



A City for all Londoners

CPAG's response

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INTRODUCTION

Child Poverty Action Group (CPAG) has worked for 50 years to prevent and relieve poverty among children and families in the UK. We have a wide range of expertise and evidence from which we draw in this submission. We author and publish *The Welfare Benefits and Tax Credits Handbook*, the authoritative guide to social security in the UK; provide specialist advice and training to first tier advisers; coordinate and collate evidence from the National Association of Welfare Rights Advisers; collect evidence and case studies of the impacts of welfare reform in Scotland through the Early Warning System; and are currently providing frontline welfare rights advice to food bank users in Tower Hamlets.

We are delighted to see the Mayor's explicit aim in *A City for All Londoners* to 'address the underlying economic and social injustice that drives inequality and unfairness, and leaves too many Londoners struggling to get by' (p71). We completely agree that there is no excuse for child poverty in a city as prosperous as London.

We are also encouraged by the Mayor's commitment to break down policy siloes, as this recognises the interdependence between all themes and tackling child poverty.

We believe that the Mayor's vision should focus on addressing the root causes of child poverty in London, which include high housing costs, a lack of affordable childcare, underemployment and low pay. We would also like to see a focus on mitigating the impact of poverty on children, which can damage their education, health, wellbeing and life chances, more generally.

In this consultation response, we have offered our recommendations for how the Mayor might address some of these themes to improve the lives of children living in poverty in the capital today.

If you have any questions about any aspect of this response, please contact Alice Woudhuysen, London Campaign Manager at Child Poverty Action Group, on awoudhuysen@cpag.org.uk

CHILD POVERTY IN LONDON

CPAG is delighted that the Mayor has ‘a plan to ensure that everyone, regardless of their background or circumstances, is able to share in and make the most of London’s prosperity, culture and development... where no community feels left behind and where everyone has the opportunities they need to fulfil their potential’ (p5). London is a hugely successful city with strong economic growth and a booming population, yet children are still more likely to live in poverty in the capital than anywhere else nationally and they are also more likely to live in poverty than adult Londoners. With 37% of children in London living in poverty, it seems that many children have been left behind from London’s success.

The Mayor is right to acknowledge that London has the highest levels of poverty in the country and that this ‘has grave consequences for people’s health, for their life chances and for social integration’ (p35). Children born into poverty have lower birth weights and higher infant mortality, and are more likely to experience a wide range of physical and mental health and behavioural problems. Child poverty also has knock-on consequences for adult lives, such as a lower chance of attaining good qualifications at school and a higher risk of life-limiting health conditions.

While there are no child poverty projections for London, the Institute for Fiscal Studies has projected that in the current decade to 2020, relative child poverty in the UK will rise from 2.3 to 3.6 million (before housing costs)¹. CPAG infers from these projections that child poverty in London is likely to increase by 2020. We would therefore urge the Mayor and Greater London Assembly (GLA) to develop an ambitious child poverty strategy to reduce current child poverty levels and prevent child poverty levels from rising during the Mayor’s first term in office. We strongly agree that ‘there is no excuse for child poverty in a city as prosperous as London’ (p77) and are eager to work with the Mayor and GLA to tackle child poverty, its root causes and its effects.

It is important to note that while deprivation is still more concentrated centrally in London, in recent years there has been a significant shift outwards in indicators of poverty. According to The Smith Institute, poverty has become more concentrated in some suburban areas. In London, official data shows that there are now more people in poverty in outer London than inner London². CPAG therefore welcomes the Mayor’s intention to encourage development of employment land in outer London, as well as in central London, as this will help to tackle child poverty in outer London.

We are encouraged by the strong emphasis on social integration in *A City for All Londoners* and the Mayor’s pledge to ‘publish a new equality framework for the GLA, which will include a detailed analysis of London’s equality challenges and specific objectives for the GLA group’ (p72). We also welcome the Mayor’s intention to ‘tackle equality challenges directly by working with communities, civil society and others to effect change and to deliver targeted interventions to support the most vulnerable groups and communities in our city’ (p72). Finally, we are encouraged by the Mayor’s pledge to set up a new Economic Fairness Team and would welcome the opportunity to help shape the Mayor’s economic fairness goals, particularly in relation to child poverty.

¹ <https://www.ifs.org.uk/comms/r78.pdf>

² <http://www.smith-institute.org.uk/book/towards-urban-renaissance-agenda-city-suburbs/>

HOUSING

We welcome the Mayor's acknowledgment that high housing costs are a significant driver of poverty in London. The lack of genuinely affordable homes in London is a particular problem for families on low incomes, so CPAG welcomes the Mayor's commitment to 'working towards a strategic, London-wide target of 50 per cent of new homes built in London to be affordable' (p37). However, we urge the Mayor to define affordability in relation to income levels, not market rates, so that there are offers that are genuinely affordable for low-income families.

We are pleased that the Mayor has recognised that overcrowding is a problem in London and 'children are directly affected – 23 per cent of them live in overcrowded conditions, which we know can affect their educational achievement' (p35). We would encourage the Mayor to set a target for reducing overcrowding and to monitor overcrowding closely during his first term in office.

We welcome the Mayor's pledge to increase the housing supply by 'building new homes both for sale and for rent, including a range of different sorts of affordable housing' and him recognising that 'For people on low incomes, we need more low-cost rented homes' (p39). We urge the Mayor to ensure that there is an increase in supply for housing that is fit for families, not just one or two bedroom flats. We also urge him to address concerns that there are build-to-rent developments that will not be subject to the supplementary planning guidance, which expects a minimum 35% of homes on other sites to be affordable.

We note that in *A Manifesto for all Londoners*, the Mayor pledged to build 'homes for social rent, supporting councils and housing associations to build'. This pledge appears to be missing from *A City for all Londoners* and we would like to see the Mayor revert to it. Social sector rents are about a third of the cost of private sector rents, and therefore much more affordable for low-income families. We would like to see the Mayor build homes for social rent and clarify how the rent is calculated for this type of tenure.

The Mayor also promised in his manifesto to 'fight for the Mayor and London councils to have a greater say in strengthening renters' rights over tenancy lengths, rent rises and the quality of accommodation', however this promise is not in *A City for all Londoners*. CPAG would like to see the Mayor be much more ambitious about improving the quality, affordability and stability of the private rented sector by influencing central government's legislative approach and securing additional powers around the private rented sector in London. CPAG is very concerned that one in three private rented households in London has children in them and the number of children in poverty in private rented housing has more than doubled in ten years³. With the minimum legal tenancy lasting just six months, families face the prospect of eviction twice a year, which can create significant insecurity for children, who are faced with having to move home and move schools. We are pleased that the Mayor and GLA are offering support for individual Local Authority Private Rented Sector Licensing schemes but we would like the Mayor to clarify what this support looks like.

Currently nearly 50,000 homeless families are living in limbo in temporary accommodation and the most common reason that homeless households in London lost their last home is the end of an

³ Trust for London and npf, *London's Poverty Profile*, 2015

assured shorthold tenancy⁴. We are pleased that the Mayor has expressed his desire to take a leadership role in this area and is working with the London boroughs to identify ways in which a pan-London approach to homelessness might be more effective.

We welcome the Mayor's commitment to promoting and developing new and innovative approaches to energy efficiency, which will 'help Londoners living in poverty and struggling with high costs in the capital' (p61). Fuel poverty can have severe and life-long effects on children. Studies show that long-term exposure to a cold home can affect weight gain in babies and young children, increase hospital admission rates for children and increase the severity and frequency of asthmatic symptoms. Children in cold homes are more than twice as likely to suffer from breathing problems, and those in damp and mouldy homes are up to three times more likely to suffer from coughing, wheezing and respiratory illness, compared to those with warm, dry homes⁵.

We would like to see the Mayor go even further to reduce levels of fuel poverty in the city, by working with the community and voluntary sector to increase benefit entitlement checks, which would increase the delivery of energy efficiency measures to low income homes via the Energy Company Obligation, and also give families access to the Warm Home Discount Scheme.

CHILDCARE

We welcome the Mayor's renewed focus on childcare in *A City for all Londoners*, and his appointment of a new Deputy Mayor for Education and Childcare. A lack of affordable, flexible childcare is a key driver of child poverty in London. Given the significant gaps in the supply of childcare in the capital, CPAG is encouraged to see the Mayor's commitment to a strategic approach to the planning and development of the social and physical infrastructure that the city will need in the future. We are particularly pleased with his specific commitment to 'ensure that there are enough childcare facilities in the city' (p50). Providers in London face much higher overheads (including rent) than the rest of the country and say they are forced to pass these costs on to parents to avoid making a loss, so better use of London's space and property could really help to ease childcare costs.

We urge the Mayor to offer more support to local authorities to fulfil their duties under the Childcare Act 2006, which should include drives to increase supply of certain types of childcare where supply is not meeting demand, including childcare for children with disabilities and extended (or out-of-school) services across London. CPAG and Family and Childcare Trust have recently published a report which shows that extended services are failing to match parents' need for afterschool and holiday childcare, in spite of extended services being popular with schools and children. The Mayor should ensure that London takes the lead on extended school services in the UK.

We would like to see the Mayor and GLA create a pan-London, 'market managing' childcare brokerage service, which would map current childcare provision across London to identify gaps and influence planning decisions. We also urge the Mayor to explore the use of GLA and Transport for London assets as spaces for childcare, to ensure that childcare provision is included in the new

⁴ Trust for London and npf, *London's Poverty Profile*, 2015

⁵ <http://www.ukace.org/wp-content/uploads/2013/02/ACE-and-EBR-fact-file-2012-02-Families-and-fuel-poverty.pdf>

London Plan and to encourage local authorities to use Section 106 agreements with developers to elicit contributions of funding or space for childcare provision across London.

We are pleased that the Mayor acknowledges that ‘parents (often women) can be held back at work because childcare costs are prohibitively high (34 per cent above the national average)’ and that he wants to ‘help parents get back to work, not only by ensuring that they understand their entitlements to existing childcare provision, but also by calling on the Government to design childcare policies and funding structures that work for Londoners’ (p51).

We know that childcare has a significant impact on maternal employment, household income and child poverty and subsequently affects outcomes for children, families and the economy. Just 63.3 per cent of mothers with dependent children were working in London in 2013, compared with 72.9 per cent in the rest of the UK⁶. London parents rely more on formal childcare, as they are much less likely to be able to call on informal (cheaper or free) childcare from family and friends than in other parts of the country. We would like to see the Mayor consider a small grant scheme for childminders to cover items such as training, registration fees, insurance and equipment and to provide start-up grants to increase childcare supply in areas that have been identified as having a lack of places.

CPAG notes that the London Enterprise Panel (LEP)’s ‘A Growth Deal for London’ (2014) acknowledged that high childcare costs and a lack of part-time jobs are significant barriers to getting a job in London. The LEP also pledged in the long term to ‘provide college sites which offer the full range of facilities to improve study and ensure equal access including... childcare and sports facilities, reflecting the poor housing, higher rates of lone parents and higher obesity rates seem more in London than elsewhere⁷. We urge the Mayor to take this agenda forward with the LEP.

WORK AND PAY

Worklessness, a lack of part-time and flexible work and low pay are all key drivers of child poverty in London. Although the number of people in workless households in London has fallen considerably over the last 15 years, from nearly 20% to less than 10%, London has one of the highest in-work poverty shares in the UK, with 57% of people in poverty in working families⁸. Across the UK, 66% of poor children live in working families⁹. Work, therefore, does not provide a guaranteed route out of poverty.

Recent analysis from New Policy Institute and Trust for London shows that in 2013, around 18% of all jobs in London were low paid, meaning that over 1 in 5 (around 21%) of employees living in London were low paid in 2013. There is also a clear gender dimension when it comes to low-paid work, as one third of low paid jobs in 2013 were carried out by women working part-time (214,000)¹⁰.

⁶ Family and Childcare Trust, *2014 London Childcare Report*, 2014

⁷ <https://lep.london/sites/default/files/documents/publication/A%20Growth%20Deal%20for%20London.pdf>

⁸ Joseph Rowntree Foundation and the New Policy Institute, *Monitoring poverty and social exclusion 2016*

⁹ Households Below Average Income statistics, 2015

¹⁰ <https://www.trustforlondon.org.uk/media/press-release/number-of-low-paid-jobs-in-london-increases-for-4th-year-running/>

CPAG is encouraged by the Mayor's focus on the role of businesses in addressing in-work poverty in London, in particular by paying the Living Wage and by conducting gender pay audits (p51). We are also pleased that the Mayor plans to 'work with experts from business and civil society to think about the most effective measures businesses can take' (p51). We hope this would start with tackling gender pay gaps and a move to flexible hiring by default within the GLA groups and family, including when commissioning or contracting suppliers. We are eager to work with the Mayor and new Economic Fairness Team to develop actions for employers that will boost maternal employment and help to tackle child poverty. We would also like to see the Mayor encourage all London local authorities to become accredited Living Wage employers.

We note that in *A Manifesto for all Londoners*, the Mayor said that the new Economic Fairness Team would 'forge a new business compact – based on exemplary standards in pay and employment rights for workers', but this is missing from *A City for all Londoners*. We would urge the Mayor to keep this objective for the new Economic Fairness Team and ask that he considers commitments from employers around paying the London Living Wage, offering flexible, family-friendly working and supporting employees with their childcare needs.

CONCLUSION

We are very encouraged by the overall focus and tone of *A City for all Londoners*, and by many of the Mayor's commitments, which acknowledge the root causes and impacts of child poverty in the capital. We would like to see the Mayor go even further, by:

- ✓ Developing an ambitious child poverty strategy to actively reduce current child poverty levels and prevent child poverty levels from rising during his first term in office.
- ✓ Defining affordability of housing in relation to income levels, not market rates, so that there are offers that are genuinely affordable for low-income families.
- ✓ Setting a target for reducing overcrowding in London and monitoring overcrowding closely during his first term in office.
- ✓ Ensuring that there is an increase in supply for housing that is fit for families, not just one or two bedroom flats.
- ✓ Addressing concerns that there are build-to-rent developments that will not be subject to the supplementary planning guidance.
- ✓ Building homes for social rent and clarifying how the rent is calculated for this type of tenure.
- ✓ Being much more ambitious about improving the quality, affordability and stability of the private rented sector by influencing central government's legislative approach and securing additional powers around the private rented sector in London.
- ✓ Clarifying what support for individual Local Authority Private Rented Sector Licensing schemes looks like.
- ✓ Working with the community and voluntary sector to increase benefit entitlement checks, increasing the delivery of energy efficiency measures and financial support to low-income homes.
- ✓ Offering more support to local authorities to fulfil their duties under the Childcare Act 2006, which would include drives to increase supply of certain types of childcare, including childcare for children with disabilities and extended school services.

- ✓ Creating a pan-London, 'market managing' childcare brokerage service, which would map current childcare provision across London to identify gaps and influence planning decisions.
- ✓ Exploring the use of GLA and Transport for London assets as spaces for childcare.
- ✓ Ensure that childcare provision is included in the new London Plan.
- ✓ Encouraging local authorities to use Section 106 agreements with developers to elicit contributions of funding or space for childcare provision across London.
- ✓ Considering a small grant scheme for childminders to cover items such as training, registration fees, insurance and equipment.
- ✓ Providing start-up grants to increase childcare supply in areas that have been identified as having a lack of places.
- ✓ Taking the childcare agenda forward with the London Enterprise Panel.
- ✓ Tackling gender pay gaps and a move to flexible hiring by default within the GLA groups and family, including when commissioning or contracting suppliers.
- ✓ Encouraging all London local authorities to become accredited Living Wage employers.
- ✓ Working with the business and civil society to develop a new business compact, with commitments from employers around paying the London Living Wage, offering flexible, family-friendly working and supporting employees with their childcare needs.