



Monday 24<sup>th</sup> September, 14.15 to 17.25  
'Social Security and Skills': @LGA\_Labour brief

# SOCIAL SECURITY AND SKILLS

## POVERTY AND SKILLS

Poverty is increasing. The poorest members of our society are becoming even poorer and hard working families are worse off. People are struggling to get by and many more are barely just managing. Low wages and precarious work contracts mean that employment is no longer a route out of poverty for too many. We are living in an age of mass in-work poverty, where wage growth continues to lag behind prices for ordinary families. The combined effects of welfare changes and cuts – the Bedroom Tax, changes to the rules governing assistance with the cost of housing for low income households, reductions in Council Tax support, extensions to the benefit cap, changes to Personal Independence Payments and much more – is taking its toll on people across the UK.

The freeze on most working age benefits, cuts to work allowances, rising costs of everyday essentials, and high housing costs are exacerbating the financial pressures faced by families and individuals on low incomes. Increasing levels of debt are causing depression and anxiety as people struggle to manage their finances. The gap is widening between housing support and housing costs, particularly in the private rented sector. Additionally, people are increasingly turning to councils for support, at a time when councils are facing the worst cuts in their history and are stretched to capacity. And it is households containing a person who is receiving disability benefits that are the worst off as a result of the government's reforms closely followed by families with children.

- Nationally, **one in eight workers live in poverty**, nearly **one million people in work rely on Housing Benefit** – double five years ago – and **47% of adults on low incomes spend more than a third of their income on housing costs**;
- Child poverty in the UK now affects **30% of children**, and a recent report by the IFS shows that this figure could **increase to 37% by 2021**;
- Analysis by the Joseph Rowntree Foundation has shown that **increasing work allowances to their original levels would result in 340,000 fewer people in poverty** and 8 in 10 families living with children escaping poverty;
- The current system of skills delivery is too fragmented - **in 2016/17, £10.5 billion was spent by 8 government departments or agencies via 20 different national schemes**, which results in a confusing picture for learners.

**Labour Councils are at the frontline, offering radical solutions despite Tory austerity:**

- **Bristol City Council** has launched a meaningful work experience scheme "WORKS" so that every young person in the city is given a quality work experience placement, which is proven to lead to better jobs afterwards;
- **Southwark Council** has committed to creating 2,000 apprenticeships in the borough, and has pledged to provide education, employment and training for every school leaver, and over 1,300 local students completed work experience in 2015-16;

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- **Cheshire West and Chester** has established a Poverty Truth Commission which works with local residents who have experienced poverty to identify the barriers faced by local people and to look at how these barriers can be removed;

**Labour’s 2017 manifesto promised to:**

- Labour promised to act immediately to end the worst excesses of the Conservative government’s changes. These are:
  - Scrap the punitive sanctions regime
  - Scrap the Bedroom Tax
  - Re-instate Housing Benefit for under-21s
  - Scrap cuts to Bereavement Support Payment;
- Reform and redesign UC, ending six-week delays in payment and the ‘rape clause’, as the cuts to work allowances in Universal Credit (UC), and the decision to limit tax credit and UC payments to the first two children in a family, are an attack on low-income families and will increase child poverty;
- Increase Employment and Support Allowance (ESA) by £30 per week for those in the work-related activity group, and repeal cuts in the UC limited capacity for work element;
- Change the culture of the social security system, from one that demonises people not in work to one that is supportive and enabling;
- Introduce free, lifelong education in Further Education (FE) colleges, enabling everyone to upskill or retrain at any point in life;
- Improve careers advice and open up a range of routes through, and back into, education, striking a balance between classroom and on-the-job training, to ensure students gain both technical and soft skills.

**What LGA Labour called for in ‘[On Day One](#)’, our radical local government manifesto for the next Labour government:**

“The next Labour government should work with local government to develop a more co-ordinated approach to supporting people into work, particularly for those facing barriers to work. For example by making access to childcare more affordable and in some cases free to low-income parents, improving careers advice, improving access to training and development opportunities, providing good quality apprenticeships and enforcing a Living Wage.

- Labour must act quickly to **end the Bedroom Tax**, and it will also need to look at **ending Tory welfare policies** that are so damaging to our residents and communities
- **Deliver an effective benefits system**, ensuring that people in-work are able to access a system that enables them to escape poverty
- Ensure that councils have the tools to do these **locally based initiatives that stimulate growth** and generate benefits for residents
- Make sure that citizens have **access to genuinely affordable housing** and that the poorest members of our society are able to gain the **help and advice** needed to ensure that they are not paying more for essential goods and services
- The Labour Party **must co-ordinate a national response to poverty reduction**, bringing together the resources and skills of councils and local service providers, working alongside businesses.

## **EDUCATION AND EARLY YEARS**

Over the last eight years austerity has had a significant impact on education. Local authorities have seen their budgets cut by almost 60% since 2010, which has had an impact on services such as Sure Start, early years provision and lifelong learning, as well as schools facing significant pressures on their budgets. For too many people, the circumstances into which they are born are still the determinant of their life chances. However, Labour councils have shown that, given the right support, we can tackle inequality in our communities. In the face of Tory austerity, Labour councils across the country have worked incredibly hard to protect services for children and young people that help them start life well., depriving children of vital support which we know gives them a great start in life.

The Tories have presided over a disastrous ideological fragmentation of the education system. The Gove era reforms have left in their wake a trail of failed attempts to force competition into the system, at the expense of improving standards. All this has been allowed to happen whilst the Tories persist with cuts to schools that will certainly hit schools in the least well-off areas hardest. This risks undoing years of progress that has seen educational outcomes and the quality of local schools transformed.

- More than **500 Children's Centres have closed since 2010** in England thanks to government cuts imposed on local councils
- Schools will see a **real terms cut of 4.6 per cent in funding between 2015 and 2019**;
- Ofsted's latest Annual Report on education and children's services showed that **more maintained schools are now rated as good or outstanding (91%)**, than academies and of free schools (84%)
- Councils are facing a **£2 billion funding gap for children's services by 2020**, and councils have **seen an 83% increase in children on child protection plans** over the past decade.
- **90 children a day** are now being taken into care – a record high

### **Labour councils are at the frontline, offering radical solutions despite Tory austerity:**

- Islington, Newham and Blackpool Councils pioneered the offer of **free school meals** to children in their boroughs, ensuring that no child learns on an empty stomach. Since 2010, Islington has provided free food for all nursery and primary age children. Newham spends £6 million a year on ensuring that primary school children can enjoy a healthy lunch. And Blackpool offers free breakfasts and milk to all primary age children;
- **Wakefield Council** has set up an "Early Help" offer to provide support to families at the earliest opportunity. The hubs offer joined up support to families and young people from pre-birth to 19 years, or 25 years in special circumstances;
- **Gedling Council** have introduced free swimming lessons for children, enabling 1,570 children to have free swimming lessons since 2015;
- **Rochdale Council** have given a library card to every year 1 child, encouraging reading amongst young children and boosting literacy levels.

**Monday 24<sup>th</sup> September, 14.15 to 17.25**  
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**Labour's 2017 manifesto promised to:**

- Establish a National Education Service for England, to move towards a cradle-to-grave learning that is free at the point of use. It will incorporate all forms of education, from early years through to adult education;
- Overhaul the existing childcare system in which subsidies are given directly to parents who often struggle to use them, and transition to a system of high-quality childcare places in mixed environments with direct government subsidy;
- Maintain current commitments on free hours and make significant capital investment during our first two years of government, to ensure that the places exist to meet demand;
- Extend the 30 free hours to all two-year-olds, and move towards making some childcare available for one-year-olds and extending maternity pay to 12 months;
- Invest – we will make sure schools are properly resourced by reversing the Conservatives' cuts and ensuring that all schools have the resources they need. We will introduce a fairer funding formula that leaves no school worse off, while redressing the historical underfunding of certain schools.
- Improve accountability – Labour will ensure that all schools are democratically accountable, including appropriate controls to see that they serve the public interest and their local communities. We will require joined-up admissions policies across local schools to enable councils to fulfil their responsibilities on child places, to simplify the admissions process for parents and to ensure that no child slips through the net;
- Introduce an arts pupil premium to every primary school in England – a £160 million annual per year boost for schools to invest in projects that will support cultural activities for schools over the longer term. We will put creativity back at the heart of the curriculum, reviewing the EBacc performance measure to make sure arts are not side-lined from secondary education.

**What LGA Labour called for in '[On Day One](#)', our radical local government manifesto for the next Labour government:**

'Local councils play a central role in our communities for people of all ages. But it can be said that it is with children and young people where determined local councils can make the biggest difference. When properly funded and given the powers we need, local councils can provide the early help and support that children and young people need to achieve their full potential. From Children's Centres providing support in the community, to support for care leavers transitioning into adult life; Labour councils across the country are putting Labour values into practice every day'

- Labour must immediately **provide local councils with the funding we need** to deliver the services children and young people rely on in order to thrive
- **Build on the success of Sure Start** to continue to build wraparound support that puts children and families first
- **Level funding up for schools** to that of areas where investment and local accountability have delivered improving results and standards
- **Ensure academies are part of the local family of schools**, benefiting from mutual support and challenge, and working together to support local communities
- **Give councils powers and responsibilities for place planning, school admissions, and protecting vulnerable children** that apply equally to all schools, enabling local areas to shape education in a sustainable way

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**LOCAL GOVERNMENT FUNDING**

Tory austerity has caused huge damage to communities up and down the UK, and has seen council budgets slashed more than any other area of government, with some councils now on the brink of bankruptcy. Since 2010 Labour councillors have had hellish choices presented to them, but they have never shirked the need to take decisions, however unpalatable they have been. They have listened to and worked with our communities to understand their priorities. They have examined every budget line and stretched every pound left available to them. But austerity has had a devastating effect on key public services that provide protection to the most vulnerable members of our society – children at risk, disabled adults and older people who require support, and the many families who are barely getting by despite being in work. It must be an immediate priority of the next Labour government to reverse the damage wrought by austerity – council budgets are now so tight that there is no room to cope with the extra pressures which we know are coming. Labour must urgently commit to meeting this desperately-needed investment, but it is also vital that we also give councils the freedom to implement the right solutions for their areas.

- Our **councils are in crisis**, with Tory-run Northamptonshire effectively bankrupt and other councils staring into the financial abyss after the Tories have failed to give them the funding they need.
- By 2020, local authorities will have faced cuts to core funding of nearly £16 billion over the preceding decade. These Tory cuts mean **councils will have lost 60p out of every £1** that the last Labour Government was spending on local government in 2010.
- These **cuts have been strikingly uneven** in their distribution - the poorest local authorities (which tend to be Labour-run) have had their spending cut by £228 per person since 2010, but the richest councils have had their spending cut by only £44.
- Councils face a **funding gap of £7.8 billion** by 2025 – but gap corresponds only to keeping local authority services 'standing still' and meeting additional demand and inflation costs. Filling this £7.8bn funding gap does not reverse any of the cuts made by the Tories since 2010, or include any extra funding needed to improve services.

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