

# Barnardo's Lecture Series

Believe in  
children



Barnardo's

**Nick Clegg pledges to give every child a fair start in life**

**Mon, 01 Feb 2010**

## **Speech Transcript**

In a speech to Barnardo's this morning, Nick Clegg set out the Liberal Democrat manifesto pledge to introduce a Pupil Premium which would raise the poorest children's school funding to private school levels.

British society, despite all its strengths, is still too unfair.

The report published last week by the National Equality Panel on the economic inequalities of today's Britain uncovered shocking, challenging truths about a nation where the richest 10% are more than 100 times as wealthy as the poorest 10%.

A nation where income and wealth inequality seem to be built into the very structures of our society.

So that your family background, the place of your birth, your gender and the colour of your skin still massively affect your chances in life, your skills, your opportunities, and even the number of years you can expect to live.

As a politician, as a parent, as a liberal, I have always believed in the need for opportunity to be shared. It's one of the main reasons that brought me into politics in the first place. So that everyone has the chance to make the best of themselves.

That is the only way to build a fair, strong society.

Of course I am not alone in my ambition to create an opportunity society. The idea of fairness is fundamental to most British people. And the reaction to the report by Professor Hills shows that millions of us are deeply concerned about rising inequality and unfairness. Shocked to see what our society has become.

But people feel baffled about what to do to reverse this long-established trend.

In 1997, people believed that Labour offered a new hope. Tony Blair promised that in his society, no-one would be left behind. But 13 years of Labour government has left those who believed in Blair's promise feeling betrayed.

They increased spending – in real terms – by £206bn a year. All that money, which we thought would make a difference... And inequality did not budge an inch.

So what do we do? Is this an intractable problem, endemic to a modern society? Is inequality a price we must pay for the prosperity of the majority?

No – that would be a counsel of despair.

I believe there is hope – tremendous hope – if we are brave enough to do things very differently.

At the moment, unfairness is hardwired into the way things are. To transform Britain, we need to make big, permanent, structural changes. Changes which create fairness for all, rather than inequality for too many.

And in my view, education is central to that transformation. Education is everything.

Four priorities

Three weeks ago, I set out the Liberal Democrats' four steps to a fairer Britain.

Four structural, permanent changes that will bring us out of recession and deliver growth that lasts, fair for everyone.

Fair taxes.

A new, fair start for all children at school.

A rebalanced, green economy.

And clean, open politics.

I laid out in December the details of our tax plan, which will ensure no-one pays a penny of income tax on the first £10,000 they earn.

Giving tax freedom to millions of working people and pensioners on low incomes. And putting £700 in the pockets of almost everyone else. Paid for by closing loopholes that unfairly benefit people at the top.

This will be a huge change to our society, to make the tax system fair. Offering real help – and hope – to millions of low income families. A vital step towards delivering real social justice for all.

Today I want to set out how we will reform our education system to give yet another boost to fairness in our society. Ensuring every child gets the great start they deserve.

Our economy is still reeling from the banking crisis. The public finances are in a mess as a result. But this generation has a duty to the next: to ensure they do not pay for our mistakes.

Children are the last to blame for this crisis. They must not be the first to suffer. We can and must find the will and the means to protect and nurture children.

**Current unfairness**

There is a huge problem of unfairness in our society. A baby born in the poorest neighbourhood of my city, Sheffield, will die a full 14 years before a baby born just down the road in a richer part of the City.

A bright child from a poor background falls behind a child from a richer background by the age of seven. The poorest children are only half as likely to leave schools with five good GCSEs than their better-off counterparts.

And the report last week from the National Equality Panel showed that one in ten of the poorest boys – those on free school meals – left school with nothing more than two GCSEs at grade F.

It showed that differences related to family resources widen as the years go by. The older children get the further behind the poorest fall.

It was because I was so alarmed by the evidence of growing unfairness that one of the first things I did as leader was to ask Barnardo's chief executive Martin Narey to lead an independent Commission on social mobility. Martin's report was conclusive: education is vital if you want to tackle social disadvantage in the long term.

Education is everything.

And at the moment it is acting as an engine of stagnation, not an engine of freedom.

Labour has put more money in, yes. But it hasn't done anywhere near enough to reach out to children from all disadvantaged backgrounds and give them the leg-up they need.

Martin's report pointed out that the proportion of poorer children getting degrees has risen by just 3% under Labour compared to a rise of 26% amongst the children from the wealthiest backgrounds.

Labour's spending was welcome – of course. But it has not delivered opportunity for all of Britain's children.

## **Education**

This morning, we published research that shows for the first time the extent of the problems in Labour's school funding mechanisms. And the way that financial inequality is feeding straight through into children's results – and children's futures.

Our analysis shows there is huge variation in children's performance in different parts of the country: there are still areas where less than a fifth of the poorest pupils achieve five good GCSEs.

In nearly half of local authorities, the gap between the poorest and better off pupils has grown. More worrying still, on top of the performance gap everyone knows about – between children from affluent and from deprived backgrounds...

There is a second performance gap, which is only now becoming understood. Between poor children in different parts of Britain. In particular, a growing gap is opening up between poor children in inner city areas of London and poor children living elsewhere.

The performance of children from poor backgrounds in London has, to the Government's credit, improved. This is in large part because far more money is allocated to those areas than almost any other area in the United Kingdom.

The outcome for poor children is horribly unfair: if you live in London you may have the chance to get a good education and move ahead; if you're poor and you live somewhere else you will still be left behind.

In Lambeth, nearly 50% of children on free school meals achieve five good GCSEs, including English and Maths. In Rutland, just 14% of children hit that benchmark. Imagine two boys, one at school in Rutland, one in Lambeth. Both with single mums earning the minimum wage.

The boy in Rutland is almost a quarter as likely as his counterpart in Lambeth to leave school with decent grades. And without decent grades, what opportunities does he have beyond a succession of temporary, menial jobs or a life on benefits?

Education is everything.

This performance gap is strongly related to the way money is unfairly distributed to schools. The Rutland school is getting just £4,400 per pupil. While in Lambeth, they have £6,780 to spend on every student. Is it any wonder they are doing better in Lambeth?

Labour has distributed vast amounts of money to deprived areas in London... Instead of targeting deprived children directly – wherever they live.

The average per pupil funding in the five worst performing areas is around £250 lower than the national average. And the funding in the top five performing areas is over £1800 more than the national average.

If you're poor and you don't live in the inner city, you have been forgotten by Labour.

This isn't just a problem. It's a worsening problem. The performance gap between the poorest children in different parts of the country has grown: From 33 percentage points in 2005 to 45 percentage points in 2009. That's 18 percentage points wider than the gap between the poorest and the better-off.

This is the secret shame of a Labour party that promised no-one would be left behind.

### **The pupil premium**

The answer, of course, is not to take away money from those areas in London which have benefited in recent years. Levelling down the unequal opportunities for children would be an act of social vandalism.

No, the only way to spread opportunity to all children throughout the country is to find additional money to current Government budgets – and allocate that money directly to those children who are most in need, wherever they live.

Evidence shows that we can help disadvantaged children, make Britain fairer, and improve our whole school system by putting in more money...

So long as we ensure it goes directly to the individual schools that take on individual children from disadvantaged backgrounds – regardless of whether they are in inner cities or in the middle of a rural area.

That is why the Liberal Democrats will transform school funding.

Introducing a pupil premium to channel an extra £2.5bn direct to the schools which take on children from deprived backgrounds, wherever they are. An average of an extra £2,500 for each child on free school meals. Raising the funding per pupil, for these children, to the same levels as the money spent on children in private schools.

But benefiting every child in the classroom, because the whole school will benefit from the additional money.

Just imagine what a difference this would make?

At the moment, we have some of the biggest classes in the developed world. Over 8,000 infants are in classes so big they're illegal.

Take an average primary school of just over 200 pupils. With an average number of children eligible for free school meals, this school could see an extra £90,000 in its budget. That would be enough to cut class sizes from 27 to 20.

Just imagine what a difference that would make – ensuring every child gets the individual attention they need to thrive.

Take an average secondary school, with a roll of 1,000 pupils. It could expect around £400,000 more every year than it gets now, which would have an enormous impact. They could recruit a dozen extra teachers and cut classes to 16. Or they could pay for catch-up classes for 160 pupils, making sure no-one who struggles gets left behind.

Classes of just 20 when your child is starting out at primary school.

Classes of just 16 at secondary school so they get all the coaching and attention they need to get those good GCSEs and go on to A Levels, vocational courses, college and university.

This would be a very different education system. One that gives every child the opportunity they deserve.

We are releasing today a breakdown of how much money each local authority will get from a Liberal Democrat government, together with details of average class sizes in every area, so people can see what a difference it would make to their local schools.

This pupil premium is the biggest spending commitment we will make at this general election.

One of only two substantial and immediate proposals for new investment, the other being a major investment programme in green infrastructure to create jobs and boost the economy.

We are identifying resources to help reduce the deficit and reallocate to spending like the pupil premium from across government. For example, we will take above-average earners out of the means-tested tax credit system.

We will save money in the Department for Education, by scrapping specific quangos and cutting back the size of the central department and targeting cuts on lower priority non-school programmes.

These changes alone deliver enough money for the step-change in education funding I've proposed.

We are putting our money where our mouth is. Money does not solve every problem. It doesn't even solve most problems. But it can help solve this one – as long as the money is directly targeted at the children who need most help. Bringing real social justice and opportunity to Britain's children.

### **Other ways to spend money**

Some of that language, of course, is already being used by both the other main political parties. Gordon Brown has promised to “unleash” social mobility. David Cameron has talked about social justice.

The big question is: which party has the right priorities to actually deliver opportunity for all in Britain.

I have set out the Liberal Democrat plans for a pupil premium. It is one of only four priorities we have set out for the election, and for our time in government, every one of which is backed up by research, detail and conviction.

The alternatives, sad to say, from the other parties, will not deliver fairness. Labour offers more of the status quo. Centralised spending. Government ditkat preventing teachers from getting on with their jobs. Unfair taxes and complex benefits that trap people in poverty.

The Conservatives, on the other hand, are prioritising marriage as the route to social justice. They have been criticised for not having the detail on how to do this. And it is true that the plans, such as they are, seem to collapse under scrutiny. But there are more fundamental problems than just a paucity of technical detail. However you structure this policy it would worsen opportunities, not increase them.

Of course, marriage is a great institution. And of course, children prosper in stable, loving families. But the Conservative plan is not a marriage incentive. It is not a tax break for marriage at all, but a tax on working couples. To qualify for the tax break one partner needs to have given up work. So only a quarter of couples will get any benefit at all – whether they get married or not. How can anyone claim that is fair?

But it's when you remember that this is supposed to be a policy to help people from deprived backgrounds that you realise what a shabby trick they are trying to play.

The higher your marginal tax rate, the more benefit you get from a transferable tax allowance. The extra tax free income makes more of a difference if you are paying 50% than if you are paying 20%. So on average, the poorest families would get £30. And the richest would get £380.

Worst of all: six out of seven children in poverty would not see a single penny of benefit.

This is a waste of money that is desperately needed by the next generation of children.

This tax on working couples has been chosen as one of only two or three “firm commitments”, along with plans to cut inheritance tax for millionaires. The latter a policy tailor-made to increase inequality, by allowing huge wealth to be passed on and built up across the generations.

Those are the policies a Conservative government would spend money on. That is where the Conservatives’ real priorities lie. But they haven’t allocated a single penny to our schools.

The Conservatives claim to support the Liberal Democrat pupil premium. But without money, that commitment will continue to be meaningless – more spin without substance which will yet again leave thousands of children shortchanged.

### **It’s all about priorities**

Everyone says they want a society with equality of opportunity. Making it happen is all about choosing your priorities, driven by your values. At a time when there is no money for another splurge on spending, every penny to be invested has to come from somewhere else.

So you have to set priorities, make choices. And you have to be clear about what you believe in before you can make those choices.

We believe in fairness and opportunity above all. That’s why we have the courage to say no to spending billions on tax credits for above average earners. In order to say yes to investing in our schools.

Labour’s priorities are wrong, because they have lost sight of their values: They put Whitehall control ahead of school freedom. They put one set of deprived children ahead of another in the funding system. They put dragging above-average earners into a means-tested benefits system ahead of investing where the money is needed.

The Conservatives’ priorities are wrong, because for all their talk of fairness, their first instinct is to help people at the top. When it comes to allocating money, they are more interested in social engineering than in people’s needs.

They put protecting the inheritance of millionaires ahead of helping people on modest incomes. Both approaches will worsen social and economic inequality. Both must be rejected.

Liberal Democrats offer a genuinely new approach.

Every school will benefit. Smaller class sizes. More teachers. More one to one care and tuition. More catch-up classes. All children given support and self confidence - so that the whole class can move forward as one.

I believe education is everything.

Because I believe in fairness for everyone.