

# PRICED OUT?

## CHILD POVERTY, THE HOUSING CRISIS AND WHAT THIS MEANS FOR CULTURAL ENGAGEMENT OF YOUNG PEOPLE AND CHILDREN IN LONDON

HOLLY DONAGH, A NEW DIRECTION

**London has always been a city of extremes. The fact that rich and poor live side-by-side is something Londoners are used to and expect. However the nature and extent of poverty in London is changing and coupled with the crisis in housing it poses a real threat to the ability of the city to thrive and grow.**

Children have little choice in where they live and generally no capacity to earn money, but are deeply affected by the impact of bad housing and poverty.

At A New Direction we are interested in the factors that enable children and young people to take part in the fantastic cultural and creative opportunities the city has to offer – as well as the factors that stop them. A strategy for the cultural engagement of young people cannot ignore the economics that have such an impact on the choices that children and families make.

There is a case for looking at housing and poverty together in London. The cost of housing is extremely high and rising, which particularly affects people with lower incomes. Housing costs push households into poverty – the Households Below Average Income survey suggests that only 19% of households in London would be under the poverty line if housing costs were not a factor – but because of the high cost of housing it is more like 37% of households<sup>1</sup>. The recent changes to benefits mean that housing is a crucial issue not just for low and middle income wage earners but also those on income support. Poor housing has particular consequences for children and young people that are different to the consequences of poverty alone.



A very large number of children and young people in London are in poor or low-income households.<sup>2</sup> The most recent government reports suggest around 512,000 children in London live below the poverty line – but this could be as much as 600,000 depending on which measure you choose to use. GLA intelligence has recently assessed the figures – after housing costs are taken into account, average child poverty in London is 37% compared to 29% for the UK as a whole<sup>3</sup>. There are around 2.1 million children (age 0-20) in London.

There is also evidence to suggest that household incomes have been declining in real terms since the financial crash of 2008 and will continue to do so for some groups of Londoners – (typically the already worst-off are likely to get poorer). This is in the context of a squeeze on local government finances and other providers of local services and an expanding population. One key characteristic of the ‘new poverty’ is the number of working people in London now in poverty, the Trust for London

poverty profile for 2013 shows that 57% of children and adults in poverty are in families in work<sup>4</sup>.

This paper tries to uncover the broad trend around household income and housing in order to consider what this might mean for children and young people and their ability to engage with the arts and culture. It is part of a series of reports looking at key factors which impact on this agenda – School, Work, Community and Home. These factors are considered at Future Agendas - <http://www.anewdirection.org.uk/programmes/future-agenda>

## HOW LONDON'S POVERTY PROFILE IS CHANGING

A recent Centre for the Analysis of Social Exclusion (CASE) report suggests that inequality is increasing in the city as a result of extreme pay differentials in the wake of the financial crisis of 2008<sup>5</sup>. The report estimates that income for the 10% poorest Londoners went down by 24% since 2008 compared to a fall of 3.5% for the same group outside of the capital.

In general there has been stagnation and decline in real terms wages since 2008, House of Commons figures show a 5.5% drop in average hourly wages across the country since the middle of 2010 (adjusted for inflation). The Joseph Rowntree Foundation recently published a report suggesting that the cost of living has risen by 25% in the last five years – childcare costs rising by 37%<sup>6</sup>. This is creating an unprecedented squeeze on household budgets – not just for those at the bottom of the income scale but for middle income earners as well.

Outer London boroughs are seeing rising levels of poverty<sup>7</sup>. Poverty has gone down in central London and up in Outer London. Many of the areas which have seen the highest growth in poverty are also those where riots took place in 2011. Brent and Harrow, Croydon and Sutton, Ealing and Hillingdon, Havering, Bexley and Bromley were all amongst the places that have seen the greatest rise in the number of wards getting poorer. Poverty is still most intense in the inner London boroughs (Tower Hamlets, Westminster, Hackney, Islington, Newham, Camden and Barking and Dagenham all have child poverty rates of over 35% of the population using the most conservative measure). But we are seeing a significant increase in poverty in the outer London boroughs and these are the places with the largest populations of young people and school-age children. They are also the places

with relatively little infrastructure compared to central London.

Since 2008 London has experienced rising unemployment overall – though not in as extreme a way as other parts of the country<sup>8</sup>. A real concern is rising unemployment amongst 16-29 year olds and certain gender and ethnic groups. In general there has also been a trend for higher percentage rises in unemployment in Outer London as well as a significant rise in under-employment (part-time work, zero hours contracts etc). These factors, coupled with cost of living increases and the extreme increases in housing costs (which again are not experienced to anything like the same degree outside of the capital) mean that many families in London are increasingly stretched and those that would not consider themselves 'poor' are also managing on less and therefore cutting their outgoings.

- In five London boroughs, more than a quarter of households with dependent children had no adult in employment – Islington, Tower Hamlets, Hackney, Westminster and Barking & Dagenham<sup>9</sup>
- The benefit cap will restrict the total amount of support received by a household to £500 a week for families with children and £350 for single people. 27,440 households in London are expected to be affected by the cap.<sup>10</sup>
- In 2012 25% of economically active young adults in London were unemployed<sup>11</sup>

## HOUSING

In London there is a crisis in housing driven in part by the huge (and ongoing) population expansion in the city over the last ten years. For many the prospect of home ownership is an irrelevant and distant dream. This means that in London we have severe overcrowding which is largely concentrated in areas of high poverty, as well as issues with people living in unfit conditions and hidden (and not so hidden) homelessness.

<sup>12</sup>London is by far the most over crowded region in England and Wales with 11.6 % of households having too few bedrooms for their occupants. In Newham 24.5% of households are overcrowded<sup>13</sup>.

With rental increases in London of 11% since 2005 and a population set to grow by 1 million by 2020 the housing problem is unlikely to go away. Shelter estimates one quarter of children in London are

living in overcrowded homes.

The Centre for London views Housing as the single most pressing issues for the city because it impacts on so many other areas of life; without a home it is hard to find a job, without a home near to where you work the cost of travelling to work can be prohibitive, using all your income on housing constrains your ability to do anything else and move your life forward. All of these issues are compounded for children, who have little or no control over where they live. Shelter talks about bad housing impacting on the physical and mental health of children as well as negatively impacting their ability to get an education and go on to maximise their life chances.

*“None of us ever get any privacy. My elder children have real problems with homework – there is never any space for them to study and it’s always noisy”.*  
**(Michelle - Shelter study).**

The Housing benefit cap being introduced in 2013 is going to impact in London well beyond other places. Esmee Fairbairn’s recent report looked at the compound impact of recent public sector cuts to households – i.e changes to welfare, cuts to Local authorities and other services<sup>14</sup>. They concluded that some London Boroughs will be the hardest hit places in the country in terms of impact of spending cuts. This is largely because of the high demand from working and non-working households for housing support and the disproportionately high impact of Local government cuts to already stretched boroughs.

*Islington libraries run Homework Clubs during term time from 4-7pm in all their libraries. Staff are on hand to help children with their studies and they offer sessions for parents to help them support their children’s learning.*

- In 2011 there were 3.27 million households in London, an increase of 250,000 since 2001. Nearly a tenth of the increase was in Tower Hamlets alone.<sup>15</sup>
- Under-occupation penalties will reduce the level of support for families in social rented housing if they are deemed to have an extra bedroom. This will affect 80,000 households in London.<sup>16</sup>
- 260,000 households in London live in overcrowded accommodation<sup>17</sup>
- 40% of children (in the 20% lowest income bracket) live in accommodation without enough bedrooms for the whole family.<sup>18</sup>



## THE IMPACT OF POVERTY ON CHILDREN AND YOUNG PEOPLE

There is a growing body of evidence to suggest that poverty in childhood has both short-term and long-term negative impacts on young people.

The Children’s Society has been developing methods for understanding and tracking child well-being for the last ten years. Their recent report – A Good Childhood 2013<sup>19</sup> – looks at the overall state of child well-being in the UK and makes recommendations for how it can be improved. They suggest there is a very direct link between well-being (and all that means for child health, development and happiness) and poverty/income.

The most important factors in well-being for children (according to the report) are – Family, that is having a family that get along and support each other, Choice – being able to express ideas and make decisions and Money – that is not feeling like you have a lot less money than your friends. Choice and money are connected because the less money you have the less actual and perceived choice you

have in your life.

The Children's Society does not look at poverty as such but 'material deprivation,' a much broader term which is about relative income. They suggest it has a number of associated negative aspects for children.

Children who are materially deprived are 23% more likely than their non-deprived peers to not feel safe at home, 33% more likely not to feel positive about the future and 37% more likely to have been bullied. They also describe being 35% times more likely to feel that they don't have enough choice about how they spend their time.

The Children's Society report describes a situation where relatively low rates of child well-being are alarmingly common, only 10-15% of children are categorised as 'flourishing' in this report. This is even more the case for those children experiencing material deprivation as this is both a symptom and a cause of low well-being. The Children's Society have six priorities for child well-being that they are looking for all local and regional agencies to act on, this includes providing more opportunities for young people to be able to do things in their free-time.

An alarming new factor is the rising number of children going hungry as a result of their parents not having enough money to feed them properly. A recent Ipsos Mori survey commissioned by the GLA says that over 70,000 children in London go

to bed hungry 'sometimes or often' and 2 in 5 parents have cut back on food buying in the last year. For 10% of children their meal at school is their biggest meal of the day. The consequence of hunger for children is very real, affecting their ability to concentrate in school and properly socialise and make friends.<sup>20</sup>

A large percentage of children from lower income households do less well at school than their higher income peers (children registered for free schools meals tend to do 26% less well at GCSE than non-FSM students<sup>21</sup>). The 'attainment gap' between children on Free School Meals and the general student population starts early – every £100 per month in income when children were small is associated with a difference equivalent to a month's development<sup>22</sup>. Though it is important to note that there are many children who buck this trend and poverty does not have to be – by definition – a mark of educational success or failure.

- Children living in deprived areas are much more likely to be obese than those living in affluent areas.<sup>23</sup>
- Children from disadvantaged backgrounds are more likely to suffer accidental injuries at home.
- Children living in the most deprived areas are much less likely to have access to green space and places to play.
- Two in five of children from the poorest homes are read to every day compared to nearly four in five of those from the richest families.<sup>24</sup>

## WHAT DOES INCREASING POVERTY AND POOR HOUSING MEAN FOR CHILDREN'S ABILITY TO ENGAGE WITH ARTS AND CULTURE?

To some degree it is common sense that poverty will have a negative impact on a child or young person's ability to engage with arts and culture. Households are likely to be under more stress if they have money problems and this might make any kind of 'non-essential' interaction less of a priority. These households are also less likely to be able to pay for out-of-school hours activity – and even if these opportunities are free the cost of particular clothing, or transport, or books / instruments etc could put-off parents and children from getting involved.

*Weekend Arts College – based in Camden run courses, events, training and activities for more than 1200 young people a year. WAC explicitly prioritise young people from financially disadvantaged backgrounds and have a complex fees structure designed to ensure no one is excluded because of their ability to pay.*



*“My daughter’s school is raising the cost of after-school clubs from £3.00 to £7.50. My wife and I both work but our salaries are not enough to cover this rise in price”.*

**Islington resident – from the Islington Fairness commission**

*National Theatre - Entry Pass – £5 tickets for all production for registered 16-25 year olds and discounts on workshops and other events. The Barbican FreeB – free membership scheme for 16-25 year olds offering free and discounted tickets as well as offers for events and activities.*

*“You don’t feel like you’re part of the real world. There are these things that you see other people have but you know you just can’t have them. I want things to be better for my children and all my family really, but I just don’t know how to join that world”.*

**Islington resident – from the Islington Fairness commission** <sup>25</sup>

Local authorities and the voluntary sector are the main providers of youth clubs and other child-centred services. Looking at the trends in poverty and the continued cuts to public sector pay and services as a result of austerity, it is hard not to conclude that London could be facing a crisis in terms of the provision and capacity of lower income families to engage with the arts and culture outside of a school environment.

As poverty moves to Outer London, is there the capacity to invest in infrastructure to enable young people to take part in the arts and culture?

School plays a crucial role in this discussion. A New Direction’s own research shows that levels of engagement in culture for secondary age children are relatively high, due in large part to schools supporting cultural activity. In the survey young

people from lower social grade backgrounds were more likely to cite teachers and school as introducing them to culture than young people from higher social grades where families typically play this role<sup>26</sup>.

It might be argued that worrying about cultural engagement when children are going hungry is a distraction but this is far from a marginal issue. All young people have the right to develop and explore their cultural and creative potential and not being able to do this is actively detrimental for their whole-person growth and life chances. In fact the more subtle forms of exclusion and barriers to social mobility may well be bound-up with young people’s understanding of the wider world and confidence to engage – all factors that are greatly affected by participation in arts and culture.

An Institute of Education report commissioned by the government looked at why some children from disadvantaged backgrounds (where income is a key factor but not the only parameter) ‘succeed against the odds’ and buck the trend of low attainment. One of the crucial factors they describe is for the child to be able to utilise cultural capital – ‘families with academically successful children perceived and valued extra-curricular activities and experiences that contributed to their children’s development and school achievement. Low SES (socio economic status) parents with children who did not ‘succeed against the odds’ usually regarded these activities as fun and relaxing, but did not consider any educational aspects or benefits that might follow. As a result ‘vulnerable’ children were less likely to be encouraged to persevere with extra-curricular activities.’<sup>27</sup> These things are not simply nice-to-do they are crucial to the physical and mental child development and whilst schools can fill this gap to some extent, they can’t do everything.

London has some significant advantages in tackling the kinds of problems outlined in this paper. London has a wealth of cultural and creative assets to draw upon – not simply institutions and venues but also artists and skilled professionals from many walks of life. London has both very solid and exceptional schools and colleges who have shown how leadership and commitment can ensure that the poorest in society do not have to end up with the poorest educational outcomes.

Thinking about innovative ways of bringing people and places together to collaborate and apply fresh thinking for the benefit of children and young people could provide the solution.

## RECOMMENDATIONS FOR DISCUSSION

- Expansion of low-priced ticket schemes for young people
- Consideration of innovative use of cultural spaces to provide safe places for young people after-school and at weekends
- Development of collaborative, local models where organisations share assets and skills to provide a more joined-up cultural offer for young people
- Mapping and assessment of the ecology of the informal cultural sector for children and young people with a view to understanding how it is being effected by cuts at a local and city-wide level
- Work with schools on leveraging their strategic role to provide more cultural opportunities for low-income young people
- Research into impact of cultural engagement on numeracy, literacy and attainment
- Piloting of innovative models for cultural engagement using the Pupil Premium framework and funding

## ENDNOTES

1. Households Below Average Income survey – DWP July 2013.

<https://www.gov.uk/government/organisations/department-for-work-pensions/series/households-below-average-income-hbai-2>

2. There are a number of ways of calculating child poverty, the current government measure is defined as – ‘the proportion of children living in families in receipt of out of work (means-tested) benefits or in receipt of tax credits where their reported income is less than 60 per cent of median income’ (<http://www.hmrc.gov.uk/statistics/child-poverty-stats.htm>). However the DWP also uses the Family Resources Survey and the measure of ‘Households below average income’ which takes a broader view of material deprivation. The most recent HMRC figures are for August 2010 and show around 512,000 children (dependent children under 20) living in poverty. This is a big drop from the widely quoted figures from the Child Poverty Action Group of 592,000 (or 37 per cent) of all children in 2008 <http://www.cpag.org.uk/campaigns/child-poverty-london>. The drop in numbers could be explained by methodological differences or it could be related to the relative nature of the child poverty measure; as wages decrease so does the relative proportion of child poverty. A different measure – absolute child poverty – which is not relative to national income shows an increase in child poverty.

3. Poverty figures for London: 2010/11 Intelligence Update 11-2012 <http://www.london.gov.uk/sites/default/files/Update%2011-2012%20HBAI%202010-11.pdf>

4. London’s poverty profile 2013, Trust for London, New Policy Institute <http://www.trustforlondon.org.uk/special-initiatives/londons-poverty-profile/>

5. Prosperity, poverty and inequality in London 2000/01-2010/11. Centre for Analysis of social exclusion, LSE. July 2013.

6. [www.miniumincomestandard.org.uk](http://www.miniumincomestandard.org.uk) JRF July 2013

7. Prosperity, poverty and inequality in London 2000/01-2010/11. Centre for Analysis of social exclusion, LSE. July 2013.
8. As above
9. Between a rock and a hard place: the early impacts of welfare reform on London. Child Poverty Action Group. October 2012
10. Between a rock and a hard place: the early impacts of welfare reform on London. Child Poverty Action Group. October 2012
11. London's poverty profile 2013, Trust for London, New Policy Institute. <http://www.trustforlondon.org.uk/special-initiatives/londons-poverty-profile/>
12. 2011 Census snapshot; housing – GLA. <http://data.london.gov.uk/datastorefiles/documents/2011-census-snapshot-households-and-families.pdf>
13. Legally households are considered overcrowded when they cannot provide a separate bedroom for each of the following categories: couple, single adult aged 21 or older, two young people of the same sex aged 10-20, two children under 10 (but not if there is only one child under ten)
14. 'Mapping the cuts, Belinda Pratten. Esmee Fairbairn, July 2013
15. <http://data.london.gov.uk/datastorefiles/documents/2011-census-snapshot-households-and-families.pdf>
16. Between a rock and a hard place: the early impacts of welfare reform on London. Child Poverty Action Group. October 2012
17. Between a rock and a hard place: the early impacts of welfare reform on London. Child Poverty Action Group. October 2012
18. London's poverty profile 2013, Trust for London, New Policy Institute <http://www.trustforlondon.org.uk/special-initiatives/londons-poverty-profile/>
19. The Good Childhood Report 2013, Children's Society <http://www.childrenergssociety.org.uk/good-childhood-report-2013-online/index.html>
20. Child Hunger in London, Understanding food poverty in the capital August 2013. Ipsos Mori.
21. <http://www.education.gov.uk/researchandstatistics/statistics/keystatistics/b00214299/attainment-gap-at-ages-11-16-and-19/impact-indicator-8>
22. Mapping the cuts, Belinda Pratten. Esmee Fairbairn, July 2013
23. Greater Expectations, National Children's Bureau 2013 <http://www.ncb.org.uk/12976>
24. State of the nation 2013, Social Mobility and child poverty in Great Britain. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/251213/State\\_of\\_the\\_Nation\\_2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/251213/State_of_the_Nation_2013.pdf)
25. Closing the gap, the final report of the Islington Fairness Commission 2011
26. Cultural engagement by young Londoners: An Introduction to key trends, drivers and challenges. Catherine Bunting 2013. A New Direction <http://www.anewdirection.org.uk/cultural-engagement-by-young-londoners>
27. Research report DFE-RR 128 Performing against the odds: developmental trajectories of children in the EPPSE 3-16 study. Siraj-Blachford. V1