

CHARITIES AND THE LIFE CHANCES AGENDA

Speech to Working Families Policy Conference¹ 27 January 2016

Dan Corry

Introduction

Thank you.

A couple of weeks ago, the Prime Minister outlined [his big vision](#) for addressing poverty and inequality in this country.

It wasn't a speech you would have heard from Conservative leaders in years gone by. Cameron talked about the social roots of deprivation, about poor housing, addiction and mental health, and what he wanted to do about those things.

The influence of Christian Guy, recently brought in from the Centre for Social Justice to advise the Prime Minister, is clearly very strong indeed.

Whether we like it or not, this is the direction of social policy for the next few years.

Which poses a significant challenge to charities and other groups active in this area—but also opens up lots of opportunities.

On the one hand, this is the stuff where the voluntary sector, at its strongest, makes the biggest impact: early intervention, close relationships with vulnerable people, building stronger communities.

It is where people in this room change lives for the better.

Yet we should be very clear about something the Prime Minister quietly passed over: austerity and relieving social problems aren't wholly incompatible, but fitting them together is going to be tough.

I'll talk today about the background to this; about the size of that challenge; and a few suggestions on how charities can maximise their chance to make that positive impact.

Working with government

As I am obviously not a Conservative minister, let me say a little about the background I bring to trying to answer these challenges.

I know my way around government, albeit from the other side.

I was a Special Advisor at Education and in the Treasury, among others—departments that play a fundamental role both in addressing poverty and social equality.

¹ Working Families is a charity that 'helps working parents and carers and their employers find a better balance between responsibilities at home and work'. Their [annual policy conference](#) is an 'agenda-setting event...about the current challenges facing families at work and...solutions for change.'

Then I worked advising Gordon Brown when he was Prime Minister—and now I head-up NPC, New Philanthropy Capital, the think-tank of the charity sector.

NPC is also a consultancy, giving advice to charities and the philanthropists who fund them. Which means we've worked with plenty of charities who help families and children, to help make you as effective as possible at what you do.

This part of the sector is full of inspiring charities, and we are proud to have worked with so many, from the NSPCC, Action for Children and the National Children's Bureau, to Grandparents Plus, Women's Aid and School Home Support. The list is a long one.

When the Prime Minister talks about the strength of civil society and its role in tackling pervasive inequality and poverty, I have as many questions as you.

What is the role for the voluntary sector in all this? And where Cameron has overlooked things we believe are important, how can we keep them alive? Are the Tories targeting the right things? And, just as important, are the interventions they are planning any good?

This isn't the first time the government has talked excitedly about the potential of parenting classes and mentoring and the National Citizens Service, many of which require involvement from charities. But do these things actually work? And are they the best and most cost effective ways of delivering those outcomes we want?

Big ideas from the voluntary sector can help the government support the right things, projects and programmes which struggling families need. But we have to be able to show that those projects will achieve everything they set out to.

Understanding inequality

Inequality is one of the great causes in the charity sector at the moment. Yet attitudes towards it are complex and it is worth taking a broad look at concepts of equity, equality of opportunity, and discrimination, to understand where different people are coming from.

Inequality is one of those strange things. The vast majority think it is wrong for someone to have too much money while others have far less. Public feeling is especially strong if this inequality is based on your characteristics—so it is not your 'fault' in the sense of being a consequence of your effort or actions, but is the product of some chance advantage that puts you ahead of the rest.

Yet we have tons of inequality, everywhere. So what is going on?

Some, especially on the right, feel a combination of two things.

Firstly, they feel that we do need some inequality, especially of income. This is what gives incentives for effort, which is crucial for growth and progress. And by this score, it is acceptable for some inequality to be passed across generations—you work hard so you can afford to send your kids to private school, or guarantee private healthcare, for example. This implies that some hardship will fall on children, but they would argue it is a price worth paying.

Secondly, especially in the work place, they feel that steps to address inequality, and correct the balance for people previously discriminated against, because of gender, race, sexuality and so on, often have a negative impact on growth.

Steps to make things fairer can add to business costs. It makes things more complex and more bureaucratic. By this school of thought, progress on equality can only move very slowly, and ideally through voluntary steps taken by business.

There are of course short-term, win-win situations where progress can be relatively easy. An economic argument for sustaining anti-gay practices in the workplace, for example, is a non-starter but less progress has been made on disability rights, where employers are more likely to bear costs.

It gets more complicated still as for many on the right, views on inequalities are entwined with individual moral beliefs. Gay marriage is the obvious recent example, but for some this extends to policies designed to help women get out to work, like childcare support.

Some on the right also believe that some inequalities are the result of lifestyle choices, especially by women working and wanting time with the kids too. And let's be frank; some think it is about excuses—*'they don't promote me/let me into university/hire me because I am a Muslim/disabled/a woman/gay'*.

If we look at where the Conservative party as a whole stands on all this, it's not surprising it's a mixed picture.

Some are strong on the need for inequality of income. We have seen this in justifying tax cuts for the rich and the benefit cuts for the poor.

Some are comfortable talking about, and promoting, fair treatment according to characteristics like race and gender—although a fear of 'political correctness' persists even for them.

David Cameron has put some effort into working forms of social equality into the party's vocabulary, most famously in declaring gay marriage a Conservative cause at the Tory party conference in 2011.

There is politics in this, too, of course. Compassionate conservatism, with its concern for fairer society, takes over some of the ground traditionally controlled by the Labour party.

Labour, meanwhile, has its own spread of opinions. Some on the left are so strong on equality that this trumps all other concerns, including any impact it might have on economic growth.

Others argue that this sort of trade-off is unnecessary. The influential book *The Spirit Level* argues that fairer societies are more productive, at least in the longer run, and there is some OECD support for that in recent times.

For what it's worth, economists—of which I am one—broadly agree that discrimination is bad for productivity and growth.

So it isn't just a moral problem when women can't realise the full potential to work, or older people are frozen out of the jobs market, but is bad for the economy.

There is less unanimity, though, on the degree of income inequality thought 'necessary' to encourage economic activity.

This is the lay of the land. Inequality is seldom as straightforward a concept as it seems—not even as it seems in Oxfam's adverts. But the Prime Minister has tried to claim it as an issue.

A Prime Minister in search of a legacy

Cameron's speech last month is only his most recent take on inequality. The Prime Minister laid out his creed in his 2015 Conservative Party Conference speech, his first after his resounding election victory, and said:

'The point is this: you can't have true opportunity without real equality.'

And I want our party to get this right.

Yes us, the party of the fair chance; the party of the equal shot...

...the party that doesn't care where you come from, but only where you're going...

...us, the Conservatives, I want us to end discrimination and finish the fight for real equality in our country today.'

It's powerful stuff. Try to imagine Mrs Thatcher saying that—or anything like it. You can't.

But some are cynical about Cameron. Does he really mean it?

Here is a Prime Minister in search of a Legacy. He doesn't want to end up best known just for cutting debt, or for keeping us in the EU, and getting us deeply involved in an unwinnable Syrian adventure.

Tackling social equality, bringing stability to struggling families, making work pay decently—these may make up the legacy he is looking for.

It's a welcome ambition. But before we get too dewy-eyed, it's vital to note that the 2015 speech, like the one last month, is all about faith, ethnicity, mental and physical ability, and gender.

Income is hardly mentioned.

I'll come back to this—not because resilience and so on don't matter, but because income is far too big an issue to leave out of the debate.

Some of this leads to quite radical thinking—or relatively so, for a Conservative government.

Cameron's speech last month explicitly rejected the ability of the market to produce equal life chances.

This isn't just a shift from traditional Tory thinking, but is an opportunity for others, like the voluntary sector, to come up with alternative solutions.

In the speech Cameron asks us to:

'break free from all of the old, outdated thinking about poverty. And I want to explain how, by applying a more sophisticated and deeper understanding of what disadvantage means in Britain today we can transform life chances.'

He is dismissive of welfare, very strongly so. Redistributing resources to families and individuals who have already fallen behind is seen not only as coming too late but as part of encouraging a dependency culture:

'This fixation on welfare—the state writing a cheque to push people's incomes just above the poverty line—this treated the symptoms, not the causes of poverty; and, over time, it trapped some people in dependency. Frankly, it was built around a patronising view that people in poverty needed simply to be pitied and managed, instead of actually helped to break free.'

Not surprisingly, given where he is directing his efforts, he wants to:

'move away from looking simply at income-based poverty measures and develop more sophisticated social indicators to measure success.'

And his policies are all about trying to get individuals, families and others to take control of their own lives.

Even as we acknowledge the logic of this, it rings some alarm bells.

We don't for instance want a world where even advice charities may be looked at suspiciously if they do more to help people get benefits than to obtain skills. The single biggest issue on which Citizens Advice works, for

example, is helping people with benefits. This isn't something most of us would want to see dismissed by government or anyone else.

Cameron's vision isn't entirely new, naturally. Few things in politics are.

Ed Miliband started to go down this road, with his efforts to stress pre-distribution over redistribution. It didn't enrapture the public then, possibly because of the language in which it was couched.

But it is still the right aim. Certainly early action before problems arise must be right. Prevention makes sense.

As David Robinson, chair of the Early Action Task Force of which I am a member, often says: we should mend the fence at the top of the cliff not spend a fortune on the ambulances who have to pick up the pieces of those who have fallen because there was no decent fence.

For some in this room, Cameron's take on prevention may not be the way you see it. Too much of a tendency to use marriage as a lever. Too much 'tough love' on drug use.

But this is the philosophy the government is following. So what have the Conservatives actually been doing?

Progress so far

Actually they have been doing a lot. And they plan more.

Some came under the Coalition—and so may be thought of as part of the legacy of the Lib Dems. But little if any of that has been rolled back now that the Tories govern alone.

Conservatives are most happy when voluntarism, or its close cousins transparency and nudge, can help to change behaviour.

So we have seen aspirational targets and league tables for the FTSE 100 in terms of women on boards; mandatory gender pay gap information to be published for firms over 250 to come in to force this year; and recent calls for colour blind applications to university.

There have been some tougher pushes on employers, too, not least via the upping of the minimum wage for adults over 25, neatly—or cynically—rebranded as a Living wage (even if part of its motivation was to clear the ground for cuts to tax credits and its impact is likely to be undermined to an extent by the arrival of Universal Credit).

Cameron has been big on family-friendly policies. The extension to all workers of the right to request flexible work was made under the Coalition in 2014 (an extension of something I helped bring in in the early Labour years!). Shared parental leave came into practice last year. Dads' parental leave is on the move. And working grandparents will be able to share parental leave from 2018.

Thirty hours free childcare for three- and four-year-olds are promised—where the Tories outbid the other parties in 2015. And there is a promise of tax free childcare.

There were lots of mentions of mentoring and character in schools in his speech, and on relationships and parenting, although the sums involved are not big.

While he has of course '*backed marriage in the tax system*'.

Cameron argues that the National Citizens Service (NCS) and its big expansion is a part of all this.

Mental health is seen as big thing too.

There are also a number of programmes aimed at those at the bottom. For example, working with Troubled Families, and knocking down sink estates.

There were also, in his speech, references to new ways to fund things that the government believes help push towards a focus on earlier intervention, which includes: Outcome funds (for example, for alcoholism and drug treatments that lead to recovery not maintenance of dependency); and Social Impact Bonds (SIBs) which aim to break down difficulties caused by commissioning silos, and to encourage innovation. Indeed some inside and outside of government are convinced that social investment is the long-term answer to many of our ills.

Under any assessment, this is a major programme and a major direction of travel.

Does this work?

Obviously there are many contradictions and issues in all of this, even on its own terms. Here are some.

Firstly, do these things work?

As the people in this room will know as well as anyone, effective prevention is extremely hard, especially when it comes to things like relationships and parenting. With Troubled Families, despite undoubted success there has also been some dubious spin, numbers and claims.

The National Citizens Service (NCS), a Cabinet Office programme bringing together teenagers for activities and volunteering, is much celebrated. But even in this keynote initiative, and despite some good effects, evidence for any *sustained*, positive impact on children simply isn't there yet, let alone evidence that it is the most cost effective approach to achieving the desired outcome (as opposed, for instance, to the voluntary sector delivering it on its own).

This is true, too, in tricky 'progressive' areas. Recent randomised controlled trial (RCT) evidence on Family Nurse Partnerships shows just how tricky it can be, as a successful intervention in the USA turned out to be less successful here.

Secondly, cuts undermine progress.

This happens in some obvious ways. If cash dries up, a programme will either need to be stripped back or abandoned altogether.

But we now also have the phenomenon of cutting something one moment only to reinstate some of the funding the next (so it is unclear how much money really is additional). You might think for example of domestic violence help, or work to fund mental health treatments or early intervention.

English lessons for migrants recently captured headlines for precisely this reason.

There are massive cuts to local government—what we at NPC have called a '[silent killer](#)'. Almost as though the Tories don't realise how bad it is at times, although there is lots of noise from the counties now.

The NHS is stretched and Sure Start is in trouble.

There are also very big cuts on key preventative programmes like Further Education.

Other government policies or trends are also intensifying pressures to inequality of life chances—for example, the housing market is causing all sorts of pressure.

Thirdly, things are perhaps not all they seem, especially on family friendly policy.

Childcare hours are not flexible enough for many, and are not provided in many places—indeed it is unclear whether places can be provided everywhere at the price they are being paid at to fulfil the three- and four-year-old offer.

And it remains very expensive for families. The [Family and Childcare Trust say](#) that childcare for a child under the age of two in the UK costs over £6,000 a year for 25 hours a week.

Men are not taking up the parental leave—BIS think it will be just 8% as a maximum. But we can look at Sweden and ‘daddy quotas’ there that do work. I know that Working Families have long promoted not just better policies on paternity leave but properly funded efforts to make sure it is taken up.

Grandparents can be useful to families—but not all of us have them round the corner, and they will be pulled off to other duties, including working longer. There is also the danger that this lets dads off the hook if we’re not careful.

The work life balance is very hard. There’s not much time for child nurturing—29% say they feel burned out often or all the time, [according to Working Families](#).

Flexible work can be exactly what some workers need, and is necessary to help families raise incomes. [Recent JRF-funded research](#) shows that greater availability of part-time and flexible jobs would get as many as 1.9 million people earning more. Yet many firms are not advertising this, and many flexible jobs are in fact poorly paid and insecure.

And we might ask what has happened to nurture a different work-life balance—especially with more insecure and zero hours contracts.

This is part of getting the social agenda right: the rewards of shared leave and so on can be enjoyed disproportionately by families with secure, predictable work.

On the other hand, families increasingly are ‘forced’ to have two full-time bread winners, which makes life very stressed.

Fourth, not all families are equal.

The hard line on migrant numbers has split up families. Some children are being brought up in the UK without a parent because of financial thresholds. And with new regulations on learning English or facing deportation, kids are being punished because their parents fall foul of new regulations.

Policy from the Conservatives and Labour

This, then, is David Cameron’s agenda. But we might ask if all Tories will sign up to it.

Chris Grayling and Theresa May seem to have a different, tougher hymn sheet. Michael Gove might be on board mostly, but how might George Osborne’s fiscal tightness clash with his metropolitan values? These differences will become more important as Cameron’s departure date approaches, and as charities start to decide who to lobby and how.

Underlying all of this is that, for some on the right, this agenda interferes too much with families and the private sphere—is far too interventionist and a place government should not be.

Traditionally, as Nesta boss and my old colleague Geoff Mulgan recently wrote, in most countries things like ‘*emotional needs, mental health, most child rearing and eldercare*’ were left to families and communities, who were thought better able to deal with them.

From another angle, some on Cameron's wing of the Conservative Party have emphasised the importance of social networks to life outcomes, including [Ryan Shorthouse](#) at the influential Bright Blue think-tank. Along the same lines, Community Links produced a great paper, [Incidental Connections](#), which emphasised the benefit of social mixing.

Much of this suggests that running a Cameron agenda in the world of the free market and with a minimalist state just will not work to tackle inequality.

Jeremy Corbyn told the Fabians in January:

'Anyone can wrap their policies in the language of "fairness". It is only Labour that has delivered fairness through institutions and laws.'

And Corbyn expanded:

'we founded the NHS; established the safety net of social security; we implemented comprehensive education; we built council housing; we created the Open University; we instituted the Human Rights Act, and the Equalities Act, and the minimum wage.'

If he wasn't so allergic to New Labour, and to Blair and Brown, Corbyn might have added Sure Start to this list something which, under austerity, is becoming a shadow of its former self.

There is something here to ponder on. Will Cameron build the institutions necessary to achieve his stated goals?

The missing ingredient: Income

But the Cameron vision, as outlined in his Life Chances Strategy, leaves out one thing almost completely— income.

This is Yvonne Roberts, [writing in the Observer](#) on January 17th:

'given a decent income, childcare, housing and employment, most parents manage well.'

'But without those foundations as a part of Cameron's Life Chances Strategy, there is a danger that the blame for staying glued to the bottom rungs of the ladder of opportunity will be unfairly attributed to a personal lack of moral fibre—and poor parenting.'

Roberts concludes:

'And that's not so much "new thinking" as stepping back to Victorian times.'

Or as Julian Margo CEO of the Family and Childcare trust put it, more succinctly:

'Parenting classes will make no difference at all if you can't afford to put a meal on the table.'

We don't have to deny the longer-term importance of community networks, social capital and resilience in addressing inequality to recognise that what the government does on low incomes really matters.

This is as true for the non-working poor as for the working poor.

If this Prime Minister is thinking about equality and poverty, without the right stress on income, it will fall to charities to take up the case, and persuade him to do so—or to smuggle it back into his lexicon.

Opportunities for charities

Which brings us onto the people in this room.

How can the voluntary sector—you guys—best approach working with the government, given your own views and Cameron's commitments in this area?

And how can you do this in line with your own aims and objectives: bringing children out of poverty, tackling in-work poverty without neglecting the needs of families left outside the jobs market?

Here are a few thoughts:

It harms no one to acknowledge some of the good things this government has achieved, and work with them.

Whatever the scepticism out there on the Conservative agenda, there have been gains. I have listed some, and we'd be fools to ignore them.

Support with childcare costs is now cross-party. This is a great victory. Now you need to keep the pressure on for delivery and then for more where we need it.

And the Tories are willing to put pressure—some at least—on employers to give staff a fairer deal. Business has screamed less loudly than when the Left have attempted the same thing: consider the apprentice levy or more flexible parental leave.

But altering business regulations isn't enough for early intervention and prevention, getting a grip on problems before they become apparent.

Progress on this sort of thing is hard at the best of times, let alone in the midst of austerity.

But Cameron's strategy assumes that this can happen. These are often the things charities do daily—and things on which other bits of society have a less than impressive record.

Finding networks and support for people; spotting problems early and acting before they spiral into something much worse; bringing a human 'tone' to public services; co-production between providers and beneficiaries.

This is what makes charities, at their very best, indispensable.

What's less sure, however, is how much thought Cameron, with his new Centre for Social Justice influence, has given to using charities.

The voluntary sector is there, sometimes mentioned sometimes not, but there's actually very little about what specifically is expected of them, or even what is so good about them.

So charities will need to make their case as to what interventions and programmes work and where they are the best placed to deliver them.

And do work together. Not just on your campaigning, but on your solutions.

There are domestic violence charities which [have clubbed together](#) to share and measure everything they do, using the same techniques, to learn and improve services across a whole section of the charity world.

There are more than one hundred charities and schools which, through the [Well-being Measure](#) which NPC developed, are now looking at the happiness of the kids—the patterns and trends and the interventions which make life better for those children.

We need more of these examples—many more.

Charities tempted to boost their claims of impact for themselves, or how much their new programs change people's lives, should be careful.

The Autumn Statement hasn't done that much to alleviate austerity.

And for charities selling the success of their interventions, the Treasury has heard it all before. *'Every pound now will save seven-fifty in the future'*; *'Our project is ready to scale across the region but needs a new grant to make it happen'*.

Making the case for early interventions is crucial, but claims without really good evidence will do more harm than good to the cause.

This is tough, because not everyone in the early intervention world will be winners. But in cash-strapped, post-Kids Company times, this is what we should expect.

Then there is, of course, your work as pressure groups. Charities have a key role in creating the tone and mood within which politicians operate.

The government is in such a strong position politically that they don't have to 'give' anything really at present.

But you can succeed.

Take inspiration where you can. The case made against tax credit cuts by groups across civil society, ably assisted by bits of Fleet Street, is a case in point.

Here data, facts and some smart dealing with the press handed charities and families a big win.

Use facts—endlessly—to hold government to account for what it has said, as well as to push on the agenda. Research like that published today is very important in this fight.

Charities, like most campaigners, are only just getting their heads around the opposition landscape but you must.

For instance, think about the prominence of the SNP. A block of fifty-six MPs, looking to make waves, roughly the same as the Lib Dem group of five years ago—they may be a useful new 'awkward squad'.

You'll want to consider where we will find the heart of Labour thinking right now, and how we play to the leader and his team. Or to the front and back benchers, some of whom clearly have a very different perspective.

And use the Lords. The Tory majority is small. The tax credits fight showed how effective it can be to by-pass MPs in favour of those in the second chamber who will keep them in check.

Ally with the bits of the Conservative Party who like Cameron's agenda, need to be cultivated and to be kept informed by you of where it is failing in their constituencies.

Make yourself useful to key folk on select committees and bill committees, where there are always experts who need guidance.

And take advantage of events going your way—or ones that might.

The emergence of new city regions, and freshly-powerful Metro Mayors, could mean new powerhouses for growth, tackling inequality with fresh ideas.

Or they could end up entrenching regional inequality, as richer regions separate further from poorer ones, and make an existing problem even worse.

The next wave of the Work Programme (and new Health and Work Programme) may be better at targeting those furthest from the labour market—and may mean there is less 'cream skimming' of the contracts to leave charities at a disadvantage.

Keep up the pressure

I'll conclude with an upbeat line.

We have a PM who says he cares about inequality and life chances. That was not always true in Conservative periods.

Hold the Prime Minister to his promises, relentlessly. Some of this is just carrying on doing what you're doing, and noisily pointing out where people continue to struggle.

Some of it is thinking through how you play into this agenda.

There are important moments on the horizon. The Universal Credit, if it ever gets here, has to be not just a simpler system for welfare but a better one for poorer families.

Plus, don't assume we never go backwards. If the UK votes to leave the EU—and we could—many of the things that come via the EU might be under threat. Unintended consequences could be serious.

There's lots ahead on this.

So keep the pressure up.

Dan Corry is CEO of charity think tank and consultancy NPC, and a former Treasury and Downing Street advisor.

TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

Increasing the impact of charities: NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

Increasing the impact of funders: NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders: NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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