the poor has risen substantially, from 31% in 1979 to 40% in 1998/99. Table One on the following page provides detailed figures for 1998/99.

Table 1: Percentage of gross income taken in direct and indirect tax by quintile group, 1998-99

	Bottom	Second	Third	Fourth	Top	All
Total All Taxes	40	35	37	38	36	37
Total Direct Taxes	12	14	18	21	24	21
Income Tax	4	6	10	13	18	14
Employees' NICs	2	3	4	5	4	4
Local Taxes	6	5	4	3	2	3
Total Indirect Taxes	28	21	19	17	12	16
VAT	11	8	8	7	5	7
Duty on petrol/oil	3	2	2	2	1	2
Duty on tobacco	3	2	2	1	--	1
Duty on alcohol	1	1	1	1	1	1
Other indirect taxes	10	8	7	6	4	6

4.3.2 A number of existing Liberal Democrat policies would help to reduce the regressive nature of the tax system:

- **Local tax reform** – as the table shows, whereas income tax is highly progressive, Council Tax is not; the substantial real terms increases in council tax bills since these figures were constructed will have made the problem worse; **replacement of council tax with a local income tax would greatly increase the progressivity of the tax system.**
- **National Insurance contributions** – whilst employer contributions are highly

progressive, employee contributions (which are capped at the 'Upper Earnings Limit') don't go up as income increases for higher earners. Bringing the upper earnings limit into line over time with the starting rate for the 40% income tax band would help to end this anomaly. The revenue raised could be used to reduce tax on lower earnings so that most taxpayers would gain.

- **Income Tax** – the Liberal Democrat proposal for a **50p tax rate on top earners** and measures to **reduce the tax burden of the lowest paid** would further increase the progressivity of this aspect of the tax system.
- **Indirect Taxes** – although indirect taxes as a whole are highly regressive, there

are few easy avenues for reform; European regulations place a floor on national VAT rates which limits the scope for VAT cuts; cuts in tobacco duties would be very progressive but might conflict with public health objectives; we would however examine the scope for restructuring other indirect taxes in order to produce a more progressive outcome.

4.4 Household Bills

4.4.1 Analysis of the expenditure patterns of low-income households shows that utility bills account for a much larger proportion of their expenditure than in richer households. The 1998-99 Family Expenditure Survey indicates that fuel and power account for around 7% of the spending of the poorest tenth, compared with just 2% for the richest tenth. This suggests that the regulators could require the utility companies to reform their pricing structures to produce a more progressive outcome.

4.4.2 For example, BT already offer a 'small user discount' scheme primarily aimed at those who need a telephone mainly for emergencies. **We therefore recommend that each of the regulators of the principal utilities (gas, electricity, telephone, water) be required to assess the extent to which existing charging structures penalise lower income households and to suggest reforms.** We would require them to investigate pricing policies which address both social and conservation objectives, for example two-part tariffs whereby the first tranche of units would be charged at a lower 'basic' rate, and all additional use at a higher rate. **As a minimum, we would end pricing structures such as higher unit costs for people using prepayment meters, which penalise low-income households.**

4.4.3 There has been an increasing problem of disconnection of water supplies

due to non-payment of bills. We would establish a fund, financed by the water companies, to pay for water efficiency improvements, targeted on low-income households, and to help with short-term payment of water bills.

4.5 Housing

4.5.1 Poor quality housing is prevalent in both the public and private sectors. Our policies for an ongoing **programme of home insulation**, to carry out comprehensive energy conservation work in half a million households per year paid for by energy supply companies, would play a part in improving this situation and would also respond to the ongoing problem of fuel poverty. In particular, we propose to make saving energy much more affordable by reducing VAT on energy-saving materials to 5% - the same level as that charged on energy consumption.

4.5.2 Furthermore, some of the worst accommodation is occupied by some of the oldest citizens. The 1996 English House Conditions Survey shows that 23% of pensioners aged 81 or over are living in what is officially defined as 'poor' housing, compared with 14% of pensioners aged 80 or under. Our proposals for **substantial pension increases targeted on older pensioners** would give them more resources for basic house maintenance and improvements. **We would help people to maintain and improve their homes by reducing the rate of VAT on home improvements.**

4.5.3 Multi-occupancy rented properties, in many cases occupied by young people, also frequently exhibit serious problems in terms of repair and maintenance. We therefore support licensing measures for landlords to ensure that decent standards are maintained, and are keen to develop voluntary accreditation schemes for high quality letting agents that will give greater

confidence to potential tenants. We would also encourage local authorities to develop the effectiveness of their local rented sector by encouraging the spread of good practice. This is particularly important for small landlords who may find the bureaucracy involved with letting property to be particularly burdensome. We would also establish deposit-holding schemes that would hold deposits on rented accommodation in trust and certify landlords' deductions from the deposit at the end of a tenancy.

4.6 Access to Public Services

4.6.1 Access to basic public services such as high quality schooling, primary and secondary healthcare, and social services would be likely to figure high up on the Quality of Life Index. We are concerned that access to these services is often lacking both in deprived urban areas and also in many rural areas. **A key part of the community audits to be undertaken by local authorities would be to identify areas where access to services is particularly curtailed and to propose strategies for improving access.**

4.7 Nutrition

4.7.1 A decent nutritional standard is important not only for healthy living but there is also evidence that well-nourished children study more effectively, well-nourished adults work more effectively and so on. Whilst a decent income is clearly essential for individuals to be able to afford to eat well, there are other steps which Government could take to improve the situation. One important strategy would be **to improve take-up of free school meals**, by ensuring that children who are entitled to free meals are not in any way stigmatised by the way in which they are delivered. We should also examine the feasibility of extending entitlement to free school meals

to at least some of the children whose parents receive the Working Families Tax Credit. Other initiatives could include Community Diet projects, along the lines of the successful Scottish scheme, and greater take-up of the EU Free School Milk scheme. Schools should be encouraged to run initiatives such as breakfast clubs which could also benefit other family members.

4.7.2 Some nutritional problems particularly affect ethnic minorities. We would encourage greater provision of dieticians with expertise in minority cultures and experience of providing targeted nutritional information to members of ethnic minorities.

4.8 Access to the Internet

4.8.1 There is a risk of an 'information rich/information poor' divide where society is increasingly organised on the assumption that people have access to the Internet and where those who do not become marginalised. The latest figures clearly demonstrate this worrying trend. Nearly half of the richest households (48%) have access to the Internet, whilst only 6% of the poorest households have access. In order to combat this we will seek to maximise access, especially by using existing community facilities such as pubs, post offices, surgeries and mobile libraries. We will also ensure that details of community schemes based locally and of others around the country are available from a single point of access, such as a council-sponsored information terminal. We will also ensure that where Government initiatives are delivered with the aid of new technology this is not done in a way which is prejudicial to the interests of those who do not have access.

4.9 Access to Financial Services

4.9.1 With the continued closure of bank branches and the accelerating closure of post offices and other village shops, growing numbers of people are finding themselves without ready access to financial services. We will implement a package of measures designed to support and encourage post offices in small towns and villages. We will also encourage ‘community economics’ schemes including credit unions and Local Exchange Trading Schemes. Support for such initiatives will reduce the damage caused to disadvantaged communities by unscrupulous ‘loan sharks’.

4.10 Access to Public Transport

4.10.1 A long-term strategy is required which would tackle issues such as cost, access, reduction in services, the particular problems of rural areas and so on. A transport working group is currently

examining proposals which would make public transport free or low cost to those in society who are most affected by “transport poverty”, including pensioners, disabled people and young people. This would be aimed primarily at off-peak travel where spare capacity currently exists, so as not to increase problems of overcrowding.

4.11 Freedom from Discrimination

4.11.1 Social exclusion does not just spring from economic disadvantage, but can also result from the discrimination which is still an ugly feature of our society. Liberal Democrats therefore support an Equality Act to outlaw all forms of unfair discrimination, including those not covered by the Human Rights Act, such as discrimination on the basis of age or religious faith.

Conclusions

5.0.1 The Government has talked a lot about ending child poverty and has set up a special unit at Downing Street to examine the issue of Social Exclusion. Yet Government policy in this area is characterised by one of two extremes. One extreme defines poverty in a crude and simplistic way, and imagines that giving a few pounds a week to families with children somehow “eliminates” poverty. The other extreme produces reams of indicators of poverty and social exclusion with no sense of which are the most important ones and no means of assessing overall progress in tackling this problem.

5.0.2 The fundamental contribution of this paper is to set out a framework for a government strategy to tackle poverty. The whole country would be involved in constructing a “Quality of Life Index” – a list of indicators which identify, for each community, the factors which go to making up a decent quality of life. The

government’s anti-poverty strategy would then be guided and measured by this yardstick which would reflect the priorities of local communities as expressed to government – not the views of government ministers imposed on local communities.

5.0.3 Policy to tackle poverty and social exclusion must be about more than income maintenance. It must recognise that a poor quality of life can come from a wide variety of factors and that no single solution will solve the problem. But the net must not be drawn so wide that it is impossible to assess whether any progress is really being made at all. The concept of a Quality of Life Index is one which involves everyone in setting standards of decency for their community and of holding Government to account when it fails to deliver. We believe that this approach could revolutionise policy-making in this country and could make a real difference to the quality of life of our fellow citizens.

This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats and the Welsh Liberal Democrats determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. If approved by Conference, this paper will form the policy of the Federal Party, except in appropriate areas where any national party policy would take precedence.

Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the next general election.

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Note: Membership of the Working Group should not be taken to indicate that every member necessarily agrees with every statement or every proposal in this Paper.

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