

# Improving Life for Low-income Londoners

How the next Mayor of London  
can tackle poverty and inequality

# Table of Contents

Introduction .....	3
Good Affordable Housing .....	4
Reduce the Cost of Living.....	9
Better Work for Everyone .....	12
A Responsive Social Security System .....	15
A Fairer London for All.....	18
Conclusion.....	20

# Introduction

London is the wealthiest city in the world.<sup>1</sup> But behind the appearance of prosperity, life for many Londoners is difficult. London has the highest poverty rates in the UK.<sup>2</sup> Four in ten Londoners do not achieve what the public deems to be a minimum acceptable standard of living.<sup>3</sup> There are many things to celebrate about the UK's capital, but too many people in the city miss out on the economic, social and cultural opportunities it has to offer.

These are the challenges that await the next Mayor of London. The capital's most senior elected representative will lead the city with the highest levels of poverty and inequality in the country – a global city that could do much more to share economic opportunity and wealth so that all of its residents achieve a minimum acceptable standard of living.

Trust for London distributes around £10 million a year to organisations that are tackling the root causes of poverty and inequality in London. As well as supporting up to 300 organisations at any one time, we also fund independent research and provide knowledge and expertise on London's social issues to policymakers and journalists. This exposes us to a wealth of expertise on the issues affecting low-income Londoners, from which we have drawn five aims that we would like to see progress on during the next Mayor of London's term:

1. All Londoners should have access to good quality affordable housing, in neighbourhoods with a good sense of community where newcomers are welcomed.
2. We need to reduce the cost of living in the city, including the costs of childcare and transport, as well as the disproportionately high cost of essentials for people on low incomes.
3. Many jobs are low paid and insecure and fail to act as a stepping stone to a future career. We want better work for everyone, where those in work are treated with decency and respect and are paid at least the real living wage.
4. We need a responsive system of social security that provides adequate income for people when they need it and does not create barriers to work for those who can.
5. We live in a city with large gaps between the rich and the poor. Inequality is bad for everyone: we want a fairer London for all.

In this short report, we highlight some of the work that the Trust is supporting under these five aims. Our intention is to focus on action; the scale of the challenges facing London can seem insurmountable, but there are practical steps the next Mayor, working alongside government, businesses and civil society, can take to reduce poverty and inequality. Some of these are within the Mayor's existing powers; others will require the Mayor to convene, campaign and lobby for others to act. At the very least, this work is something that the next Mayor of London should be aware of as their understanding of this city develops.

<sup>1</sup> ['The Wealth Report', Knight Frank \(2019\)](#)

<sup>2</sup> ['Measuring Poverty 2019', Social Metrics Commission \(2019\)](#)

<sup>3</sup> ['Minimum Income Standards 2018', Loughborough University \(2018\)](#)

# Good Affordable Housing

We want all Londoners to have access to good quality affordable housing, in neighbourhoods with a good sense of community where migrants are welcomed and able to integrate

## Key Actions

- Maximise the delivery of genuinely affordable rented housing
- Promote the voice of Londoners in new housing plans
- Work with the boroughs to raise standards in temporary accommodation
- Ensure the government meaningfully ends the practice of 'no-fault' evictions
- Encourage the development of effective landlord licensing schemes
- Advocate for simpler routes to citizenship and settled status
- Help public services and civil society build a hospitable environment where all those wishing to make London their home feel welcome

The unaffordability of housing in London is surely the city's biggest challenge. Between 2011 and 2017, average weekly earnings in the capital rose by 4 per cent in nominal terms, while average house prices rose by 67 per cent and rents increased by 22 per cent.<sup>4</sup>

Driven by issues of affordability, the mix of household tenure is changing. For years, London was a city where most people lived in social rented or owner-occupied housing. Projections now indicate that by 2025 there will be equal numbers of households in owner-occupied or private rented accommodation, with a minority in social housing.<sup>5</sup>

This means that 40 per cent of London's households will be in the private rented sector. Such private renting is often not by choice; nearly half of private tenants would rather not be renting, and one in five are not happy with their accommodation.

The high cost of housing is the primary driver of the city's high levels of poverty. If you measure poverty before housing costs are taken into consideration, London is comparable to England's average. But if you measure levels of poverty after housing costs, London's poverty rate is 6 per cent higher than the English average.<sup>6</sup>

London's neighbourhoods are among the most diverse in the world. Generations of people have migrated to London for economic reasons or to seek sanctuary. They have contributed to the capital's rich and diverse history as well as to its wealth. However, there are significant numbers who are prevented from participating fully due to their insecure immigration status. The next Mayor of London needs to champion the rights of migrants and support them to become settled, secure residents of London.

## **It is possible to increase the supply of genuinely affordable housing**

Unless central government decides to provide more funding to build social housing, meeting London's housing need will hang on cyclical business confidence and the economics of profit and loss. New homes will need to be sold on the open market or rented at market rate. Affordable housing delivery has consistently been below the Mayor's own assessment of need.

But this does not mean that the Mayor cannot use their power to push developers to build more genuinely affordable housing, especially on public land. We call on the Mayor to fund more social rented homes, the only tenure that is genuinely affordable to low-income Londoners. Developers must also be held accountable for what gets built, to ensure that promises to communities are kept.

The next Mayor of London could also work with philanthropic organisations that own land across the city, to explore how long-leasehold land could be used to develop genuinely affordable housing.

<sup>4</sup> ['London Stalling: Half a century of living standards in London', Resolution Foundation \(2018\)](#)

<sup>5</sup> ['Housing in London: The evidence base for the Mayor's Housing Strategy', Mayor of London \(2019\)](#)

<sup>6</sup> ['London's Poverty Profile 2017', Trust for London \(2017\)](#)

## Increasing the collective voice of Londoners in redevelopment programmes, including engaging people on low incomes, is integral to the success of urban regeneration

Decades of urban regeneration has taught us that involving communities in the planning stages of any redevelopment is vital for success. It can also help to reduce opposition to new homes being built – and London needs more homes.

The current Mayor has made it a requirement that estate regeneration programmes financially supported by the Greater London Assembly (GLA) must ballot existing residents on redevelopment schemes. This is a positive step that should remain, but it needs to be remembered that low-income communities often lack the capacity and skills to effectively engage with regeneration.

The Trust has put £1.2m into funding research and capacity-building to support low-income communities' engagement with regeneration and development programmes. This has included funding:

- the [Anti-Tribalism Movement](#) to skill up residents (particularly Somali community members) on two West London estates so that they become active stakeholders in regeneration schemes
- [Citizens UK](#) to build a citizen-led movement around housing in London
- [Create Streets](#) for Place Champions, a capacity-building course that trains local residents to better understand regeneration and urban design
- [London Gypsies and Travellers](#) to increase the capacity of Gypsies and Travellers to be involved in planning and development
- [Neighbourhood Planners London](#) to research how to further neighbourhood planning in low-income London areas
- [Tonic](#) to work towards new specialist housing for older LGBT people
- the [Town and Country Planning Association](#) to identify case studies of good practice in embedding equality and inclusion into planning policy and plan-making.

The next Mayor of London should engage with and learn from organisations like these. They should also explore what role the GLA can play in:

- ensuring accountability
- brokering relationships between communities and developers
- supporting communities to gain the skills they need to properly engage with the technical questions posed in planning consultations.

It has also been a pleasure for the Trust to partner with the current Mayor to develop the [London Housing Panel](#). The Panel works to influence housing policy by bringing together 15 diverse organisations that work with Londoners in housing need. We call on the next Mayor to extend support for the Panel beyond summer 2020.

## It is essential that we tackle the issue of temporary accommodation

The number of households living in temporary accommodation is increasing. In 2017, there were around 54,000 households in temporary accommodation, compared with 23,000 across the rest of England. This is a 48 per cent increase from 2012.<sup>7</sup>

Households with dependent children make up the majority of these. Temporary accommodation is a misnomer for most, who end up spending many months in places designed to house them for only a short period.

The current Mayor has been working with London Councils to set up a London-wide social lettings agency, Capital Letters. This idea was backed by the RSA in the publication '[Designing Solutions to London's Temporary Accommodation System](#)' (2016). Capital Letters should be sustained. The next steps will then be to ensure that accommodation for homeless Londoners is of an adequate standard and that households have access to support and services where they are.

Living in unsupported temporary accommodation leaves people at risk of worsening problems, as identified by the work of [Justlife](#). Temporary Accommodation Action Groups (TAAGs), which look to raise standards through joint working, are one potential solution to the problems of unsupported temporary accommodation. We supported a feasibility study into using TAAGs in Hackney<sup>8</sup> and are keen that this be explored further.

## We can improve the quality of housing and security of tenure in the private rented sector

The private rented sector needs to be better regulated to ensure that the poorest are not exploited and that all private tenants have the security they need to live without the uncertainty of eviction or unfair rent hikes.

The current Mayor of London, Sadiq Khan, has called for new powers to introduce rent controls in London. The next Mayor of London needs to consider radical action like this, but must ensure that the measures taken do not have a detrimental effect on the availability, affordability and quality of housing for low-income Londoners.

Organisations like [Generation Rent](#) have convinced the government to end the practice of 'no-fault' eviction by landlords issuing Section 21 notices. The next Mayor of London should work with organisations representing private tenants to put pressure on the government to deliver this commitment.

Improvements can be made to the private rental sector without the action of central government. [Citizens UK](#) is advocating for local authorities across London to implement landlord licensing schemes, which protect tenants against bad landlords and poor quality housing. We welcome suggestions that powers over landlord licensing be devolved to the Mayor of London.

<sup>7</sup> <https://www.trustforlondon.org.uk/data/temporary-accommodation-over-time/>

<sup>8</sup> '[Are Temporary Accommodation Boards Feasible?](#)', [Justlife](#) (2018)

## London's neighbourhoods should be open to migrants, enabling them to feel like they belong, wherever they come from in the world

London's incredible diversity should not lead to complacency when it comes to integration and cohesion. Communities and newcomers often need help creating an environment that enables people to connect around differences and commonality.

The Trust is one of three funders that have developed the [Citizenship and Integration Initiative \(CII\)](#). For 2016–2020, this partnership has committed up to £1m to pursue shared goals with the Mayor of London and the city's civil society on these issues, pioneering a secondment model to harness the potential of regional government, funders and civil society working together. The CII has demonstrated the impact of this collaboration, and significant progress has been achieved. But more can be achieved by the next Mayor, including:

- advocating for simpler routes to citizenship and settled status
- working with public services and civil society to build a hospitable environment where all those wishing to make London their home feel welcome
- running a voter registration campaign that puts more than 90 per cent of eligible Londoners on the electoral roll during the next Mayor's term.



# Reduce the Cost of Living

We need to reduce the cost of living in the city, including the costs of childcare and transport, as well as the disproportionately high cost of essentials for people on low incomes

## Key Actions

- Advocate for changes to Universal Credit to make childcare more affordable for claimants
- Lobby government to increase the rights of parents to request that schools set up on-site childcare
- Support parents of children with special educational needs to request the provision of more suitable childcare
- Encourage the development of more parent-led childcare
- Improve the transport system to make it fair and equitable for all
- Minimise the cost burden on low-income households of the expansion of the Ultra Low Emission Zone (ULEZ)
- Support the Fair by Design campaign to eradicate the poverty premium

The rapid increase in the cost of housing, accompanied by stagnant wages, have been the primary drivers squeezing the living standards of Londoners. But there are other big expenses faced by Londoners that push people into poverty.

## Good quality childcare needs to be more affordable

The average cost of childcare for children under the age of two in London is 34 per cent higher than the UK average.<sup>9</sup>

A report by [Coram Family and Childcare](#)<sup>10</sup> shows that since 2008 the price of after-school clubs has risen by 25 per cent and holiday clubs by 62 per cent. One week of term-time childcare costs one-fifth of weekly earnings on the National Minimum Wage; a week of holiday childcare costs 48 per cent. For parents on low to middle incomes that receive Universal Credit, it only really pays to work for three days a week.

There are things that can be done to increase affordability. Universal Credit could make payments up front, so that families with childcare costs that fluctuate between holidays and term time can better manage their finances. The government should also raise the childcare element of Universal Credit from 85 per cent to 100 per cent of eligible costs. This would improve the incentive to work and help parents save around £40 per week during school holidays.

It is also possible to increase the availability of childcare. The government could bolster the right of parents to request that schools set up on-site childcare, and local authorities could make council-owned spaces available for public and private childcare providers. Parents of children with special educational needs or a disability are hit particularly hard by the lack of availability. The government could introduce funding to support providers to make more places available for these families.

Parent-led childcare also has a role to play in meeting the city's childcare needs. Funded by the Trust, the [New Economics Foundation](#) has developed a new parent-led nursery in Deptford. Working in partnership with the housing association [Peabody](#), a diverse group of residents went through the process of identifying a site, designing the nursery and building it.

## We need a transport system that promotes equitable outcomes for people on low incomes

One in four Londoners choose the cheapest route to work rather than the shortest or most convenient. Low-paid workers spend 10 per cent of their monthly earnings on travelling to work – 3 per cent more than Londoners on average.<sup>11</sup> The reality is that our city's transport system, alongside the overheated housing market, makes it difficult for people on low incomes to do anything other than survive.

The [Centre for London's](#) report '[Fair Access: Towards a transport system for everyone](#)' (2019) argues for changes to London's transport system that make it fairer and more accessible for all. This includes reviewing the zoning structure so that the difference between zones is decreased and ensuring that future transport developments consider wider social benefits alongside economic benefits at the very early stages of planning.

<sup>9</sup> <https://data.london.gov.uk/economic-fairness/living-standards/childcare-costs/>

<sup>10</sup> 'School Age Childcare in London', [Coram Family and Childcare](#) (2019)

<sup>11</sup> 'Living on the Edge: The impact of travel costs on low paid workers living in outer London', [Trust for London, London TravelWatch and London Councils](#) (2015)

London's civil society has been at the forefront of campaigning for the Mayor to tackle air pollution. Organisations such as [ClientEarth](#) and the [London Sustainability Exchange](#), working in collaboration with academic experts, ensured that the 2016 mayoral candidates all made air pollution a top priority. The introduction of the ULEZ has been a major development. Its expansion to the A406 will be crucial for ensuring that low-income neighbourhoods benefit from the same reductions in air pollution that have been observed in central London.

But the expansion of the ULEZ to the A406 is controversial. It will place an increased cost burden on those low-income Londoners who own older vehicles – the same Londoners who live in neighbourhoods affected by poor air quality. The next Mayor should ensure that the expansion of the ULEZ to the A406 happens. If it does not, then it will exacerbate inequality across the city, with expensive neighbourhoods in central London benefitting more from cleaner air than poorer neighbourhoods further out.

However, the expansion should be done in a way that minimises the cost burden for low-income people. We welcome the current Mayor's extension of the vehicle scrappage scheme from micro-businesses to low-income households. The next Mayor should continue this scheme and ensure that the funding available meets the inevitable demand.

### **People in poverty should not have to pay more for their utilities or services than those on higher incomes**

The poverty premium – where people on low incomes pay more for the same products or services than people who are better off – is all too prevalent.

[Platform London](#) has campaigned for the Mayor of London to set up a public energy company that provides services to low-income Londoners at reasonable prices. This has now been launched by the Mayor. The new company, [London Power](#), is in its infancy, and the new Mayor should commit to its growth and efficacy, helping to reduce energy costs for low-income Londoners.

But this is not just about utilities. [Fair by Design](#) invests in businesses designed to reduce the poverty premium in areas such as energy, finance and insurance. These sorts of businesses should be given a platform to thrive in London. Fair by Design also campaigns for more fundamental changes to industry and regulation so that the poverty premium is designed out of products, services and utilities.

# Better Work for Everyone

Many jobs are low paid and insecure and fail to act as a stepping stone to a future career. We want better work for everyone, where those in work are treated with decency and respect and are paid at least a living wage

## Key Actions

- Help underrepresented groups unlock employment in key industries in the city, including finance, construction and the creative sector
- Encourage businesses to create more flexible employment opportunities
- Support campaigns that aim to reduce pregnancy and maternity discrimination in the workplace
- Advocate for changes to the immigration system that incentivise good employment practices

Paid work is crucial to tackling poverty. However, many jobs are low paid, and often these are insecure and unrewarding and fail to act as a stepping stone to a future career. Low pay and the abuse of rights is increasing in many industries. We want better work for everyone, where those in work are treated with decency and respect and are paid at least the real living wage.

## Low-income Londoners need help to access better paid, more secure employment opportunities in the city's key industries

Research by the [Social Market Foundation](#) shows that good educational outcomes achieved by children from disadvantaged London families do not translate into the expected levels of employment outcomes.<sup>12</sup> Social mobility in the city has not been solved by good schools.

The next Mayor should use their convening power to help open up key London industries to talented people who are unfairly excluded.

For example, young black men are less likely than young white men to be working in London's financial sector. Research by the [Black Training and Enterprise Group \(BTEG\)](#) shows that racial discrimination is still prevalent. [Moving on Up](#) is a five-year programme, led by Trust for London and [City Bridge Trust](#) in partnership with BTEG, to increase employment opportunities for young black men in London. The programme is working with employers to encourage more young black men into taking high quality jobs in finance, banking, insurance and other key London job sectors.

It is not just the finance sector that needs opening up. [Women into Construction](#) provides work experience, training, mentoring and financial support to disadvantaged women to help them access sustainable employment and develop long-term careers in the construction sector. The Trust is funding the organisation to propel 40 low-paid female construction workers into better paid, more secure employment in the sector. The Trust is also funding the [Creative Society](#) to scale up its Creative Job Studio across three boroughs in order to promote low-paid workers in the creative sector into better or more secure employment. This is done by brokering connections with employers, allowing young people to meet them, discuss skills development and build networks with other creatives.

## The next Mayor needs to work with civil society to promote good employment practices and eliminate exploitation

Civil society is grappling with the challenges that poor quality work in London creates. The [Learning and Work Institute](#) draws this together through its [Better Work Network](#), which brings together and disseminates good practice. Working with civil society and alongside businesses and public bodies must be the way forward.

The Mayor's Good Work Standard is a great example of different sectors working together and is a positive demonstration of how the Mayor's soft power can be harnessed to change the way businesses operate. It provides a good platform for further collaborative action.

<sup>12</sup> ['The Next London Challenge: Converting strong educational performance into great jobs for disadvantaged Londoners', Social Market Foundation \(2019\)](#)

The Mayor could also explore how the GLA's purchasing power could be used to incentivise good employment practices, including only using suppliers that pay the London Living Wage transparency over pay, reasonable differences between the pay of Chief Executives and the lowest paid staff, and evidence of corporate philanthropy.

One area of focus should be the lack of flexible working opportunities. Timewise's [Innovation Unit](#) is supporting employers to create more quality flexible and part-time work by piloting new types of job roles in low-pay sectors, developing good flexible work standards, and supporting good practice.

Another focus could be the anticipated disruption of labour markets by automation and the rise of the platform business model. The [Institute for the Future of Work](#) is researching the anticipated disruption of London's transport and retail sectors, and makes the case for ensuring a higher level of worker input into the automation process.

London is at the forefront of many of these changes – and none more so than the rise of the gig economy. A report by the responsible technology foundation Doteveryone highlights the toxic mix of precarity and servitude that some gig economy workers feel.<sup>13</sup> The report shows how the time-consuming and poorly paid nature of gig work means that workers are often unable to see a route into better paid, more secure employment, and it recommends a series of measures that could improve the quality of life of gig workers. The next Mayor should assess these recommendations and ensure that the GLA, which has responsibility for London's adult education budget, finds innovative ways of helping gig workers gain new skills.

Brexit means the UK will have a new immigration system. This fundamental change presents an opportunity to encourage businesses to improve their employment practices. The [Institute for Public Policy Research \(IPPR\)](#) is researching how good employment practices can be built into the new immigration system so that actions like paying the London Living Wage, providing flexible working opportunities or investing in staff training can be made requirements for employers who want to recruit from abroad.

Finally, discrimination against women in the workplace needs to be tackled. [Maternity Action](#) is campaigning to reduce pregnancy and maternity discrimination in the workplace, strengthen legal protections for pregnant women and new mothers in precarious employment, and increase maternity pay and benefits.

<sup>13</sup> ['Better Work in the Gig Economy: Enabling gig workers to live with financial security, dignity and dreams'](#), Doteveryone (2020)

# A Responsive Social Security System

We need a responsive system of social security that provides adequate income for people when they need it and which doesn't create barriers to work for those who can

## Key Actions

- Advocate for a system of social security that is designed around the needs of users, and scrutinise the upcoming findings of the Commission on Social Security led by Experts by Experience
- Support calls to address well documented flaws in Universal Credit
- Work with London Councils to encourage more consistency in the provision of local welfare assistance schemes, and encourage more coordinated crisis support schemes
- Champion the rights of Deaf and Disabled people and help the Deaf and Disabled people's sector regain its strength following years of austerity
- Strengthen specialist services (including immigration advice) and play a role in coordinating provision across London

Welfare reform continues to make life for many Londoners very difficult. Forecasts by Policy in Practice show that 42 per cent of households in London are likely to be worse off under Universal Credit.<sup>14</sup> For households on the breadline, this loss of income risks them falling into destitution.

## The social security system should be designed around the needs of people who use it

The design of our social security system goes beyond the powers of the Mayor. But as the impact of welfare reform on Londoners inevitably drags the future Mayor into the debate, we want to draw their attention to one key issue: that our system of social security is not designed around the needs of the people who use it.

The Trust has funded the University of Warwick to convene a [Commission on Social Security led by Experts by Experience](#), where all of the commissioners are people who have current or recent experience of receiving working-age benefits. The Commission has received over 1,000 submissions to its call for evidence and will draft a White Paper in 2020 that details its recommendations. The next Mayor of London should take stock of these recommendations while also advocating for stronger user involvement across multiple areas of public policy.

## Social security should prevent people falling into destitution

The Trust has funded several research projects that highlight how to improve Universal Credit so that it is less harmful to welfare recipients. This includes a publication by [Bright Blue](#), which recommends initial payments in the form of grants to recipients who are not able to manage their finances during the initial five-week wait for payment.<sup>15</sup>

Even with an improved system of social security, some people will experience a crisis that they need help with. Crisis support schemes need to exist and be properly coordinated. Research by the [New Policy Institute](#) shows that the provision of local welfare-assistance schemes varies enormously across London boroughs.<sup>16</sup> These schemes are often the last line of defence against destitution, and the Mayor of London could work with London Councils to encourage more consistent coverage across the city.

If you are in crisis it can be hard to know where to go for help. Stronger local cooperation between the local authority, civil society and faith communities would help to ensure that different types of crisis support are coordinated and that people know where to go. The [Children's Society](#) is piloting this type of coordination in Tower Hamlets, and it could be something that is expanded if successful.

<sup>14</sup> [Low-income Londoners and Welfare Reform, Policy in Practice \(2018\)](#)

<sup>15</sup> [Helping Hand? Improving Universal Credit, Bright Blue \(2019\)](#)

<sup>16</sup> ['An Assessment of Local Social Security Provision in London', New Policy Institute \(2019\)](#)



## **Deaf and Disabled people need to be supported to advocate for their rights**

Deaf and Disabled people have been disproportionately affected by austerity, bearing 29 per cent of all public expenditure cuts in the UK. A vast body of evidence shows that Deaf and Disabled people now face increasing levels of poverty, exclusion and discrimination. Trust for London and City Bridge Trust have invested over £1m in [Strengthening Voices, Realising Rights](#), a programme to bolster the capacity of Deaf and Disabled people's organisations (DPPOs) to protect and promote equal rights for Deaf and Disabled Londoners.

The next Mayor of London should champion the rights of Deaf and Disabled people while supporting DDPOs to regain their strength to represent Deaf and Disabled people across the capital

## **Our immigration system is changing. We need to strengthen specialist immigration advice and make sure it is coordinated across the city**

Our immigration system is changing, and people will need advice and support to ensure that they do not fall foul of complex legal processes. At the same time, our immigration system results in some people facing severe injustices, mainly as a result of a lack of access to legal advice and representation as well as poor decision making by the Home Office.

The charitable sector is an important part of the response to the challenges posed by the complexity and frequent injustice of our immigration system. But charitable legal services are underfunded and fragmented, leaving them unable to take a strategic approach to improving the immigration system.

The Trust is collaborating with other funders, led by the [Legal Education Foundation](#) and [Paul Hamlyn Foundation](#), to create the Access to Justice Fund, which will help the sector be better funded and more collaborative; the Fund will be launched in March 2020. The next Mayor of London should support these efforts and explore how the GLA can play a more active role in coordinating advice in the immigration sector.

# A Fairer London for All

We live in a city with large gaps between the rich and the poor. Inequality is bad for everyone: we want a fairer London for all

## Key Actions

- Lobby government to implement the findings of the London Finance Commission
- Advocate for council tax reform
- Ensure the government's commitment to an overseas property ownership register is implemented effectively
- Champion a post-Brexit Britain that reduces rather than exacerbates inequality

London is the most unequal region in the UK. There have been big rises in income inequality, with senior staff earning many times more than the average employee. In the housing market values have rocketed. There is a large gap between rich and poor; the wealthiest 10 per cent of Londoners own 61 per cent of London's wealth.<sup>17</sup>

It will not be easy for the next Mayor of London to confront the challenge of income and wealth inequality. With limited fiscal powers, much will depend on their relationship with central government. The ability of the next Mayor to convince the government to implement fiscal devolution in line with the recommendations of the [London Finance Commission](#) will be pivotal.

Brexit looms large in the future of the UK. Our country is about to be remade and, despite the anti-London rhetoric, the capital will continue to be the driving force for UK prosperity. The next Mayor of London should champion a post-Brexit Britain that reduces rather than exacerbates inequality.

There are tax-related measures that the next Mayor of London can champion too. Council tax is a regressive tax that is fundamentally unfair: six times more council tax is paid by the poorest than the richest Londoners as a proportion of their income. The IPPR, in its report '[A Poor Tax – Reforming Council Tax in London](#)' (2019), recommends a devolved council tax system for London alongside a city-wide council tax benefit system to protect the poorest in the city.

The housing market plays a major role in London's high levels of wealth inequality. In 2017, [Transparency International](#) published a report that showed that London's property market is highly vulnerable to corrupt wealth flowing into it, with over £4.2 billion worth of properties having been bought with suspicious wealth.<sup>18</sup> This has led to calls to create a public register of foreign company ownership of property. The current government has signalled it will legislate to do this, and the next Mayor should work with campaigners to ensure that the register is implemented effectively.

<sup>17</sup> <https://data.london.gov.uk/economic-fairness/equal-opportunities/wealth-inequality/>

<sup>18</sup> '[Faulty Towers: Understanding the impact of overseas corruption on the London property market](#)', [Transparency International](#) (2017)

# Conclusion

The issues and ideas in this report are by no means exhaustive: there is so much more happening across this city to tackle the social injustices that hold too many Londoners back. The next Mayor of London must learn from this work and ensure that the priorities of low-income Londoners sit at the top of the new mayoral agenda.

We recognise that the powers of the Mayor are limited. But the city's most senior elected representative still has a significant remit that can be harnessed to make the lives of low-income Londoners better. The next four years will see the country remade, and the success of London will be pivotal. In 2024, we want the new Britain and London to be a place where there is less poverty and less inequality.



Trust for London

Tackling poverty and inequality

Trust for London  
4 Chiswell Street  
London  
EC1Y 4UP

020 7606 6145

[info@trustforlondon.org.uk](mailto:info@trustforlondon.org.uk)

[www.trustforlondon.org.uk](http://www.trustforlondon.org.uk)

 [@trustforlondon](https://twitter.com/trustforlondon)

Charity Registration Number: 205629