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## **Key Facts: Civil Society**

Facts from: Whose Society? The Final Big Society Audit, Civil Exchange, NCVO, LVSC

### **1 Community empowerment**

There has been a significant decline (from 38% in 2007/8 to 34% in 2013/14) in the proportion of people who feel they can influence decisions about their local area.

Civic participation dropped from 41% 2012/13 to 30% in 2013/14 and involvement in consultation dropped from 18% to 16%.

There has been a significant decline since the last Audit in people's sense of belonging, in neighbourliness together with an increase in racial intolerance.

### **2 Opening up public services**

There were 161,266 recorded active voluntary organisations in the UK in 2011-12. There are an estimated 70,000 social enterprises in the UK, employing around a million people. The sector drew on the active support of an estimated 12.7 million people in England who volunteered at least once a month in 2011-12.

88 per cent of charities experienced a rise in demand for their services from 2012-2013, and 89 per cent predicted that demand rising again next year. But less than a third – only 32 per cent – felt that they would be able to meet this demand.

Contracting for public services is still biased toward large, mainly private sector contractors, despite some attempts to tackle this. Four major government suppliers - Atos, Capita, G4S and Serco - between them held government contracts worth around £4 billion in 2012-13. The voluntary sector holds only 9 per cent of local contracts by value and 5.6 per cent of central contracts.

The private sector is now dominant in providing services traditionally delivered by the public and voluntary sectors: 46 per cent of foster care, 34 per cent of special education and 67 per cent of children's homes by value are now being run by the private sector

### **3. Social Action**

Formal volunteering and social action declined over the last year (from 29 to 27 per cent of people who had volunteered formally at least once a month in the last year).

There has been a significant decrease in the proportion of people involved in social action - people getting together to support a community project in their local area – from 23 per cent to 18 per cent between 2012-13 and 2013-14

However, more young people are volunteering. Social engagement by young people appears to be increasing, despite disengagement with politics. Volunteering amongst 16-24 year olds has almost doubled since 2005 and now stands at 35 per cent.

Younger people now form the largest group of volunteers by age. 38 per cent of students volunteer formally. Almost two-fifths (37 per cent) of teenagers report that they had volunteered either formally or informally in the past year.

The increasing use of compulsory volunteering in welfare programmes is controversial.

#### **4 Finance**

The sector grew rapidly in the early 2000s, but has not managed to grow significantly since 2007/8.

The voluntary sector lost £1.3 billion in state funding in real terms in 2011-12 compared to the previous year, with smaller organisations and services to disadvantaged people particularly affected.

Smaller organisations appear to be suffering the most from cuts and inabilities to access public contracts.

1 in 5 community organisations addressing poverty are facing risk of closure.

Between 2011/12 and 2012/13 the sector's total income fell by 0.2% to £40.5bn and within that figure, earned and voluntary income from individuals rose 1.4% to £18.8bn, while income from government, in the form of contracts and grants, fell by 3.4% to £13.3bn.

This needs to be set against the calculations by ONS that show that the sector made a contribution of £12.1bn to the economy in 2012/13, measured in gross value added (GVA).

#### **5 London**

Within London, 51% of those responding to an LVSC questionnaire said that they had closed services in 2010/11 (and 54% had made staff redundant).

77% expected a further cut of public sector funding to their organisation the following year - of between 30 to 40%.

National estimates echoed the local view and suggested that voluntary and community sector groups in London would lose £300m to £800m of public sector funding in 2011/12.

## Key Facts: Poverty

JRF Monitoring Poverty and Social Exclusion 2014 (based on data to 2012/13) Report

- In terms of money, average incomes are lower now than they were five and ten years ago. As the poverty threshold is indexed to average income this means that the poverty threshold is also lower than it was.
- Average incomes fell by 9 per cent between 2007/08 and 2012/13 on the after housing costs measure.
- As that average falls, so does the poverty threshold so that threshold is now 9 per cent lower than it was in 2007/08.
- So while there are 13 million people in poverty in the UK, it would be 3 million higher if we used the poverty threshold from 2007/08.
- After housing costs incomes of the poorest ten per cent living in privately rented accommodation in 2012/13 were as much as 53 per cent lower in real terms than in 2007/8. For those in social housing the fall was 17 per cent. The poorest disabled people also appear to have been hard hit.
- The UK ranking on income inequality is 28th out of 34 OECD countries, just above the USA (31st) but well below countries like France (12th) Germany (15th), Greece (18th), and Spain (22nd).<sup>333</sup> In the UK today, the richest one hundred people have as much wealth (income and assets) as the poorest 30 per cent of all households.
- The proportion of households which fall below society's minimum standard of living has increased from 14 per cent to 33 per cent over the last 30 years, despite the size of the economy doubling.
- 25 per cent of female and 15 per cent of male employees are paid below the living wage in the UK. In London there was an increase from 17 to 23 per cent in the proportion of workers whose wages fell below the London Living Wage from 2007-2013.
- Half of all people in poverty live in a family with someone in paid work
- Three-fifths of people who moved from unemployment into work in the last year are paid below the living wage.
- In 2012/13, 6.6 million people in working families were living in poverty. Among children in poverty, most (2.2 million) are in a working family. 1.4 million children in poverty live in a workless family.
- The child poverty rate in London has continued to decline because of overall declining incomes and plateaued at its lowest level (37%) in 2009/2012. However, in London median incomes fell by 11 per cent after taking account of housing costs between 2007-2013, so actual poverty grew. It remains high and London continues to be the region with the highest rate of child poverty in the UK.

- The highest rates in London in 2010/11- 2012/13 were for children in Bangladeshi (64%), mixed ethnic groups (61%) and Pakistani (57%) households. These contrast with rates of less than half of this among White and Indian children (26% and 27% respectively).
- Fifty-four per cent of children with a lone parent lived in poverty.

## Key facts - Housing

- There are 8.2 million people living in London today and the capital's population is expected to increase to 9.4 million by 2021.
- The Mayor's 2014 Strategic Housing Market Assessment gives an annual requirement of 62,000 homes a year on the assumption that, as in previous estimates, the backlog of housing need is met within the 10 year plan period. If the backlog is met over 20 years the annual requirement drops to 49,000 homes a year.
- In the Mayor's Annual London Plan Monitoring Report for 2013/4, net completions were 28,325 homes, comprising 23,986 net new homes from new build and conversions and 4,779 net new household spaces in non self-contained accommodation, primarily student flats.
- Over the past 10 years £50 billion has been spent on housing benefit in London, more than three times the £17 billion of capital investment in building new homes and improving existing ones.
- The proportion of London's households who live in council housing has fallen by half over the last 30 years to only 23% in 2014.
- More than 360,000 London households are registered on London councils' housing waiting lists and more than 37,000 households in London are living in emergency temporary housing arranged for them by their local council. This accommodation is increasingly outside Inner London. The cost of renting temporary accommodation for homeless households in London was £408 million in 2010/11 and is rising.
- The recent Strategic Housing Market Assessment demonstrated that 52% of households in housing need cannot afford market homes.
- The SHMA estimated that the annual need for additional social rented homes in London was 15,700 homes. This compares with the 3,580 social rented homes completed in 2013/4.
- Almost one in four households in London live in private rented accommodation, compared to around 17 per cent elsewhere. Rents in the capital already average £1,272 a month (£1833 for a 3 bed flat), which is double that of many other areas and more than half of an average London renters' salary.
- The latest Homes and Communities Agency (HCA) prospectus for the National Affordable Homes Programme 2015/2018 confirms that the provision of new social rented housing by housing associations is at an end: "Social rent provision will only be supported in very limited circumstances". As homes become vacant rents are also rising to the 'affordable' level of 80% of market rents.

- The average cost of building a new home in London is currently £180,000. Putting a crude cash estimate on London's housing shortage, the cost of building the 249,000 homes London needs to make up the shortfall is £44.8 billion (based on current prices).
- The average age of the first time buyer is 38. Without parental help and on an average income, the age of a first time buyer in London would be 52.
- Under The proposed housing bill an additional 800,000 RSL tenants will be able to get a 35% discount if they've been a public sector tenant for between 3 and 5 years and can buy their home. After 5 years, the discount goes up by 1% for every extra year, up to a maximum of 70% – or £77,900 across England and £103,900 in London boroughs (whichever is lower).
- This discount rate was raised in 2012 and led to a surge in council house sales. In the four years 2008/9- 2011/12 sales of council and ex council housing were averaging around 3260. In 2013/14 this figures jumped to 15,682. The replacement rate was less than 1 in 15 in 2013/14.
- In order to compensate the RSLs for the money they lose through selling with a discount, the government is legislating to force councils to sell off their most expensive property as it becomes vacant and give the money to the RSLs. In the London Borough like Camden, they have calculated that 37% of the housing stock will fall into this more expensive bracket.
- Some 25,000+ households were caught by the Total Benefit Cap in London since its introduction, although the stock at any one point is significantly lower. The reduction from £26,000 to £23,000 could triple this amount. Many of these households depend on Discretionary Housing Payments which have been cut by £40 million in 2015/16 and could be cut further next year.
- In 68 out of London's 70 sub market rental areas, LHA rates will be set below the 30<sup>th</sup> percentile rent levels in 2015-16, meaning there is a growing gap between actual rent levels and what tenants can claim on housing benefit. As of Feb 2015, 58% of London households in receipt of the LHA housing benefit were in employment.

## Key facts: Young People

- In 2012 the Government raised the participation age to 18. This has the effect of removing young people aged 16-18 from unemployment statistics.
- The number of people aged 16 to 24 in full-time education has more than doubled over the last 30 years.
- 40% of all unemployed people in the UK are under the age of 25.
- In London in 2014, 54% ( 534,000) of young people aged 16-24 were active in the labour market, the rest are students, carers or disabled. Of these 108,000(20.22%) were unemployed. London has the highest rate of youth unemployment in the country.
- Jan-March 2015. There were 943,000 young people (aged from 16 to 24) in the UK who were Not in Education, Employment or Training (NEET), 13.0%, of all young people in the UK. 46% of these were looking for work, the rest were inactive.
- 66% of employers say work experience is a critical or significant factor in their recruitment. However the proportion of employers in London offering work experience placements is 19% for school work experience, 12% of FE placements, 16% for university placements and 4% of employers offer internships.
- London is lagging behind the other regions of London when it comes to the total number of apprenticeships and the number of new apprenticeships created. As a proportion of total employment, London's figure of 2% was the lowest in England. To achieve his target of 250,000 apprenticeships by 2016, the Mayor needs a 19% year-on-year increase from 2014.
- It is easy to forget that in 2006 London was the worst performing region at both primary and secondary level. As OFSTED notes, its inspection outcomes for London are now the best in the country.
- 1 in 10 children and young people aged 5 - 16 suffer from a diagnosable mental health disorder - that is around three children in every class. Nearly 80,000 children and young people suffer from severe depression.
- 52% of those seeking help with homelessness are under 25.
- Charities report that homelessness caused by financial problems due to benefit reductions has increased six-fold. 90% believe sanctions have affected young people's ability to access accommodation.
- One-third of boys and between one-third and one-half of girls in England do not do the recommended amount of physical activity.

- National Audit Office reports that between 2010-11 and 2013-14, budgeted real terms spending on services for young people fell by 34%.

## Key Facts: Employment

Unemployment (from the Labour Force survey covering those looking for work) in the UK in March 2015 was 1,827,000 (5.5%). In London it was 285,000 (6.2%).

In April 2015, the claimant count in London was 114,700 (2.1%).

Between Jan-March 2015, there were 1,332,701 (23.1%) working age people who were economically inactive in London. Many of these people would like to work.

The overall employment rate in London increased to 70.1 per cent in 2013 after having remained at around 68 per cent of the population aged 16 to 64 since 2009. Nationally in May 2015 the employment rate is 73.5%.

**Underemployment:** If you add together the unemployed, the economically inactive who would like to work and those in part time work who would like a full time job, in the first half of 2014, there were 5.8 million underemployed adults in the UK.

**Persistent Labour Market Disadvantage:** Nationally there were 770,000 adults aged 16 and over who were unemployed for longer than a year in the first half of 2014. 420,000 of these, or 55 per cent, were unemployed for longer than two years. Only 18 per cent of adults who were low-paid in 2002 consistently escaped low pay in 2010–2012. 4 out of 5 low paid in 2002 continued to have some period of low pay 8 to 10 years later. In London rates of long term job seekers are increasing.

**Insecure employment:** In the first half of 2014 there were 1.6 million employees with temporary contracts. Thirty-six per cent (600,000) of these employees had temporary contracts because they were unable to find permanent jobs. The sector with the lowest median hourly wage, accommodation and food services, has the most contracts with no guaranteed minimum hours at 370,000. This sector is strong in London.

**Self-employed:** This category has seen substantial growth over the last number of years, particularly for the most and least skilled occupations with 110,000 more self-employed adults in these occupations, compared with 50,000 for employees. Median self-employment income is £33 a week lower than in 2007/08, a 13 per cent decline. The lowest quarter of self-employed earn only £80 a week.

## Equalities

The unemployment rate among the white population in London in September 2014 was 143,000 (5%). Among ethnic minorities it was 165,500 (11.9%). Londoners of mixed white and black African origin have the highest employment rate of 77 per cent and an employment rate most similar to white British people (75 per cent). The lowest rates are for people of Bangladeshi origin (53.5 per cent). Much of the difference is accounted for by the much lower rates of employment for Bangladeshi women. Asian employees and adults of 'other' ethnicity have the highest rates of low pay, with 34 per cent and 36 per cent low paid respectively in 2013.

There was little change in the gender employment gap. The male unemployment rate is 6.7% and the female unemployment rate is 7.4% in London. The employment gap between men and women in 2014 was 14.8%. The gender pay gap in London has wavered between 9.4 and 7.0 per cent since 2008 and stood at 8.0 per cent in 2013.

The employment rate of disabled people in London was 45.9 per cent in the year to March 2014, compared with 75.0 per cent for non-disabled people. People with disabilities are more likely to be economically inactive but wanting work and more likely to be low paid than people without disabilities, even with the same level of qualification.

Two out of every five young Londoners is not in employment.

Fifty one per cent of white young Londoners (including students) were in employment, compared with 32 per cent of BAME young Londoners. Sixty two per cent of BAME young Londoners were participating in education, compared with 47 per cent of white young Londoners.

The latest figures (2012/13) showed there were over 45,000 apprenticeships started in London over the year, with good representation of women and people from BAME backgrounds amongst the apprentices

### **The Missing Link: An Analysis of the Work Programme performance by London Councils**

The government is currently investing approximately £78 million annually in employment support in the capital, of which almost a third (£24 million) is spent on the WP

Despite its relatively resilient job market, London has historically struggled to bring its unemployment rate below the UK average and rates of long term job seekers are increasing.

In London the WP has had 70,470 referrals in 12/13 and has achieved 18,500 sustained jobs.

London is underperforming in comparison to national performance on JSA 18 – 24. It is overperforming on JSA 25+ and is significantly below target for ESA claimants.

Overall in London 370 ESA job outcomes were achieved in the last year.

Significant underperformance in ESA clients and people with disabilities in the JSA claimant groups suggests that providers could still be 'parking' harder to help clients and have not successfully aligned their employment provision with other services such as health services and drug and alcohol teams. Some of these services are provided by the local authority and closer integration is vital to ensure a better service

A further concern around the low number of job outcomes for ESA claimants is that specialist voluntary and community sector organisations may be being forced out of the market. Previous criticisms of the WP have suggested that in some cases the payment structures have resulted in local charities and social enterprises, who are often specialists in dealing with the hardest to help clients, withdrawing from the programme. Infrequent referrals and lack of support with upfront costs have been cited as reasons for this problem. If ESA claimants are being 'parked' it is likely this pattern of under referrals to specialist providers is continuing and this could further damage the support network needed by the hardest to help groups.

More JSA claimants get their benefit stopped for not attending the Work Programme than get work through it.