

Into 2010 – European Year against Poverty
Town Hall, Stratford, 1 December 2009

Speech given by The Right Honourable Stephen Timms MP
Financial Secretary to the Treasury

I am delighted to be here. Thanks to Ray for inviting me.

2010 – European Year for combating poverty and social exclusion – is an important opportunity for advancing ambitions that everyone here feels strongly about. In the UK, we want to do three things:

- First, to highlight the fact of poverty in the UK and in Europe, and to dispel some of the myths;
- Second, to bring together people dealing with poverty – particularly people who are experiencing it;
- Third, to secure a lasting contribution of knowledge and good practice to be shared, and of structures to enable people to carry on talking after the year has ended.

There are four key themes for the year:

- Child poverty;
- Working age poverty and social exclusion;
- Severe multiple deprivation;
- Older people.

And it's the first of them I want to speak about today, drawing on the work around the Child Poverty Bill which I have been taking through Parliament.

Ten years ago as Prime Minister, Tony Blair made the historic pledge that his Government would seek to eradicate child poverty by 2020. And I want to argue this morning that to achieve that goal, we need a partnership of equals between local communities and Government.

Government plays a vitally important part in the fight against child poverty, and we are committed to continuing to do so. But Government alone can't deliver the solutions tailored to each locality that are needed. In Whitehall, we can't know the details of every local circumstance, and we certainly don't have the tools to address them.

That is why local organisations like those in LVSTC, civic leaders, local businesses and volunteers are so important in the fight against poverty. They know what local families need and what is available in the local area. They can tailor support accordingly. That insight will guide our strategy to reach the 2020 goal.

GOVERNMENT ACTION

Everyone here today wants every child to be healthy; to stay safe; to be free from want; to be able to enjoy and to achieve, and to make a positive contribution to those around them. Those aspirations seemed a long way off in 1997 – before Tony Blair made that speech. In 1997, we had the highest level of child poverty in Europe. And the trend was in the wrong direction: poverty had doubled since 1979.

But, since then, with Government willing to take action, a quarter century's trend of rising child poverty has been halted and put into reverse. The number of children living below the poverty line has fallen by half a million, and we are confident that changes already announced will reduce the figure further, by another half a million.

We have put making work pay at the heart of our approach. We have introduced tax credits, which will deliver over £20 billion of support to families this year. We have invested over £25 bn in early years and childcare services, leading to unprecedented expansion of good quality, affordable childcare for young children and families.

The National Minimum Wage has helped, and the totality of changes we have made have boosted in-work incomes, improved work incentives, and directly tackled in-work poverty.

But there is still a great deal more to do. There are still 2.9 million children in Britain who live below the poverty line. 400,000 of them are in London. That is not acceptable for a world city as prosperous as ours is.

There are some particular issues in London – for example, the shortage of part time jobs which can be key to helping parents out of poverty. Part time jobs are much easier to find outside London than in London. That is the background to the week of activity at the end of next month, called *“Part time: part of the solution”*, aiming to highlight the issue and draw the attention of employers to the benefits of offering part time positions.

Two weeks ago, at the Barbican, we held the first ever London Child Poverty Awards, celebrating the contributions of individuals and organisations to tackling this problem in London.

The global downturn has increased the pressures on families. Government has a critical role to play in addressing these challenges. I can't see how anyone can argue otherwise.

That's why we've mobilised the resources of the State over the past year to provide real help now to families and to protect jobs. Help for families that are struggling – whether they are out of work, or struggling on low incomes. That's the reason why, emerging from the world's worst economic downturn since the 1930s, unemployment in Britain today is barely more than half what it was in the recessions of the 1980s and the 1990s – and I know that many here will remember, as I do, the effect those recessions had on our community in East London.

And it's why, with confidence returning around the world, we are also redoubling our efforts for the long term. Trying to make sure today's poor children do not become tomorrow's poor adults.

Three weeks ago we finished the committee stage of the Child Poverty Bill in the House of Commons. The Bill will return to the Commons next week. That Bill will put the commitment Tony Blair made ten years ago on the statute book. It will require the Government to eradicate Child Poverty by 2020.

The way it works is to require Government to track four measures of child poverty, and to oblige the Government to ensure that by 2020 all four of them are below a level set out in the legislation. So, for example, one of the measures is the proportion of children in relative poverty – that is, living in households with less than 60% of the median income for households of that size – will have to be less than 10%, which is the lowest level which has been sustained in Europe for any length of time, compared to about 23% in Britain today. The other three measures are absolute poverty – where the measuring line is not uprated by income; relative poverty and material deprivation, based on household survey evidence; and persistent poverty, tracking people's experience over time. And the Bill requires the targets for all four to be met, and once the Bill has become law for Government to develop a strategy for meeting them, and to revise it every three years, drawing on advice from a new Child Poverty Commission.

To rise to these challenges, Government action must be shaped by, must be inspired by, this partnership of equals with others.

Solving problems of the scale and complexity of child poverty in today's economy will need the effort and expertise of a whole host of organisations. And the role of local service providers – those who meet face to face with struggling families every day – is key.

Local providers know their residents better than anyone, and certainly better than Whitehall. You know the pressures people face, and understand what support they need and how to tailor services to meet their needs.

Here in London, there are fantastic examples of local authorities on a mission to relieve poverty in their communities. Leaders fully committed to delivering services that can positively impact their communities. And they are working with other local organisations voluntary sector organisations, local schools, Surestart centres and others. All showing determination, creativity and willingness to listen closely to families who do experience poverty, to make sure the services they provide meet the needs of the people that rely on them.

The Child Poverty Bill will place a duty on local authorities to produce their own strategies on how child poverty will be eradicated in their area. We want all authorities to heed the example of the best.

And it's why in our national strategy for ending child poverty which will be published in the new year, we will set out how local authorities and their partners can play their part.

The State has a key role. But the State alone is not the solution. Society, communities, local leaders, neighbours faith groups and local organisations all have a key role in this fight against poverty.

We have nurtured a combined effort over the past decade. We would have liked to have made even more progress. Over the next decade, we need to ensure Government and local communities work even more closely together to achieve our shared goal: eradicating child poverty.

CONCLUSION

Organisations represented here today play an important role in helping parents in London. The impact on families' lives is huge. And one thing I want to do, on behalf of Government, is to express thanks to everyone for the contribution you are making. Sometimes we forget to say thank you – but its important that we do so.

Our vision is rooted in a sense of possibility of what we can do if we work together over the next ten years. Government alone can't eradicate child poverty. But, in a partnership of equals with you, building on what we have done already done over the past ten years, I am convinced we can in the next decade reach that inspiring goal announced a decade ago.

Thank you.