

Submission to the London Fairness Commission

31 July 2015

Addressing inequality in London is a key concern for the Assembly. The Economy Committee has recently pursued a number of projects which are particularly relevant to the work of the Commission. Below we provide a concise outline of each project, its key findings and recommendations made to the Mayor and others.

Our report on **low pay and the London Living Wage** highlighted the worrying prevalence of low pay in London, particularly in the retail, hospitality, catering, cleaning and social care sectors.¹ We welcomed the Mayor's vision of the Living Wage becoming the norm in the capital, but concluded that there would need to be a very significant uplift in activity to achieve this. In particular, the report recommended:

- partial devolution of minimum wage enforcement to London;
- a significant increase in efforts by the Mayor to target Living Wage uptake in low-pay sectors;
- London boroughs seeking Living Wage compliance setting a clear start date for a staged introduction of the Living Wage to social care workers, including contracted services;
- organisations harnessing procurement, investment and other commercial decisions to expand Living Wage uptake; and
- an increased focus on furthering progression for low-paid workers.²

Given the Mayor's manifesto commitment to support the creation of part-time jobs and increase parental employment, London's ongoing low rate of **parental employment** has been an ongoing concern for the Committee, particularly where women frequently end up working in lower paid, less secure work in order to be able to fulfil their parenting role.³ We called on the London Enterprise Panel (LEP) and government to take action to address the barriers to parental employment, including:

- exploring opportunities to provide 'wrap-around' childcare and reviewing childcare payment models;
- working with employers to increase the number of quality part-time jobs; and
- improving childcare support offered under Universal Credit.

The Committee also recently investigated **internships** in the capital.⁴ We highlighted London's major problem with unpaid internships. Based on the responses to two surveys, we found that fewer than 4 in 10 are paid the National Minimum Wage or above and five times as many young people told us that they would be able to do an internship if they were paid the London Living Wage. We therefore called on the Mayor to address this issue by:

- developing a policy position on internships;
- promoting good quality paid internships in London (internships lasting longer than four weeks would be paid at least the National Minimum Wage, and preferably the London Living Wage);

¹ Economy Committee, [Fair pay: Making the London Living Wage the norm](#), February 2014

² The Committee has also previously recommended that adult careers services in the capital also foster progression for low paid people. Please see [Tailor-made: Improving adult careers services in London](#)

³ Economy Committee, [Parental employment in London](#), December 2013

⁴ Economy Committee, [Internships in London](#), December 2014

- taking part in an awareness-raising campaign on the rights of interns and make clear to business the legal requirements and benefits of paying interns; and
- addressing the lack of data on internships and commission more research to understand the role of internships in London and to target further interventions.

The Mayor responded by publicly issuing his support for good quality paid internships.

Personal problem debt was a recent focus for the Committee.⁵ Our report highlighted the shift from debt related to consumer spending to essential living costs. Approximately half a million Londoners are currently over-indebted or in financial difficulty. We were also particularly concerned about the impact of Council Tax arrears, which we heard are fast becoming one of the most problematic sources of debt. We also called on the Mayor to promote more affordable credit and savings options, noting that in particular this would support growth for credit unions and other affordable credit options. The Mayor agreed to take some specific actions to address problem debt in the capital, particularly on supporting the proposed London debt observatory and increasing young people's awareness of illegal money lending.

The Assembly's report into **food poverty** in the capital identified the drivers for food poverty. The top three drivers were considered to be benefit delays, low income and unemployment. The report called for sustainable responses to food poverty in the capital.⁶ This included a focus on addressing the underlying causes of food poverty. The Mayor accepted the Assembly's recommendation for London to be a 'zero hunger city'.

Relevant issues relating to inequality in the capital has been considered by a number of the Assembly's committees.

The Assembly's Housing Committee also explored the **impact of welfare reform** on Londoners.⁷ The report highlighted changes in landlords' attitudes to tenants claiming Housing Benefit and household movements out of inner London. The Committee made a number of recommendations to the Mayor and others including:

- collecting and publishing regular monitoring data on the impact of welfare reforms in London, including household movement within and out of London
- ensuring that additional support to London in recognition of its higher housing costs are regularly reviewed and adequate; and
- working with boroughs to ensure they are allocating discretionary housing payments in an effective and sustainable way.

The Housing Committee also produced guidance on **estate regeneration**, which would ensure residents and community groups are involved in decisions to demolish or renovate their homes.⁸ The committee found that in the past decade, estate regeneration had led to a significant net loss of social housing, deepening inequalities in housing provision, but also that there were good examples of resident engagement in decision making, funding and ongoing communications.

⁵ Economy Committee, [Final demand: Personal problem debt in London](#), March 2015

⁶ Economy Committee, [Zero hunger city: Tackling food poverty in London](#), March 2013

⁷ Housing Committee, [Assessing the consequences of welfare reform](#), April 2014

⁸ Housing Committee, [Knock it down or do it up?](#), February 2015

The Assembly's Budget and Performance and Transport committees have championed changes to **transport ticketing**, particularly in support of lower income households and part-time workers. Evidence shows that part-time workers are statistically more likely to be women and less well-paid than full-time workers. Therefore, the Budget and Performance Committee welcomed the introduction of the lower daily pay as you go (PAYG) cap for peak time travel. This had been a long-standing recommendation by the Committee and the Assembly.⁹ The Transport Committee has also called for the introduction of one-hour bus tickets.¹⁰

⁹ Budget and Performance Committee, [Pre-budget report 2014](#), December 2014

¹⁰ Transport Committee, [Bus services in London](#), October 2013