

**Written submission from the  
Greater London Authority  
to the UN Special  
Rapporteur on poverty and  
human rights**

**September 2018**

## **About the Greater London Authority (GLA)**

The GLA is the regional governmental body for London. It is made up of a directly elected Mayor (the Mayor of London) and a separately elected Assembly (the London Assembly). It is part of a wider group of organisations that are together known as the GLA Group.

Set up as a strategic authority, it has evolved and now has more direct delivery and funding powers in areas like affordable housing and regeneration. Specific responsibilities relate to spatial development, housing, environment, economic development, culture and health. In all cases, the Mayor is required to produce and keep under review statutory strategies. In addition, the GLA has a general power to promote economic development, social development and the improvement of the environment in London. On top of its statutory strategic role, the GLA has direct delivery powers in housing, land and regeneration.

Beyond the requirements of the GLA Act, much of the Mayor's activity at the GLA is discretionary and relies on their status as a well-recognised figurehead for the capital. The crucial aspect of the Mayor's role is leadership; bringing together stakeholders from the public sector, business and civic society to deliver initiatives and programmes which benefit London and Londoners. The GLA has a general power to do anything which it considers will further any one or more of these purposes.

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## 1. An overview of poverty in London

### 1.1 Inequality in London

Despite being one of the wealthiest and most dynamic cities in the world, the gap between the richest and poorest residents in London is vast - in 2017, 50% of London's wealth was owned by the richest 10% of its households, whilst the bottom 50% owned just 5%.<sup>1</sup> The poorest Londoners are also worse off than the rest of the country - the income (after basic housing costs) of the bottom 10% of London households is around two thirds of the rest of the UK.<sup>2</sup>

### 1.2 Relative poverty and persistent low-income

The relative poverty measure is the number - or proportion - of individuals living in a household with less than 60 per cent of contemporary median household income. Although the proportion has been declining over the past 25 years, 14% of Londoners (1.2 million people) are currently in relative poverty. This is just below the UK average (16%).<sup>3</sup>

However, when housing costs are taken into consideration, the figures change significantly. The proportion of Londoners living in relative poverty is 28% (2.4 million people) which is the highest rate in the UK and is well above the average (22%).<sup>4</sup>

The relative poverty measure - after housing costs have been accounted for - is also used to give an indication of the number of people in persistent low-income (individuals who have been in relative poverty for three of the past four years). Between 2012 and 2016, 16% of Londoners were in persistent low-income compared to 12% across the rest of the UK.<sup>5</sup>

### 1.3 Absolute poverty

The absolute poverty measure is similar to relative poverty - the only difference being that it compares incomes to the median income in 2010/11 held constant in real terms. Under this measure, both the proportion of Londoners living in poverty (13%) and the number (1.1 million) are slightly lower and are below the UK average. However, the same trend exists when considering housing costs which increases the proportion to 26% (six percentage points higher than the UK average) and the number to 2.2 million.<sup>6</sup>

### 1.4 Child poverty

All the measures described above can be used to estimate the proportion of children living in poverty. For the relative and absolute measures, the same trend is evident - once housing costs are taken into consideration child poverty rates in London move from below the UK average to the highest in the country (*see table 1 overleaf*).

In numerical terms, 300,000 children in London are living in poverty before housing costs, but when they are added, the number rises to 700,000 with approximately 500,000 living in persistent low-income.

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<sup>1</sup> [New Policy Institute & Trust for London, London's Poverty Profile 2017](#)

<sup>2</sup> GLA Intelligence

<sup>3</sup> Department for Work and Pensions, *Households Below Average Income*, 2016/17

<sup>4</sup> *Ibid*

<sup>5</sup> GLA Intelligence

<sup>6</sup> *Ibid*

**Table 1: proportion of children living in poverty in London compared to the UK average<sup>7</sup>**

Poverty measure	Before housing costs		After housing costs	
	% of children (London)	% of children (UK)	% of children (London)	% of children (UK)
Relative poverty	17%	19%	37%	30%
Absolute poverty	15%	17%	34%	27%
Persistent low-income	NO DATA	NO DATA	24%	17%

### 1.5 In-work poverty

Despite employment rates being at a record high, the in-work poverty rate has never been higher. Well over half (58%) of Londoners living in poverty - and almost three quarters (70%) of children - live in a working family (compared to 55% across the rest of England).<sup>8</sup> This figure has increased by 50% in the past decade and is likely to have been driven in part by the increase in insecure or temporary work, stagnant wage growth and the freeze to working-age benefits.

### 1.6 Destitution

A recent UK-wide research report defined destitution as the inability to afford two or more of a list of six essentials<sup>9</sup> at any time over a month. By using this definition, it was estimated that over 1.5 million people in the UK – including 365,000 children - experienced destitution at some point in 2017.<sup>10</sup>

The top decile for the UK Local Authorities with the highest rates of destitution contained 24 authorities, nine of which were in London. The capital also had the highest weekly rate of destitution of any region in Great Britain (GB) - 0.69% of households in London experienced destitution every week.<sup>11</sup>

### 1.7 Rough sleeping

Although difficult to quantify precisely, London has the highest number of rough sleepers of any region in the UK. In 2017 Local Authorities in London estimated that as many as 1,137 people were sleeping on the streets every night.<sup>12</sup> This number has grown from just over 400 in 2010.

The GLA funds a multi-agency database called CHAIN (Combined Homelessness and Information Network) which records information about rough sleepers in London. In 2017/18 7,484 people were seen sleeping rough in London – a decrease of 8% from the previous year. The number peaked in 2016/17 (8,108) after more than doubling since 2010/11 (3,975).<sup>13</sup>

<sup>7</sup> Department for Work and Pensions, *Households Below Average Income*, 2016/17 & GLA Intelligence

<sup>8</sup> [New Policy Institute & Trust for London, London's Poverty Profile 2017](#)

<sup>9</sup> Shelter, food, heating, lighting, clothing and footwear, basic toiletries.

<sup>10</sup> [Joseph Rowntree Foundation, Destitution in the UK 2018, July 2018](#)

<sup>11</sup> [Bramley, G., Sosenko, F., & Fitzpatrick, S. \(2018\). Destitution in the UK 2018 - Technical Report. Edinburgh: Heriot-Watt University. DOI: 10.17861/BRAMLEY2018](#)

<sup>12</sup> [Homeless Link, 2017 Rough Sleeping Statistics](#)

<sup>13</sup> [CHAIN, Annual bulletin Greater London, 2017/18](#)

## 1.8 Migrant destitution

There are 6 million non-British nationals living in the UK, a third of whom reside in London.<sup>14</sup> The rate of destitution amongst them is more than double that of any other region - every week 0.21% of migrant households in the capital experience destitution compared to 0.08% for the next highest region.<sup>15</sup> The CHAIN bulletin reports on rough sleeping corroborate this - almost half (46%) of people sleeping rough in London during 2017/18 were non-UK nationals.<sup>16</sup> Lengths of stay in emergency accommodation tend to be particularly protracted for those with no recourse to public funds, particular for people with insecure immigration status.

## 2. The geography of poverty in London

### 2.1 Inner and Outer London

The proportion of people living in poverty is higher in Inner London<sup>17</sup> than Outer London - almost a third (32%) are living in relative poverty compared to a quarter (25%) in Outer London. The same trend exists for child poverty - approaching half (43%) of children from Inner London are living in relative poverty compared to a third (34%) of children in Outer London.<sup>18</sup> However, the actual number living in poverty (including children) is greater in Outer London due to its higher population - 1.38 million are living in relative poverty in Outer London compared to 960,000 in Inner London.

### 2.2 Differences at a borough level

Despite the Inner-Outer trend, there are notable exceptions to the rule - four of the nine London boroughs<sup>19</sup> that are in the top decile of UK Local Authorities with the highest rates of destitution are in Outer London. The same is true of child poverty - five of the ten London boroughs<sup>20</sup> that are in the top 25 UK Local Authorities for estimated levels of child poverty are in Outer London.<sup>21</sup>

**Table 2: London boroughs in the top 25 UK Local Authorities for estimated child poverty and top decile for destitution**

London borough	Inner/Outer London	Child poverty rank (UK)	Estimated child poverty rate (%)
Tower Hamlets	Inner	1	53%
Newham	Outer	3	43%
Westminster	Inner	6	41%
Islington	Inner	9	40%
Camden	Inner	10	40%
Barking and Dagenham	Outer	16	38%
Haringey	Outer	17	37%

<sup>14</sup> [ONS, Populations of the UK by Country of birth and nationality, 2018](#)

<sup>15</sup> [Bramley, G., Sosenko, F., & Fitzpatrick, S. \(2018\). Destitution in the UK 2018 - Technical Report. Edinburgh: Heriot-Watt University. DOI: 10.17861/BRAMLEY2018](#)

<sup>16</sup> [CHAIN, Annual bulletin Greater London, 2017/18](#)

<sup>17</sup> Inner London consists of 12 London boroughs: Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Royal Borough of Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth, and Westminster

<sup>18</sup> Department for Work and Pensions, *Households Below Average Income*, 2016/17

<sup>19</sup> Barking and Dagenham, Newham, Haringey and Ealing

<sup>20</sup> Newham, Barking and Dagenham, Haringey, Brent and Waltham Forest

<sup>21</sup> [End Child Poverty, Compilation of child poverty local indicators, September 2017](#)

### 3. Drivers of poverty in London

The Joseph Rowntree Foundation have highlighted five key causes of poverty in the UK:<sup>22</sup>

1. Low wages, insecure jobs and unemployment
2. Lack of skills
3. Ineffective benefit system
4. High costs, including housing
5. Family problems

Whilst Londoners in poverty can suffer from any combination of these factors, there are several acute and unique issues in the capital which are trapping higher numbers of people in poverty.

#### 3.1 Higher housing costs

On average, housing costs account for 25% of household income in London compared to 13% for the rest of the UK.<sup>23</sup> Average rent in London is also more than twice the average for England and has been increasing at more than twice the national rate over the last five years. In Inner London the situation is even worse - average rents account for 72% of earnings compared to 29% in the rest of England.<sup>24</sup>

#### 3.2 Other costs

The cost of childcare is 27% higher in London than the rest of the UK.<sup>25</sup> This restricts some potential second earners from taking up employment or increasing their earnings. The maternal employment rate in London (60.7%) is lower than in any other region and 40% of unemployed mothers say childcare is a barrier to them finding work.<sup>26</sup>

The capital also has the highest monthly travel costs of any city in the world<sup>27</sup> and the average cost of household goods is 12% higher in London than the rest of the UK.<sup>28</sup>

#### 3.3 The 'hostile environment'

The government's hostile environment policies for migrants have contributed to migrant destitution. The restriction on EEA nationals with 'jobseeker' status claiming housing benefit in 2014 is one factor in the rise in rough sleeping amongst this group. For non-EEA migrants the excessive cost of obtaining leave to remain has left those who can't afford the fees with limited or no access to benefits. The experiences of the Windrush Generation recently highlighted the serious impact of policies designed to limit access to benefits, public services, accommodation and work for migrants with insecure status.<sup>29</sup>

These policies disproportionately affect London due to its high migrant population, and evidence demonstrates that these policies discriminate against those from a BAME or migrant background regardless of their immigration status.<sup>30</sup>

<sup>22</sup> [Joseph Rowntree Foundation, UK Poverty: causes, costs and solutions, 2016](#)

<sup>23</sup> [Resolution Foundation, London Stalling, 2018](#)

<sup>24</sup> [New Policy Institute & Trust for London, London's Poverty Profile 2017](#)

<sup>25</sup> [Resolution Foundation, London Stalling, 2018](#)

<sup>26</sup> [IPPR, The future of childcare in London, 2017](#)

<sup>27</sup> [Deutsche Bank, Mapping the World's Prices, 2017](#)

<sup>28</sup> [Resolution Foundation, London Stalling, 2018](#)

<sup>29</sup> [BBC, Windrush generation: Who are they and why are they facing problems? April 2018](#)

<sup>30</sup> [Joint Council for the Welfare of Immigrants, Passport Please: The impact of the Right to Rent checks on migrants and ethnic minorities in England, February 2017](#)

## 4. The effect of austerity on poverty

### 4.1 The impact of cuts to borough funding

Councils in England have, on average, had their funding cut by 26% since austerity began in 2010.<sup>31</sup> Between 2018/19 and 2019/20 it will be further reduced by £2.7 billion – a 54% cut.<sup>32</sup> This is leaving many Local Authorities at breaking point and has forced them to cut essential local services. One service area where this effect has been felt particularly strongly is youth services. Between 2010–11 and 2016–17, local authorities in London reduced expenditure on services for young people by £126m, or 59%<sup>33</sup>. This is broadly in line with reductions nationally. Between 2011–12 and 2017–18, London boroughs have cut at least 81 youth centres or major council-supported youth projects along with 800 full-time posts in youth services<sup>34</sup>.

This reduction in service provision has been directly linked to rises in levels of knife crime<sup>35</sup>. In April this year, youth workers claimed that austerity is directly contributing to the high-profile spate of youth murders on the streets of London.<sup>36</sup>

Funding cuts have also forced some councils to axe their Local Welfare Assistance schemes which act as the last line of defence for those at risk of destitution. In 2015/16 five London boroughs were forced to close their schemes, and a further four had to reduce their funding so much they were deemed to be on the brink of closure.<sup>37</sup>

Civil society groups and charities which provide support and advice to people living in poverty have also been affected by reductions in funding from local government – the overall income of Citizens Advice fell by £33 million in the first three years of austerity, and the housing and homelessness charity Shelter has had to close nine of its advice centres.<sup>38</sup>

### 4.2 The impact of national welfare cuts

The freeze to working-age benefits since 2010 coupled with the high cost of living in the capital means that Londoners are facing a significant gap between their income and their costs. This shortfall is most keenly felt in relation to housing costs – Local Housing Allowance rates have been outstripped by rapidly increasing rents and has left many on the brink of eviction and homelessness.

The income of Londoners has been squeezed further by the lowering of the Benefit Cap (which disproportionately affects Londoners) and cuts to Universal Credit work allowances which are forecast to reduce the income of claimants in the capital by £250 million a year by 2020/21.<sup>39</sup>

<sup>31</sup> [Institute for Fiscal Studies, \*A time of revolution? British local government finance in the 2010s\*, 2017](#)

<sup>32</sup> [Local Government Association press release, December 2017](#)

<sup>33</sup> [ONS, \*LA and school expenditure\*, December 2017](#)

<sup>34</sup> [Sian Berry AM, \*London's Lost Youth Services 2018\*](#)

<sup>35</sup> [YMCA, \*Rise in knife crime shines spotlight on youth services cuts\*, 26 April 2018](#)

<sup>36</sup> [The Independent, \*Spate in London youth murders directly linked to poverty and austerity, practitioners warn\*, 2018](#)

<sup>37</sup> [Centre for Responsible Credit, \*The decline of crisis and community care support in England: why a new approach is needed\*, 2017](#)

<sup>38</sup> [The Low Commission, \*Tackling the advice deficit: A strategy for access to advice and legal support on social welfare law in England and Wales\*, 2014](#)

<sup>39</sup> [Beatty and Fothergill, Sheffield Hallam University, \*The uneven impact of welfare reform: the financial losses to places and people\*, 2016 \(revised figures\)](#)

## 5. The rollout of Universal Credit

### 5.1 Rent arrears and the risk of homelessness

The problems with Universal Credit (UC) are wide ranging and have been well documented. One of the most severe consequences of its rollout in London is the affect it has had on rent arrears - last year three London boroughs reported that arrears in their areas had amassed £8m since UC was rolled out, and that more than 2,500 tenants were at risk of eviction.<sup>40</sup>

More recently Tower Hamlets borough disclosed that 80% of council tenants who were claiming UC were behind on their rent with average arrears of £1,245. This compared to just 35% of housing benefit claimants with average arrears of £167.<sup>41</sup>

### 5.2 Managed migration

From July 2019, all remaining claimants of working-age benefits will be 'migrated' to UC. If the government do not fix the underlying problems and revisit their migration proposals, there is a risk that thousands of Londoners – including those in some of the most vulnerable situations – will be forced into destitution.<sup>42</sup>

## 6. Concerns about the impact of Brexit

### 6.1 Recession or economic slowdown

If Brexit results in an economic slowdown or recession, it would have a direct impact on the labour market and on levels of poverty and low-income. It would also likely lead to further cuts to public spending. Analysis conducted by the National Institute of Economic and Social Research suggests that if reductions in welfare spending were used to rebalance the macro-economic impacts of Brexit, annual tax-credit and benefit incomes would be between £1,861 and £5,542 lower by 2020.

An independent economic analysis of several different Brexit scenarios commissioned by the GLA suggests that crashing out of the customs union and the single market would hit the London economy hard and lead to 90,000 less jobs.<sup>43</sup>

### 6.2 Uncertainty around settled status

In June 2018, the government announced that it will cost £65 for EU nationals resident in the UK to apply for the Settled Status Scheme to remain in the UK after the UK leaves the European Union. This fee will act as a barrier to those on low-incomes applying and may well lead to an increased undocumented population. Many in this situation are likely to be at high risk of destitution.

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<sup>40</sup> [Further written evidence from Southwark, Hounslow, Croydon and Tower Hamlets Councils \(UCR010\) to Work and Pensions Select Committee inquiry on Universal Credit](#)

<sup>41</sup> [London Borough of Tower Hamlets, Written evidence to the Work and pensions Select Committee \(UCR0243', June 2018](#)

<sup>42</sup> For more detail about these concerns, please see the attached consultation response from the GLA to the Social Security Advisory Committee.

<sup>43</sup> [Cambridge Econometrics on behalf of the GLA, Preparing for Brexit, January 2018](#)

## 7. The Mayor's response

The Mayor is committed to making London a fairer and more equal city and is working to address the underlying economic and social injustice that leaves too many Londoners struggling to get by. Since coming to office in 2016, he has advocated passionately on behalf of low-income Londoners and has secured vital funding to help reduce the cost of living and support those in crisis. He also continues to hold national government to account for the impacts of their austerity and welfare reforms. The Mayor is also determined to be the most pro-business administration since the GLA was established to ensure that London's economy flourishes and plays a leading role in releasing Londoners from the grip of poverty.

An extensive programme of work to support low-income Londoners is currently being carried out across the GLA. Some of the most significant projects are summarised below. We would welcome the opportunity to discuss these initiatives in more detail with the Special Rapporteur. We also regularly work with London boroughs and civil society groups across the capital. We would be happy to recommend or introduce the Special Rapporteur to specific organisations to visit in order to fully understand the unique set of problems Londoners in poverty face.

### 7.1 Reducing costs for Londoners

- *Increasing the stock of affordable homes* – It is the Mayor's ambition that at least 50% of all new homes built in London are genuinely affordable. Through his [Affordable Homes Programme](#) he has secured over £4.8 billion of government funding to start 116,000 genuinely affordable homes in London by 2022. They will be available to rent or buy for those on low and middle-incomes mainly via three new schemes: London Affordable Rent, London Living Rent and London Shared Ownership Homes.
- *Ensuring rents are genuinely affordable* – the government deem homes to be affordable if the rent is 80% of the market rate. The Mayor believes this rate is too high for most parts of London and has made it a [funding requirement](#) for all new homes for low-income Londoners to be rented at a substantially lower rate under his London Affordable Rent scheme. The Mayor's [London Living Rent](#) scheme is also helping middle income earners to save money by ensuring that rents are no more than a third of the mean household income for the local area.
- *Transport costs* – the Mayor has frozen Transport for London fares until 2020 and has introduced the low-cost 'hopper' bus fare
- *Energy costs* – the Mayor's [Fuel Poverty Action Plan](#) details the actions he will take to reduce energy costs for low-income Londoners, including investing £2.5 million in energy efficiency measures and establishing an energy supply company.

### 7.2 Boosting incomes

- *Good Work Standard* – Through his [Good Work Standard](#) (currently in development) the Mayor will be encouraging all businesses in London to do more for their employees, for example, by paying the London Living Wage, offering more flexible work, and offering interest free loans for childcare, travel or rent
- *Increasing availability and access to childcare* – the Mayor has developed a common [Childcare Sufficiency Assessment template](#) for London boroughs allowing them to more easily identify gaps in provision and intervene in local markets
- *Skills and adult education* – the Mayor recently launched the first ever [Skills for Londoners](#) strategy which aims to empower all Londoners to access the education and skills they need to participate in society progress in education and work. It will also ensure the skills needs

of London's economy and employers are met now (and in the future) and deliver a city-wide offer of technical skills and adult education.

### 7.3 Tackling the symptoms of poverty

- *Rough sleeping* – the GLA spends £8.45 million of its core funding on homelessness services every year. In 2016 the Mayor set up the 'No Nights Sleeping Rough' taskforce which helped to secure an additional £4.2 million funding in December 2016 and £3.3 million in June 2018. The Mayor has also recently published London's first ever [Rough Sleeping Plan of Action](#) which sets out what needs to be done to end rough sleeping once and for all
- *Child poverty in schools* – the GLA is working with the charity Child Poverty Action Group to co-design and test a range of interventions in primary schools which will alleviate the symptoms and tackle some of the root causes of child poverty
- *Food poverty* – the GLA have been inviting London Boroughs to apply for funding to help them develop [Food Poverty Action Plans](#) which will bring together local partners to create solutions to food poverty

### 7.4 Combatting the effects of austerity and welfare reforms

- *Cuts to youth services* – the Mayor has launched a £45 million [Young Londoners Fund](#) that will help children and young people to fulfil their potential, particularly those at risk of getting caught up in crime. It will support a range of education, sport, cultural and other activities for children and young people.
- *Monitoring the impact of austerity and Universal Credit* – the GLA has recently commissioned research to help understand the impact of central government policies on different groups of Londoners. The findings are due to be returned in early November and will be used to inform policy interventions and advocacy.

### 7.5 Protecting Londoners from the effects of Brexit

- *Lobbying for the best deal for Londoners* – to protect jobs in London, the Mayor has repeatedly called for a Brexit deal that keeps the UK in the customs union and the single market. He also immediately called for the right to remain for all EU citizens to protect the 1 million EU nationals living in London. In addition to publishing a [response to the government's Brexit White Paper](#), the Mayor has regularly met with the Secretary of State for Exiting the European Union to relay his concerns in person, provided evidence to various select committees and met with representatives from the European Parliament.
- *Promoting London overseas* – to ensure that Londoners from all backgrounds benefit from a thriving economy whatever the outcome of Brexit negotiations, the Mayor launched the award-winning campaign [London is Open](#) to showcase to the world that the capital remains as open to international talent, trade and investment. He has also accompanied delegations from his international business programme to Canada, the US, India and Pakistan to forge new business relationships and has increased funding to London and Partners to expand their footprint in five key overseas markets.