

POVERTY BRITAIN

Ten Ways the Tories have Entrenched Poverty across Britain



Introduction

After nearly a decade of Tory austerity, Britain is facing a poverty crisis. Poverty is now the most visible and widespread it has been in Britain since the Tories were last in power.

This report outlines why that is. It shows how the Tories have failed ten crucial tests for tackling poverty and improving living standards.

From the growing number of homeless people on our streets to record food bank use, successive Tory Governments have allowed people of all ages to fall into hardship.

As we enter the next decade, this election is a chance to right the wrongs of the 2010s. To build a fairer future and to bring a divided country back together.

Labour will transform the country for the many, not the few. Where the Tories have failed, we will deliver real change and undertake a war on poverty in all its forms.

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“Following drastic changes in government economic policy beginning in 2010, the two preceding decades of progress in tackling child and pensioner poverty have begun to unravel and poverty is again on the rise. Relative child poverty rates are expected to increase by 7 per cent between 2015 and 2021 and overall child poverty rates to reach close to 40 per cent.

For almost one in every two children to be poor in twenty-first century Britain would not just be a disgrace, but a social calamity and an economic disaster rolled into one”

UN report on extreme poverty in the UK

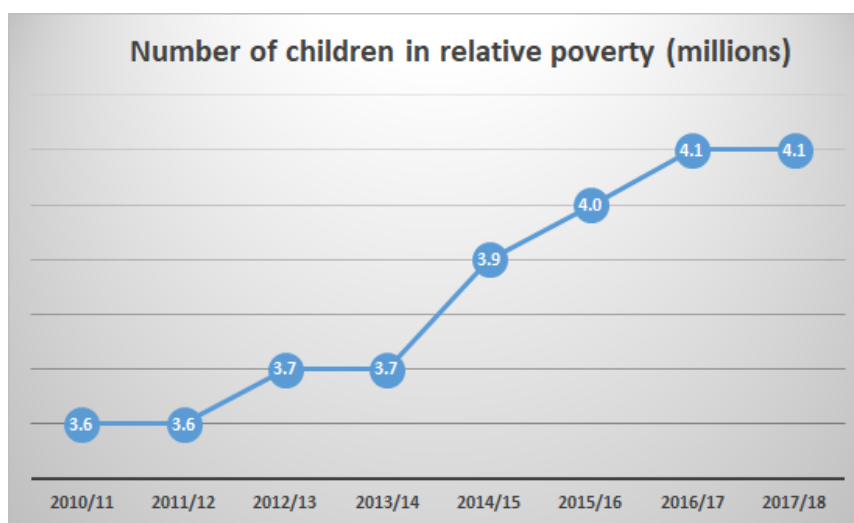
Ten Tests of Poverty Britain

10 Tests	Tories' record of failure
1. Child poverty	Failed: Since 2010, the number of children growing up in relative poverty has increased by half a million.
2. Child deprivation	Failed: New analysis shows that there has been a near 50 per cent increase in the number of children in severe low income and deprivation between 2011/12 and 2017/18.
3. In-work poverty	Failed: New analysis shows that in-work poverty has increased by 1.5 million since 2010/11.
4. Wages	Failed: New analysis shows that wage stagnation under the Tories has cost the average worker around £6,300 in lost wages.
5. Disposable income	Failed: The pay squeeze, combined with deep cuts to social security, has cut growth in household disposable income in half, costing the average household £1,000 a year.
6. Foodbanks	Failed: New analysis show that food banks have given out 65 million meals in the last five years, the equivalent of a meal for every person in the whole of the UK.
7. Homelessness	Failed: The number of people sleeping on our streets has more than doubled since 2010 to an estimated 4,677 people.
8. Pensioner poverty	Failed: Too many older people are going without the dignity and security they deserve .
9. Savings	Failed: New analysis shows that there are now over 20 million adults with no savings, an increase of nearly three million since 2010/11.
10. Disability poverty	Failed: New analysis shows that poverty in families where someone is disabled has risen by over a million since 2010.

Failed Test 1. Child Poverty

The Tories have failed on child poverty. Since 2010, the number of children growing up in relative poverty has increased by half a million.

- In 2010/11, relative child poverty was 3.6 million. The most recent figures for 2017/18 show relative poverty increasing to 4.1 million.ⁱ
- This is the first time there have been successive increases in child poverty since records began in 1994/95.



- Tory policies such as Universal Credit, the benefit cap, the four year freeze on working-age benefits and the Two Child Limit have seen child poverty soar.
- The independent Institute for Fiscal Studies has previously forecast child poverty getting even worse under the Tories.ⁱⁱ
- Earlier this year, the Resolution Foundation warned that child poverty could hit a “record high” due to stagnating incomes and cuts to social security.ⁱⁱⁱ

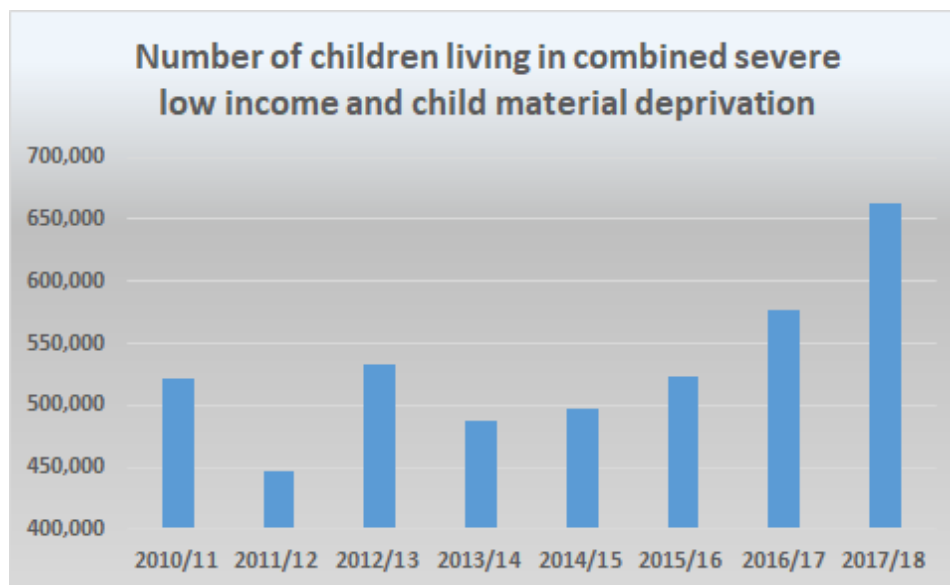
Labour will tackle child poverty

Labour will tackle child poverty by ending austerity. We will scrap the hated Universal Credit, the benefit cap, Two Child limit and end the freeze on working-age benefits. We will also expand free childcare, open 1,000 new Sure Start centres and provide universal Free School Meals for all primary school children.

Failed Test 2. Child Deprivation

The Tories have failed to tackle child deprivation. New analysis by Labour shows there was a near 50 per cent increase in the number of children in severe low income and deprivation between 2011/12 and 2017/18.^{iv}

- There are now two thirds of a million children living in severe low income and deprivation, compared to 447,000 in 2011/12.



- Rising levels of severe low income and deprivation for children are symptomatic of the impact of Tory austerity.
- It echoes what Professor Philip Alston, United Nations Special Rapporteur on Extreme Poverty and Human Rights, said in his statement on a visit to the UK.
- He said: "Children are showing up at school with empty stomachs, and schools are collecting food on an ad hoc basis and sending it home because teachers know that their students will otherwise go hungry."^v

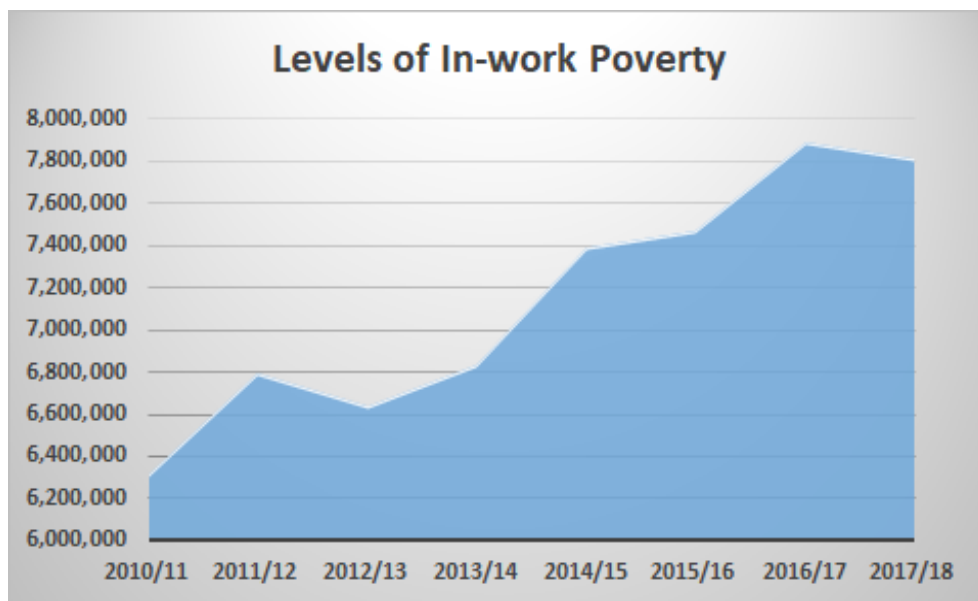
With Labour, every child will matter

Tackling child deprivation will be an urgent priority of the next Labour government. We will raise living standards and end Tory austerity. We will also expand free childcare, open 1,000 new Sure Start centres and provide universal Free School Meals for all primary school children.

Failed Test 3. In-work Poverty

The Tories have failed on in-work poverty. New analysis by Labour shows in-work poverty has increased by 1.5 million since 2010/11.^{vi}

- It has increased from 6.3 million in 2010/11 to 7.8 million in 2017/18, reaching nearly eight million in 2016/17, the highest point since records began in 1996/97.
- Under the Tories, in-work poverty has risen to around one-in-five people in working households.



- Tory austerity, stagnating wages, the growth of insecure work - including nearly a million people on zero-hours contracts - and cuts to social security have seen the Tories presiding over record levels of in-work poverty.
- Analysis by the IFS shows that working households now account for 58% of all families living in relative poverty^{vii}.

Labour will end in-work poverty

Labour will eliminate the modern-day scourge of in-work poverty over the course of our first parliament. We will rebalance our economy to end austerity, raise living standards and empower workers. We will strengthen and expand public services free at the point of use paid for fairly through taxation and we will establish the principle of universalism in our social security system.

Failed Test 4. Wages

The Tories have failed on wages. New analysis by Labour shows stagnation in wages under the Tories has cost the average worker around £6,300 in lost wages.^{viii}

- The Tories have presided over the worst decade for wages since the Victorian times.
- Incredibly, real wages are still below their pre-crisis peak.



- According to the Bank of England, real wages grew by an average of around 4.25% from 1998-2007, compared to an average rate of 2.1% since the Tories came to power since 2010.
- The chart above shows the stagnation in real earnings growth under the Tories, with a real growth rate averaging above 2% before the crisis before becoming flat in 2010.

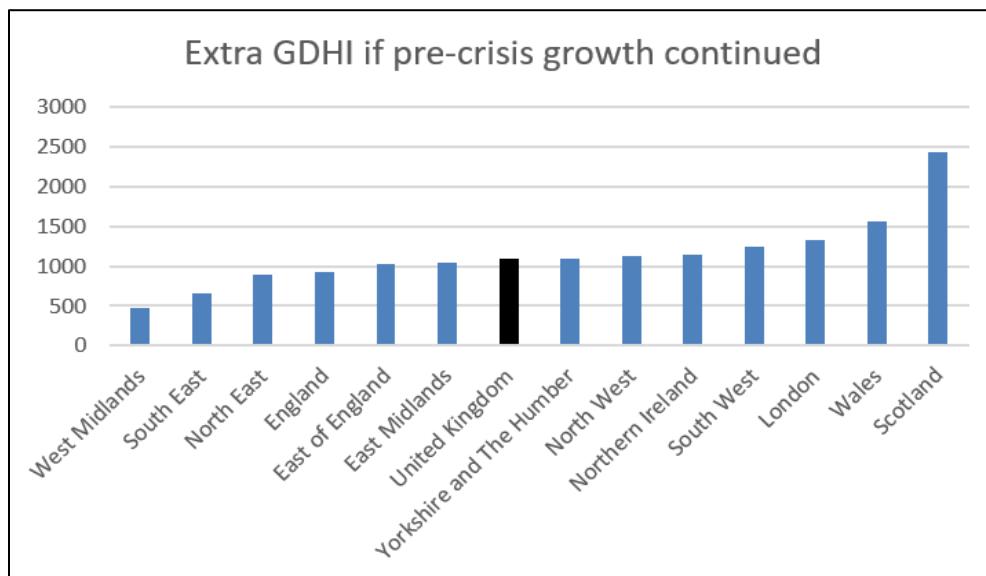
With Labour, workers will be given a proper pay rise

Labour will end the decade of pay stagnation by introducing a Real Living Wage of £10 an hour from next year. We will also address the root cause of the pay squeeze by tackling the productivity crisis with a programme of large scale investment in skills, infrastructure and innovation.

Failed Test 5. Disposable Incomes

The Tories have failed on disposable income. The pay squeeze, combined with deep cuts to social security, has cut growth in household disposable income in half, costing the average household £1,000 a year.

- Gross disposable household income (GDHI) grew at a rate of 1.6% prior to the financial crisis, falling to just above 0.8% from 2010.^{ix}



- This leaves the average UK household over £1000 a year worse off, with households in Wales and Scotland £1500 and £2500 worse off respectively.

Labour will end the pay squeeze

The next Labour government will introduce a Real Living Wage of £10 an hour for everyone over 16 and tackle the productivity crisis by ending a decade of under-investment. We will rebuild a social security system dedicated to dignity, universalism and ending poverty. We will also lower energy bills through investment in renewable energy technology and retrofitting homes to improve energy efficiency.

Failed Test 6. Food banks

The Tories have failed on food banks. New analysis by Labour shows that food banks have given out 65 million meals in the last five years, the equivalent of a meal for every person in the whole of the UK.^x

- The rise in food bank use is one of the most visible indicators of the Tories' abysmal failure to tackle poverty.
- The analysis of Trussell Trust statistics shows that, between 2014 and 2019, Trussell Trust food banks gave out 41 million meals to adults and 24 million meals to children over the five year period.

NUMBER OF MEALS DISTRIBUTED BY TRUSSELL TRUST FOOD BANKS, 2014-19			
Region	Adults	Children	Total
Scotland	5,175,648	2,473,794	7,649,442
Wales	3,214,710	1,802,727	5,017,437
Northern Ireland	816,534	595,323	1,411,857
North East	2,434,167	1,504,764	3,938,931
North West	5,884,578	3,568,419	9,452,997
Yorkshire & Humberside	2,314,638	1,277,982	3,592,620
West Midlands	3,821,148	2,254,302	6,075,450
East Midlands	1,844,658	1,092,555	2,937,213
East	3,922,497	2,336,301	6,258,798
London	4,092,282	2,411,649	6,503,931
South West	3,825,495	2,193,903	6,019,398
South East	3,738,420	2,263,131	6,001,551
TOTAL	41,084,775	23,774,850	64,859,625

- In their most recent End of Year statistics, The Trussell Trust say that Universal Credit is "a key driver behind the increased food bank use."^{xi}
- Those statistics show that, between 1st April 2018 and 31st March 2019, food banks in The Trussell Trust's network provided 1,583,668 emergency supplies to people in crisis. 577,618 of these supplies went to children.
- Over a fifth of these were due to delays in social security payments and 17% were due to changes to social security.

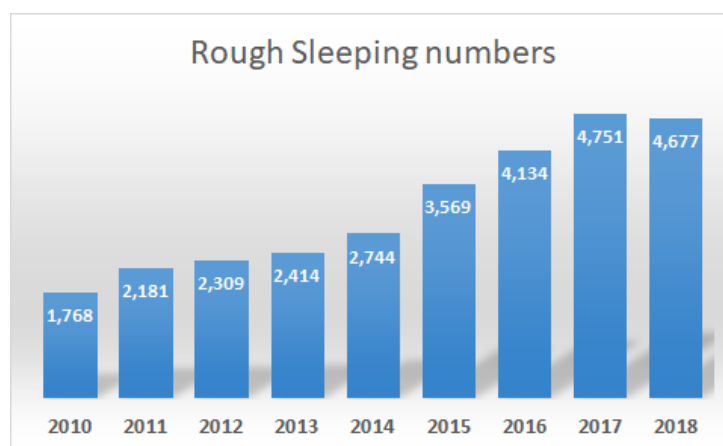
Labour will end the need for food banks within three years

The next Labour government will tackle the soaring reliance on food banks that has come about as a result of Tory austerity. We will set a target of ending the need for food banks altogether within our first three years and halve food bank usage within our first year.

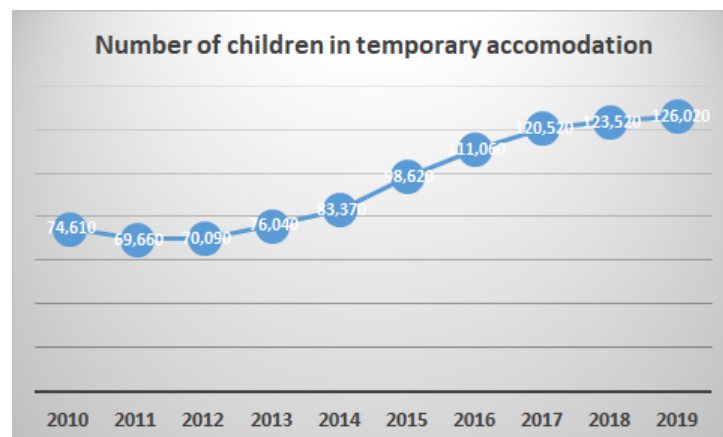
Failed Test 7. Homelessness

The Tories have failed on homelessness. The number of people sleeping on our streets has more than doubled since 2010 to an estimated 4,677 people.

- The Tories' record on homelessness is at the heart of their failure on housing.
- Homelessness of all types has risen under the Tories. The most recent rough sleeping figures for England reveal that the number of people sleeping on our streets has more than doubled since 2010 to an estimated 4,677 people.^{xii}



- The number of homeless children in temporary accommodation has risen and now stands at over 123,000.^{xiii}



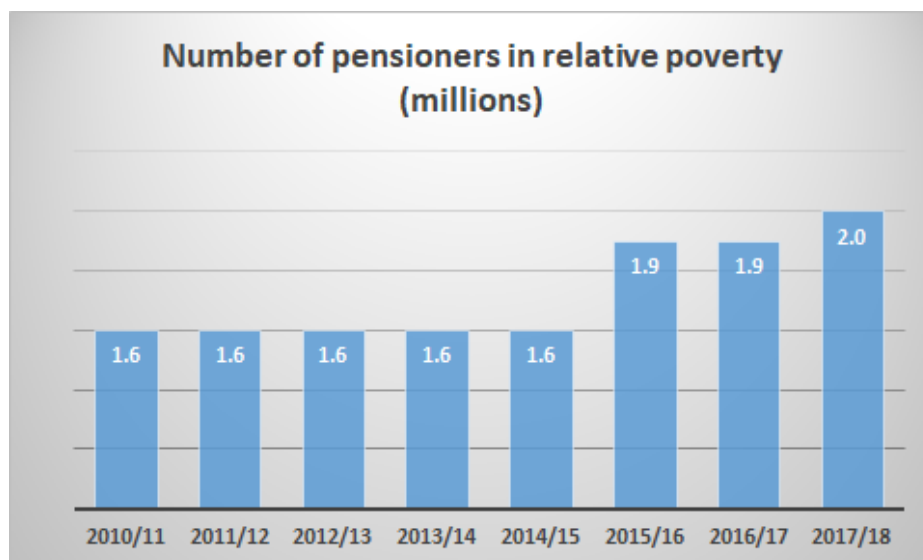
The next Labour government will end rough sleeping

Labour will end rough sleeping within a Parliament, starting with a plan to ring-fence an extra 8,000 homes for people with a history of rough sleeping a £100million to tackle immediate winter pressures.

Failed Test 8. Pensioner Poverty

The Tories have failed on pensioner poverty. Too many older people are going without the dignity and security they deserve.

- Since 2010, the number of pensioners living in poverty has increased by 400,000.
- There are now two million pensioners living in poverty, up from 1.6 million in 2010/11.^{xiv}



- Despite this rise in pensioner poverty, the 2017 Tory manifesto aimed to abandon the Triple Lock on state pensions and means-test Winter Fuel Payments.
- While those cuts were stopped, the Tories have continued to cut support for older people, through cuts to Mixed-Age couples under Universal Credit and scrapping free TV licences for the over 75s.
- The Tories are also raising the State Pension age and have failed to bring justice for women born in the 1950s who had their State Pension age changed without fair notification.

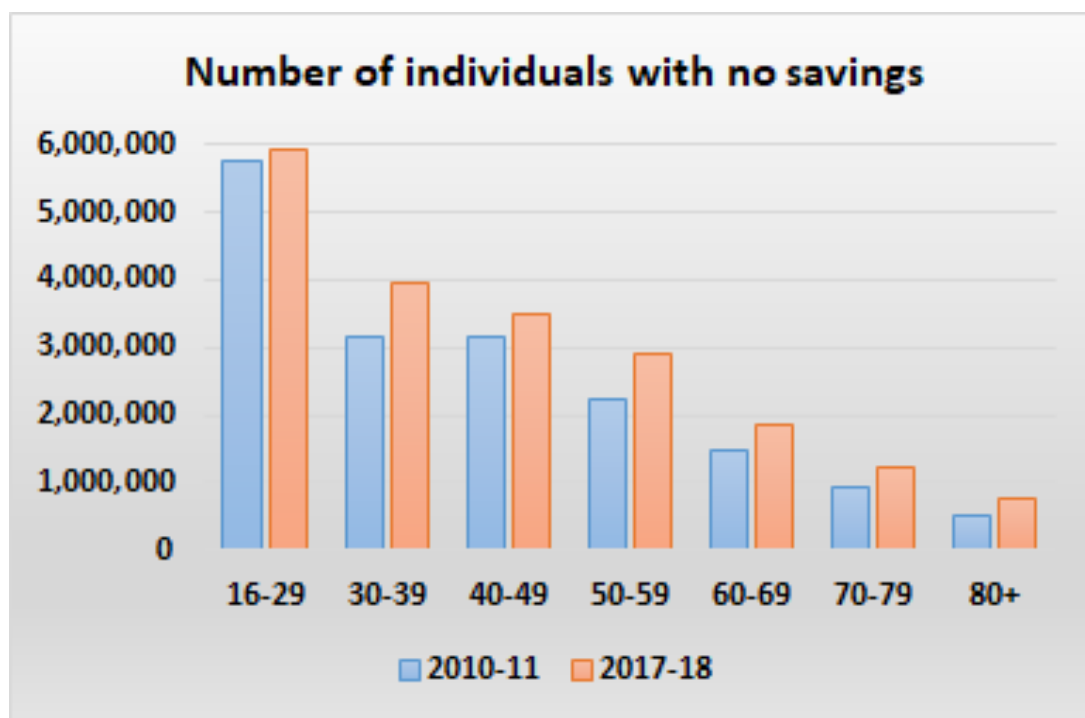
With Labour, older people will have the security and dignity they deserve

The next Labour government will protect pensioner incomes by legislating to keep the Triple Lock on state pensions as well as guaranteeing free TV licences, free bus passes and Winter Fuel Payments. We will bring justice for women born in the 1950s affected by the Tories' changes to the State Pension age and we will build a National Care Service with free personal care for older people at its heart. We will also keep the State Pension age at 66.

Failed Test 9. Savings

The Tories have failed on savings. New analysis shows there are now over 20 million adults with no savings, an increase of nearly three million since 2010/11.^{xv}

- The Tories have failed to tackle the chronic savings crisis facing millions of people across the country.



- Every adult age group has seen an increase in the number of people who have no savings.
- People in their 30s have seen the biggest increase in numbers with no savings. 800,000 more people in their thirties now have no savings, compared to 2010/11.
- Since 2010, there has been a 44% increase in the number of people aged over 80 without savings.

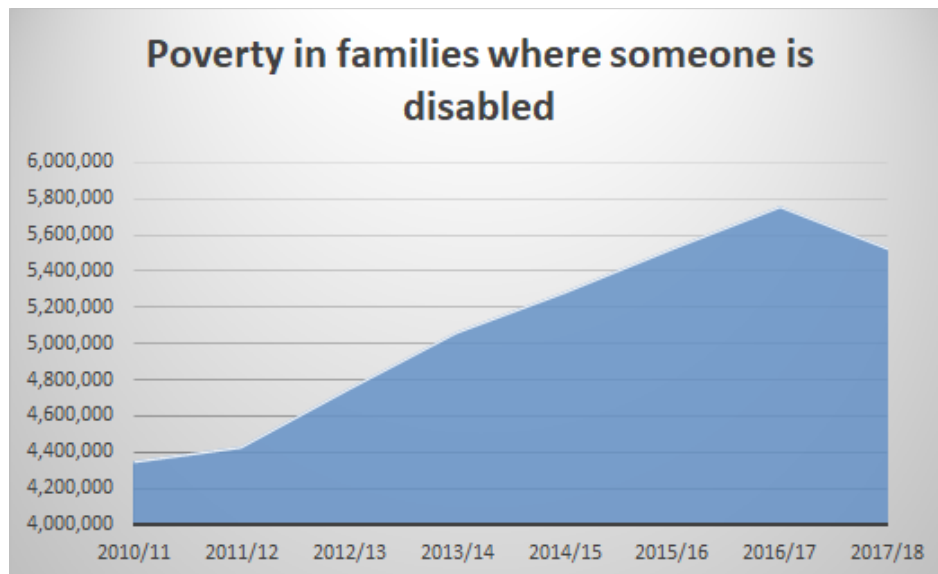
Labour will address the country's chronic savings crisis

The next Labour government will tackle the chronic saving crisis facing Britain. We will raise the Real Living Wage to £10 an hour for all workers aged over 16. We will guarantee full employment rights from day one at work, ban zero-hours contracts and close the gender pay. We will also clamp down on problem debt by capping credit card and overdraft repayments so that borrowers never repay more in interest than they originally borrowed.

Failed Test 10. Disability Poverty

The Tories have failed to tackle disability poverty. New analysis shows that poverty in families where someone is disabled has risen by over a million since 2010.

- In 2010/11, poverty in families where someone is disabled stood at 4.3 million. By 2017/18, that number has risen to 5.5 million.^{xvi}



- Disabled people have been disproportionately affected by Tory austerity. The Equality and Human Rights Commission has found that families with a disabled adult will be around £2,500 a year worse off due to Tory austerity^{xvii}.
- In 2016, the United Nations Committee on the Rights of Persons with Disabilities found “grave and systematic violations” of disabled people’s rights under the Tory Government^{xviii}.

Labour will give disabled people the support they need

The next Labour government will scrap the Tories’ unfair and counterproductive sanctions regime, which is causing real hardship. We will ensure disabled people get the support they need by scrapping Work Capability Assessments and replacing them with fairer, more personal support. We will abolish the cruel Bedroom Tax and increase support through Employment and Support Allowance.

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- ⁱ Labour analysis of DWP Statistics on Households below Average Income, 28 March 2019, <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718>
- ⁱⁱ IFS, Living standards, poverty and inequality in the UK: 2016–17 to 2021–22, <https://www.ifs.org.uk/publications/8957>
- ⁱⁱⁱ Resolution Foundation, 'Child poverty risks hitting record levels', <https://www.resolutionfoundation.org/press-releases/child-poverty-risks-hitting-record-levels/>
- ^{iv} Labour analysis of DWP Statistics on Households below Average Income, 28 March 2019, <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718>
- ^v Phillip Alston, 'Statement on Visit to the United Kingdom', 16 November 2018, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23881&LangID=E>
- ^{vi} Labour analysis of DWP Statistics on Households below Average Income, 28 March 2019, <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718>
- ^{vii} IFS, 'Living standards, poverty and inequality in the UK: 2019', June 2019, <https://www.ifs.org.uk/uploads/R157-Living-Standards-Poverty-and-Inequality-2019.pdf>
- ^{viii} Labour analysis of Bank of England, 'Monetary Policy Report', November 2019, and ONS statistics on Annual Survey of Hours and Earnings, 29 October 2019, <https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2019/november/monetary-policy-report-november-2019.pdf>
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/allemployeeshourlyearnings>
- ^{ix} Labour analysis of ONS statistics on Regional Gross Disposable Household Income, 21 May 2019, <https://www.ons.gov.uk/economy/regionalaccounts/grossdisposablehouseholdincome/datasets/regionalgrossdisposablehouseholdincomeqdh>
- ^x Labour analysis of Trussell Trust 'End of Year Statistics' from 2014 to 2019
- ^{xi} The Trussell Trust, 'End of Year Statistics', 25 April 2019, <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/>
- ^{xii} Labour analysis of Rough sleeping statistics 2018, England, MHCLG, 31 January 2019, <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2018>
- ^{xiii} Labour analysis of temporary accommodation tables, England, MHCLG, 13 December 2018, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>
- ^{xiv} Labour analysis of DWP Statistics on Households below Average Income, 28 March 2019, <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718>
- ^{xv} Labour analysis of DWP Statistics on Households below Average Income, 28 March 2019, <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718>
- ^{xvi} Labour analysis of DWP Statistics on Households below Average Income, 28 March 2019, <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718>
- ^{xvii} EHRC, Distributional results for the impact of tax and welfare reforms between 2010&17, November 2017, https://www.equalityhumanrights.com/sites/default/files/impact-of-tax-and-welfare-reforms-2010-2017-interim-report_0.pdf
- ^{xviii} BBC, 'UN: 'Grave' disability rights violations under UK reforms', 07 November 2016, <https://www.bbc.co.uk/news/uk-37899305>

