

GREATER **LONDON** AUTHORITY

FOCUS ON LONDON

2011

POVERTY: THE HIDDEN CITY



Author:
Rachel Leeser

GLA Intelligence Unit
City Hall
Queen's Walk
More London
SE1 2AA

intelligence@london.gov.uk
020 7983 4658

Follow us on **Twitter** at:
<http://www.twitter.com/GLAIntelligence>

This report is available on the **London Datastore** at:
<http://data.london.gov.uk/datastore/applications/focus-london-poverty>

Cover photo © Andy Phipps
Contains Ordnance Survey data
© Crown copyright and database rights 2011

ISSN 1479-7879

Introduction

One of the defining features of London is that it is a city of contrasts, skyscrapers flanking parks and open spaces, and immense prosperity alongside substantial impoverishment. Although it is considered one of the richest cities in the world, over a million Londoners are living in relative poverty, even before the additional costs of living in the capital are considered.

Income is the primary measure of poverty. However, it does not tell the complete story as it does not always reflect living standards. This chapter looks at a variety of income-based measures, but also considers other perspectives on poverty, including material deprivation, savings, debt and proxy measures, such as people receiving welfare benefits and worklessness. This report presents a detailed analysis of poverty in London that reveals the scale and distribution of this issue in the capital.

Summary

- > Over one in four Londoners (28 per cent) live in households that are in poverty (after housing costs) compared with the UK figure of 22 per cent, meaning more than two million residents are in poverty.
- > Half of those in poverty are in working households.
- > In London, 38 per cent of children are in poverty (after housing costs).
- > Almost a fifth (18 per cent) of London's children are in what Save the Children term "severe child poverty".
- > London includes six out of ten of the English local authorities with the highest average proportions of households in poverty.
- > There are almost half a million workless households with at least one working-age resident in London, almost one in five of all working-age households.
- > The proportion of children in workless households has been consistently higher than the UK average, and children in London are more likely to live in a workless household than those in any other region of the UK.
- > Around 13 per cent of households in London were in arrears on household bills.
- > Richmond upon Thames and the City of London are the only London local authorities with no Lower Super Output Areas at all amongst the 20 per cent most deprived in England, according to the Indices of Multiple Deprivation 2010. Twelve boroughs have no areas among the least deprived fifth in England.

Table of Contents

Introduction and Summary.....	3
What is 'Poverty'	5
Headline Poverty Indicators.....	5
Poverty Levels In Small Areas.....	7
Child Poverty.....	8
Child Poverty Measure from HMRC.....	9
Updated Estimates of Child Poverty.....	10
Welfare Benefits.....	10
Workless Households.....	12
Persistent Low Income.....	13
Material Deprivation.....	13
Savings and Debt.....	14
Index of Multiple Deprivation.....	14
Websites and Further Reading.....	18

What is 'Poverty'

In the UK, the most widely used gauge of poverty is the percentage of the population living in households with income below 60 per cent of the median or middle income for the country as a whole. This is intended as a measure of potential standard of living, so it incorporates income from all sources available to the household, less certain deductions such as taxes. In order to cover all types of household, the amounts are adjusted for household size and composition (equivalised), to take account of the fact that a household with fewer people requires less money than a larger household to achieve the same standard of living.

Two versions of the statistics are available; the first is based on income available after taxes but takes no account of housing costs (Before Housing Costs or BHC), while the second is income after both taxes and housing costs are deducted (After Housing Costs or AHC).

The median equivalised household weekly income for the UK from the latest data¹ (2009/10) is £413 for a couple with no children Before Housing Costs or £356 After Housing Costs. This means that a household with weekly income below 60 per cent of this level (£248 BHC and £214 AHC for a couple household) is considered to be in relative poverty. These kinds of poverty measures are taken from the Household Below Average Income dataset, which is derived from the Family Resources Survey dataset.

Headline Poverty Indicators

Using the Before Housing Costs definition around one in six Londoners (17 per cent) live in households that are in poverty according to the latest figures (2007/08-2009/10), just below the proportion for the UK as a whole (18 per cent). However, taking housing costs into account, the UK figure rises to 22 per cent, while in London, well over a quarter of all people (28 per cent), or more than two million residents, are in poverty (Table 1).

Some household characteristics are associated with lower poverty rates, both before and after housing costs – couples without children, full-time employees, White households and owner occupiers – whereas other characteristics are associated with significantly higher poverty rates – lone parents, workless households, households with disabled adults and children, Pakistani, Bangladeshi and Black African households and social rented sector tenants.

The highest poverty rates are among people living in workless households with unemployed adults. In London, over half of this group are in poverty before housing costs, and four in five are in poverty after housing costs, compared with 64 (BHC) and 75 per cent (AHC) nationally.

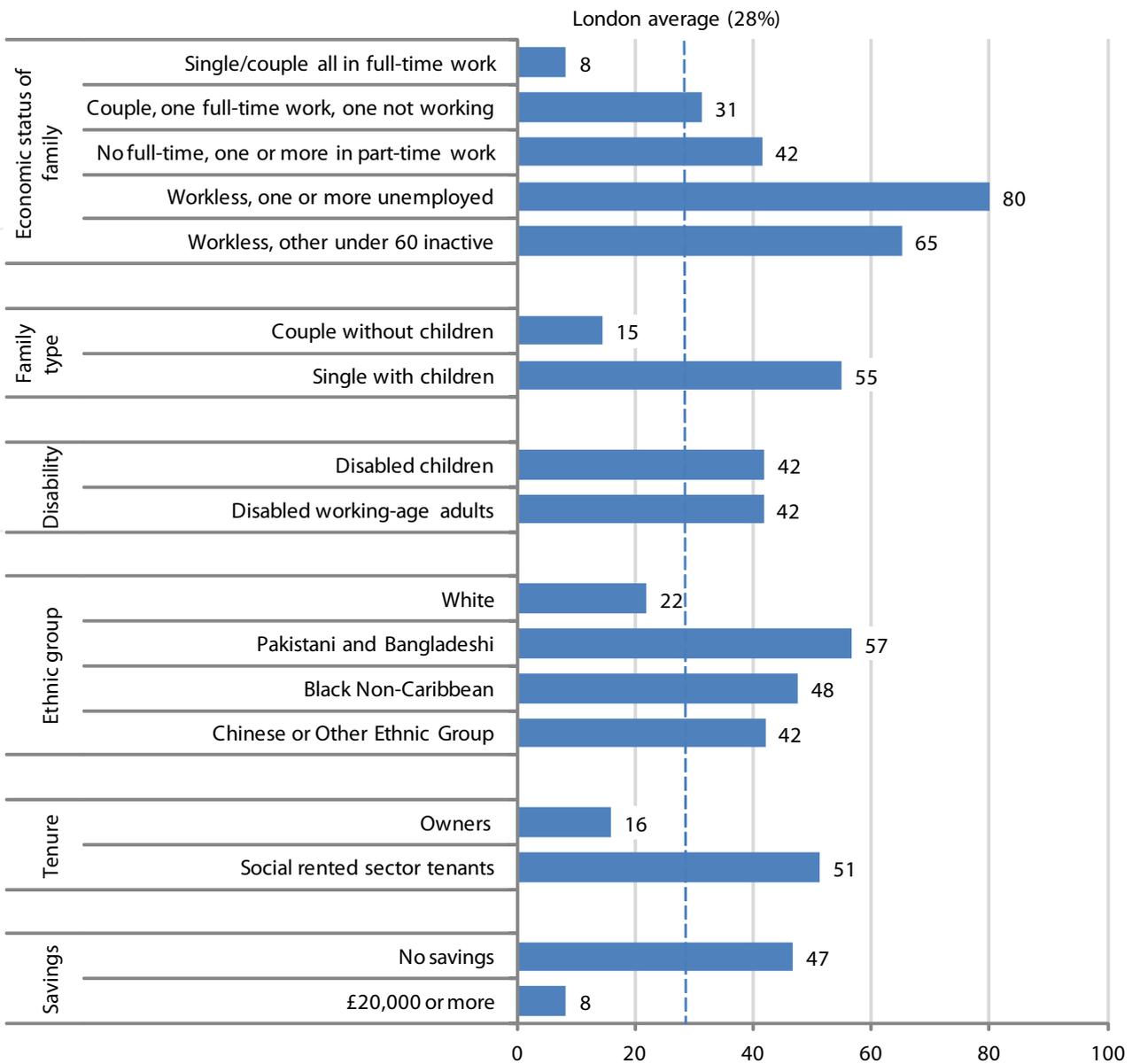
Altogether, around half of all Londoners in poverty are in workless households, including retired households. However, this means that half those in poverty are in working households. As Chart

Table 1: Percentage of residents with income below 60 per cent of median by age group, UK regions, 2007/08 to 2009/10

	All people		Children		Working Age Adults		Pensioners	
	BHC	AHC	BHC	AHC	BHC	AHC	BHC	AHC
England	18	23	21	31	16	22	20	17
North East	22	24	26	33	20	24	20	17
North West	19	24	25	33	17	23	19	15
Yorkshire and the Humber	20	23	26	32	18	22	23	18
East Midlands	20	22	23	29	17	21	24	18
West Midlands	22	25	29	36	20	24	22	16
East	15	20	16	25	13	19	21	16
London	17	28	20	38	15	26	20	21
Inner	19	32	25	44	17	30	22	28
Outer	16	26	18	34	14	24	20	18
South East	12	18	14	24	10	17	18	15
South West	16	20	16	26	14	20	20	16
Scotland	17	19	20	25	16	19	18	13
Wales	21	23	25	33	18	22	23	17
Northern Ireland	22	22	26	28	18	20	28	21
Great Britain	18	22	21	30	16	21	20	16
United Kingdom	18	22	21	30	16	21	21	17

Source: Family Resources Survey 2007/08-2009/10

Chart 1: Percentage of residents in poverty after housing costs by selected characteristics, London, 2007/08 to 2009/10



Source: Family Resources Survey 2007/08-2009/10

1 shows, nearly a third of all people in couple households with one full-time worker and one not working adult are in poverty in London.

Some characteristics are associated with higher or lower rates in some circumstances but not others. For example, single female pensioner households have high poverty rates before housing costs, but not after taking the costs of housing into account; nationally, Indian households have above average poverty rates, whereas poverty rates among Indian households in London are among

the lowest, and even well below the national average using the before housing costs measure.

Pensioners have higher poverty rates than the population as a whole before housing costs, but after housing costs are taken into account, pensioner poverty rates are lower than the rest of the population. The differential rates, between BHC and AHC by the other characteristics such as ethnicity, tenure, disability etc are maintained.

Poverty Levels In Small Areas

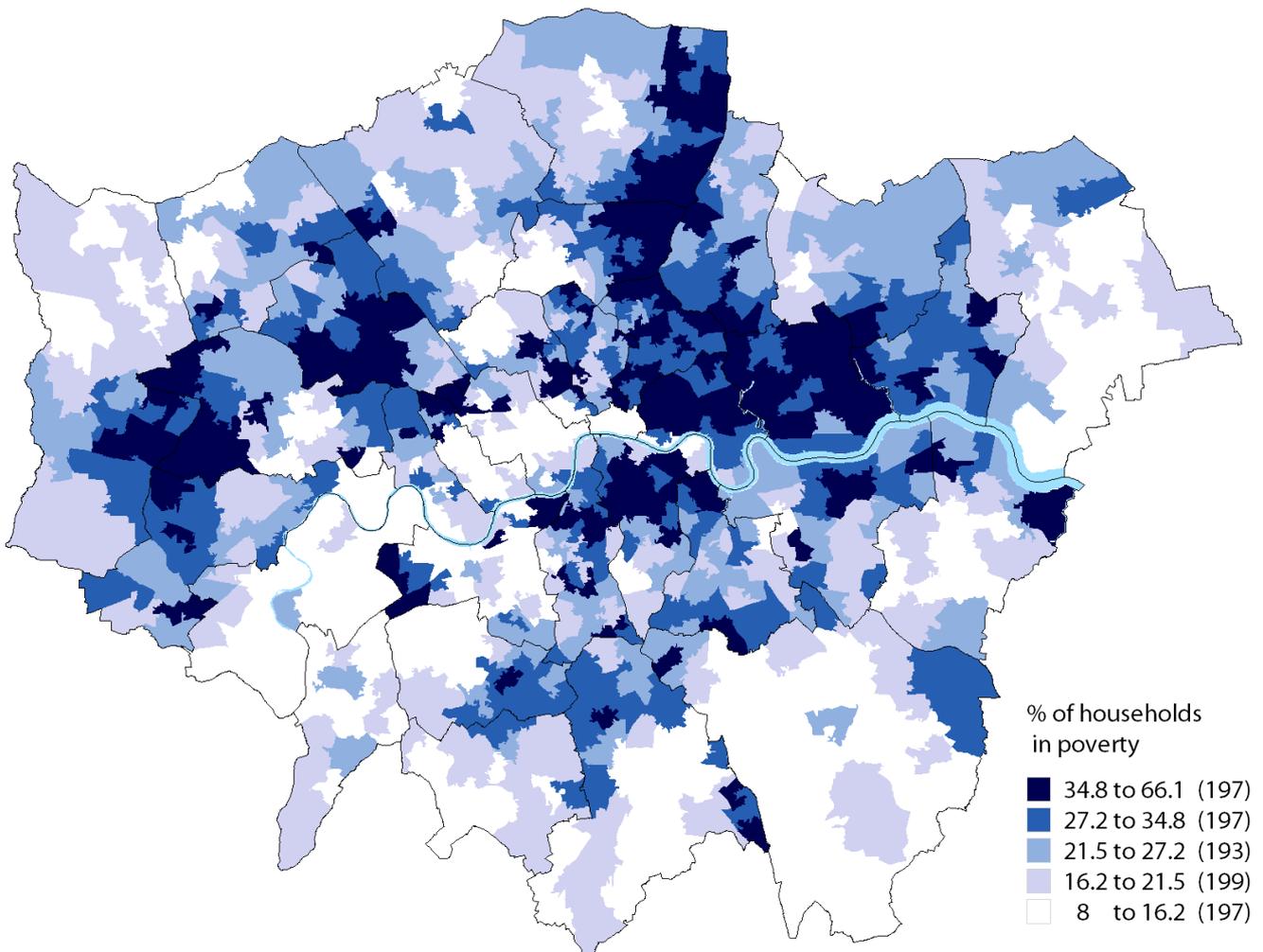
The detailed income-based measures discussed so far are based on sample data from the Family Resources Survey, which covers around 2,500 households in London each year, but it is not possible to get robust estimates for lower levels of geography directly from this.

The Office for National Statistics produces modelled estimates for smaller areas periodically. The latest ones are for 2007/8 and in addition to average weekly incomes for small areas, ONS published figures for the percentage of households, as opposed to residents, in poverty in each area. The definitions used in these estimates match those in the standard poverty measure of equivalised income below 60 per cent of median, after housing costs.

The data therefore give simply a proportion of households within each area estimated to be in poverty. The areas used are Middle Layer Super Output Areas, which contain around 7,500 residents. London has, along with Wales and the North East region, among the highest median proportion of households in poverty according to these figures, but also the broadest range of values, that is areas with very high proportions of households in poverty and areas with very low proportions. However, none of the ten local authorities with the lowest average proportions of households in poverty is in London, while six out of ten of the local authorities with the highest average proportions are London boroughs – Tower Hamlets, Newham, Hackney, Brent, Southwark and Barking & Dagenham.

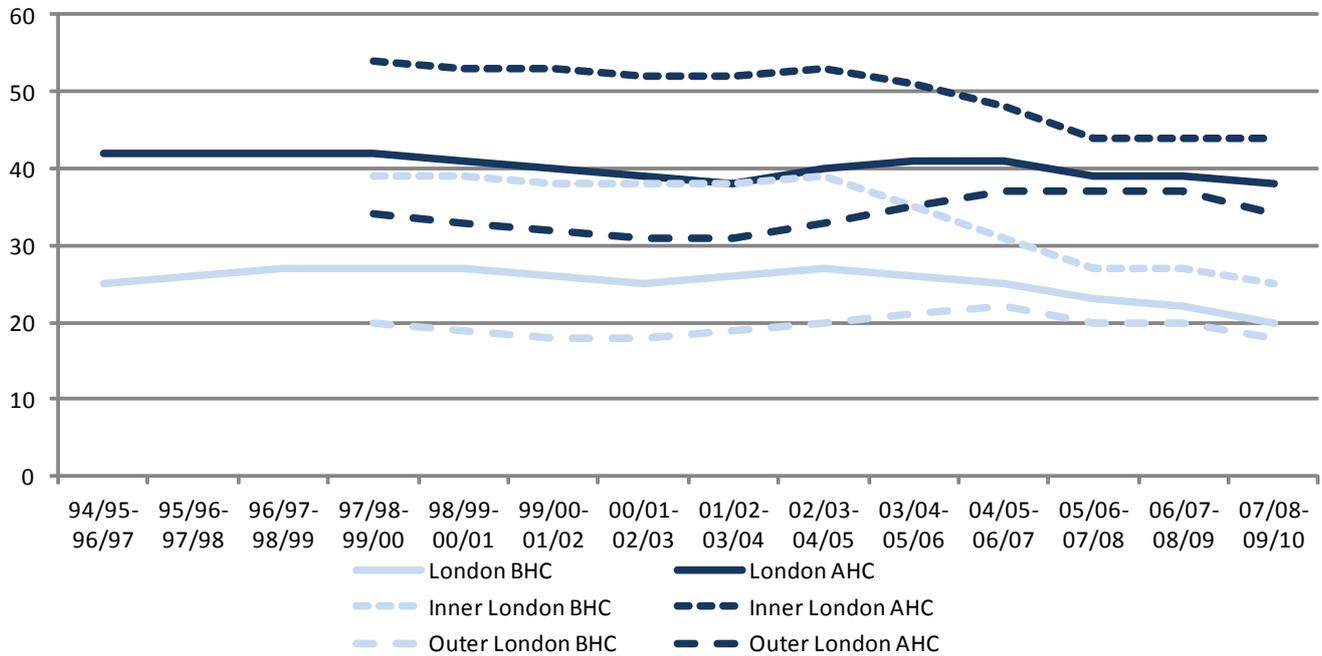
Map 1 illustrates this data for the small areas in London, showing the wide difference in the proportions

Map 1: Percentage of households in poverty¹, MSOA, 2007/08



¹ Percentage of Households Below 60% of the Median Income, after housing costs
Source: ONS, Model Based Estimates

Chart 2: Trend in child poverty for London:
(three year rolling averages), 1994/95 to 2009/10



Source: Family Resources Survey

“In Tower Hamlets and Newham, more than a third of households are in poverty in at least 70 per cent of areas”

above the London median of 24 per cent of households in poverty.

It is noteworthy that both Newham and Tower Hamlets have large areas with an average household size well above average, so that even if the gross household income was close to average, equivalisation adjusts the income to reflect that such households would be able to achieve a lower standard of living than smaller households with the same income.

Child Poverty

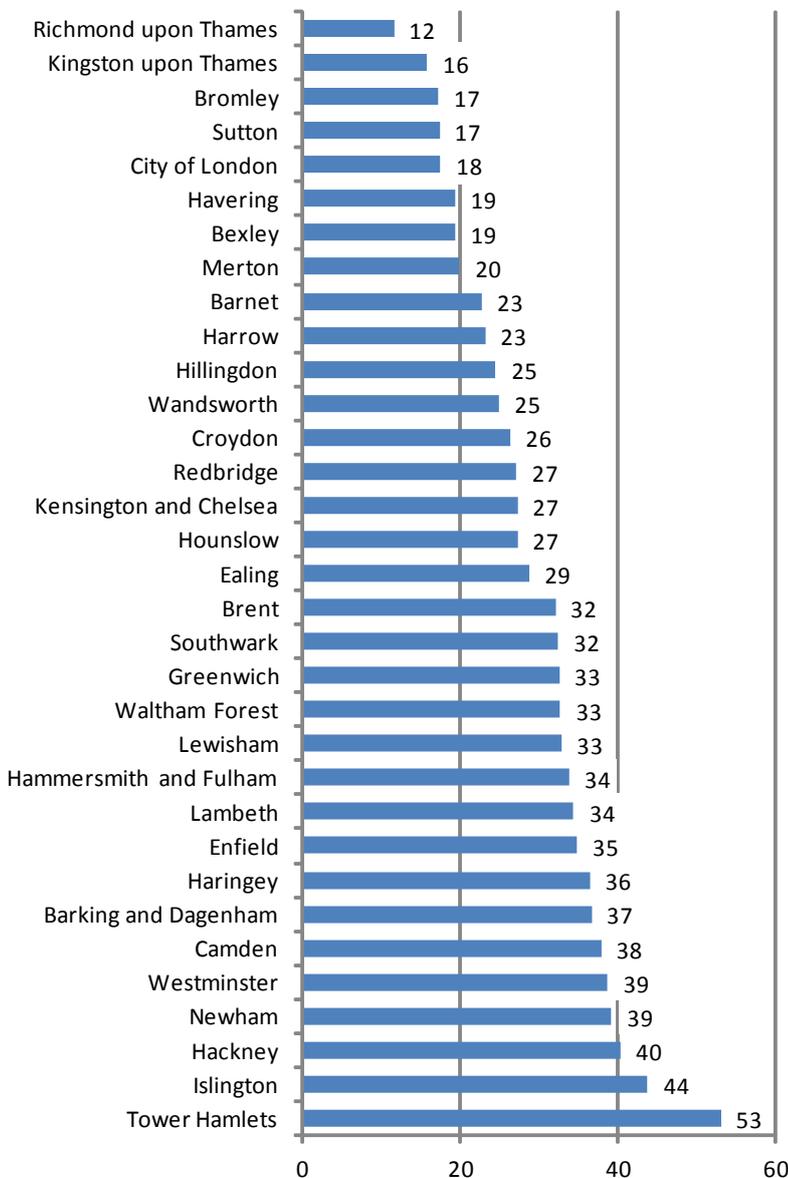
Analysis of the Family Resources Survey reveals that poverty rates for children are higher than for working-age adults, both in London and the rest of the UK, before and after housing costs.

It is highest in Inner London, at 44 per cent for the latest three-year average (after housing costs), representing around 260,000 Inner London children living in poverty. Even in the region with the lowest rate, South East England, the figure is 24 per cent.

Another clear distinction can be seen between Inner and Outer London. The rates are higher for all age groups in Inner London than Outer London according to both the before and after housing costs measures. However, the difference has been reducing with falling rates in Inner London, though rising rates in Outer London. These trends are more clearly seen using the after housing costs measure than before housing costs (Chart 2).

Around 18 per cent of London’s children are in what Save the Children term “severe child poverty”², that is in households with income after housing costs below half the national median and both adults and children lacking basic amenities. This level is above that for all other regions, and more than half of the 20 local

Chart 3: Percentage of children in poverty, London boroughs, 2009



Source: HMRC Child Poverty Statistics 2009

authorities in Great Britain with the highest levels of severe child poverty are in London.

Child Poverty Measure from HMRC

To gain insights into the characteristics of the people and households in poverty, it is necessary to use proxy information, rather than income itself. One such proxy is available from administrative data on people claiming certain welfare benefits, including tax credits, where details of income have been provided in order to claim these benefits. However, this does not use the same "poverty line", since the levels of benefits, and any other

out as it includes more than half of all the areas in London with more than 60 per cent of children in poverty according to this measure, and in nearly two thirds of the borough, more than half the resident children are in poverty.

income that people receive are different to the definition used for the poverty targets described previously.

Some people on benefits would receive an equivalised income below the 60 per cent median income, others, particularly those receiving Housing Benefit, might have an income above the 60 per cent median income using the before housing costs measure, and others not entitled to benefits, but with low earnings (particularly people with no children), might have an income below the 60 per cent median income.

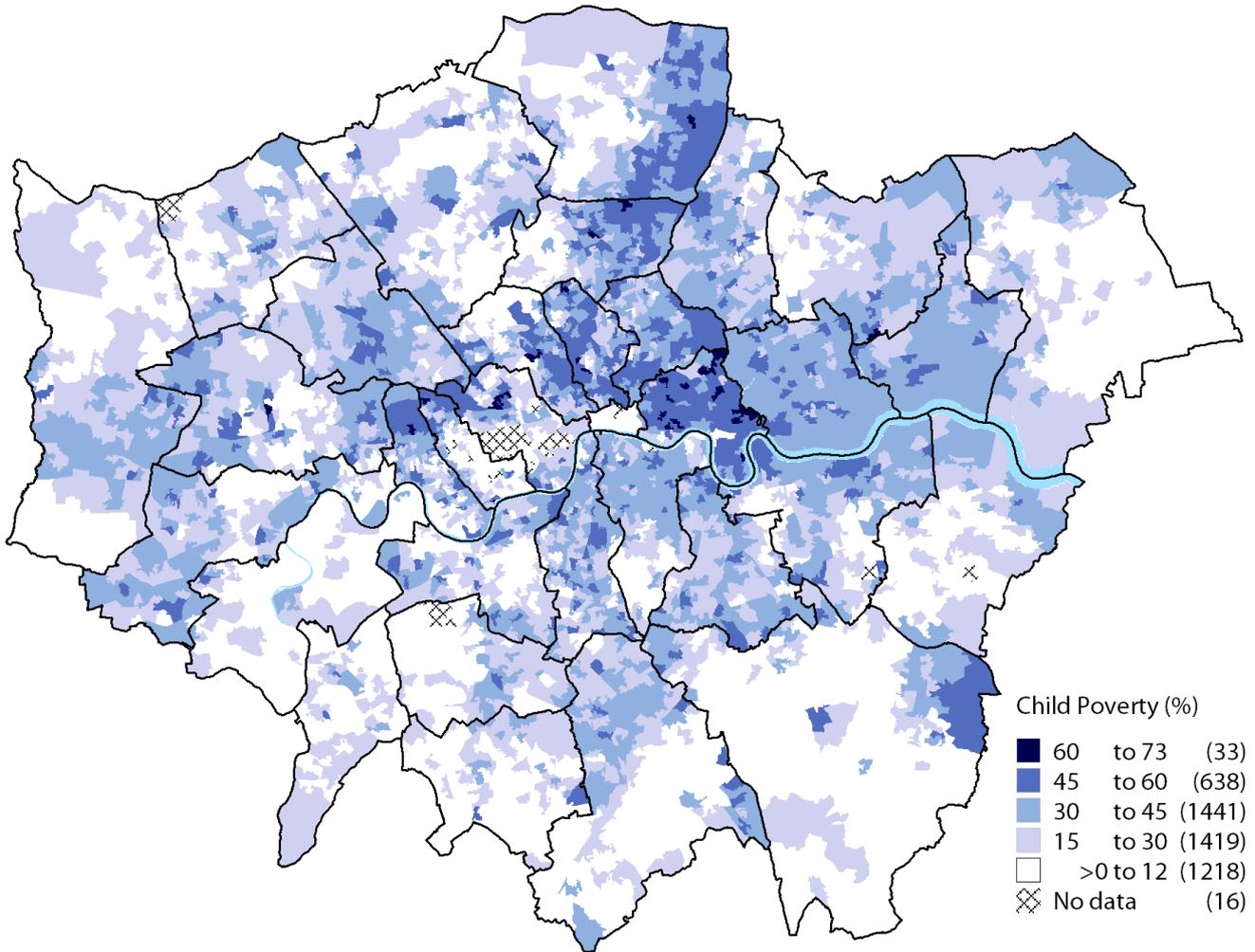
One measure available from administrative data that combines information on children in households in receipt of one or more of a range of benefits (including tax credits where the household income was below a compatible 60 per cent median income), are the Child Poverty statistics produced by HMRC.

At regional level, the latest data (2009) show that just under 30 per cent of London's children are in poverty according to this definition, compared with just over one in five nationally and nearly double the proportions in the neighbouring South East and East of England regions and in the South West of England. Chart 3 shows the difference in child poverty levels between the London boroughs. This confirms much of the general pattern seen in the household level poverty data, but gives figures for boroughs.

The same data at small area level are shown in Map 2 (p.10) and it is clear that the overall borough level figures mask the variability within boroughs, with ten boroughs including areas falling into both the highest and lowest child poverty levels on this map. However, Tower Hamlets stands

"Just under 30 per cent of London's children are in poverty...nearly double the proportions in the neighbouring South East and East of England regions"

Map 2: Percentage of children living in poverty, 2009



Source: HMRC Child Poverty Statistics 2009

Updated Estimates of Child Poverty

Research for the End Child Poverty Campaign³ finds that estimates updating these figures to 2010, rather than 2008, suggest that the six London boroughs north of the Thames from Westminster to Newham (excluding the City of London) remain six of the seven local authorities with child poverty levels above 40 per cent. The only one outside London is Manchester.

These 2010 estimates also show Haringey and Barking and Dagenham only just below the 40 per cent level, and a further eight London boroughs in the top 20 local authorities in England. No London boroughs fall amongst the 20 local authorities with the lowest child poverty levels.

Welfare Benefits

Administrative data on numbers of people of other ages claiming a wide range of welfare benefits also contribute to the overall picture of poverty in London. Welfare benefits are available for a range of circumstances and each benefit has a range of eligibility criteria which affect not only whether a benefit is payable, but the amount that is payable. These can include factors such as age, whether a person is in work or able to work, whether they have dependent children, whether they need care and income from other sources. The latest data available, for February 2011, are presented in Table 2 (p.11). This table also indicates whether each benefit is for people in work or not in work.

By far the biggest benefit in terms of numbers of claimants is the State Pension, with over 12.5 million claimants in the UK. In London alone, the number is approaching one million. Child Tax Credit, Council Tax

Table 2: Number of benefit claimants for each state benefit, London and UK, February 2011

Benefit	London claimants (thousands)	UK claimants (thousands)	In work	Out of work	Means- tested
Attendance Allowance ^{1,2}	151.6	1,766.3		✓ ³	
Bereavement Benefit	6.2	64.0	✓	✓	
Carer's Allowance ¹	92.6	1,015.4	✓ ⁴	✓	
Disability Living Allowance ¹	324.3	3,220.4	✓	✓	
Employment and Support Allowance	80.7	631.4		✓	✓ ⁵
Incapacity Benefit/Severe Disablement Allowance ⁶	236.8	1,986.0		✓	
Income Support	286.3	1,738.5	✓ ⁴	✓	✓
Jobseeker's Allowance	214.9	1,438.7	✓ ⁴	✓	✓ ⁵
Pension Credit	292.9	2,694.0		✓ ³	✓
State Pension	973.8	12,573.1		✓ ³	
Widow's Benefit	5.4	45.6	✓	✓	
<i>Housing Benefit</i>	<i>819.8</i>	<i>4,865.0</i> ⁷	✓	✓	✓
<i>Council Tax Benefit</i>	<i>819.5</i>	<i>5,854.1</i> ⁷	✓	✓	✓
<i>Working Tax Credit</i>	<i>293.1</i> ⁸	<i>2,536.3</i> ⁸	✓		✓
<i>Child Tax Credit</i>	<i>532.0</i> ⁸	<i>5,718.2</i> ⁸	✓	✓	✓

- 1 Figures for entitled cases. Payments may be suspended if, for example, the claimant is in hospital, or the amount paid for other benefits is greater than the amount they would receive for this benefit. The specific rules vary for each benefit.
- 2 Figures are for claimants, though they may be claiming on behalf of a partner too, so the number of beneficiaries is different to the number of claimants
- 3 Due to the age criteria for claiming, most claimants would not be expected to be in work, but the rules for claiming would not prohibit working.
- 4 People working limited hours may still be able to claim.
- 5 There are two forms, one is means tested, the other is based on previous National Insurance Contributions.
- 6 Figures for Severe Disablement Allowance are not available separately.
- 7 Housing Benefit and Council Tax Benefit figures are for Great Britain only.
- 8 Working and Child Tax Credit figures are for December 2010.

Source: Department for Work and Pensions

Benefit and Housing Benefit have the next highest numbers of claimants – fewer than half the number of State Pension recipients nationally, but in London the ratios are much higher - there are more than eight Housing Benefit and Council Tax Benefit claimants and more than five Child Tax Credit claimants for every ten State Pension claimants.

Since claimants may be entitled to more than one benefit, for example, Income Support and Carer's Allowance, or State Pension, Attendance Allowance and Housing Benefit, these numbers are "overlapping", and thus it is not possible to sum the figures. However, figures are also available giving the total number of people claiming at

Table 3: Clients claiming at least one of the key benefits, London and UK, February 2011

	London claimants (thousands)	UK claimants (thousands)
All ages	1,837.98	18,851.36
Working age	769.20	5,765.34
Pensionable age	1,029.12	12,752.59
<i>Claiming State Pension only (included above)</i>	<i>632.21</i>	<i>8,537.80</i>

Notes: Key Benefits included in this table are: Attendance Allowance, Bereavement Benefit, Carer's Allowance, Disability Living Allowance, Employment and Support Allowance, Incapacity Benefit, Income Support, Jobseeker's Allowance, Pension Credit, Severe Disablement Allowance, State Pension and Widow's Benefit.

The "All ages" category includes children for whom Disability Living Allowance is claimed.

Source: Department for Work and Pensions

least one of the key benefits (excluding those shown in italics in Table 2).

Altogether there are 18.6 million claimants of at least one of these key benefits in the UK, of which 1.8 million are resident in London. A higher proportion of claimants are of working age in London, reflecting the lower proportion of older people among London's population. The breakdown is given in Table 3 (p.11). It is important to note that these figures are for claimants rather than the number of people for whom the benefit is paid, so a claim for Pension Credit for a couple counts as one claim, as does a claim for Jobseeker's Allowance where additional amounts are paid for other family members, including children.

While these data can contribute to the picture of poverty, this does not mean that all people claiming benefits are considered to be in poverty. Table 2 (p.11) shows various benefits by whether they are means tested, that is the amount they receive depends on how much income they receive from other sources. Some are based on a history of National Insurance Contributions rather than income and some of the disability benefits are purely a contribution to the additional costs of living with a disability and have no means-testing or contributory criteria.

The tax credits, particularly the child tax credit, are designed to help make work pay and thus extend up the income scale so that smaller amounts are payable to some households with income well above the "poverty line" discussed earlier. Housing Benefit too can be substantial, particularly in London because of the higher rents in the capital, thus taking households of limited means well above the poverty line in terms of income if calculated before housing costs are taken into account. Similarly, many people with disabilities and receiving disability-related benefits have higher incomes, but higher costs mean that they are not able to achieve a higher standard of living than many others who are deemed to be "in poverty".

Workless Households

There are almost half a million workless households with at least one working-age resident in London⁴, which is just below one in five (18.6 per cent) of all working-age households (a household with at least one person of working-age) and very close to the rate for Great Britain as a whole. These households include 700,000 people aged 16 to 64 and nearly 350,000 children under 16.

Although the proportions of workless households and of working-age adults in those households in London are close to those for Great Britain as a whole, the proportion of children in workless households has been consistently higher than the Great Britain average and, although the gap has been reducing, children in London are still more likely to live in a workless household than those in any other region of the UK.

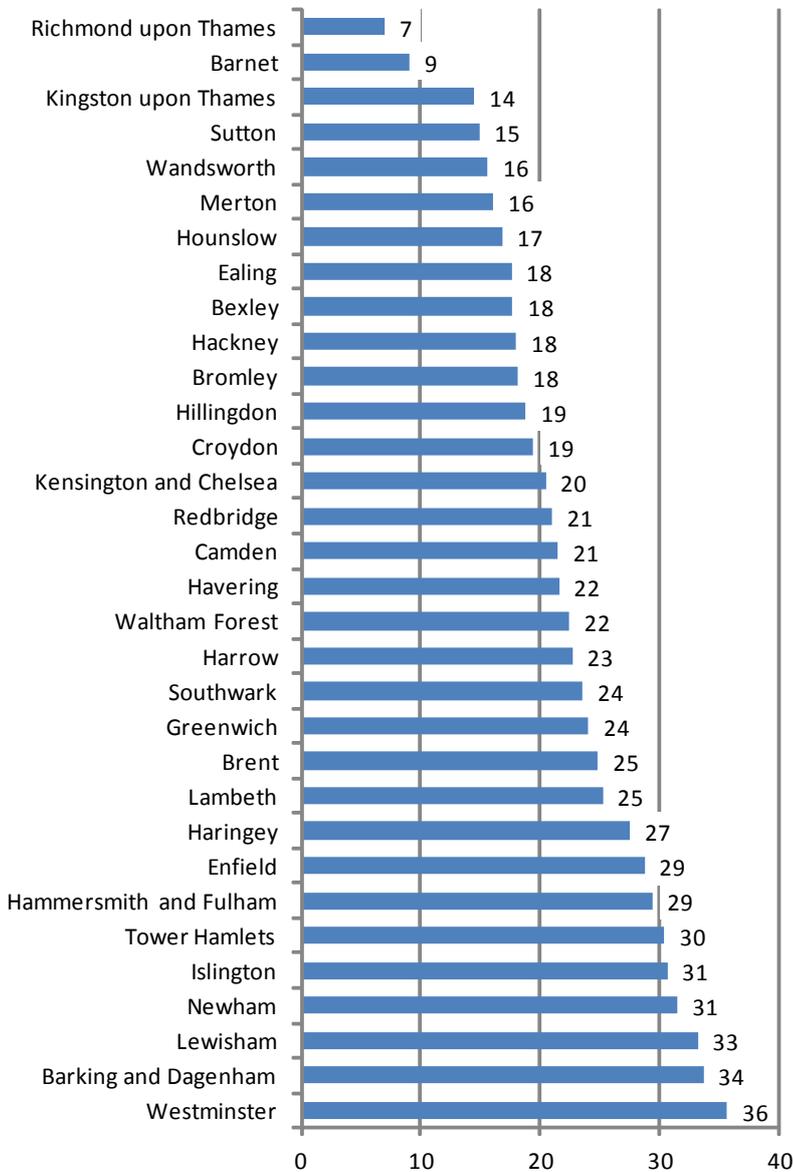
Around two thirds of all people in working-age households with no-one in work are in income poverty, after housing costs are taken into account. This rises to over 80 per cent of children in these households⁵. Worklessness is therefore an important element in poverty analysis.

Levels of workless households, adults in workless households and children in workless households vary considerably between the London boroughs, as shown for children in Chart 4 (p.13). Whichever measure is used, Westminster stands out as having the highest levels of worklessness in London in 2010, though this is not the case in previous years. This may be due to sample variability rather than reflecting real changes. The data for 2010 show that Westminster has among the highest proportions of children living in workless households anywhere in the United Kingdom and while Richmond upon Thames has the lowest proportion in London, this is far from the lowest in the country.

Worklessness, however, is not the only explanation for poverty, since 60 per cent of all London's children in households in income poverty live in households where at least one adult is in work⁶. London is the only region where there were more children in "mixed households", that is households with both working and not working adults, than in "working households", that is households where all adults were in paid employment⁷. Chart 1 (p.6), which shows that nearly a third of people in couple households with one worker are in poverty also illustrates this.

"60 per cent of all London's children in poverty, live in households where at least one adult is in work"

Chart 4: Percentage of children in workless households by borough, 2010



Source: Annual Population Survey Household datasets

Comparison of the relative levels between boroughs in children in poverty and children in workless households given in Charts 3 (p.9) and 4 also reveals that worklessness is far from the only explanation of poverty, as, for example Tower Hamlets has by far the highest child poverty rate, but there are five other boroughs with higher proportions of children in workless households. On the other hand Harrow has a much lower proportion of children in poverty than its children in workless households ranking would suggest.

Persistent Low Income

Using worklessness or even low income at a particular point in time is not always a good measure of people's ability to achieve a decent standard of living, since there are many other factors to take into account. As well as costs of living, which we know vary considerably between areas, a household's income may vary over time, with changes in employment status one of the key drivers in this. A short period of not working may have little effect on a household's resources.

Another measure which is often a better guide to living standards is persistent low income. Although definitions differ in detail from those of the standard poverty measure, this is a useful guide to longer term income poverty. The most recent figures, based on a study which tracks the same people over time⁸, show that around nine per cent of individuals were in low income households (below 60 per cent of median income before housing costs) in at least three years out of four. This rose to 12 per cent of children and 14 per cent of pensioners, but was just 6 per cent for working age adults.

After housing costs, these proportions were around 50 per cent higher for children, but nearly 50 per cent lower for pensioners. These figures are for the whole of Great Britain and due to the size of the sample, it is not possible to break down these figures below the national level. These figures are significantly lower than those for a single year, as would be expected, but they do show that income poverty is a considerable and long-term situation for a portion of the population.

Material Deprivation

Another alternative to using income as a guide to living standards is a "material deprivation" score, which is based on people saying that they don't have various items⁹ considered essential because they can't afford them.

In London, 16 per cent of children are living in households with material deprivation and low income (below 70 per cent of median income before housing costs)¹⁰. This is lower than for most parts of England, but the Inner London figure of 22 per cent of children is as high as in any region of the UK.

Savings and Debt

Issues around savings and debt are also clearly relevant to poverty analysis. Between 75 and 80 per cent of people in households in London with income below 60 per cent of median have savings below £1,500. More than three quarters of these have no savings at all¹¹. However, around one in twenty people in households with this level of income have savings over £20,000. This illustrates that income is not always the best indicator of spending power and therefore what living standard people can achieve.

Debt is a difficult topic to measure, as many people have debts, including mortgages and loans, hire purchase agreements etc. These are only considered an issue when people are unable to make the required payments to service these debts. Therefore overall measures of debt are not considered here.

A better indicator is the number of people who are in arrears on their household bills. However, this is not a perfect measure, as being behind on bill payments does not necessarily represent insufficient resources to pay bills. A measure taken from the Wealth and Assets Survey given in the *Focus on London Income and Spending at Home* report, shows that in 2006-8, 13 per cent of households in London were in arrears on household bills, such as utility bills or Council Tax payments, rent, mortgage payments on the main house or other non-mortgage borrowing payments.

“13 per cent of households in London were in arrears on household bills”

The Family Resources Survey 2006/07-2008/09 gives nine per cent of London households in arrears on at least one household bill, not including rent and mortgage payments or other borrowing such as credit cards. This is as high as for any region of the UK and clearly more than in the lowest regions – Northern Ireland, the South East and South West. Nearly half of these households were behind on two or more bills.

Index of Multiple Deprivation

Income is just one of the aspects taken into account in producing the government's Index of Multiple Deprivation. This measure also incorporates a wide range of elements considered necessary from air quality, access to services and levels of crime to health, housing, education and employment. The index combines all these issues, allowing comparison of small areas, known as Lower Layer Super Output Areas or LSOAs, across England on a consistent basis.

Map 3 shows how London compares with the rest of the country according to the IMD2010. It is clear from this that the most deprived areas within London are concentrated in an arc to the east and north of the City, from Newham through Tower Hamlets, Hackney and Islington up into Haringey and the outer London boroughs of Enfield and Waltham Forest. Other outer London boroughs, such as Brent and Ealing, also include some of the most deprived parts of the country while other parts of inner London showing high levels of deprivation can be found in Kensington & Chelsea and in Westminster.

Hackney and Tower Hamlets are among the ten local authorities in the country with the highest proportion of areas in the most deprived ten per cent in England. The five LSOAs with the highest ranks in London are in five different boroughs; Tower Hamlets, Newham, Hackney, Haringey and Waltham Forest.

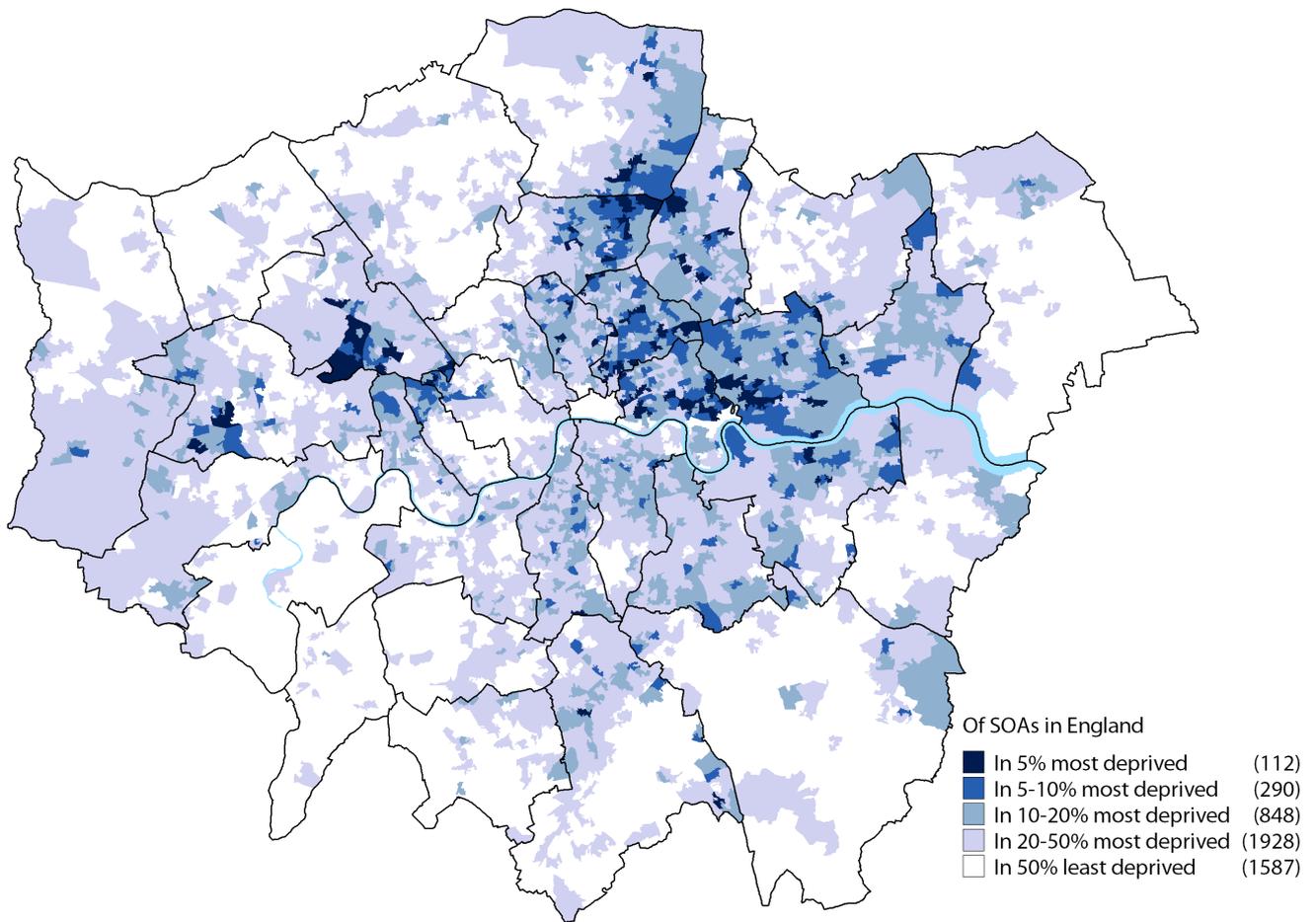
Deprivation is not confined to boroughs north of the Thames, however, and the IMD2010 reveals pockets of deprivation in boroughs south of the river, such as Greenwich, Croydon, Lambeth, Southwark, Lewisham and Bromley. The first three of these boroughs are the only ones south of the Thames with any areas among the most deprived five per cent in England.

Overall, London has fewer small areas than expected in the most deprived categories. However, there are higher than average levels of deprivation in the next category, so that over 26 per cent of London falls within the most deprived 20 per cent of England.

While it is clear from Map 3 that areas with high levels of deprivation tend to be in inner London, and mostly north of the river, Richmond upon Thames and the City of London are the only London local authorities with no LSOAs at all amongst the 20 per cent most deprived in England. Only one third of small areas in London had an IMD score below average for England, and the proportion in the 20 per cent least deprived, at less than nine per cent, was lower than for any other English region.

Since this index is produced only for these small areas it is possible to consider various facets for larger areas,

Map 3: Index of Multiple Deprivation 2010, London



Source: Department of Communities and Local Government, Indices of Deprivation 2010

such as how many people are affected, how bad the most deprived parts are, how widespread deprivation is, what the area is like on average. Therefore a variety of summary measures have been produced for local authorities across the country.

Hackney and Newham are each in the top (most deprived) three local authorities on three of the six summary measures, and Tower Hamlets is in the top three on two measures. Hackney and Tower Hamlets are in the top 50 local authorities on all six measures, six boroughs (Haringey, Islington, Lambeth, Lewisham, Newham and Southwark) are in the top 50 on five of the six measures and a further eleven boroughs rank among the top 50 on at least one measure.

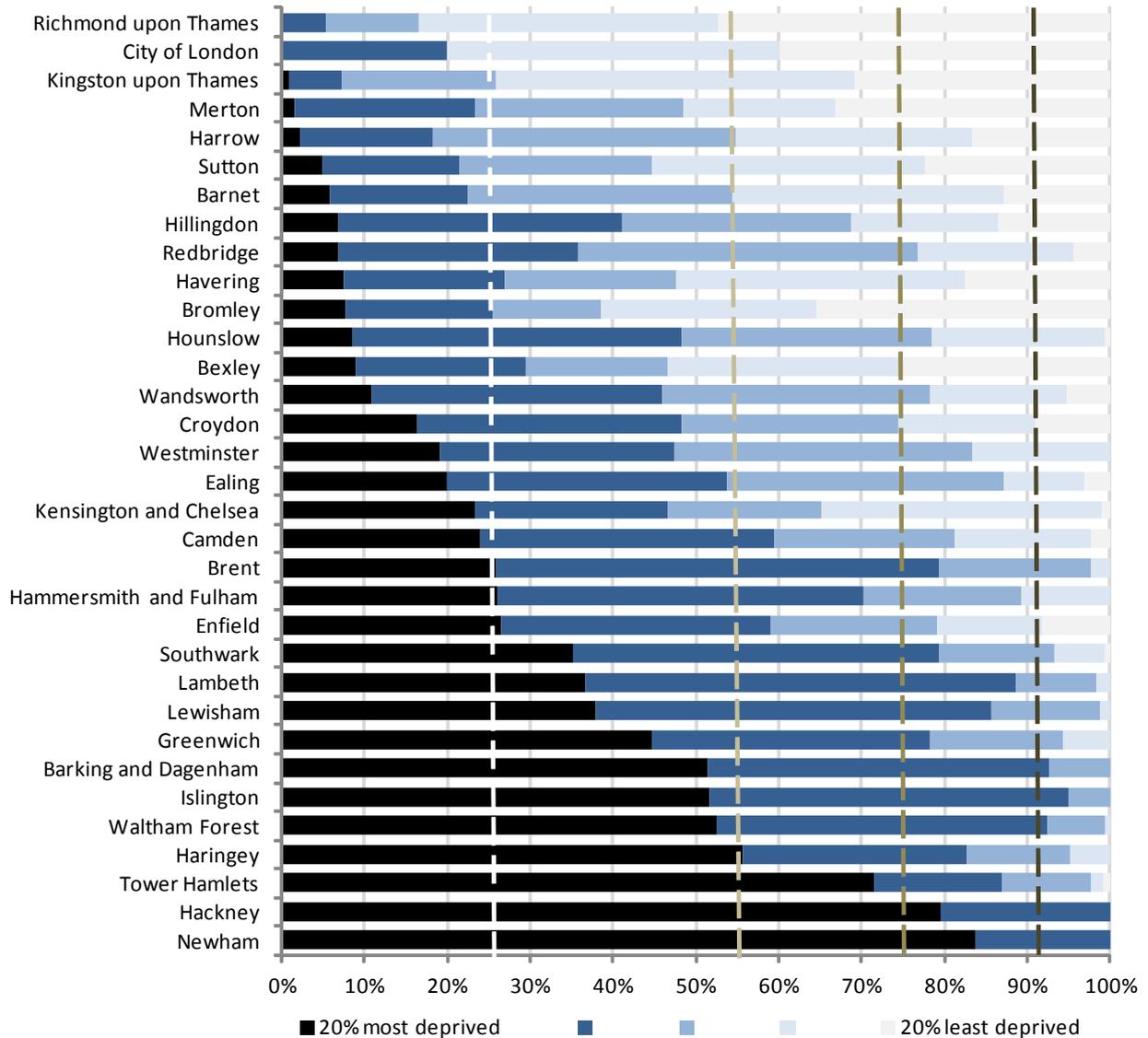
Another way to compare large areas is to look at the statistical distribution of LSOAs within that area in terms of, for example, the national quintiles. Chart 5 (p.16) illustrates what proportion of LSOAs for each borough

fall within each inter-quintile range on the IMD2010. The vertical dotted lines on the chart indicate the overall London distribution.

Richmond is clearly the least deprived borough using this method of comparison, with nearly half its small areas among the least deprived 20 per cent in England. None of the London boroughs has a distribution close to the national distribution of five equal bands, as they all have at least one band representing either over thirty per cent or under ten per cent of areas in the borough.

Enfield is the borough with the closest profile to London as a whole and Newham and Hackney stand out as the most deprived boroughs, with every part of the boroughs falling among the 40 per cent most deprived LSOAs in England. Twelve boroughs have no areas among the least deprived fifth in England, with nine having less than 10 per cent of their constituent LSOAs in the least deprived 50 per cent.

Chart 5: Proportion of LSOAs falling in each Index of Multiple Deprivation quintile in England, London Boroughs, 2010



Source: Department of Communities and Local Government, Indices of Deprivation 2010

End Notes

1 Households Below Average Income (HBAI) dataset based on the Family Resources Survey (FRS) 2009/10

2 Save the Children Briefing: Severe Child Poverty Nationally and Locally, Feb 2011

[http://www.savethechildren.org.uk/en/docs/Severe_Child_Poverty_Nationally_And_Locally_February2011\(1\).pdf](http://www.savethechildren.org.uk/en/docs/Severe_Child_Poverty_Nationally_And_Locally_February2011(1).pdf)

3 End Child Poverty research undertaken by the Centre for Research in Social Policy at University of Loughborough

<http://endchildpoverty.org.uk/files/child-poverty-map-of-the-uk-part-one.pdf>

4 Labour Force Survey (LFS) Apr-Jun 2011

5 HBAI 2007/8-2009/10

6 HBAI 2007/8-2009/10

7 LFS Apr-Jun 2011

8 British Household Panel Survey 2005-2008

9 Material deprivation includes lacking items such as celebrations of birthdays, having friends to tea, swimming at least once a month, having enough bedrooms, owning two pairs of shoes, and replacing broken electrical goods.

10 FRS 2007/8-2009/10

11 FRS 2007/08-2009/10.

Websites and Further Reading

Households Below Average Income

<http://research.dwp.gov.uk/asd/index.php?page=hbai>

HMRC Child Poverty statistics

http://www.hmrc.gov.uk/stats/personal-tax-credits/child_poverty.htm

Save the Children: Severe Child Poverty

[http://www.savethechildren.org.uk/en/docs/Severe_Child_Poverty_Nationally_And_Locally_February2011\(1\).pdf](http://www.savethechildren.org.uk/en/docs/Severe_Child_Poverty_Nationally_And_Locally_February2011(1).pdf)

End Child Poverty

<http://endchildpoverty.org.uk/files/child-poverty-map-of-the-uk-part-one.pdf>

London's Poverty Profile 2011, New Policy Institute

<http://www.londonspovertyprofile.org.uk/publications/>

Department for Work and Pensions Benefits data

<http://83.244.183.180/100pc/tabtool.html>

Workless Households

<http://www.ons.gov.uk/ons/rel/lmac/workless-households-for-regions-across-the-uk/2010/workless-households-for-areas-across-the-uk-in-2010.html>

Wealth and Assets Survey

<http://www.ons.gov.uk/ons/rel/was/wealth-in-great-britain/main-results-from-the-wealth-and-assets-survey-2006-2008/index.html>

Family Resources Survey

<http://research.dwp.gov.uk/asd/frs/>

Indices of Deprivation

<http://www.communities.gov.uk/communities/research/indicesdeprivation/>

Focus on London Income and Spending at Home

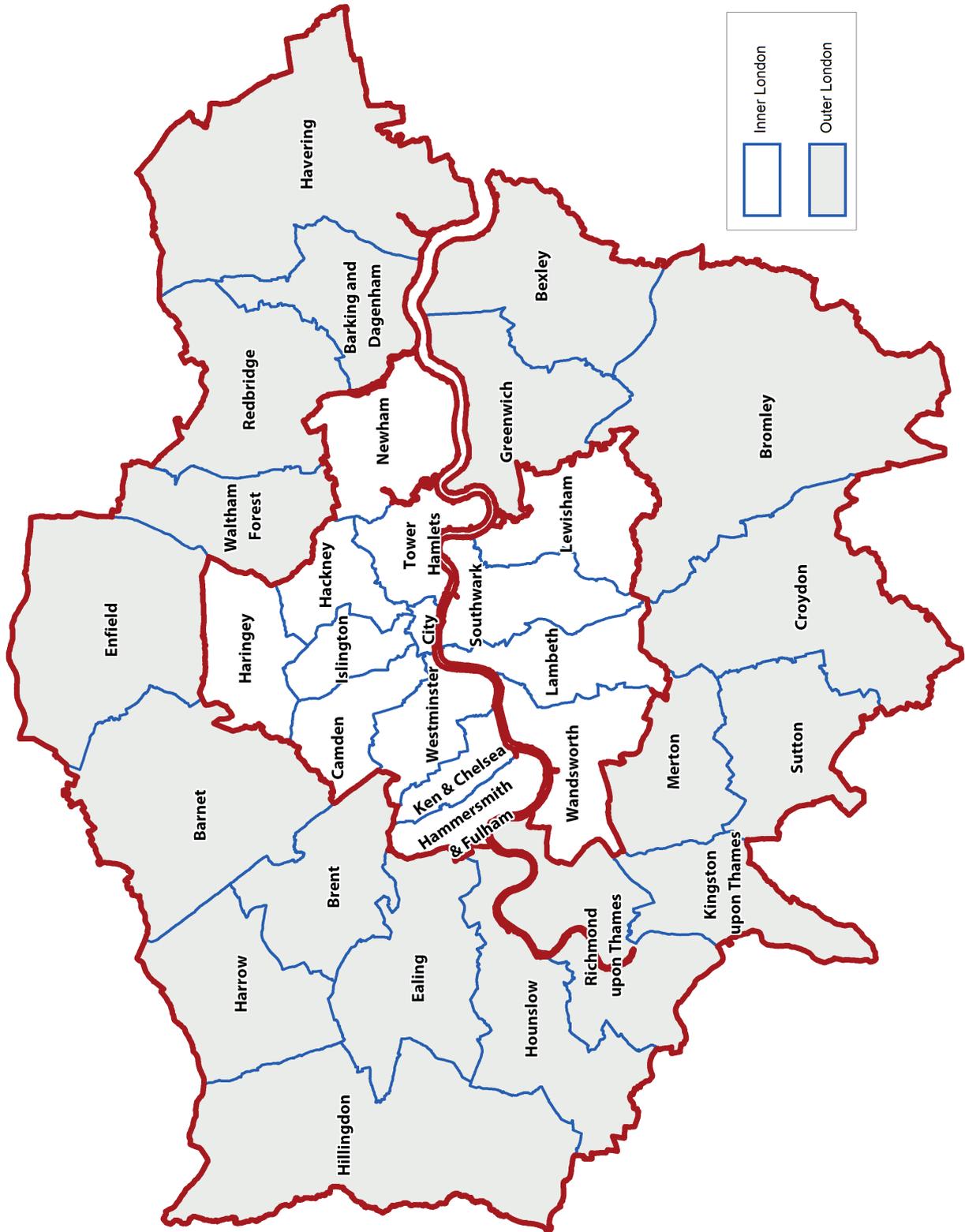
<http://data.london.gov.uk/datastore/applications/focus-london-income-and-spending-home>

ONS Modelled Estimates of Households in Poverty

<http://www.neighbourhood.statistics.gov.uk/dissemination/Info.do?page=analysisandguidance/analysisarticles/households-in-poverty-model-based-estimates-at-msoa-level.htm>

Acknowledgements

The GLA would like to acknowledge the support of the Households Below Average Income team at the Department for Work and Pensions in producing London specific data incorporated in this report.



This map shows the ONS definition of inner / outer London. The replacement London Plan uses a different definition.