

David Cameron: Making British Poverty History

Speaking at Chance UK in London today, David Cameron will pledge to make British poverty history through radical welfare reforms. The Conservative leader will attack Labour's poverty failure and Gordon Brown's lack of vision over social justice and equality, highlighting his record since 1997.

David Cameron will say:

(check against delivery)

“At our conference in Blackpool we set out a clear vision for our country, a vision matched to the opportunities and challenges of the new world we're living in at the start of the twenty-first century.

In our new world of freedom, where people's ambitions are greater and their horizons broader, we will give people more opportunity and power over their lives.

In our new world of unease, where our economy is richer but our society poorer, we will make families stronger and society more responsible.

And in our new world of insecurity, where we face threats both old and new, from crime to climate change; from terrorism to nuclear proliferation, we will make Britain safer and greener.

That is our modern Conservative vision: our opportunity agenda, our responsibility agenda, our security agenda.

In all these areas, it is the Conservative Party that is setting the agenda and making the arguments for real and lasting change.

But today, I want to focus on our responsibility agenda – and one particular aspect of that, the fight against poverty.

MAKING BRITISH POVERTY HISTORY

I have spoken a lot about aspiration.

And let us be clear: fighting poverty is one of the most fundamental of aspirations.

Aspiration is not about class, background or position.

Everybody dreams of rising up in the world, and everybody dreams of giving their children a better life.

I don't care where you started out in life; my mission is to help you rise higher.

But I do care about this: the fact that for millions of our fellow citizens today, rising higher is not a question of a better job, a better home or a better holiday.

It is a question of ever having a job, ever owning a home or ever having a holiday.

So yes we must help the haves to have more, yes we must back the aspirations of our over-taxed, over-burdened middle classes...

...but a modern aspiration agenda means helping the have-nots to have something, and if we do not succeed in that mission then I tell you frankly that we will all be poorer.

Poverty is not acceptable in our country today.

Not when we are the world's fifth biggest economy...

...not when we have people who earn more in a lunchtime than millions will earn in a lifetime...

...not when we now understand so clearly how wealth is created and poverty eradicated.

I believe that we can make British poverty history.

But only if we have the strength to carry out the radical welfare reform and the social changes that everyone knows we need.

So when I say that we can make British poverty history please do not tell me that it cannot be done.

Do not tell me that a society which can decode the human genome...

...build the world's greatest financial centre...

...and provide the young men and women that form the finest armed forces on earth...

...cannot fight and win the battle against poverty.

We can make British poverty history and we will make British poverty history...

But only if we are honest about the causes of poverty and address ourselves to the long-term task of removing those causes as well as the symptoms.

LABOUR'S FAILURE

This is a task for the modern Conservative Party.

I do not doubt for one moment Mr Brown's sincere desire to remove the scourge of poverty from our land.

But he must see, as we can all now see, that his methods have failed and it is time for change.

It is time for change when after ten years of a government that promised social justice, there are 600,000 more people in deep poverty than when they began.

It is time for change when after ten years of a government that talked of a more equal society we have seen the poorest people in our country get poorer.

It is time for change when after ten years of a government that told us it would take our young people off the scrapheap of unemployment, that scrapheap is higher now than when they were elected.

It is time for change when the number of people out of work and on benefits has risen to almost five million ...

... when the number of people who are in problem debt has risen to almost four million ...

... and when the number of people with alcohol and drug disorders has risen to over eight million.

But these are people, not numbers.

And that is the heart of the Labour failure.

WHY LABOUR HAVE FAILED

Instead of developing policies that focus on people, Gordon Brown has focused on top-down, mechanical state interventions.

There are three crucial ways in which this flawed approach has manifested itself: his tax credits scheme, his undermining of the voluntary sector, and his undermining of families.

TAX CREDITS

In 2002, the then-Chancellor announced that “tax credits are both symbol and substance of this Government's ambition for Britain”.

How right he was.

Fraud, error and overpayments in the clunking tax credit system have led to £5 billion being wasted.

What might have worked in a Treasury spreadsheet has completely failed to capture the true nature of people's changing incomes and work patterns.

By building the tax credit system around a highly simplified model of human behaviour, and failing to take into account the way people really live, it was sadly inevitable that things would go badly wrong.

Sure enough, in the last year for which we have data over half of all tax credit payments were incorrect.

Almost two million people a year receive the wrong tax credit payment and face having money clawed back – with all the hardship that brings – and which a Treasury spreadsheet could never have conveyed.

As the Child Poverty Action Group puts it: “behind these figures are thousands of families struggling to survive when the overpayments are clawed back”.

This simply cannot continue.

UNDERMINING THE VOLUNTARY SECTOR

The second way in which Gordon Brown’s flawed approach has let down the poorest has been by undermining Britain’s voluntary and not-for-profit sector.

These are the people that really know how to fight poverty – the people Iain and his team at the Centre for Social Justice have been working with.

They have the local knowledge, the human touch and crucially, the long-term commitment to help people through the complex and interconnected problems of poverty.

Instead of setting social enterprises and community groups free to help people, Labour have tied them up with bureaucratic constraints and complex funding processes.

And rather than encouraging them to take on new challenges, Labour have actively squeezed them out.

Take the 409 Project, run in the London borough of Lambeth.

It's a community organisation that provides educational programmes and activities for young people who have dropped out of school or have started hanging around in street gangs.

Since 1981, it has helped over 4,500 young people between 10 and 17, and helped build ties within the community while giving these youngsters a second chance in life.

However, Lambeth Council has recently decided to cut its funding, leaving the project on the brink of closure.

As independent groups have pointed out, this pattern is being repeated all over the country, as the responsibilities undertaken by voluntary youth organizations are being replaced by state-run initiatives like Youth Offending Teams.

This is the wrong direction for Britain's communities, and the wrong direction for tackling poverty.

UNDERMINING FAMILIES

The third example of Gordon Brown's flawed approach has been his consistent undermining of Britain's families.

In his tax credit system, a couple living together get exactly the same Working Tax Credits as a lone parent with the same income.

This means that if a couple splits up, their Working Tax Credits rise.

Or, to look at it another way, if a couple move in together, their tax credit payments will be sharply cut.

No wonder the UK now has one of the highest rates of family breakdown in Europe and a higher proportion of its children living in workless households than any other EU country.

OUR AGENDA

The facts and the human stories in our cities speak for themselves: Gordon Brown's approach has failed and change is required.

We have reached the limit of the effectiveness of a one-dimensional approach to fighting poverty that fails to take into account the importance of families, communities and incentives to work.

Our approach is more holistic and sophisticated.

In place of Gordon Brown's misguided couple penalty, we will increase the Working Tax Credit that couples receive – bringing tax credits fully into line with the rest of the benefits system.

According to the Institute for Fiscal Studies, this will mean that 1.8 million of the poorest couples with children will gain on average £32 a week, lifting 300,000 children in two parent families out of poverty.

We will pay for this by reforming the welfare system.

Instead of the revolving door of people flitting in and out of benefits and work, we will draw on successful examples of welfare reform from all over the world to overhaul our welfare system.

These successful models all have something in common.

They are tailored to the individual, and they harness the private and voluntary sectors, rather than government bureaucracies, to help people get back into work.

In Australia, for example, they have got private limited companies to run benefits and they have cut unemployment by 50 per cent.

In states like Wisconsin in America they've cut benefit rolls by 80 per cent.

We will follow their lead, and help people out of long-term poverty and into long-term employment.

THE NEXT STAGE OF WORK

And I am delighted to be here with Iain Duncan Smith to announce the next stage of work in moving forward the modern Conservative poverty-fighting agenda.

As you have heard, Iain and his team at the Centre for Social Justice will be studying in detail the impact of poverty, and specific local solutions, in our great cities where the problems are most acute.

And they will be developing further detailed policy recommendations in the vital areas that Iain has outlined, including the major challenges facing children in care that Ryan Robson has just described.

I'm hugely proud of the work that Iain led through our Social Justice Policy Group, resulting in his landmark reports Breakdown Britain and Breakthrough Britain.

I know that the next stage of work he is announcing today will help ensure that this Party remains in the forefront of the fight to make British poverty history and I look forward greatly to Iain's further conclusions and recommendations.

SOCIAL WORKERS COMMISSION

We are also moving ahead in another specific and too often neglected area of the poverty-fighting agenda.

Tomorrow our spokesman for children, Tim Loughton, will publish his review of social workers and how they deal with families in difficulties.

There have been some high profile failures of the social care system, and we must be clear about the need for accountability in this profession.

But we should also recognise the vital and often unsung work that social workers do – keeping disintegrating families together where possible, helping children escape often shocking neglect and abuse where necessary.

Social workers are one of the vital caring professions in our country. Just as we praise the vocation, the professionalism and dedication of nurses, so we should do the same with social workers.

My family has a social worker. She is a star. So I know how hard they fight to get you the funding and the back up you need. I know how much they help you through the bureaucracy and the paperwork. I know that they are there for you as your support, your advocate and your friend.

I am determined to improve the professionalism and status of social workers to help them carry out their work.

Equally, as the Centre for Social Justice suggest, we need to ensure that voluntary and charitable groups have more opportunities to help heal our broken families and care for some of our most disadvantaged children.

CONCLUSION

We can make British poverty history.

But we need to make twentieth century welfare dependency history first.

Because it is increasingly clear that top-down state poverty schemes are no longer the solution to poverty but are in many cases the cause of it.

Gordon Brown and Labour do not have a vision to make British poverty history.

They do not have the energy or the ideas to make the changes we need.

We have, and we will.”

Notes to Editors

-600,000 More People Living in Severe Poverty. Between 1996-97 and 2005-06, the number of people living in severe poverty (defined as living on less on 40 per cent of contemporary median income) increased by 600,000, from 2.5 million to 3.1 million (IFS analysis, March 2007).

-UK Drug Abuse Worst in Europe. A report by the independent UK Drug Policy Commission found that the UK has the highest level of problem drug use and the second highest level of drug-related deaths in Europe. The cost of drug-related crime in England and Wales is estimated at £13 billion (UK Drug Policy Commission, An Analysis of UK Drug Policy, April 2007).

-Almost 5 Million on Out Of Work Benefits. A total of 4.9 million people are claiming 'out of work' benefits, including 2.7 million people claiming Incapacity Benefit and 904,000 people claiming Jobseeker's Allowance (DWP, Quarterly Statistical Summary, 15 August 2007).

-Young People Out of Work Rising. 1.25 million young people aged 16-24 are not in work or full-time education - almost 20 per cent more than in 1997 (Labour Market Statistics, ONS, April 2007).

-Workless Households Highest in EU. The UK has a higher proportion of its children living in workless households than any other EU country (Monitoring poverty and social exclusion in the UK, Joseph Rowntree Foundation, December 2006).

-Alcohol Consumption and Alcohol-Related Deaths Up. Since 1997, the number of alcohol-related deaths has increased by 40 per cent (Alcohol-related deaths, Office of National Statistics, 18 July 2006). Alcohol consumption has increased 15 per cent in the last five years (Breakdown Britain, Interim report on the state of the nation, December 2006).

-Insolvency levels have never been higher. Over the past ten years, personal insolvencies in the UK have risen from around 25,000 in 1997 to more than 100,000 last year. In the first three months of 2007, there were more insolvencies than in the whole of 1997. (Insolvency Service)