

Inequality and poverty in central London before and during the Covid-19 pandemic

Interim report

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About Central London Forward

Central London Forward (CLF) is a partnership of the 12 central London local authorities. We cover Camden, City of London, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

We work together with our member authorities and with other stakeholders to support inclusive and sustainable growth in central London; so that our economy thrives, and our residents benefit from the opportunities this creates. CLF supports coordination and collaboration across the sub-region, we conduct research and help shape policy development, and we manage large-scale employment and skills programmes in central London.

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EXECUTIVE SUMMARY

This report is about poverty and inequality in central London and the impacts of the pandemic. From the outside, central London is a place of economic strength, prosperity and globally competitive businesses and industries. Of course, that is true. But this report shows that central London is also a place where poverty and inequality are a significant, and often bigger, issue than other parts of the country.

It is important to remember why this inequality matters. Those experiencing it face poorer outcomes, living standards, health and longevity. Public services and taxpayers face higher burdens within an already stretched system. The economy is less stable and more reliant on debt and society is less cohesive and resilient. In short, inequality makes us all poorer. This means that as we turn to consider how we recover from the biggest economic and social upheaval of modern times, a key part of that will be ensuring a fairer, and therefore a stronger and more resilient recovery.

The scale and diversity of central London

Understanding how this can happen in central London requires us to understand the issue. Starting with the characteristics of central London itself and the rich diversity of the heart of the capital.

- With 3.1 million residents, around a third of the 9 million Londoners reside in central London. This makes central London alone significantly larger than any other city in the UK.
- Across the UK, 86% of the UK population are White, this compares to 59.2% in London. Some boroughs have an even greater ethnic mix. For example, over half of residents in Tower Hamlets belong to an ethnic minority.
- Central London also has a relatively young population. 11.2% of people in central London are aged 20-34, compared to 6.6% in the UK as a whole. At 9.8%, the proportion of people in central London aged over 65 is just over half the UK rate of 18.6%.

Economic strength and inequality sit side-by-side in central London

The sub-region is highly connected both internationally and to regional economies, and it contributes significantly to the strength of the wider UK economy.

- The economic output of central London is much higher than elsewhere at £95,000 per head, compared to £51,000 in London as a whole and £29,000 in the UK.
- For every person in London, the Government raises £4,000 more in revenue than it spends, more than any other region or nation of the UK. This makes London one of only three regions to make a net contribution to the Exchequer.

However, central London is also home to significant deprivation:

- 45% of neighbourhoods in central London are amongst the most deprived (top 30%) in England, more than the proportion of neighbourhoods in the rest of London (27%) and the rest of England (29%).
- If central London boroughs contained the same proportion of deprived neighbourhoods as the rest of England, there would be 480,000 fewer Londoners living in deprived neighbourhoods.
- In Tower Hamlets, well over half (56%) of children live in poverty.

Overall health outcomes are strong – but this masks significant variation between different groups

All Central London Forward boroughs had a greater life expectancy for females than the UK average of 83.1 years, ranging from 83.4 years in Islington to 87.2 years in Westminster. However, these headline figures hide the deep inequalities.

- The gap between life expectancy between the least and most deprived neighbourhoods in Kensington and Chelsea stood at 14.8 years for males and 11.9 years for females, prior to the pandemic. This compares to gaps of 7.2 and 5.1 years in London as a whole, and 9.4 and 7.6 years in England as whole.
- Across central London, residents will, on average, spend 2.2 years longer living in poor health than the average person in the UK.
- The more income deprived a neighbourhood is, the more health-deprived it is. Just over half (51%) of central London neighbourhoods are relatively deprived in terms of both income and health.

The gulf between strong life expectancies and weak healthy life expectancies in central London is the consequence of a wide range of social, environmental and economic factors that impact on people's health. Key examples in London include air pollution, food deserts, a lack of green space for some groups and communities and mixed experiences of poverty, deprivation and access to employment opportunities.

The pandemic has also had an impact. Overall, central London has seen disproportionately large health effects compared to other parts of the country and, as with the rest of the country, it has been those residents of central London who were most disadvantaged before the pandemic who have been hit hardest.

- Overall, age-standardised mortality (which allow us to more accurately compare mortality rates across areas with different age profiles) to April 2021 was 36% higher across central London than for England and Wales overall. In Tower Hamlets, age-standardised mortality rates were almost twice as high as in England and Wales overall.
- The most deprived fifth of neighbourhoods in London saw a death rate from Covid-19 some 30% higher than the least deprived neighbourhoods. Or put another way, for every 100 people to die in the least deprived parts of London, 130 died in the most deprived. Although sample sizes mean that confidence intervals are relatively wide, point estimates suggest that deprived neighbourhoods in central London boroughs faced even higher mortality rates.
- A neighbourhood with 1,000 more Black residents than an equivalent neighbourhood will have seen 20 more deaths per 100,000 population.
- Looking to the future, we can also see risks surrounding vaccine take-up within central London. Only 71% of over 60s in the most deprived areas in central London were fully vaccinated (as at June 2021), compared 87% in the most deprived areas in the rest of England and 94% of the least deprived areas in the rest of England.

Central London's labour market outcomes are strong, but can leave many individuals, families and communities struggling to make ends meet

- The unemployment rate in central London was 4.3% before the pandemic compared to 3.8% in the country as a whole.
- Claimant rates varied from almost nothing to over 13% in neighbourhoods across central London before Covid.
- Most central London boroughs had a lower proportion of disabled people in work than either London or England as a whole, with only 42% of working-age disabled people in Tower Hamlets in employment, leaving the East London borough with a disability employment gap of 37 percentage points.
- With concentrations of both very high earners and people in more poorly paying jobs, the earnings ratio (between the 20th and 80th percentiles of pay) ranged from 2.59 in Lewisham and Wandsworth to 3.02 in Westminster. All boroughs were significantly higher than the England average of 2.08.
- More than 300,000 employee jobs (13% of the total) in central London boroughs are paid under the Living Wage Foundation Living Wage rate.

This prevalence of low pay is a significant driver of poverty. However, even those with relatively high levels of pay can struggle to make ends meet because of the high costs of living in central London.

- In England, the average rent for a one-bedroom home is 30% of the average salary. In London, this jumps to 46% and in central London it is 54%.
- This is a significant driver of poverty rates amongst working families in Inner London* prior to the pandemic that stood at 22%, some 5 percentage points higher than the average across the rest of England (17%).
- Close to six in ten people in poverty in Inner London (58%) are living in a family where someone is in work.

The pandemic has had a huge impact on the labour market in central London.

- Across Inner London, employment levels fell by more than 6 percentage points between March 2020 and February 2021, meaning that there were around 110,000 fewer payrolled employees in February 2021 than there were in February 2020. These impacts were twice as large as the falls in payrolled employment seen across the UK, which saw a 3 percentage point fall over the same period.
- In August 2021 payrolled employment remained 2 percentage points (27,000 jobs) below the level seen at the start of the pandemic. Payrolled employment across the UK more generally has almost returned to levels seen at the start of the pandemic.

And again, it is those areas and groups that struggled most before the pandemic who have been hit hardest.

* "Inner London" covers a slightly different geography to "central London" and is used here due to data availability

- The unemployment benefit claimant rate increased to 11.7% in the neighbourhoods with the most ethnic minority residents, compared to only 4.4% in neighbourhoods with the least ethnic minority residents.
- In Inner London, the economic activity rate of working-age people with no qualifications fell by 10.7 percentage points whilst the population with level 3 and level 4+ (A-level and degree equivalent) saw their economic activity rates *increase*.

The impacts would have been much greater without the support that central and local government provided. However, as this support is unwound, there are significant risks for the central London labour market and the residents that rely on it.

- Around 550,000 jobs in central London have been supported by the furlough scheme.
- The most recent data shows that even at the end of July, 7% of eligible employments in central London remained on furlough (more than 90,000 jobs). Rates of furlough in central London and London overall remain significantly higher than in the UK overall.

Despite strong overall performance, the education and skills system in central London leaves some behind

Central London is home to extremes of both opportunities and challenges when it comes to skills and education:

- 65% of the working-age population in central London hold a qualification at degree-level or equivalent, compared to 43% in the UK as a whole. This helps drive London's high-skills economy.
- Before the pandemic 89.3% of working-age people in Inner London with a degree or equivalent were economically active whilst only 43.2% of those with no formal qualifications worked (a lower rate than Outer London and the UK overall).
- Differences between Attainment 8 scores for students in the ethnic group with lowest average Attainment 8 scores and the average score are significantly higher in central London boroughs than for England overall. For example, scores for Black students in Wandsworth are 11.2% lower than the average level. In England overall, the gap is 2.6%.

While it will take time to understand the full impact of the pandemic on education and skills, national data can already show us some early indicators of the potential challenges.

- Between March 2020 and April 2021, pupils in England lost 110 days in the classroom (58% of the total) and although online learning made up some of the difference, pupils still lost 61 days (32%) overall.
- Children in households in the top 20% of income missed out on less than half (47.5%) of their learning in the first lockdown, compared to children in the bottom 20% who lost 13 percentage points more (60.9%).
- With many children in central London living in poverty and overcrowded accommodation, there have been real challenges with a shift to home learning, where there was neither the space nor the resources to provide a suitable learning environment. Other challenges have included those in ethnic minority households and / or where English is not spoken as a first language, where parents have struggled to support children to maintain their education because of the lack of understanding of the curriculum and / or the ability to navigate and access online resources.

Overall, it is clear that education has been severely disrupted by Covid. The impacts are likely to have been felt most keenly by those who were already struggling to gain the skills they need to succeed in the labour market.

Central London has a more diverse population of business leaders than other parts of the UK, but there is still a significant under-representation of many groups

There is little data available on this subject for central London. However, national evidence clearly highlights inequalities affecting women and ethnic minorities. These groups are underrepresented in business ownership / senior leadership and self-employment. While less comprehensive, the evidence also suggests that these groups experience inequality in outcomes, with women and ethnic minority-led businesses recording poorer performance than other businesses.

- In the UK in 2020, only 16% of SME employers were “women-led”, defined as a business that is majority-led by women (put another way, a business that is controlled by a single woman or has a management team of which a majority are women). A further 24% of SME employers were ‘equally-led’, with the same number of men and women on the management team.
- The tech company UENI took a sample of 17,500 business owners across the UK, finding that only a third (32.8%) of the businesses surveyed in London were owned by women, putting London with a lower proportion of women business owners than Derby, Doncaster, Hull, Sheffield, Liverpool, Manchester, Leicester and Northampton.
- The national data on ethnicity and ownership and senior leadership of SMEs shows, like the national data on gender, underrepresentation. For instance, while around 14% of the population is estimated to be non-White, only 7% of SMEs are led by somebody who is non-White.
- Whilst still under-represented compared to the overall population, Minority and Ethnic Group (MEG)-led SMEs are more prominent in London than other parts of the country. Almost a fifth of SME employers (18%) in the capital were MEG-led in 2020, with the next largest figures being found in both West Midlands and the East of England at 8%.

There is also some early evidence of a mixed impact of the pandemic.

- The British Business Bank’s survey found that 70% of Black male business owners took drastic action (such as significantly reducing pay or the number of employees) to their protect business from the Covid-19 impact, compared to 52% of White male business owners and 46% of Asian and Other Ethnic Minority business owners.
- The same survey found that 61% of those categorised as Asian and Other Ethnic Minorities had either paused all work on their business idea or permanently stopped. This was twice the figure of Black entrepreneurs and one and a half times the figure for White entrepreneurs.

Central London is home to significant levels of wealth, and this drives significant inequalities in outcomes and opportunities

- One-fifth (20%) of England’s household wealth is held in the capital.
- Overall, across London, the wealthiest 10% of households hold 42.5% of the city’s total net wealth. In contrast, the 30% least wealthy households hold just 1% of total net wealth.
- For every £1 of wealth a London household at the 25th percentile in the wealth distribution holds, a London household at the 75th percentile holds around £22. This is by far the most unequal distribution of any region of England

- The disparity between White and non-White household and home ownership is lower in London (62% and 35%, respectively) than several other regions – the East Midlands (71% and 42%), the South East (72% and 45%) and the South West (71% and 40%).

The cost of housing and lack of housing wealth for many groups is a key driver of poverty and inequality in central London.

- In England, the inclusion of housing costs increased pre-pandemic poverty rates from 19% to 28%, in central London it increased poverty rates to 39%. In every borough in central London, accounting for housing costs more than doubles the child poverty rate.
- The cost of accommodation in central London is part of the reason why homelessness is much more prevalent in the sub-region than it is elsewhere in the capital and the country as a whole. In 2020/21, 165 households per 10,000 in central London were found to be homeless by their local authority, compared to 142 in the whole of London and an average for England of 113. Some boroughs, such as Southwark (254) and Lambeth (232) saw particularly high numbers of homeless households.
- Rough sleeping is the most extreme form of homelessness. Almost 7,000 people were known to outreach workers as sleeping rough in 2019/20 in central London. In 2020, 16 people in 10,000 were sleeping rough in central London, double the figure in England as a whole (8 in 10,000).

Overall, a lack of data means that it is hard to say what the impact of Covid-19 has been on wealth and housing in central London. What is clear is that there will have been mixed impacts. For some, the pandemic has created an enforced opportunity to save money, meaning that their net wealth would have increased. However, for others, the loss of jobs, furlough or reductions in hours and earnings have meant debt rising. As is the case with many of the impacts of the Covid-19 pandemic, it is likely that those most likely to see debt rising, rather than wealth increasing, are those that were already in the worst positions prior to the pandemic.

SECTION 1: BACKGROUND

The Covid-19 pandemic has shone a light on poverty and inequality across the UK. Infections and mortality have been highest in more deprived neighbourhoods and amongst more disadvantaged groups. The economic consequences of the pandemic have hit right across the UK, but as with the health impacts, it has been those individual, groups and communities already facing disadvantage that have felt the most significant impacts. This means that the need to tackle inequality, level up the country and ensure that the recovery leads to a fairer economy has entered public debate like never before.

Nowhere is this truer than in London. Whilst central London hosts some 10.3%¹ of jobs and 8% of economic output in Great Britain,² and is home to some of the most highly paid jobs and most productive businesses, it is also an area of extreme inequality.

This inequality matters:

- **For those experiencing it:** worse outcomes across an array of areas including employment, housing, wealth, health and how people have experienced the pandemic, all impact on living standards, wellbeing, health and longevity.
- **For public services and taxpayers:** high inequality can increase the incidence of crime³ and poor health,⁴ increasing the burdens on overstretched public services.
- **For the economy:** financial inequality can make the economy less stable, more prone to crises and more reliant on debt.⁵
- **For society:** in more equal societies, people are more altruistic, more likely to vote and more likely to participate in society.⁶

This means that as we turn to consider how we recover from the biggest economic and social upheaval of modern times, a key part of that will be ensuring a fairer, and therefore a stronger and more resilient recovery. This report provides a baseline against which that recovery can be judged. It looks at what we knew about inequality and poverty in Central London Forward[†] boroughs before the pandemic and how the pandemic has impacted on that. To understand that we first need to understand more about these boroughs and, in particular, the rich diversity of communities, families and people within them.

[†] Central London Forward is the sub-regional partnership for central London. It covers the 12 central London local authorities of Camden, City of London, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth, and Westminster.

As a starting point, it is helpful to appreciate the size of central London in the context of the city and the UK more widely. With 3.1 million residents, around a third of the 9 million Londoners reside in central London. This makes central London alone significantly larger than any other city in the UK. Just less than 1 in 20 of the 67.1 million people living in the UK live in central London, meaning that the unique challenges faced here are of nationwide significance. Central London’s national – and indeed global – significance is further amplified by the presence of countless companies, institutions, and organisations that before the pandemic brought millions of commuters and visitors to the city every year.

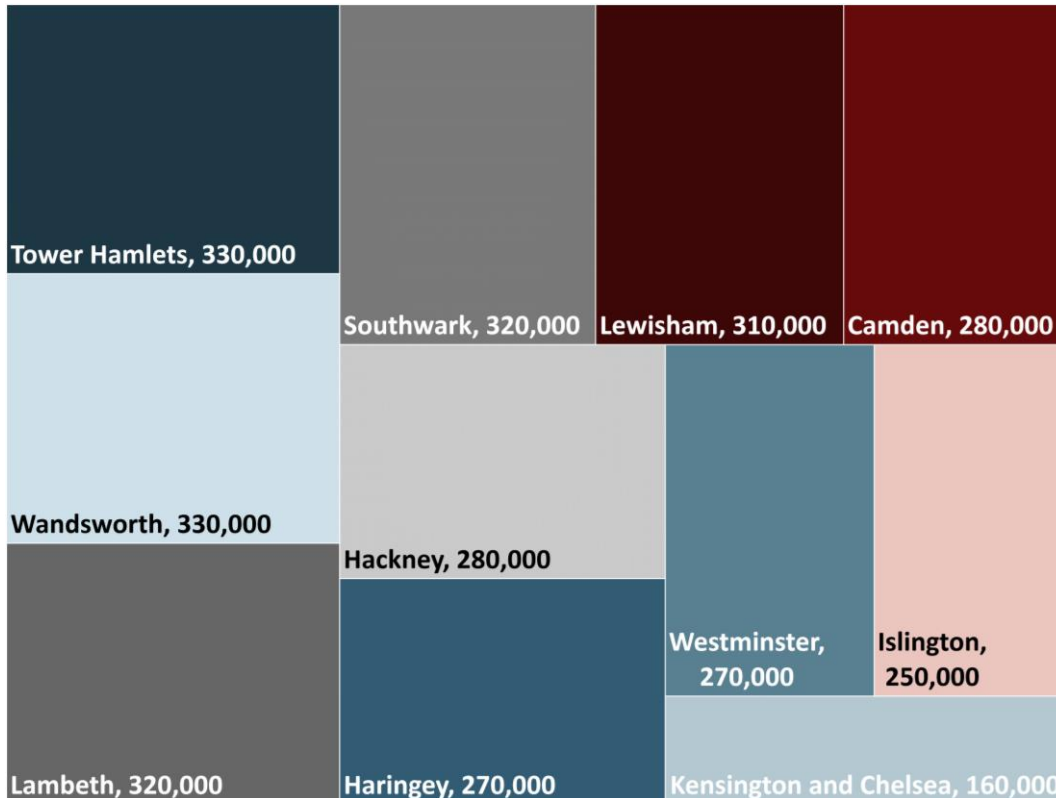
Figure 1: Population of central London compared to London the UK



Source: ONS population estimates

The boroughs of central London range in size from the 160,000 residents of Kensington and Chelsea to 330,000 in Wandsworth and Tower Hamlets, with around 10,000 people living in the Square Mile of the City of London. This means that the boroughs of central London contain significant populations in their own right, similar in size to cities such as Southampton (250,000) or Newcastle-upon-Tyne (310,000).⁷ As will be shown throughout this report, each borough has its own set of characteristics and their residents experience poverty and inequality differently.

Figure 2: Populations of central London boroughs (2020)



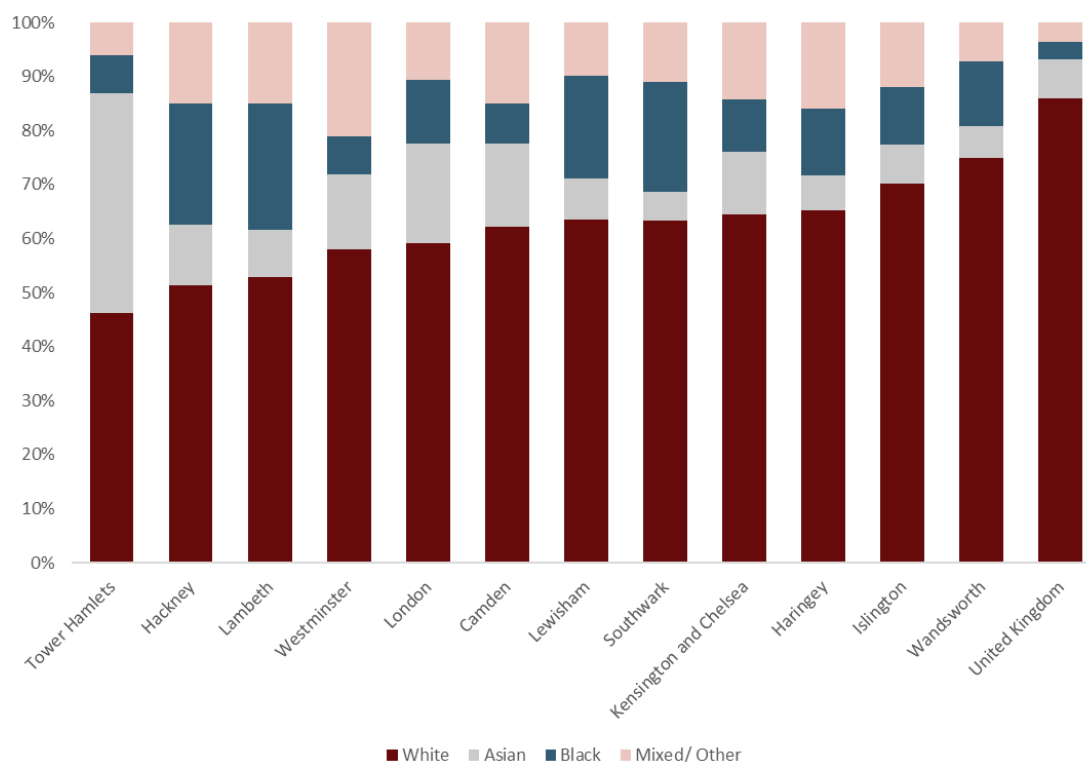
Source: ONS Mid-Year Population Estimates

Notes: City of London (population: 11,000) not shown

It is not just the scale of central London and the boroughs it comprises that differentiates it from the rest of the country. It is also important to understand the very rich diversity of people, communities and groups within central London. One of the most striking differences between London and the rest of the UK can be found in the ethnic mix of the area. Across the UK, 86% of the UK population are White, compared to 59.2% in London. Some boroughs have an even greater ethnic mix. For example, over half of residents in Tower Hamlets belong to an ethnic minority.

Looking at inequality in central London and the impact of Covid-19 on this through the lens of ethnicity is important because people in ethnic minority households are much more likely to experience adverse outcomes. A key example is that 49% of Black households and 39% of Asian households are in poverty in the UK compared to 19% of White households.⁸

Figure 3: Ethnic make-up of central London boroughs (2018)

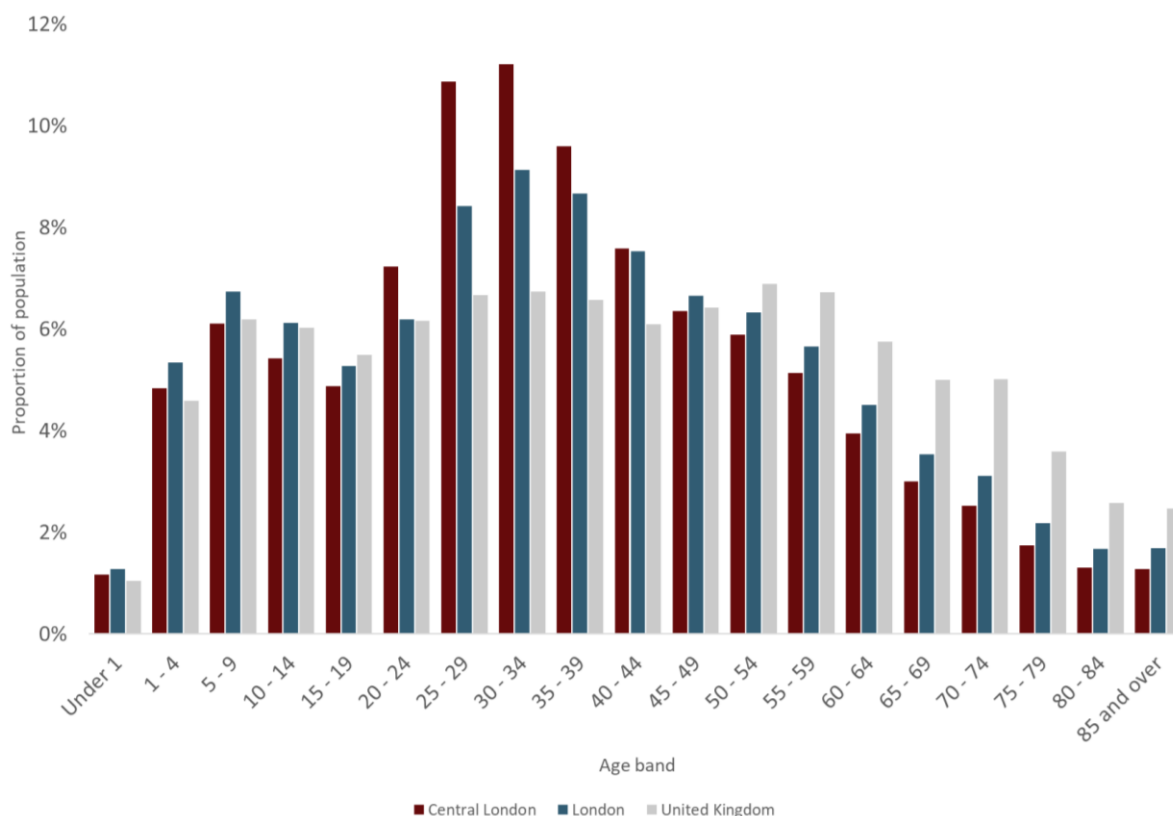


Source: Annual Population Survey via Greater London Authority

Note: Data is not available for the City of London

Central London also differs from the rest of the country in terms of the ages of its residents. Central London is a relatively young place, with fewer people in older age bands than elsewhere. In particular, central London sees a bulge of residents in the 20-39 age bands. 11.2% of people in central London are aged 20-34, compared to 6.6% in the UK as a whole. At 9.8%, the proportion of people in central London aged over 65 is just over half the UK rate of 18.6%. This means that central London faces different challenges and residents have different priorities compared to elsewhere, with issues facing younger people – such as skills acquisition, employment and housing – potentially weighing particularly heavily.

Figure 4: Age distribution of central London, compared to London and the UK (2020)



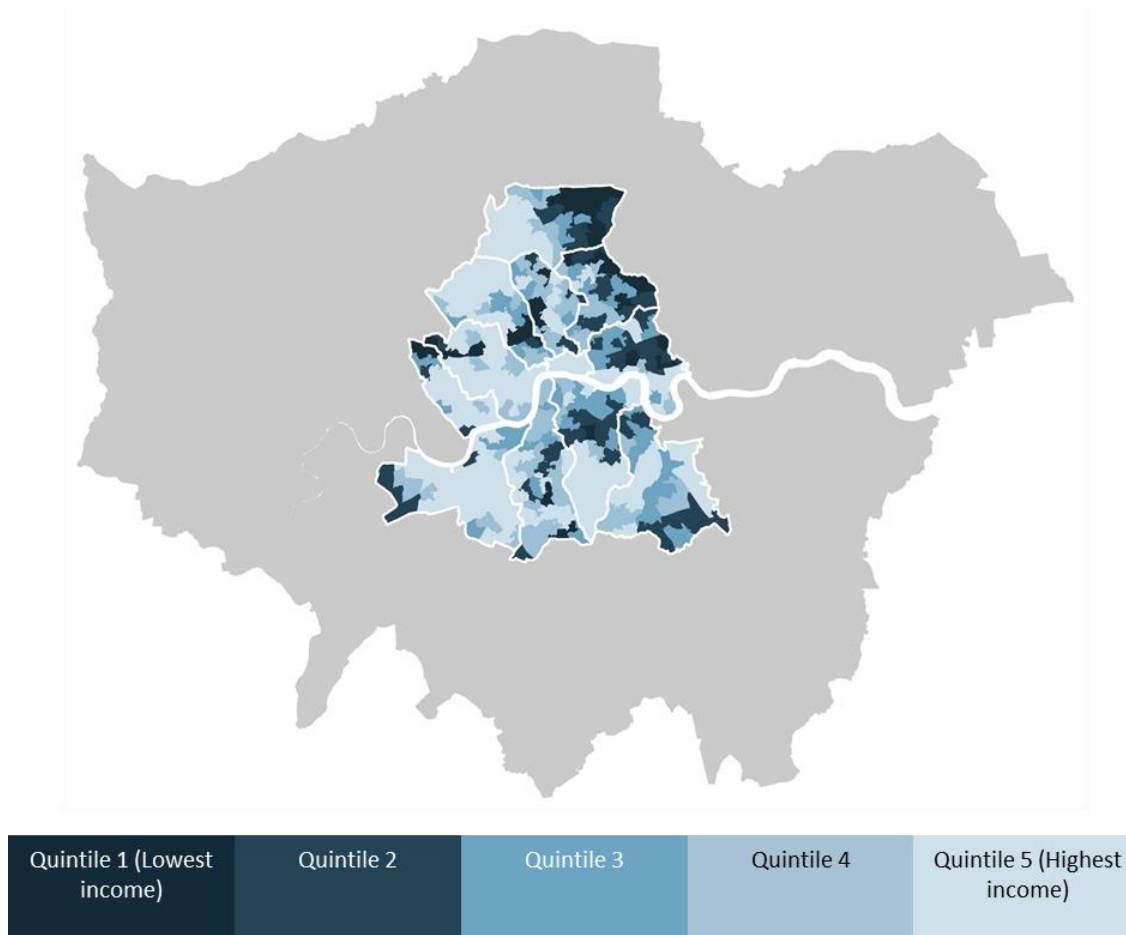
Source: ONS population estimates via NOMIS

Central London is also distinct in terms of the sub-region’s economy. Central London’s economy is strong and dynamic, with a concentration of world-leading sectors. The sub-region is highly connected both internationally and to regional economies, and it contributes significantly to the strength of the wider UK economy:

- The economic output of central London is much higher than elsewhere at £95,000 per head, compared to £51,000 in London as a whole and £29,000 in the UK.⁹
- Workers in central London are, on average, paid much more. Average weekly gross pay was £803 before the pandemic, compared to £727 in the capital as a whole and £572 across all of the UK.¹⁰
- The median household wealth in London is £360,000, greater than the average for all of England of £290,000. The 25th percentile (that is, the richest household in the bottom quarter) in London, however, only has a wealth of £40,000, well below the England average of £70,000.¹¹
- For every person in London, the Government raises £4,000 more in revenue than it spends, more than any other region or nation of the UK. This makes London one of only three regions to make a net contribution to the Exchequer.¹²

While central London has a strong economy, not all residents are able to take advantage of the opportunities available. This means that, despite the prosperity that is evident in central London, there are alarmingly high levels of poverty, inequality and deprivation. Figure 5 shows the variation in household income between different neighbourhoods in central London, illustrating that even within boroughs, there is a great deal of variation in outcomes.

Figure 5: Mean annual household income (net, equivalised and after housing costs) MSOA quintile

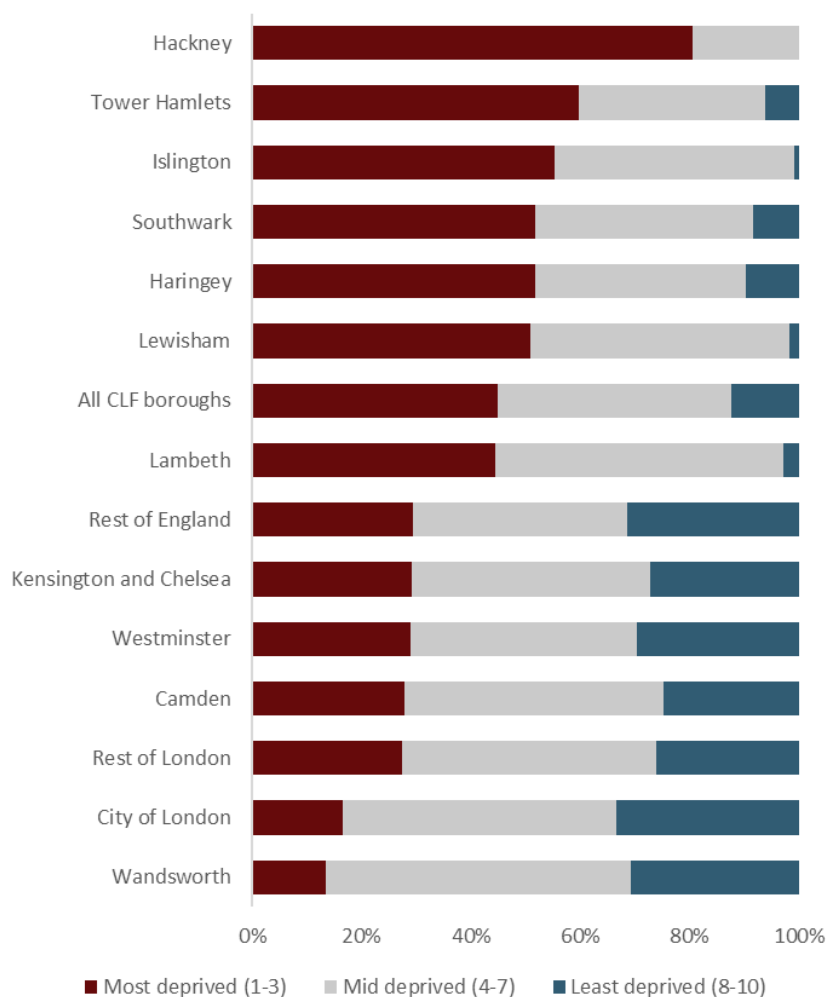


Source: Income estimates for small areas, England and Wales (2018)

Notes: quintiles based on England and Wales

Given this significant variation in household incomes across central London, it should come as no surprise that this leads to equally large variations in outcomes across a wide range of indicators of living standards. Some of these are summarised by the English Indices of Deprivation which is a composite measure of factors including incomes, education, crime, health and access to public services.¹³ Figure 6 shows how the boroughs of central London often score comparatively poorly on this measure.

Figure 6: Proportion of neighbourhoods by English deprivation decile in CLF boroughs, the rest of London and the rest of England



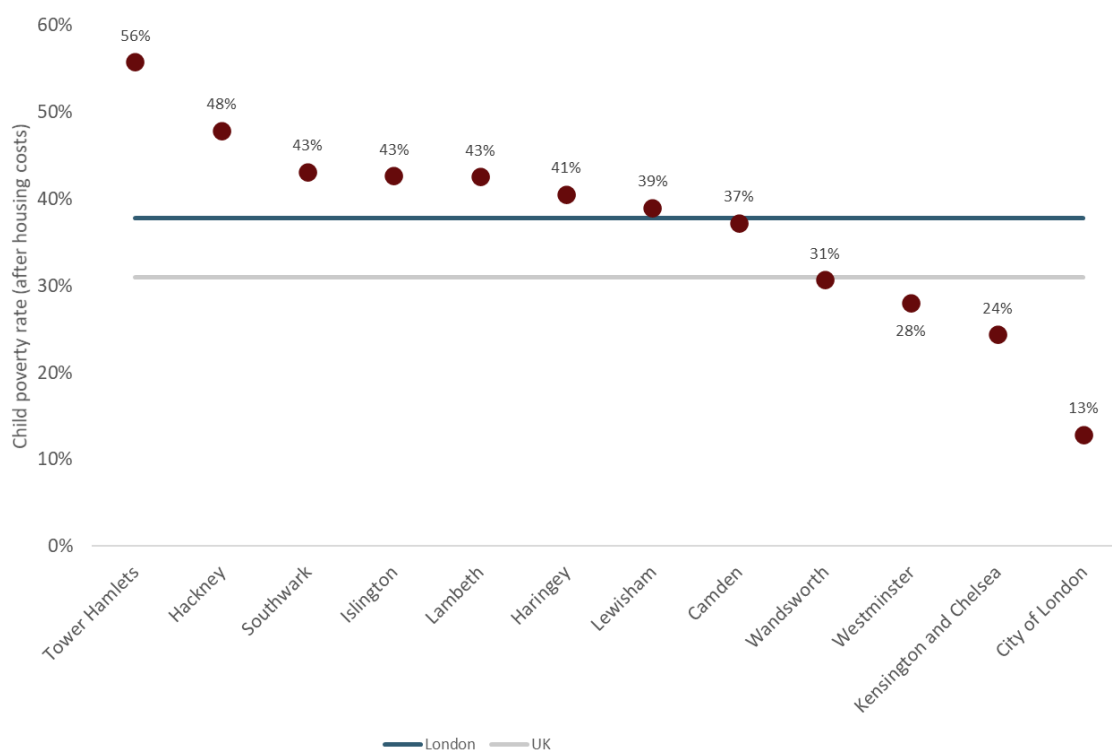
Source: WPI Economics analysis of English Indices of Deprivation

- Based on the rank of average rank, the majority – 7 out of 12 – of central London boroughs are in the most deprived 20% of local authorities nationally.
- 45% of neighbourhoods in central London are amongst the most deprived (top 30%) in England, more than the proportion of neighbourhoods in the rest of London (27%) and the rest of England (29%).
- Certain boroughs in central London have even more extreme concentrations of deprivation than that, with 81% of neighbourhoods in Hackney and 60% of neighbourhoods in Tower Hamlets amongst the most deprived in the country.
- Even the central London boroughs with the highest proportion of neighbourhoods in the least deprived 30% in the country (Wandsworth on 31% and Westminster on 30%), see a lower proportion of less-deprived neighbourhoods than in the rest of England.
- If central London boroughs contained the same proportion of deprived neighbourhoods as the rest of England, there would be 480,000 fewer Londoners living in deprived neighbourhoods.¹⁴

Another way to consider these issues is to assess poverty rates in central London. Here, we see that, despite median wages being higher than in other parts of the country, high levels of wage inequality and extremely high housing costs meant that, prior to the pandemic, Inner London had the highest poverty rates after housing costs of all UK regions and nations.¹⁵ Rates in Inner London were eight percentage points higher than England overall, standing at 30%, compared to the UK and England average of 22%.¹⁶

Looking specifically at child poverty, Figure 7 shows that in all but three central London boroughs, child poverty rates after housing costs are at or higher than the UK average of 31%. Seven central London boroughs have rates higher than the London average of 38%. In Tower Hamlets, well over half (56%) of children live in poverty. This is a problem for the city today and, because of the impact on children’s future outcomes, a very significant challenge for inequality in the future.

Figure 7: Child poverty rates in central London after housing costs (2019/20)



Source: Local Child Poverty Indicators, End Child Poverty

This analysis has shown the stark inequalities that were present in central London before the pandemic. As policymakers, politicians and the country begin to develop plans for the economic and social recovery, it is essential to understand how the pandemic has impacted on these issues. With this analysis, we can ensure that the recovery builds a stronger and fairer economy for the future that will make London a better place to live, and provide Londoners with higher living standards and greater resilience to future shocks. The rest of this report focusses on five areas:

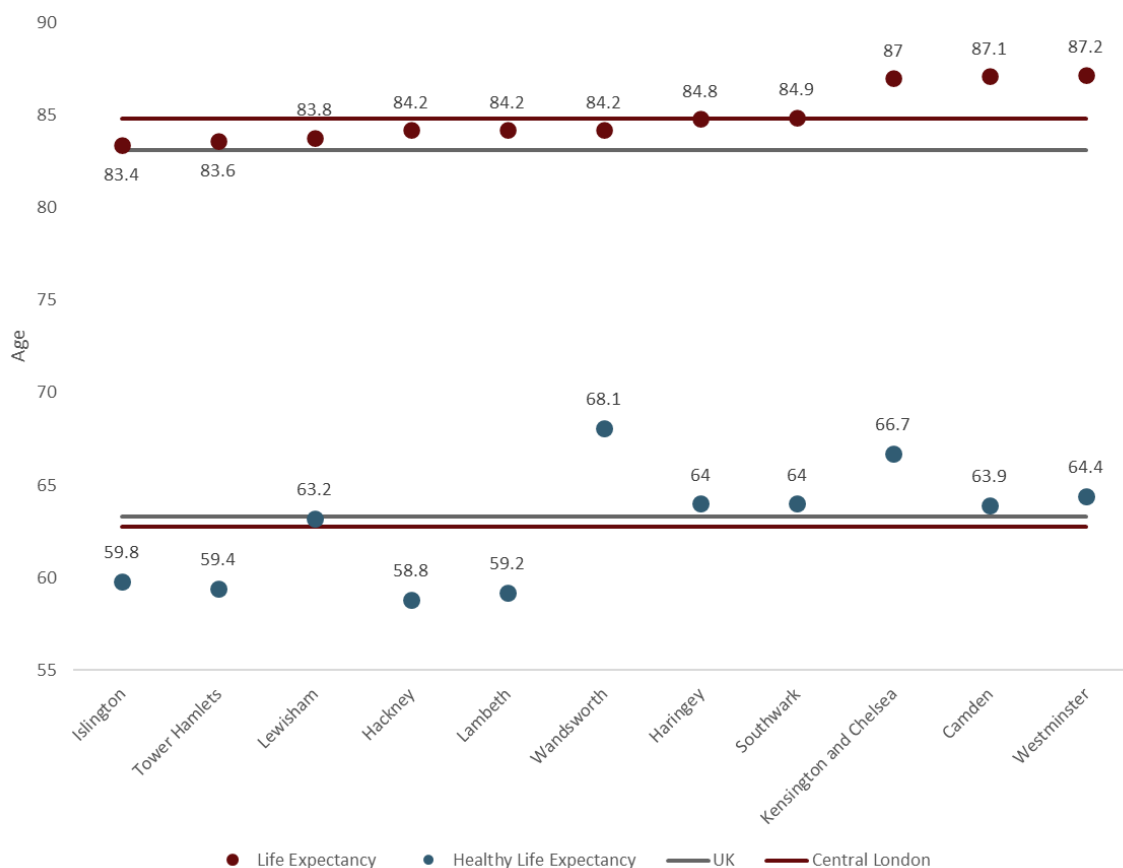
- 1) Health.
- 2) The labour market.
- 3) Skills and education.
- 4) Business ownership.
- 5) Wealth and housing.

SECTION 2: HEALTH

Average life expectancy is higher in central London – but this masks significant inequalities

Before the pandemic, central London (and London more generally) typically saw better headline health outcomes than the rest of the country. All Central London Forward boroughs had a greater life expectancy for females than the UK average of 83.1 years, ranging from 83.4 years in Islington to 87.2 years in Westminster.

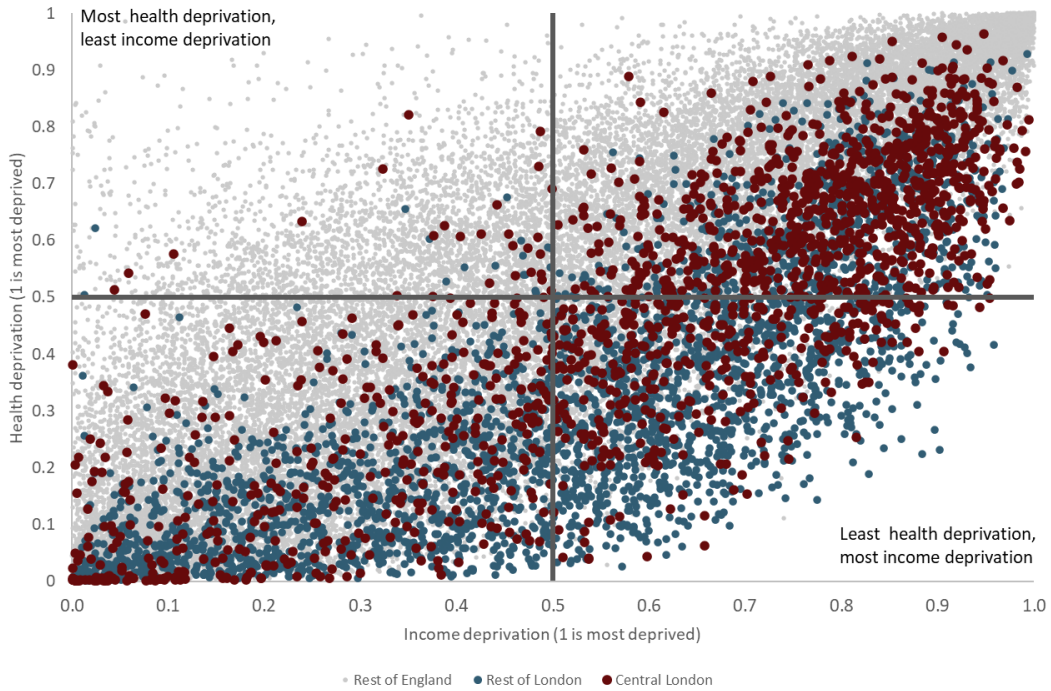
Figure 8: Life expectancy and healthy life expectancy of central London boroughs, compared to London and the UK (Females, 2017-19)



Source: Health state life expectancy, ONS

However, these headline figures hide the deep inequalities. People’s health, their access to healthcare and their experience of wider determinants of health vary greatly between different areas and different groups in society. As Figure 9 below shows, the more income-deprived a neighbourhood is, the more health-deprived it is (with more people dying young or living with a disability, for example). The figure highlights neighbourhoods in central London, allowing us to see that a large proportion of people here live in areas with worse-than-average outcomes in terms of both health and income deprivation. In fact, just over half (51%) of central London neighbourhoods are in the top-right quadrant of the chart – showing they are relatively deprived in terms of both income and health.

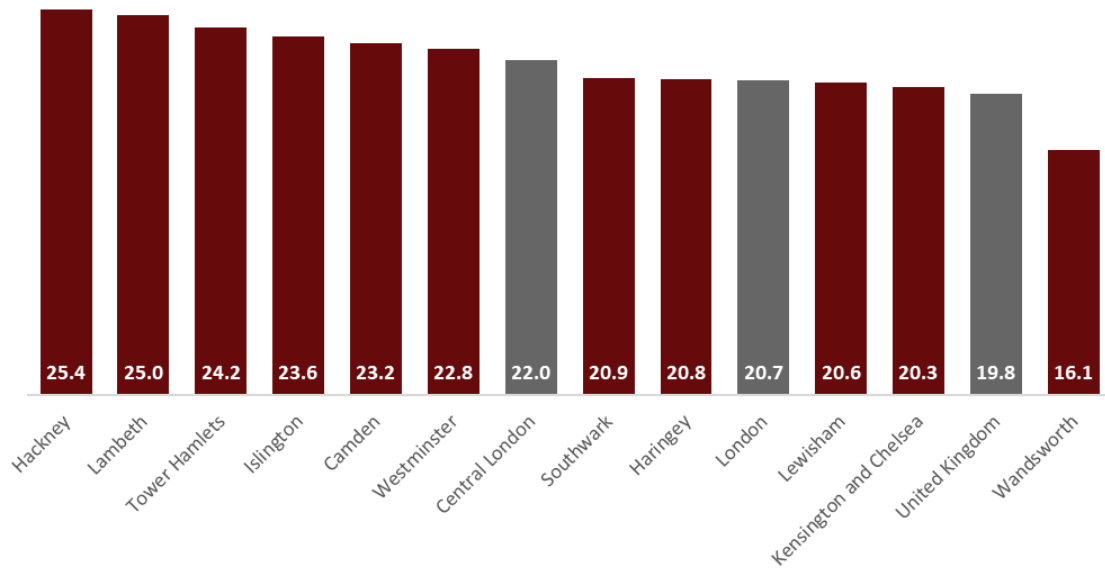
Figure 9: Health and income deprivation in central London, the rest of London and the rest of England



Source: WPI Economics analysis of English Indices of Deprivation (2019)

These inequalities are part of the reason why, although central London scores very well on measures of life expectancy, residents in boroughs such as Islington, Tower Hamlets and Lambeth enjoy fewer years of *healthy* life than the national average. Residents in Hackney will spend on average 5.2 years more of their life in poor health than the average Londoner. Across central London, residents will, on average, spend 2.2 years longer living in poor health than the average person in the UK.

Figure 10: Difference between life expectancy and healthy life expectancy (years)



Source: Healthy State Life Expectancy, ONS

Notes: City of London exclude due to small sample sizes

There are also significant differences in life expectancy within boroughs. For example, the gap between life expectancy between the least and most deprived neighbourhoods in Kensington and Chelsea stood at 14.8 years for males and 11.9 years for females, prior to the pandemic. This compares to gaps of 7.2 and 5.1 years in London as a whole, and 9.4 and 7.6 years in England as whole.¹⁷

The gulf between strong life expectancies and weak healthy life expectancies in central London is the consequence of a wide range of social, environmental and economic factors that impact on people’s health. Key examples in London include air pollution, food deserts, a lack of green space for some groups and communities and mixed experiences of poverty, deprivation and access to employment opportunities.¹⁸ Across all of these factors and more, there are complex interactions and dependencies between health inequalities and wider economic and social inequalities.

For example, Figure 11 shows the strong relationship between deprivation and childhood obesity in central London. The more deprived a neighbourhood is, the more likely a 9-10 year old is to be obese. In the figure, there are four quadrants based on the average deprivation and childhood obesity in England. This reveals that a greater proportion of neighbourhoods in central London see higher than average levels of childhood obesity than neighbourhoods in the rest of London or the rest of England. More than two thirds of central London neighbourhoods feature in the quadrant signifying relatively high deprivation and high childhood obesity rates. Not only does this illustrate the inequality of health outcomes in London, but it shows the scale of the challenge in combating unequal health when issues are apparent from such a young age.

Figure 11: Childhood obesity and deprivation in central London at neighbourhood-level (MSOA) (2017/10 – 2019/20)



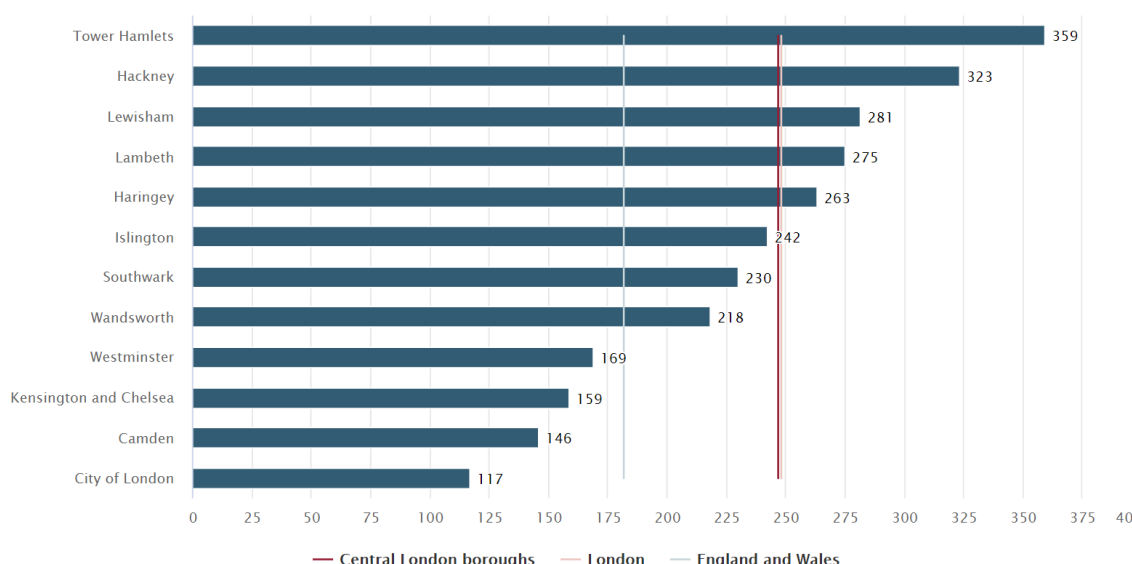
Source: WPI Economics analysis of Public Health England Fingertips and English Indices of Deprivation

The health impacts of Covid-19 have hit more deprived communities the hardest

Health inequalities such as those seen in Figure 11 were deeply concerning and damaged many lives before Covid-19 struck. Alongside other factors such as labour market position discussed elsewhere in this report, these health inequalities have also contributed to making certain sections of society particularly vulnerable to infection and death from Covid-19.

The first thing to note is that the health impacts of the pandemic have hit central London harder than other parts of the country. To understand this, we can look at age-standardised mortality rates. These are needed as the Covid-19 mortality is closely linked to the age-profile of the population (with mortality significantly higher amongst older populations). This means that to understand the impact on a particular area, differences in the age profile of the population need to be accounted for. Figure 12 shows that age-standardised mortality rates for central London boroughs have been much higher than England and Wales and, for five boroughs, higher than the overall London average. Overall, age-standardised mortality to April 2021 was 36% higher across central London than for England and Wales overall. In Tower Hamlets, age-standardised mortality rates were almost twice as high as in England and Wales overall.

Figure 12: Age-standardised mortality per 100,000, (March 2020 – April 2021)



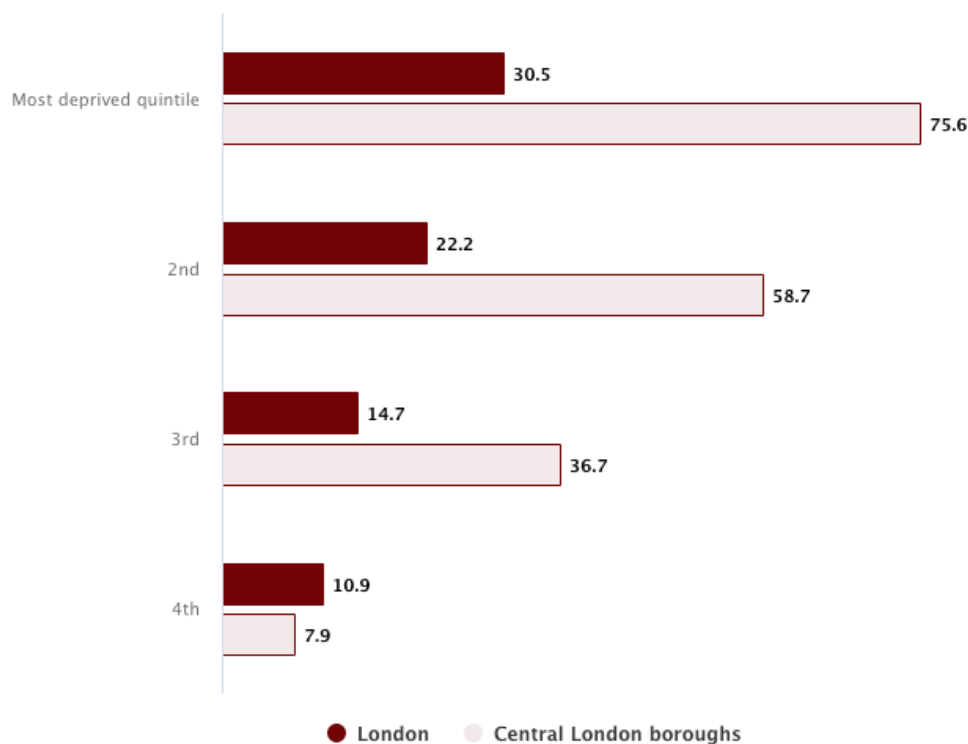
Source: WPI Economics analysis of Public Health England

The impact of the pandemic was very different for different Londoners. Although everyone was at risk and many families have lost loved ones, the general pattern of the pandemic is that the virus and our response to it took pre-existing disparities and widened them even further. We can assess these in a range of ways, including through regression analysis that tries to control for a range of neighbourhood characteristics to show how this contributes to differing rates of mortality. Results of this analysis shows that, in London:

- The most deprived fifth of neighbourhoods saw a death rate from Covid-19 some 30% higher than the least deprived neighbourhoods. Or put another way, for every 100 people to die in the least deprived parts of London, 130 died in the most deprived. Although sample sizes mean that confidence intervals are relatively wide, point estimates suggest that deprived neighbourhoods in central London boroughs faced even higher mortality rates.

- A neighbourhood with 1,000 more Black residents than an equivalent neighbourhood will have seen 20 more deaths per 100,000 population.

Figure 13: Multivariate regression estimates of percentage difference in cumulative deaths per 100,000, relative to least deprived 20% of neighbourhoods (central London boroughs, March 2020 – April 2021)

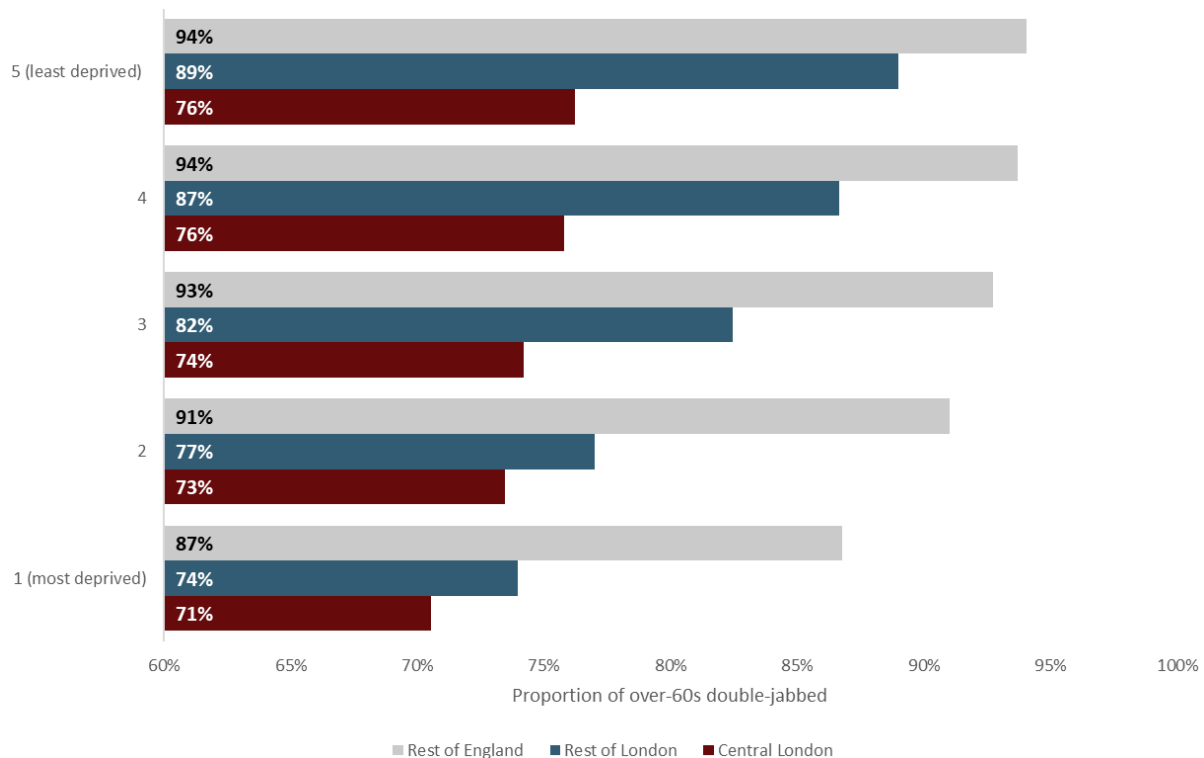


Source: WPI Economics analysis of Public Health England and English Indices of Deprivation

Notes: Also controls for a range of neighbourhood characteristics including profiles of age, ethnic mix, housing type, population density and occupation. Confidence intervals are such that only first and second most deprived quintiles are statistically significant.

This disparity in deaths is a result of many factors, including underlying health conditions, access to services and a range of other wider determinants of health. The most important variable in whether people die of Covid-19 is how likely they are to catch the virus in the first place. Here again, we see that people in the most deprived areas were much more likely to catch Covid-19 as shown in Figure 14. Covid-19 infections were particularly strongly concentrated in areas such as the East End and Lea Valley, which are amongst the most deprived areas in London. People in these areas were more likely to become infected with Covid-19 for a number of reasons, including higher density homes, greater residential overcrowding and a greater likelihood of working in frontline occupations.

Figure 15: Proportion of over 60s fully vaccinated by deprivation decile in central London, the rest of London and the rest of England (June 2021)



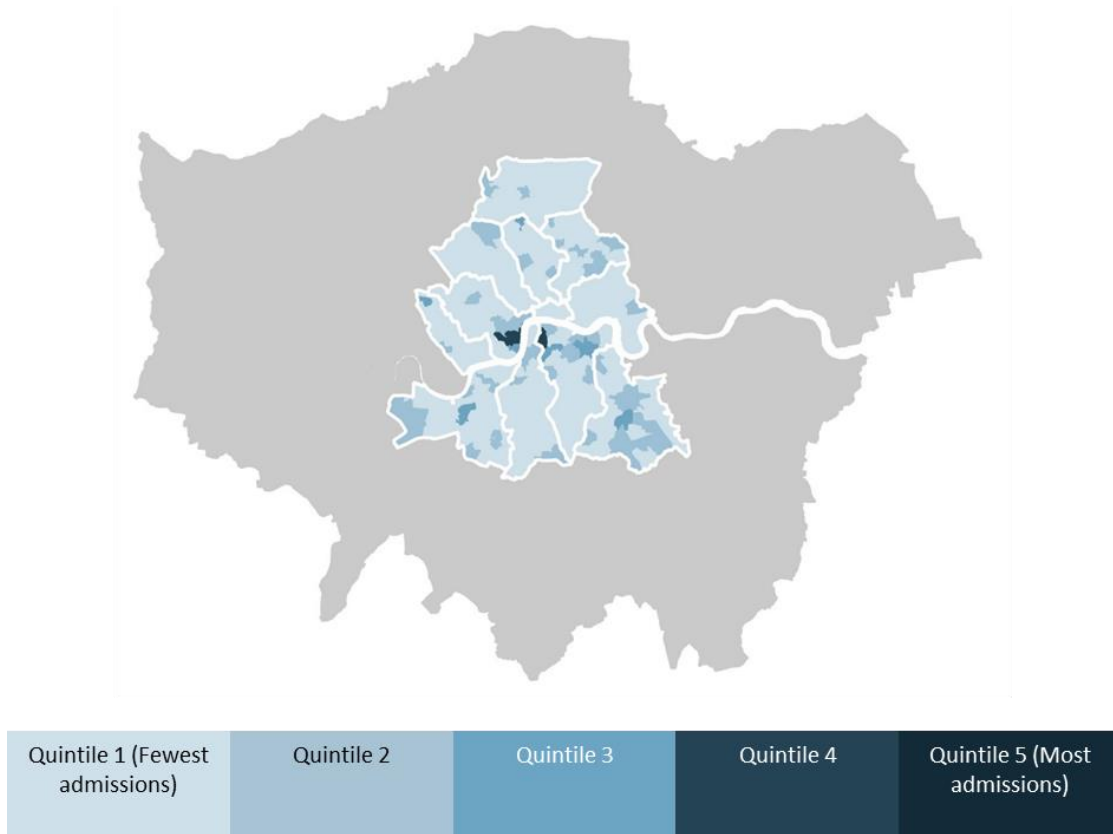
Source: WPI Economics analysis of National Immunisation Management Service (NIMS), Public Health England

In addition, Covid exacerbated many pre-existing health conditions. Mental health is a prime example of this. Poor mental health and deterioration in mental health both have strong links to poverty, precarious work, unemployment and traumatic events, including viral outbreaks.²⁰ As such, it is of little surprise that the emerging evidence on the pandemic is that it has significantly damaged mental health. For example:

- More than half of Britons (53%) say that their mental health has deteriorated as a result of the pandemic. One in seven (14%) say it has had a very negative impact. More than two in five (45%) say that their relationships with close friends have become more distant.²¹
- A longitudinal study of close to 50,000 adults between April 2020 and May 2021 found that more than one in four (26.1%) reported self-harm thoughts and 7.9% self-harm behaviours at least once during the period.²²
- Impacts are varied across the population, with emerging evidence suggesting that the largest impacts have been seen amongst women, younger adults, those with pre-existing mental health problems and some ethnic minority groups.²³

Given the inequality experienced in mental health before the pandemic (as seen in the spread of neighbourhood-level hospital admissions from self-harm over the past five years – see Figure 16), the pressures brought on by Covid pose a serious challenge to policymakers in the capital. This was made more acute by the accompanying economic shifts related to Covid (see Section 3), given that poor work outcomes and economic stress can worsen mental health outcomes and that poor mental health has an impact of productivity.

Figure 16: Standardised hospital admissions for self-harm in central London (2015/16 - 2019/20)



Source: WPI Economics analysis of Public Health England Fingertips

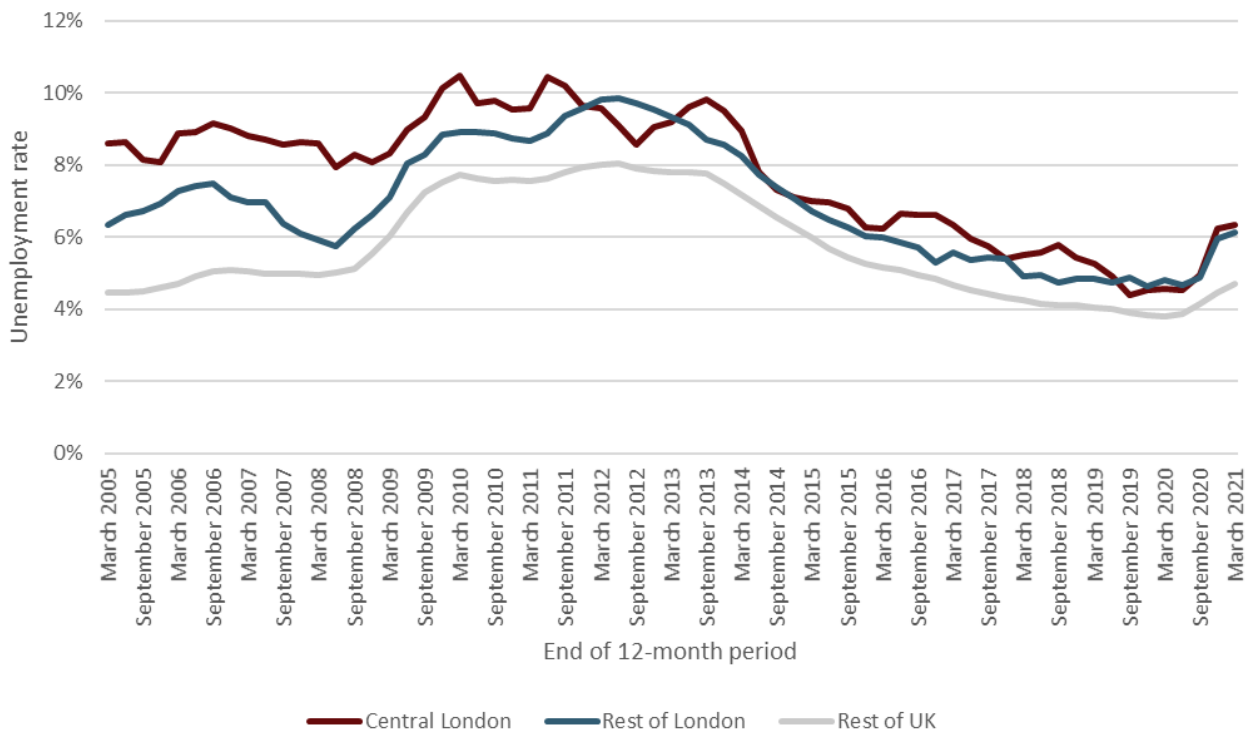
SECTION 3: LABOUR MARKET

Central London’s economy is incredibly strong, but its labour market is incredibly inequitable

Before the pandemic, London was a place of extremes when it came to work, with the highest salaries in the country, but significant levels of unemployment, precarity and in-work poverty. For example, the unemployment rate in central London was 4.3% before the pandemic compared to 3.8% in the country as a whole.²⁴

Figure 17 shows that unemployment rates in central London have been higher than both the rest of the UK and the rest of London for much of the last 15 years, though the gap in performance has fallen over the same period.

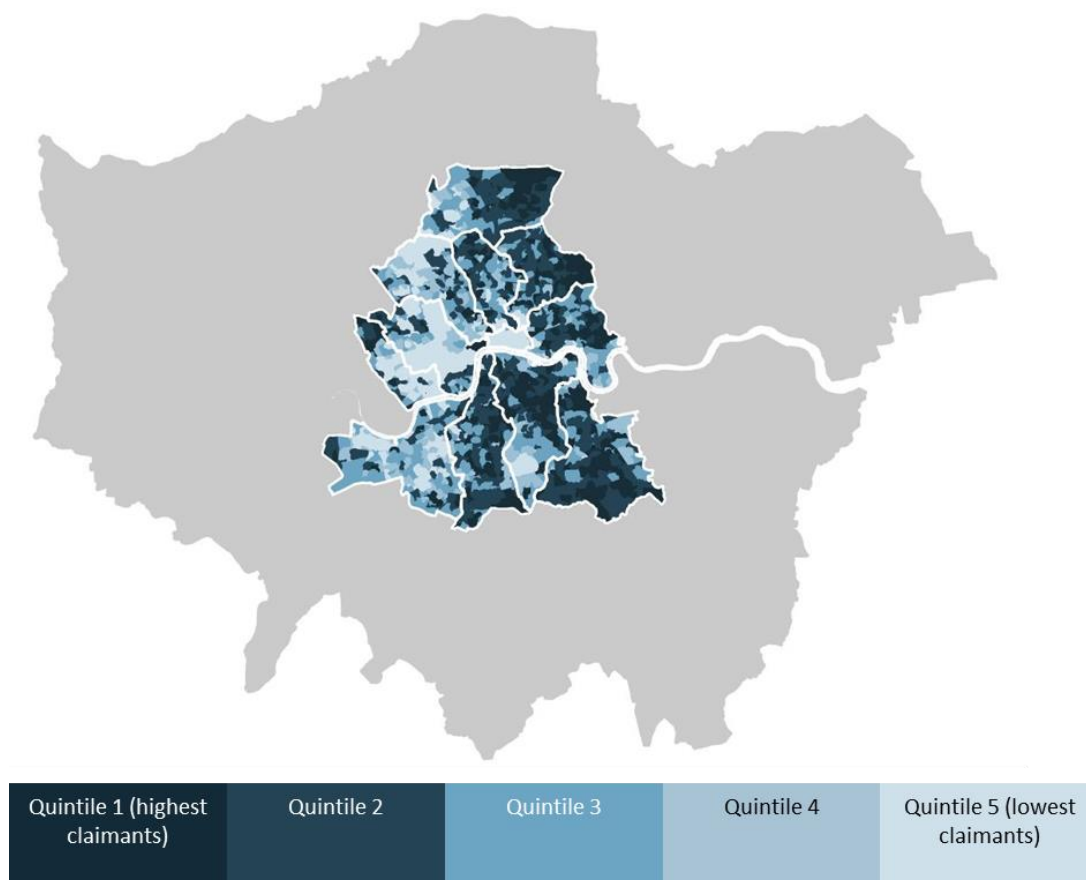
Figure 17: Unemployment in CLF boroughs, compared to the rest of the UK and London



Source: Labour Force Survey

There are also significant differences in unemployment rates within different parts of specific boroughs. Figure 18 shows the how neighbourhoods of central London fit into the distribution of unemployment benefit claimant rates across England. The overriding dark shades show that, overall, central London neighbourhoods have some of the very highest unemployment benefit claim rates in the whole country. However, within parts of the sub-region, particularly in central and western boroughs, there are neighbourhoods with claimant rates amongst the 20% lowest in England. In tangible terms, this means that claimant rates varied from almost nothing to over 13% in neighbourhoods across central London before the pandemic.

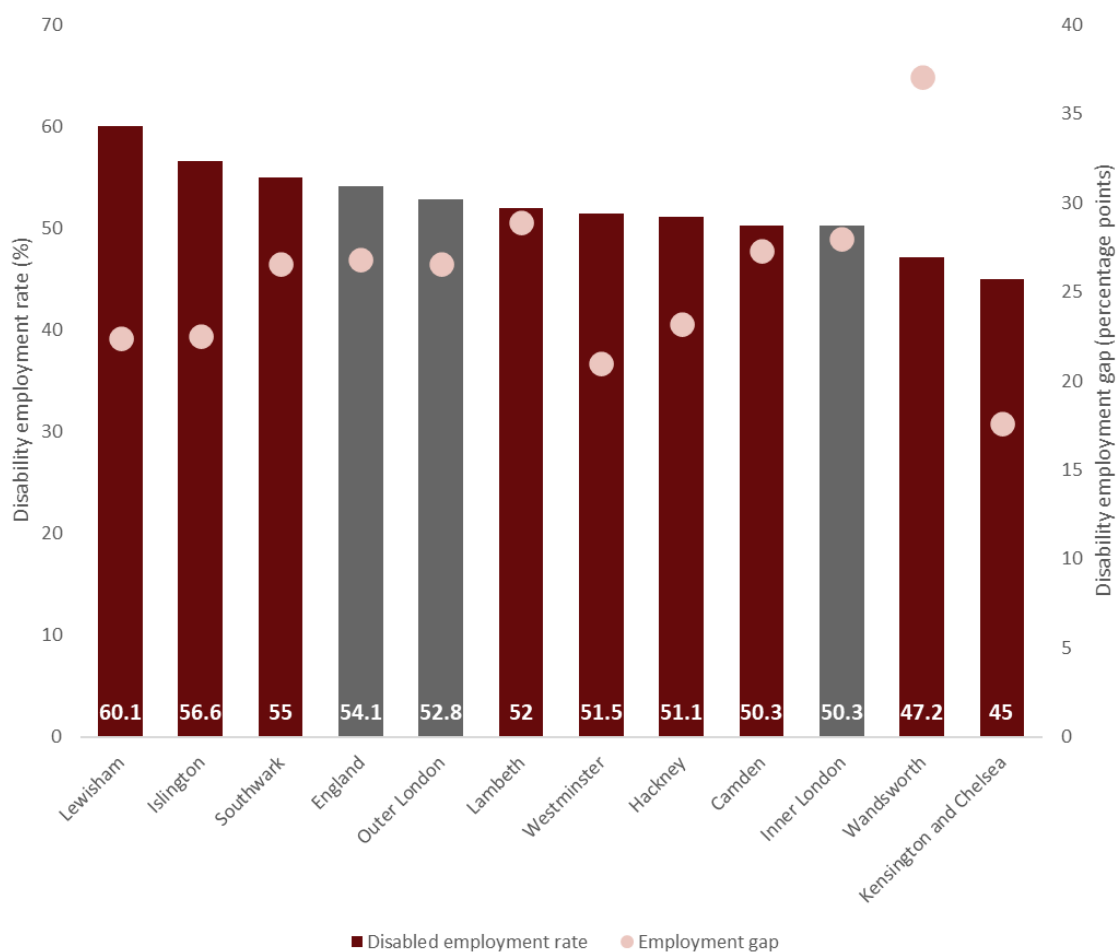
Figure 18: Unemployment benefit claimants in central London neighbourhoods (LSOA), England Quintile (February 2020)



Source: ONS via NOMIS

More broadly, the inequality in central London’s labour market prior to the pandemic can also be seen in the fact that disabled people had significantly lower employment rates than non-disabled people. Most central London boroughs had a lower proportion of disabled people in work than either London or England as a whole, with only 42% of working-age disabled people in Tower Hamlets in employment, leaving the east London borough with a disability employment gap (the difference between the employment rates of disabled and non-disabled people) of 37 percentage points. The low rates of economic activity amongst disabled people in London exacerbate a range of other social, health and economic conditions, as well as posing a serious challenge to building central London back better after the pandemic.

Figure 19: Disability employment rate and rate gap, (2019)



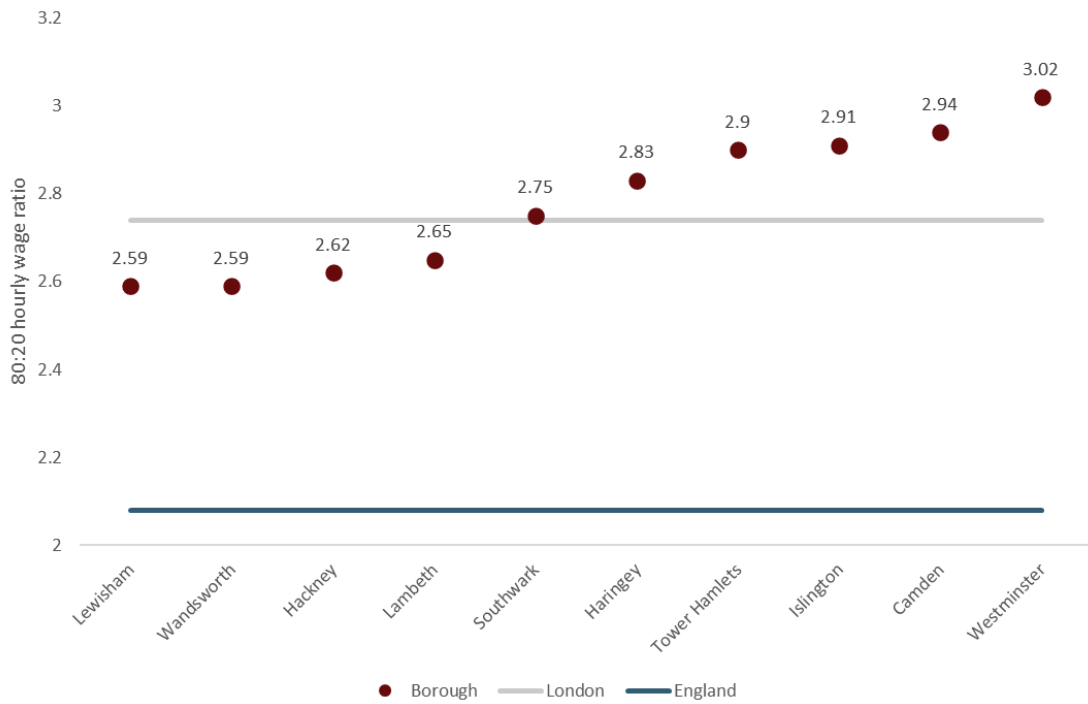
Source: Annual Population Survey via Greater London Authority

Notes: City of London excluded because of sample sizes. Inner and Outer London used due to data availability

Pre-pandemic, average pay was high in central London, but this hid huge inequality

In central London, the mean salary before the pandemic was £803 per week, significantly higher than the national average of £572.²⁵ However, outcomes for different individuals, groups and communities in central London are deeply unequal. Across England, the 20% highest earners earn just over double that of the bottom 20% of earners. However, with concentrations of both very high earners and people in more poorly paying jobs, this earning ratio is significantly higher in every central London borough, ranging from 2.59 in Lewisham and Wandsworth to 3.02 in Westminster.

Figure 20: 80:20 pay ratio (hourly gross pay) in central London (2019)

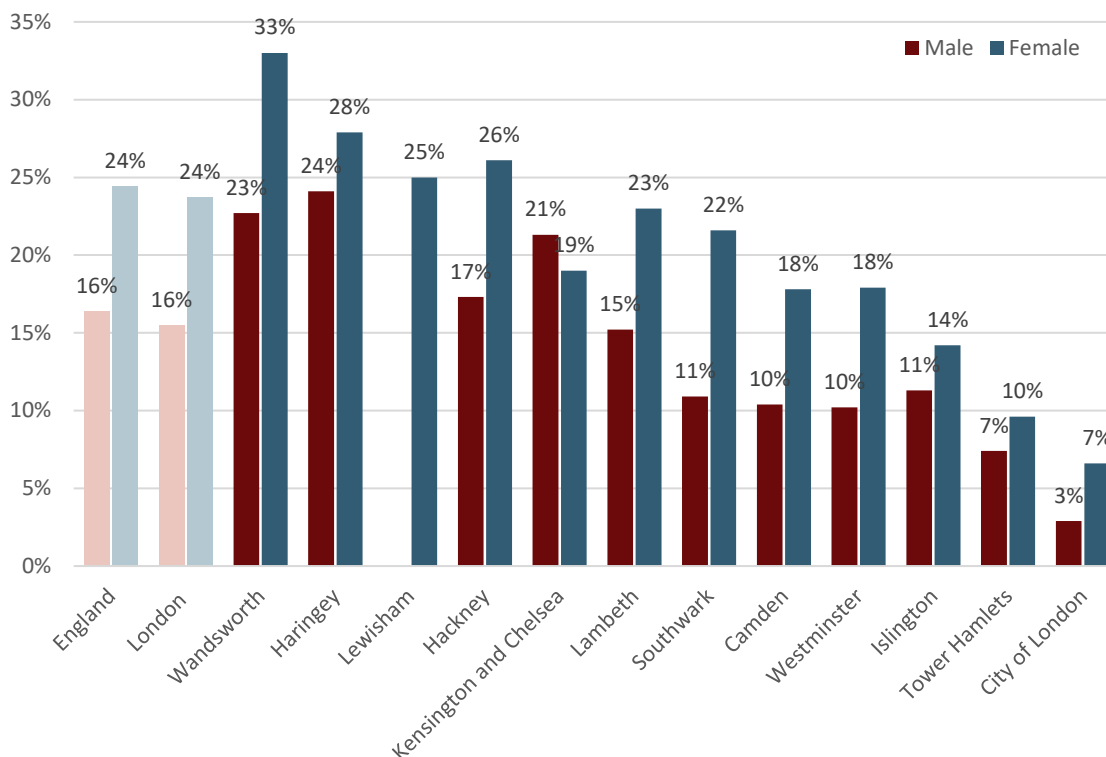


Source: WPI Economics analysis of ASHE

Notes: Kensington and Chelsea and the City of London are omitted due to data restrictions.

Looking specifically at low-paid work, Figure 21 shows the disparity of outcomes across central London boroughs, with the proportion of employee jobs paying beneath the Living Wage Foundation Living Wage rate (£10.75 in London and £9.30 outside of London, in 2020) ranging from 3% for men in the City of London to one in three (33%) for women in Wandsworth. Overall, this suggests that more than 300,000 employee jobs (13% of the total) in central London boroughs are paid under the Living Wage Foundation Living Wage rate.

Figure 21: Proportion of employee jobs paid under the Living Wage Foundation rate, 2020



Source: Annual Survey of Hours and Earnings.

Note: Omitted categories, boroughs and / or data points are due to data limitations.

Many in-work central London residents experience precarious employment

Labour market inequalities in central London are not limited to employment outcomes and pay. There are also significant numbers of people in precarious employment. The Trades Union Congress (TUC) defines this as those:

- On zero-hours contracts who risk missing out on access to key rights and protections at work, lack income security and face lower rates of pay;
- Working as agency, casual and seasonal workers (but not those on fixed-term contracts) who risk missing out on key workplace rights and protections and face lower rates of pay; or
- In low-paid self-employment who miss out on key rights and protections that come with being.

The TUC estimate that around 11% of workers across London are in insecure work.

Labour market inequalities combined with high housing costs mean that many central Londoners cannot make ends meet

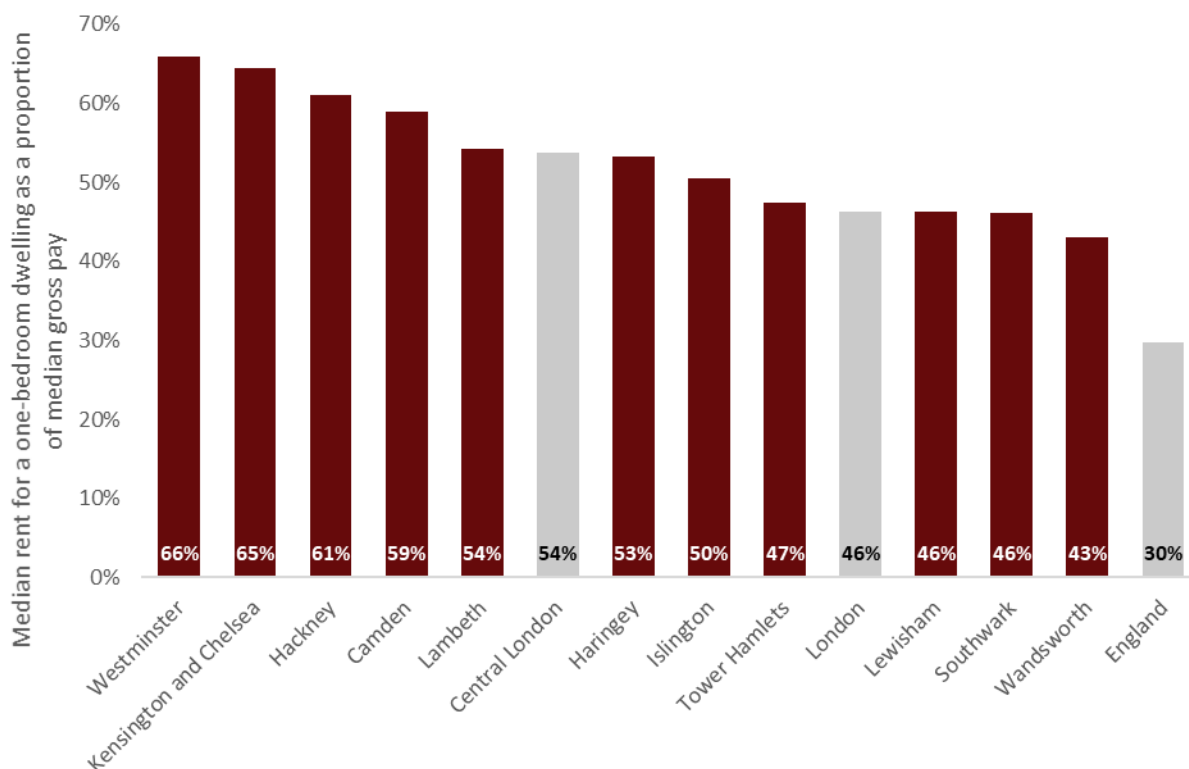
Together, inequalities in pay and job quality mean that, despite higher average wages, many workers in central London struggle to be able to meet the high cost of living in the city. A key indicator of this is that poverty rates amongst working families in Inner London[‡] prior to the pandemic stood at 22%, some 5 percentage points higher than the average across the rest of England (17%). This means that

[‡] Inner London used instead of central London due to availability of data.

close to six in ten people in poverty in Inner London (58%) are living in a family where someone is in work.

One of the key drivers is the cost of housing. Figure 22 compares the median salary across residents of central London boroughs with the median rent for a one-bedroom house or flat in each borough. Typically in England, the average rent for a one-bedroom home is 30% of the average salary. In London, this jumps to 46% and in central London it is 54%. In Westminster, Kensington and Chelsea and Hackney, someone on the average wage would need to spend more than 60% of their income on a one-bedroom flat.

Figure 22: Median rent for a one-bedroom dwelling in central London as a proportion of median gross pay (2019/20)

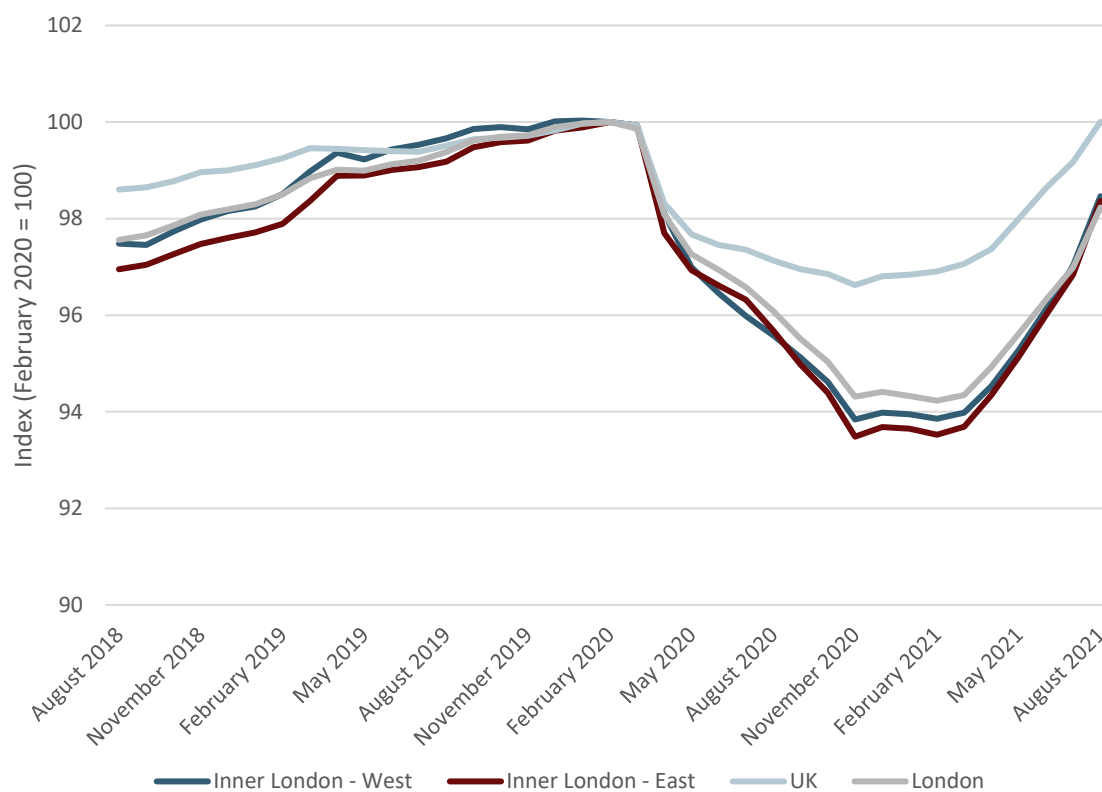


Source: WPI analysis of ASHE and ONS private rental market summary statistics

The labour market impacts of Covid-19 have hit central London hard

These labour market challenges have been emphasised and deepened by the economic fallout of the Covid-19 pandemic, with central London seeing some of the biggest impacts. Across Inner London, employment levels fell by more than 6 percentage points between March 2020 and February 2021, meaning that there were around 110,000 fewer payrolled employees in February 2021 than there were in February 2020. These impacts were twice as large as the falls in payrolled employment seen across the UK, which saw a 3 percentage point fall over the same period. Whilst payrolled employment has rebounded in recent months, in August 2021 they remained 2 percentage points (27,000 jobs) below the level seen at the start of the pandemic. Payrolled employment across the UK more generally has almost returned to levels seen at the start of the pandemic.

Figure 23: Index of employment, February 2020 = 100

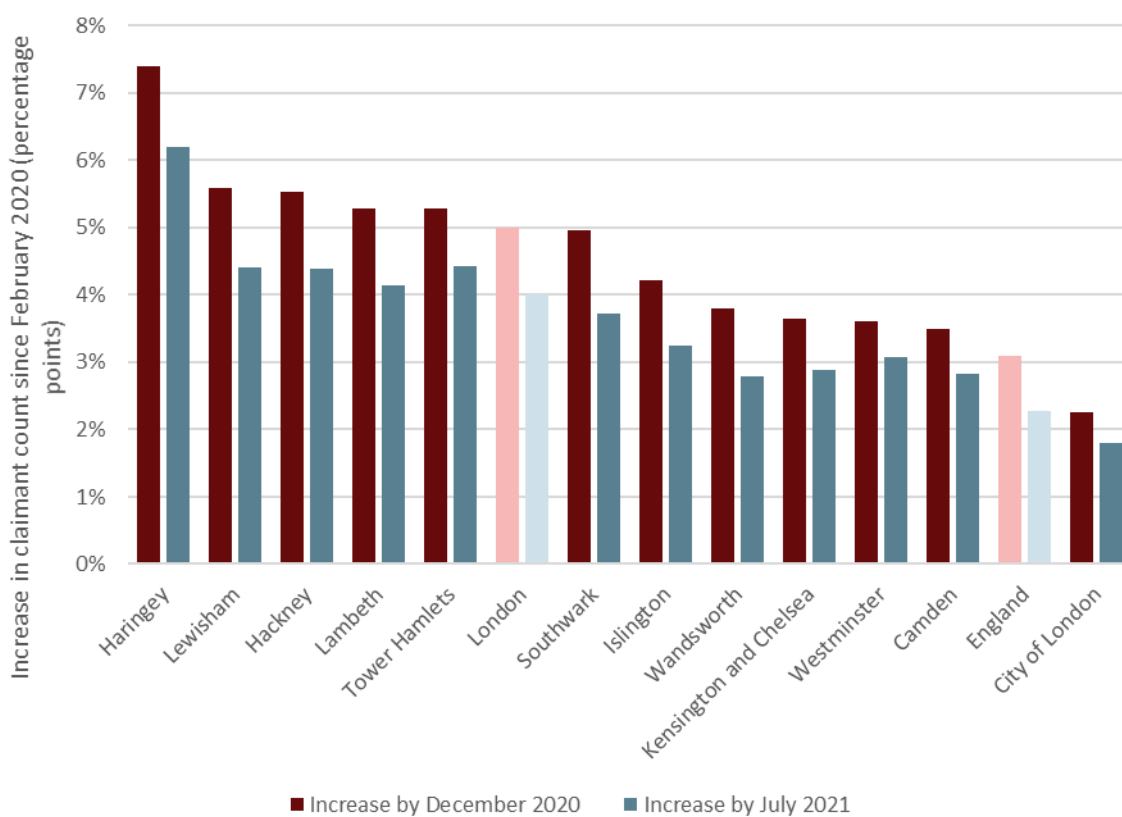


Source: HMRC Pay As You Earn real time information

The economic fallout from Covid-19 has hit more vulnerable areas and people hardest

Whilst all the economic impacts of the pandemic have been felt heavily across the whole of central London, the most significant impacts have been on areas and people that were already more vulnerable. This has meant that Covid has served to increase the inequality in labour market outcomes already seen in central London prior to the pandemic. Throughout the country, more deprived areas saw unemployment-related benefit claims increase more than in less deprived areas. Both central London and the rest of London saw these claims increase more than in the rest of England.

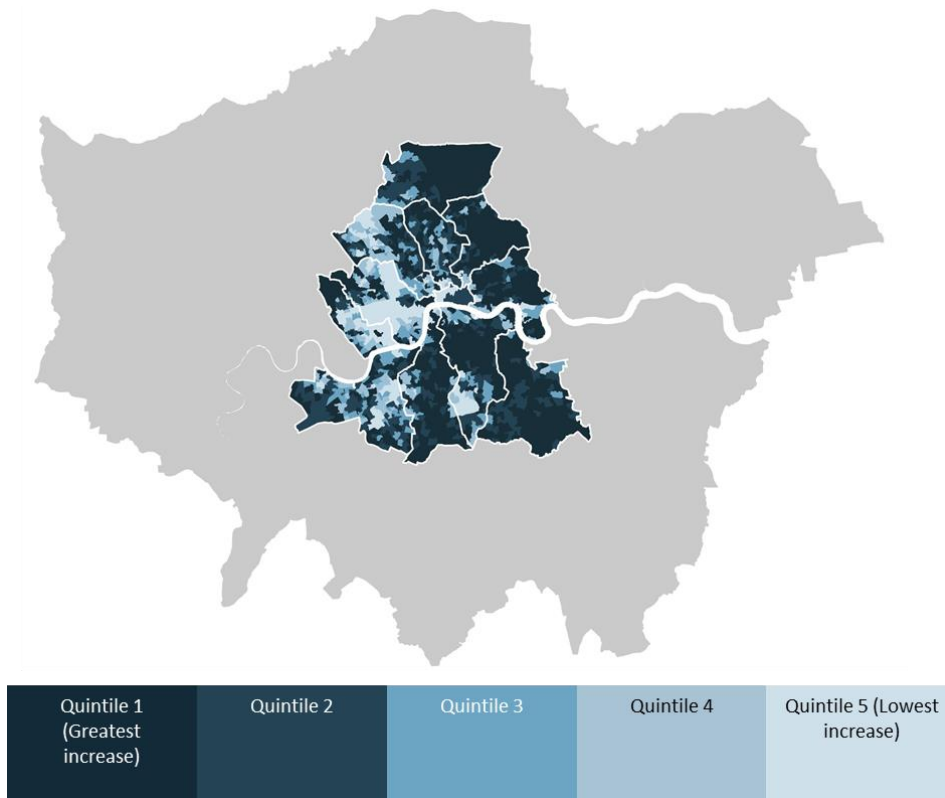
Figure 24: Increase in unemployment benefit rate from February 2020



Source: NOMIS

As with the rates of claimant unemployment before the pandemic, the increase in the claimant count has been varied across and within central London boroughs. Figure 25 shows that at a large proportion of neighbourhoods within central London boroughs were amongst the 20% nationally that saw the greatest increase in claimant unemployment. However, there were also some areas, particularly within boroughs in the central and west parts of the sub-region that saw significantly lower impacts.

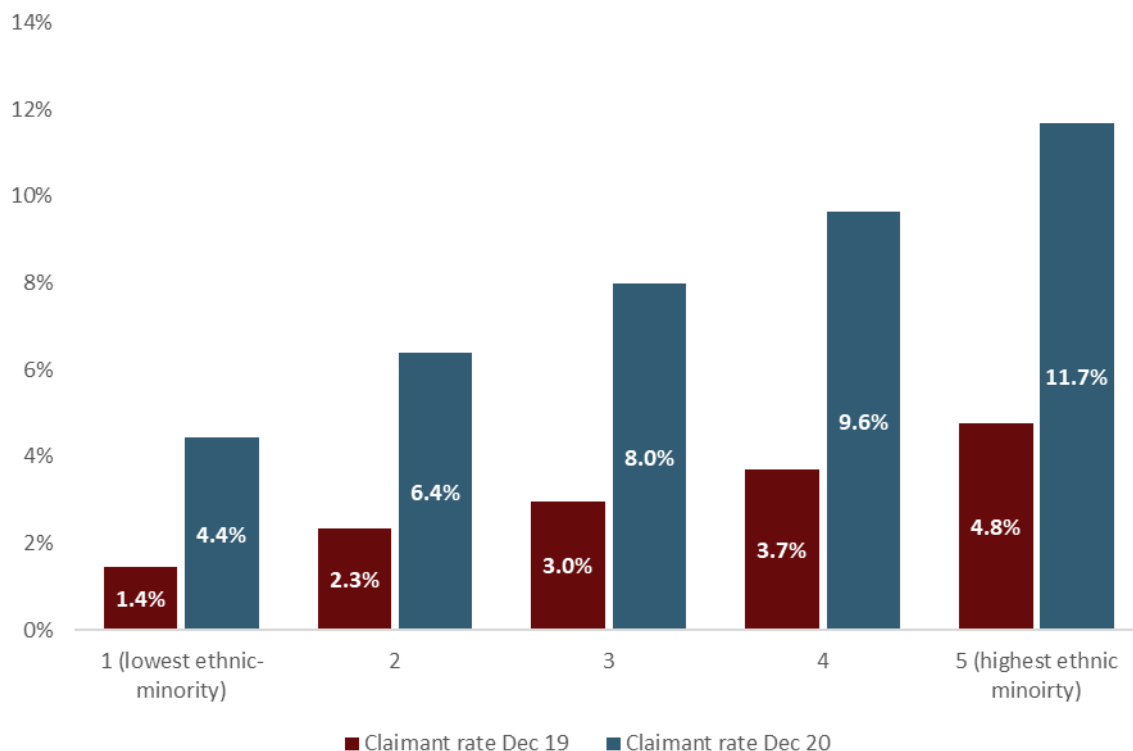
Figure 25: Increase in unemployment benefit claimants in central London neighbourhoods (LSOA), England Quintile (December 2019 to December 2020)



Source: WPI Economics analysis of NOMIS

The uneven impact of the Covid-19 economic shock can be seen across different ethnic groups. Before Covid, neighbourhoods with the highest proportion of residents from ethnic minority backgrounds had significantly higher levels of unemployment benefit claims (4.8% compared to 1.4%). The pandemic has exacerbated these gaps, with the claimant rate increasing to 11.7% in the neighbourhoods with the most ethnic minority residents, compared to only 4.4% in neighbourhoods with the least ethnic minority residents.

Figure 26: Claimant rate in December 2019 and December 2020, by neighbourhood ethnic minority population (quintile within central London)

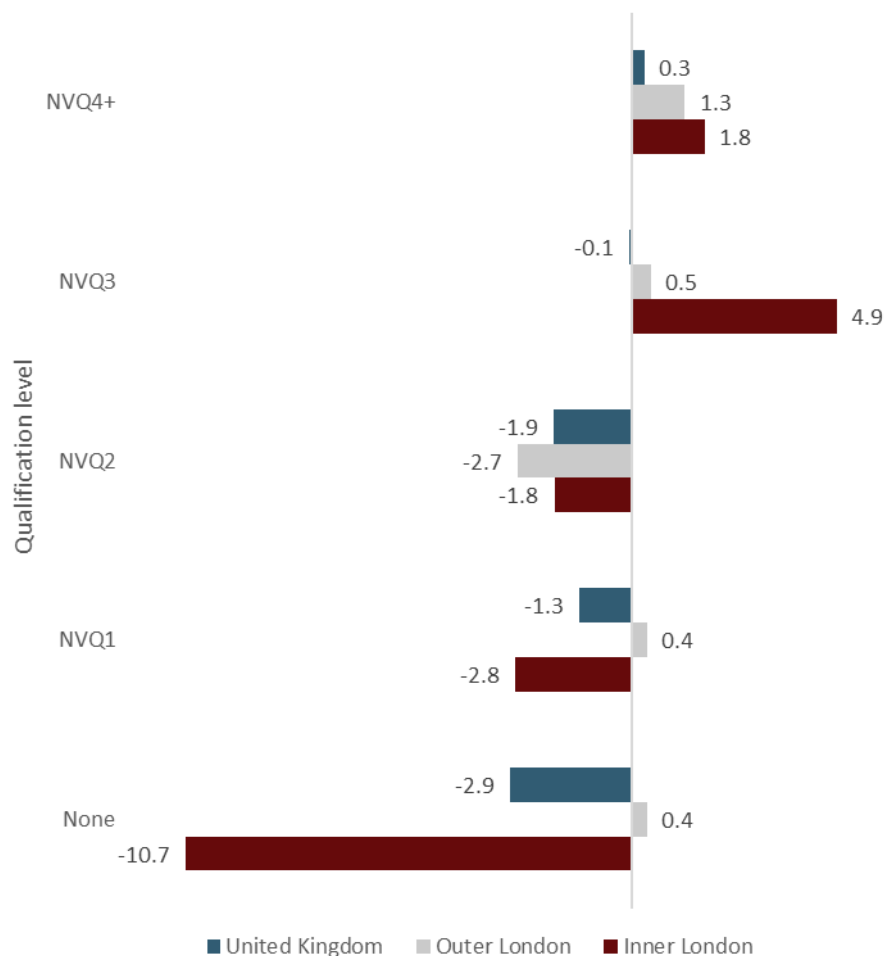


Source: WPI Economics analysis of NOMIS and Census

Impacts have also fallen most on those with lower levels of education and skills

Of course, the labour market impacts of the pandemic go beyond a rise in claimant unemployment. With a precarious labour market, some people facing unemployment will be discouraged from work completely, instead becoming inactive (perhaps retiring, or seeking to claim disability benefits), or choosing to continue with studies before entering the labour market. The long-term impacts of these effects are, as yet, uncertain, but do risk scarring impacts on individuals and detrimental impacts on the capital’s labour supply. We can also immediately see that economic activity has reduced the most for those with the lowest skills. In Inner London, the economic activity rate of working-age people with no qualifications fell by 10.7 percentage points whilst the population with level 3 and level 4+ (A-level and degree equivalent) saw their economic activity rates *increase*. Compared to Outer London and the UK, Inner London saw a more unequal shock, with the least qualified losing more and the most qualified gaining the most. The reasons for this are wide-ranging, including a lower propensity of low-skilled workers to be able to shift to home working, and the fact that the economic impact severely affected sectors regularly associated with lower-skilled employment, including hospitality, leisure and retail.

Figure 27: Economic activity rate of 16-64 year olds by skills level, 12 months to Dec 2019 and Dec 2020



Source: WPI Economics analysis of APS via NOMIS

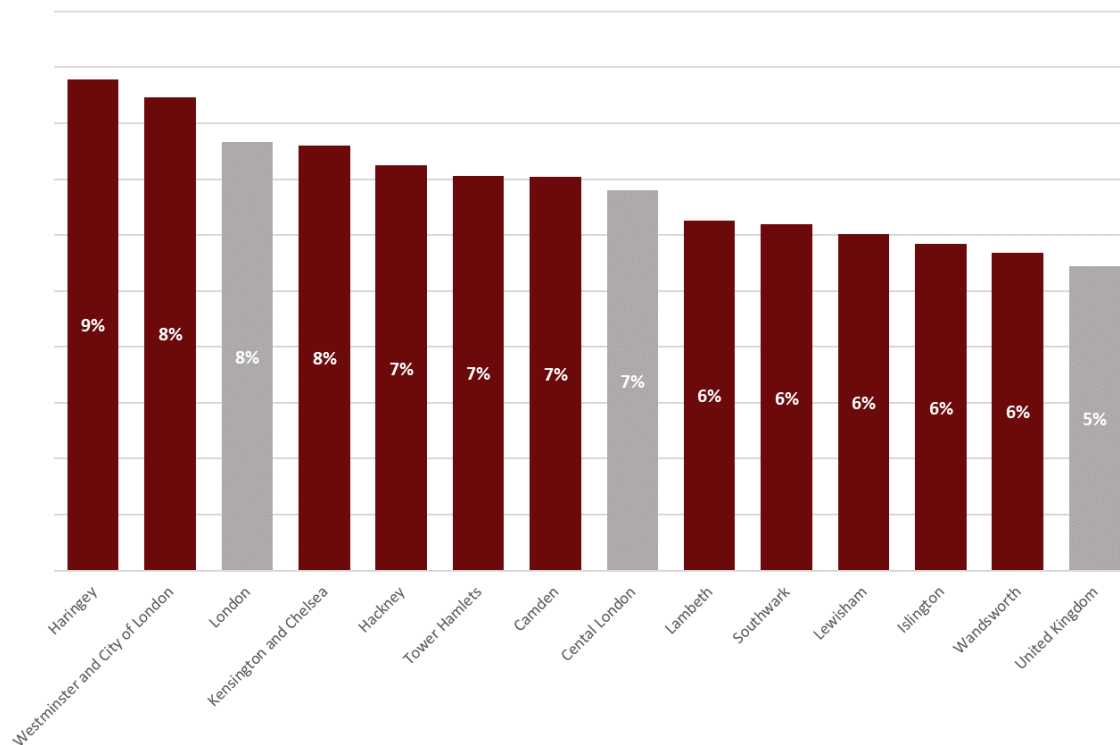
Impacts would have been worse without significant government support

Alongside the restrictions needed to contain the virus, the level of labour market support offered by the Government during the pandemic has been unprecedented. The furlough (Coronavirus Job Retention Scheme, CJRS) scheme and Self Employment Income Support Scheme (SEISS) have ensured that far fewer jobs have been lost across the UK, and within central London, than would otherwise be the case. The sheer scale of the schemes shows how much of an impact they have had. Across the UK close to 12 million jobs have been supported since the scheme was introduced. In central London, around 550,000 jobs have been supported by the scheme.²⁶

Across the whole period where the scheme has been in place, proportions of employments making use of the scheme have been significantly higher in central London than across the UK as a whole. This reflects the significant economic impacts that the pandemic has had on the capital, in particular impacting on its hospitality, leisure and tourism and retail sectors.

The most recent data (Figure 28) shows that even at the end of July, 7% of eligible employments in central London remained on furloughed (more than 90,000 jobs). This represents (nearly one in three (30%) of total furloughed employments in London and rates of furlough in central London and London overall remain significantly higher than in the UK overall.

Figure 28: Proportion of employments furloughed in central London, London and the UK (as at July 31 2021)



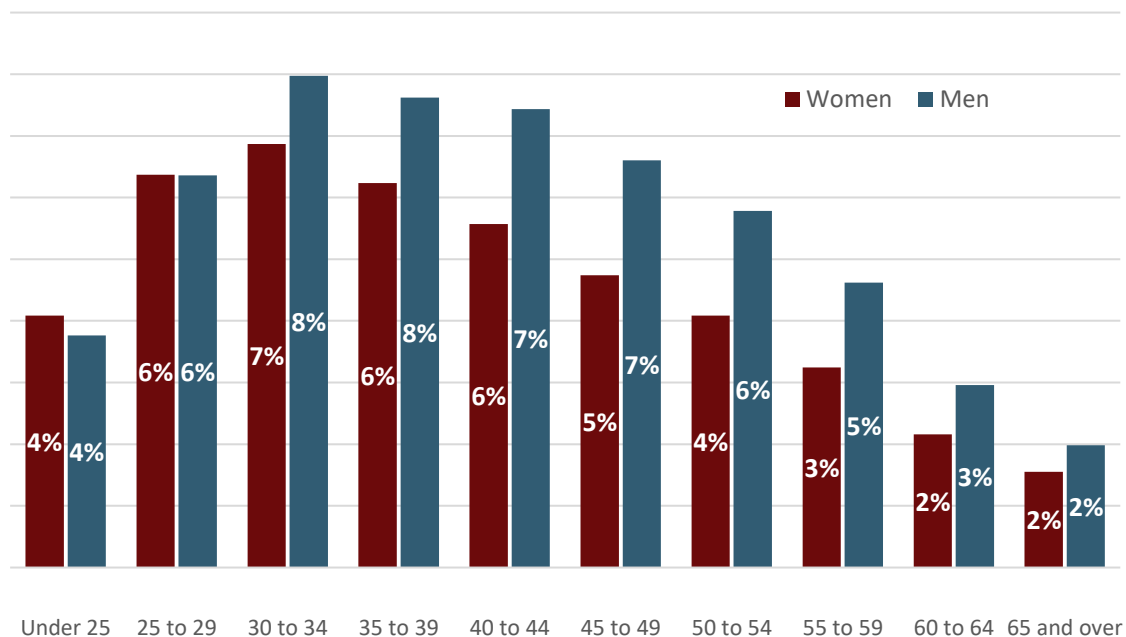
Source: HMRC

Notes: Provisional figures

The large proportion of employments still relying on furlough demonstrates the clear risk of future significant job losses now that the scheme has ended. This risk is also focussed on specific groups who have been more likely to be on furlough. For example, as at 31st July 2021, male employments in central London had a slightly higher furlough take-up rate (8% compared to 6% for women) and around half (49%) of all furloughed employments in central London are for workers aged under 40. Figure 29 (next page) shows how total furloughed employments in central London are distributed across men and women of different ages. For instance, it shows that 8% of total furloughed employments are for men aged between 30 and 34, another 7% are for women of the same age.

Previous research analysing job losses following the early Covid-19 lockdowns also showed that young people and people from a Black, Asian or Minority Ethnic background were most likely to be impacted by job loss following a period of furlough.²⁷

Figure 29: Furlough in central London boroughs for men and women of different ages (proportion of total furloughed across central London)



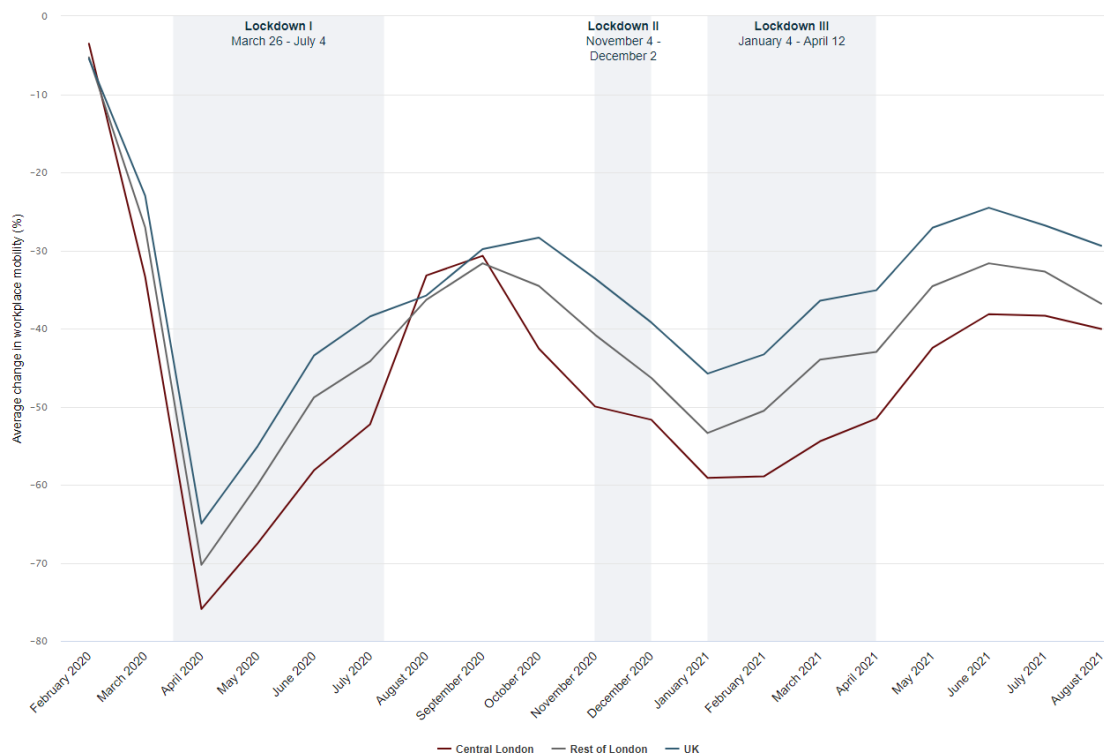
Source: WPI analysis of HMRC

Workplace and retail mobility recovering after seismic impact of Covid-19

Data on workplace and retail mobility (showing how the relative change in people travelling in areas related to these activities) shows the scale of the impacts that the CJRS and SEISS schemes have had to mitigate. Given the move to home working, it is unsurprising that the number of people recorded in workplaces fell sharply in the run up to and during the first lockdown, across all areas, but particularly in central London where more than 70% of workplace mobility stopped.

More encouragingly, there are some positive signs of life returning to central London. Figure 30 shows how the significant falls in workplace mobility have started to be reversed. However, it also shows that central London is lagging the recovery in mobility seen more generally across London and across the UK as a whole. If this pattern of reduced commuting, increased home working and lower footfall in central London became permanent, it would represent a major headwind for the central London economy, which might have a particularly acute impact of the low-paid ancillary staff who support office workers.

Figure 30: Change in workplace mobility in central London, the rest of London and the UK, compared to pre-pandemic baseline

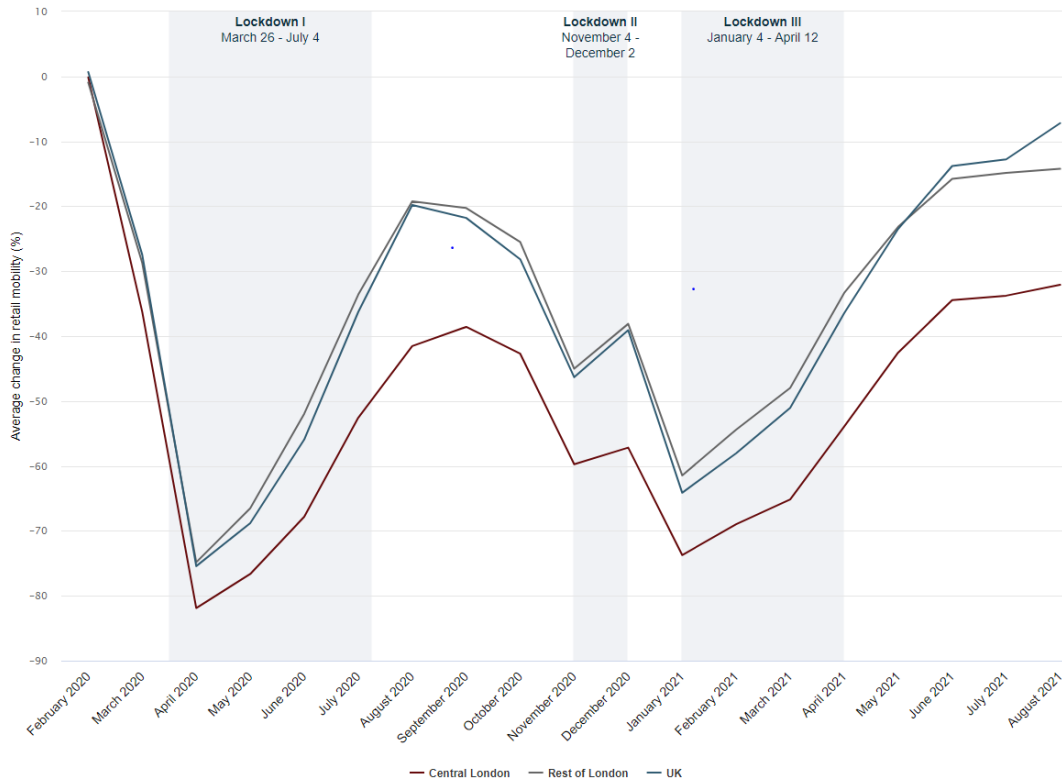


Source: WPI analysis of Google Covid-19 Community Mobility Reports

The gulf between central London and the rest of the country is even wider when one considers the number of people visiting retail and recreation (Figure 31, next page), where the rest of the UK has seen a faster recovery with 20 percentage points more activity. While this is unsurprising given the reduction in foreign tourism and mobility in the domestic market, this is particularly concerning for central London’s shops, bars and restaurants, which employ large numbers of people. A permanent shrinkage in the sector would pose a major challenge to the city’s economy and, in turn, the whole of the UK.

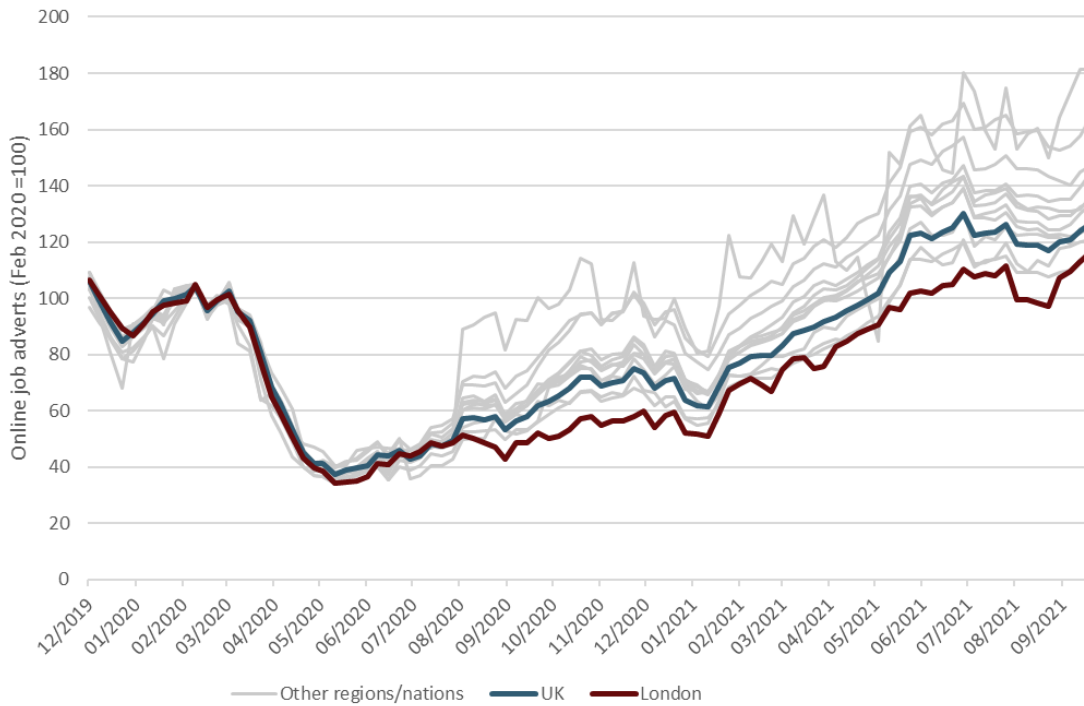
Despite a sustained fall in the amount of workplace and retail activity in central London, there is a pronounced economic bounce-back across the country as the vaccination programme has allowed for an easing of lockdown restrictions. That can be seen by the fact that the number of online job vacancies across the UK have increased rapidly in recent months (Figure 32, next page), with vacancies now exceeding pre-pandemic levels in London and every other region of the UK. As a result, the labour market in London has tightened noticeably over the course of 2021, with signs of growing skills shortages in certain sectors. However, while the number of vacancies in London has exceeded pre-pandemic levels, the pace of the recovery has lagged that seen in the rest of the country.

Figure 31: Change in retail mobility in central London, the rest of London and the UK, compared to pre-pandemic baseline



Source: WPI analysis of Google Covid-19 Community Mobility Reports

Figure 32: Online job adverts during the pandemic



Source: ONS online job adverts
Notes: sub-regional breakdowns unavailable

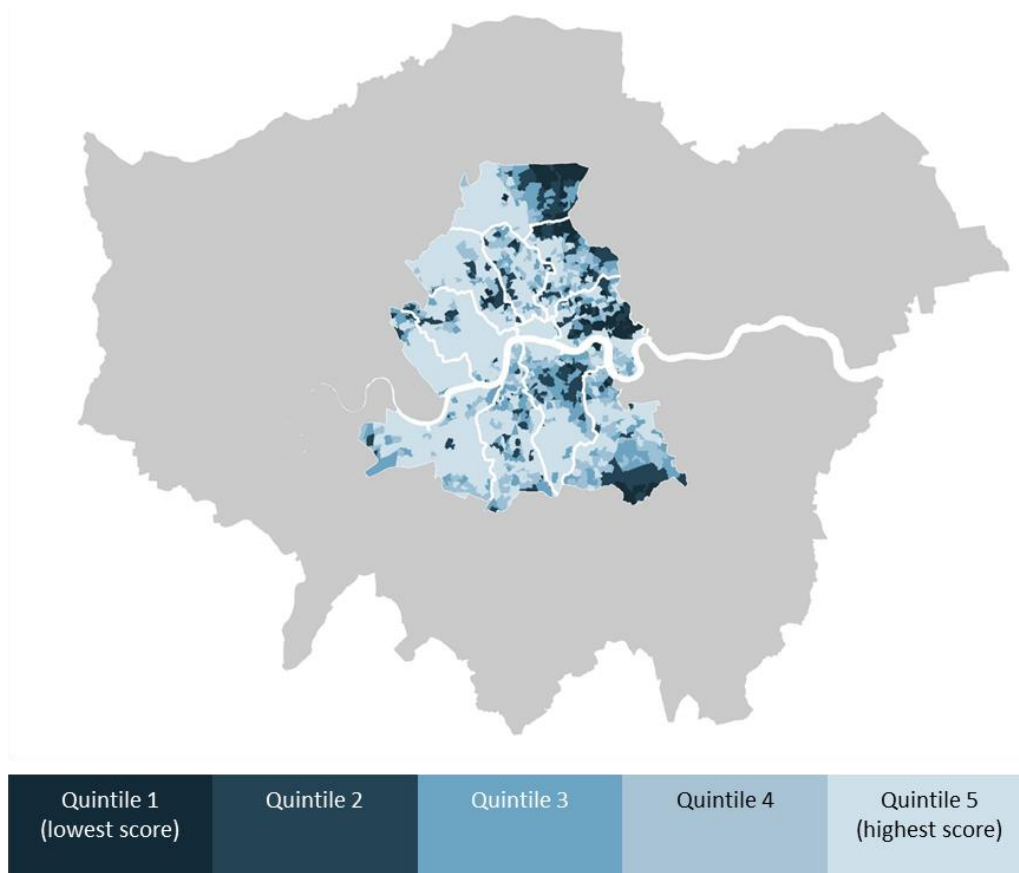
SECTION 4: EDUCATION AND SKILLS

Central London is home to extremes of both opportunities and challenges when it comes to skills and education:

- Inner Londoners have better skills than elsewhere in the country, with 65% of the working-age population holding a qualification at degree-level or equivalent,²⁸ compared to 43% in the UK as a whole. This helps drive London’s high-skills economy.
- People with higher skills are much more likely to be employed, and this trend is stronger in Inner London than elsewhere. Before the pandemic 89.3% of working-age people in Inner London with a degree or equivalent were economically active (a higher rate than in Outer London or the UK as a whole) whilst only 43.2% of those with no formal qualifications worked (a lower rate than Outer London or the UK).

The uneven distribution of skills can be seen in the map in Figure 33, which uses data from the Indices of Multiple Deprivation to present a composite score of qualifications and English language proficiency, comparing all neighbourhoods against each other. Two things stand out. Firstly, with many more lighter areas than darker, London scores better in terms of skills than the England average, especially so in areas of Westminster, Kensington and Chelsea and Wandsworth. Secondly, there is a broad East/West split in central London, with a band of neighbourhoods with comparatively poor skills running from Haringey, down through Hackney and Tower Hamlets to the northern part of Southwark and the southern part of Lewisham.

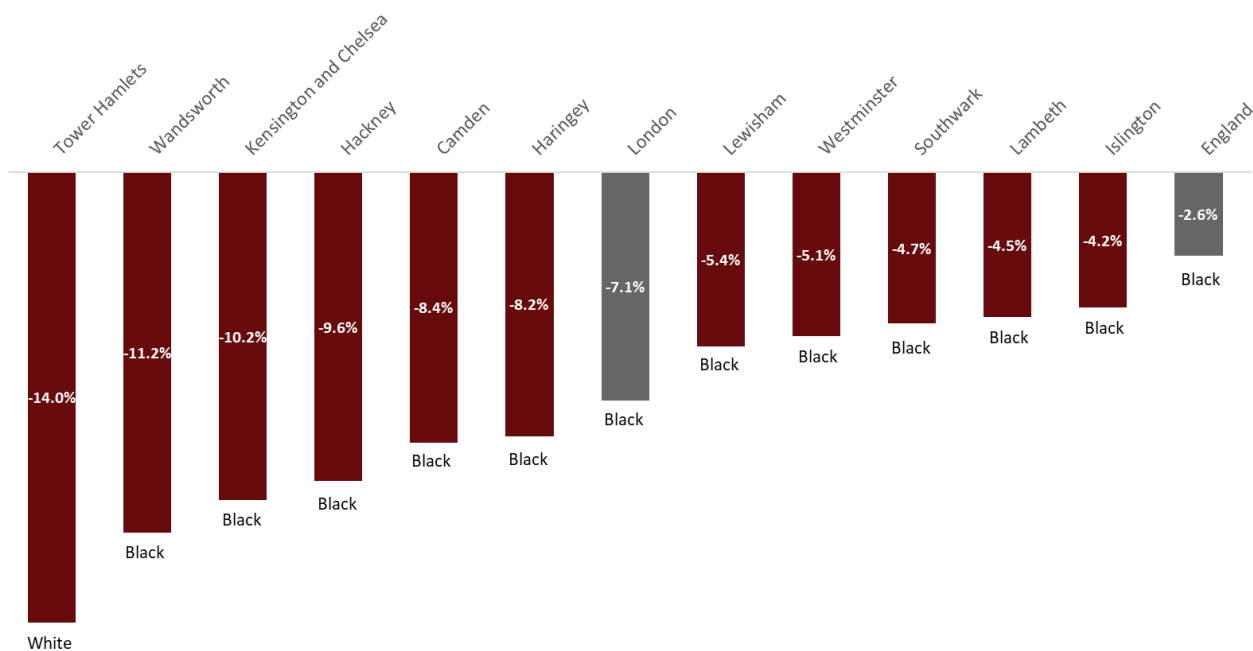
Figure 33: Adult skills score (England quintiles) in central London neighbourhoods (LSOAs)



Source: English Indices of Deprivation

Again, as well as differences between different parts of central London, there are also significant differences between outcomes experienced by different groups. For example, Figure 34 shows the percentage difference between Attainment 8 scores for students in the ethnic group with lowest average Attainment 8 scores and the average score, in different central London boroughs and London and England overall. Gaps in central London, and its boroughs are significantly higher than for England overall. For example, scores for Black students in Wandsworth are 11.2% lower than the average level. In England overall, the gap is 2.6%.

Figure 34: Gap (%) between ethnic group with lowest attainment average Attainment 8 scores and overall average Attainment 8 scores in central London boroughs, London and England



Source: WPI Economics analysis of Department for Education

Note: Labels detail which ethnic group has the lowest Attainment 8 score

The future pipeline of skills is strong, but varied and unequal.

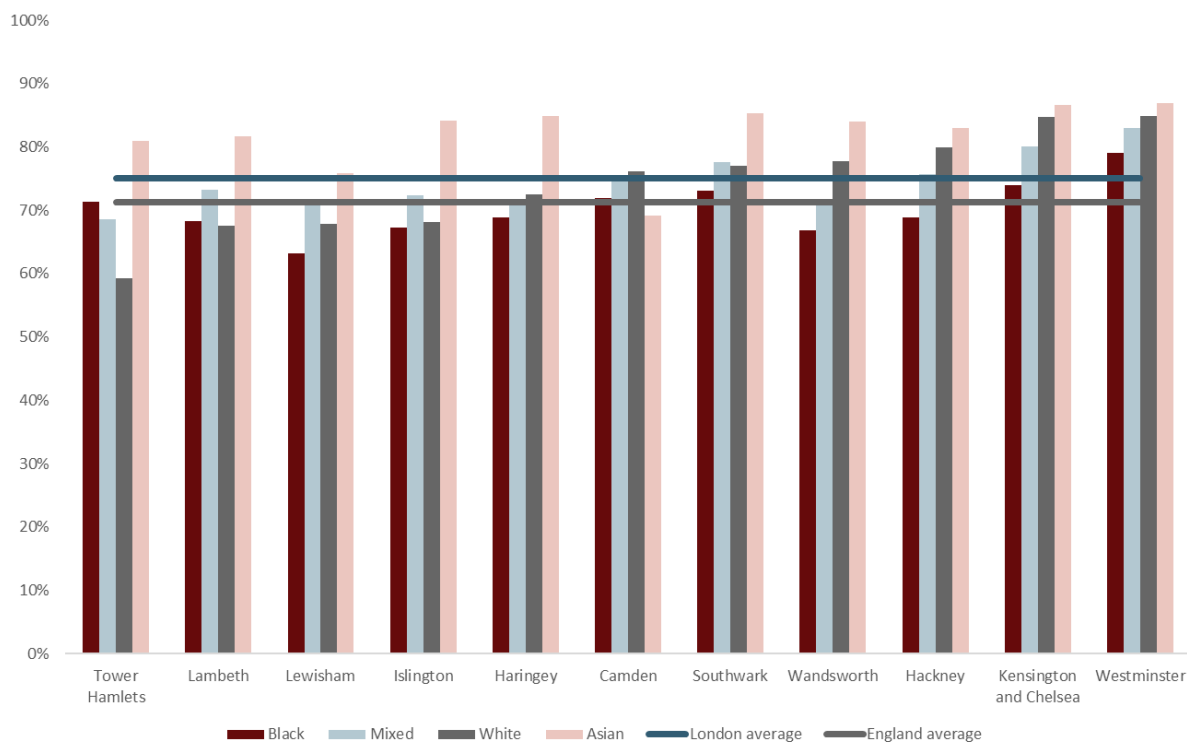
The picture of skills in central London being strong but deeply unequal holds true when considering the future of skills in the city – the schools. London has enjoyed a well-recorded improvement in the quality of its schools and, across a range of metrics, the education system in London performs better than in other parts of England. One example of this is that Figure 35 demonstrates that 75% of London’s GCSE students achieve good grades in English and Maths, compared to 71% in England as a whole. There is, however, significant variation between both different areas and different ethnicities.

Across central London, pupils from different ethnic backgrounds perform differently, even within the same borough. In all but one borough (Camden), Asian pupils are most likely to achieve grades 4-9 in English and Maths GCSEs, and outperform both the overall London and England average. In contrast, across all but three (Camden, Lambeth and Tower Hamlets) Black pupils have the lowest propensity to achieve grades 4-9 in English and Maths GCSE.

The figure also shows the very large variation in outcomes across different ethnic groups in some boroughs. For example, in Tower Hamlets, 20 percentage points fewer White students achieved good grades in English and Maths at GCSE than their Asian peers. These significant gaps raise concerns, both in terms of the future supply of skills that are key to driving central London’s economy and also

in terms of the potential for these educational inequalities to drive a further widening of labour market inequalities in future.

Figure 35: Proportion of students achieving grades 4-9 in English and Maths GCSE by ethnicity (2019/20)



Source: Department for Education

The impact of Covid-19 on education

Delivery

The Covid-19 pandemic had a dramatic impact on children and young people’s learning. Between March 2020 and April 2021, pupils in England lost 110 days in the classroom (58% of the total) and although online learning made up some of the difference, pupils still lost 61 days (32%) overall.²⁹ The impact of Covid on education was not felt equally, however, with children in households in the top 20% of income missing out on less than half (47.5%) of their learning in the first lockdown, compared to children in the bottom 20% who lost 13 percentage points more (60.9%).³⁰ This situation will have been made worse for the 9% of children who did not have access to a laptop, desktop or tablet at the start of the pandemic.³¹

Equally, children in ethnic minority households are likely to have had their education more affected because of the disproportionate incidence of health impacts and job losses on their parents.³² Data looking at the impact of Covid on education in central London in particular is not available, however, there are features of central London that make it more likely for some groups to have been severely impacted. For example, with many children in central London living in poverty and overcrowded accommodation, there have been real challenges with a shift to home learning, where there was neither the space nor the resources to provide a suitable learning environment. Other challenges have included those in ethnic minority households and / or where English is not spoken as a first language, where parents have struggled to support children to maintain their education because of

the lack of understanding of the curriculum and / or the ability to navigate and access online resources.³³

Assessment

The cancellation of exams and introduction of Teacher Assessed Grades for GCSEs and A-Levels in 2020 and 2021 significantly changed the results that students might have expected in a typical year, amplifying the disruption described above. In London, the proportion of A-levels awarded an A or above increased from 28% in 2019 to 47% in 2021, and the proportion of GCSEs graded a 4 (C in the old system) rose from 76% to 83%. The local-level data for 2021 is not yet available so the trends for central London cannot yet be identified, but in general the pattern is that although more or less everyone did better under Teacher Assessed Grades, groups who previously performed well saw their performance increase more. Attainment gaps widened in absolute terms between groups, although the results of underperforming groups often increased relatively faster. For example, independent schools saw the proportion of A-levels awarded an A increase from 44% to 69%, but academies only saw a rise to 41%, up from 23%. The long-term effects of these changes – resulting from a different make-up of students going to university, for example – are hard to predict, but the continuing disparities in educational achievement pose a challenge for central London in the recovery from Covid.

Overall, it is clear that education has been severely disrupted by Covid. The impacts are likely to have been felt most keenly by those who were already struggling to gain the skills they need to succeed in the labour market. As we look to the future, it is clear that education and skills of the population are vital to central London's recovery from Covid-19 both on an individual level (because higher skills are associated with better work, higher incomes and improved life outcomes) and collectively (because improving skills strengthens the economy and helps to reduce inequalities). This means that it will be crucial to ensure that everyone is able to catch up, or there will be further longer-term impacts on poverty and inequality in central London.

Further and Higher Education

The Further and Higher Education (FE and HE) sectors were hit by Covid differently from the education of under 16s and under 18s, in ways that contain important risks for both inequalities and the future skills and labour market landscape.

Characterising broadly, Further Education is more concerned with vocational and technical training. Covid has seen fewer people participate in Further Education and significantly worse outcomes for those who do. 21% fewer people started an apprenticeship in 2019/20 compared to 2018/19, and retention rates for FE courses also fell.³⁴ The decline in retention was up to three times greater for ethnic minority compared to White students.³⁵ Unlike with GCSEs and A-levels, vocational courses saw a marked decline in pass rates – a fall in the region of 5% for a range of courses.³⁶ These outcomes in FE are worrying for two major reasons. The first is that, in London and the country more widely, FE typically serves a more disadvantaged and more diverse group of learners than HE. Setbacks in their education training during the pandemic is likely to enforce inequalities throughout their lives. Secondly, FE plays a vital role in shaping the skills in the labour to make sure the economy has the skilled workers it needs. The collapse in vocational training seen over the pandemic will hamper the recovery.

Higher Education has been impacted both in terms of how tuition is delivered (i.e. campuses all but closing and courses delivered online) and in terms of who goes to university. Students from more disadvantaged backgrounds are likely to have found studying remotely (often in their childhood

home) more disruptive than their more advantaged peers – especially in London where overcrowding is greater. University admissions were also greatly disrupted over the course of the pandemic, both because challenges in the labour market changed young people’s decisions about going to university but also as a knock-on impact of the dramatic shifts seen in A-level results. These factors combined to see more students from all backgrounds going onto university – a phenomenon that should see the outcomes of the least advantaged boosted – but this needs to be seen in the context of even greater rises amongst the most advantaged. It is also yet to be seen what impact the greatly increased numbers of students at university this year will have on more disadvantaged students next year, and the extent to which incentives to defer places will have had a more significant impact on disadvantaged students, and what the long-term impacts of this might be.³⁷

SECTION 5: BUSINESS OWNERSHIP / SENIOR LEADERSHIP AND SELF-EMPLOYMENT

This section explores inequalities in business ownership. Much of the analysis in this chapter sets out the evidence on inequalities affecting women and ethnic minorities at a national level. These groups are clearly underrepresented in business ownership / senior leadership and self-employment, suggesting inequality in opportunity. While less comprehensive, the evidence also suggests that these groups experience inequality in outcomes, with women and ethnic minority-led businesses recording poorer performance than other businesses.

However, the national data on these subjects is not as rich a source for looking at inequality than for the other topics included in this report. And it is even less rich when looking at how these inequalities may differ between London and the rest of the country, and still less when looking at how these inequalities differ within London itself.

Because of the relative lack of data, research reports that discuss the subjects in this chapter typically recommend more data be collected, so that the problems can be better defined and the solutions be better informed.

Nevertheless, there is still enough data to suggest that inequalities in business ownership / senior leadership and self-employment are different in London when compared to the rest of the country.

What do we know about inequality in business ownership / leadership and self-employment pre-Covid-19?

SMEs

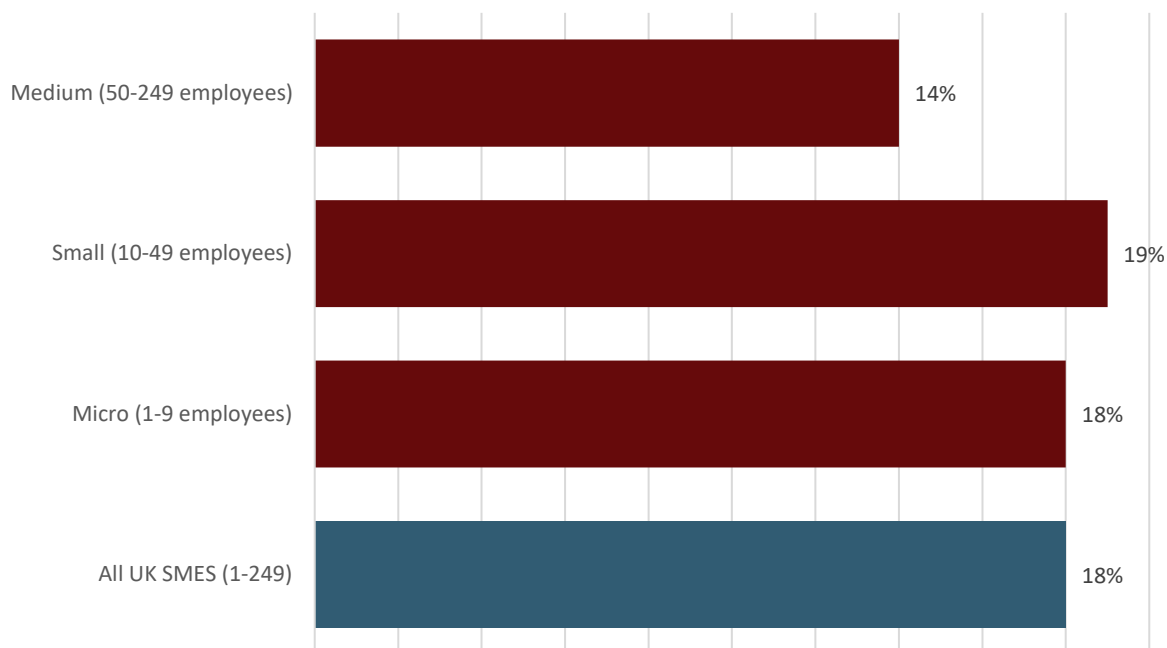
Gender

The Department for Business, Energy and Industrial Strategy (BEIS) publishes the results of its comprehensive Small Business Survey on an annual basis.³⁸ The results of the survey show that women are consistently underrepresented in SME ownership and in SME senior leadership positions.

In the UK in 2020, only 16% of SME employers were “women-led”, defined as a business that is majority-led by women, that is controlled by a single woman or has a management team of which a majority are women. A further 24% of SME employers were ‘equally-led’, with the same number of men and women on the management team.

Looking purely at business ownership, less than a fifth (18%) of the UK’s SME employers are more than 50% owned by women. But the ownership statistics do differ across business size and sector. Women are less likely to own more than 50% of larger businesses of between 50-249 employees than they are smaller businesses of 1-49 employees (see Figure 36, below). More than a third (34%) of SME employers that are categorised as focusing on human health and social care activities see women owning more than a 50% share of the business; in the categories of manufacturing, utilities, agriculture, construction and information and communication this figure is just 10%.

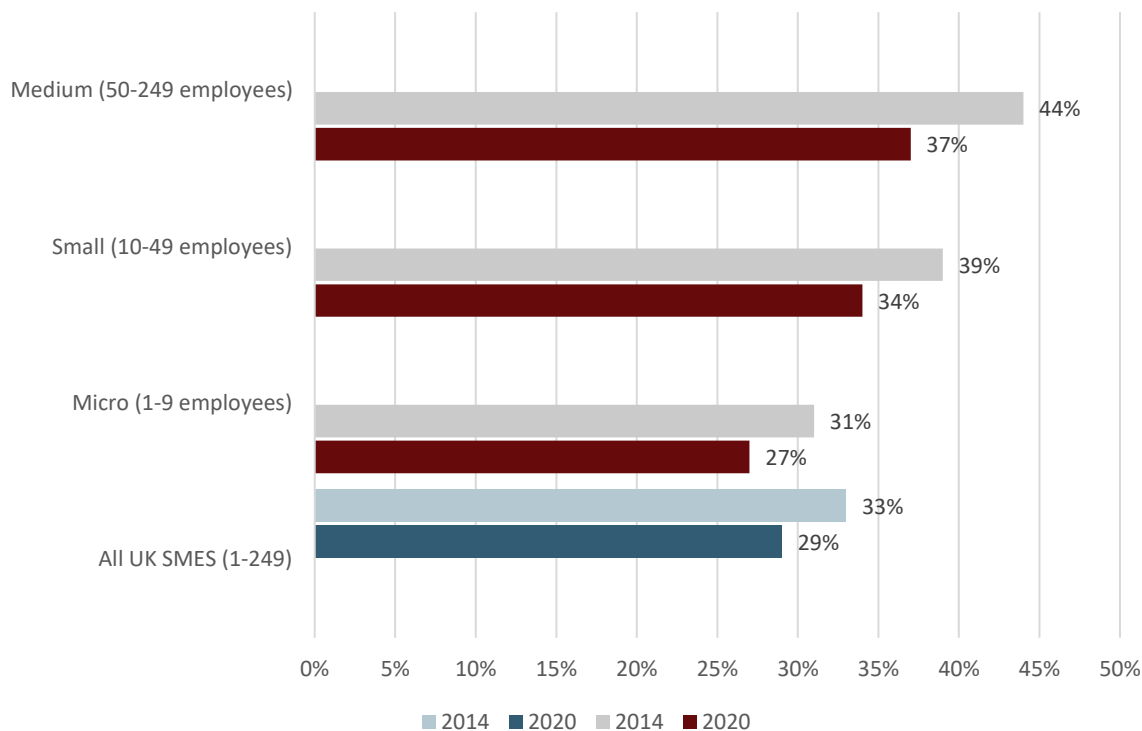
Figure 36: Proportion of UK SME employers where more than 50% is owned by women (2020)



Source: BEIS Small Business Survey

Looking purely at senior leadership positions, of the UK’s SME employers with at least two directors or partners in 2020, 29% do not have a woman as a director or partner. Moreover, the more employees that the SME has, the less likely it is to have any directors and partners who are women. While this pattern can also be seen in 2014 – the earliest available comparable data – the proportion of SMEs, of all employment sizes, with no women directors or partners has reduced over time (see Figure 37, below).³⁹ This picture also differs by sector, with 38% of SME employers in financial, insurance and real estate activities having no directors or partners who are women, compared to just 3% of SMEs in the education sector.

Figure 37: Proportion of SME employers with no directors or partners that are women, split by business size, comparing 2014 and 2020



Source: BEIS Small Business Survey

Similar patterns of the underrepresentation of women can be found in the statistics looking at the ownership and senior leadership of SMEs with no employees. Within these businesses only 21% are women-led, 22% are more than 50% owned by women and 26% have directors or partners that are women.

The national data described above is not publicly available at a regional or local authority level, hence a specific analysis of London cannot be undertaken. However, there is some evidence that London performs less well than other cities in terms of the representation of women in business. For example, the tech company UENI took a sample of 17,500 business owners across the UK, finding that only a third (32.8%) of the businesses surveyed in London were owned by women. While this is a greater proportion than the national average suggested by the BEIS survey, it puts London with a lower proportion of women business owners than Derby, Doncaster, Hull, Sheffield, Liverpool, Manchester, Leicester and Northampton.⁴⁰

In addition to the underrepresentation of women in the ownership and senior leadership of SMEs, there is also evidence that women business owners experience worse business outcomes than men.

The Alison Rose Review into female entrepreneurship found that female-led businesses are on average 44% the size of male-led businesses, and that male-led SMEs are five times more likely than female-led SMEs to scale-up to £1m turnover.⁴¹

While the above points towards inequalities in opportunity and outcomes related to business ownership / senior leadership, there is less evidence on why the inequalities arise. Some studies have suggested that under-representation in senior workforce positions and established gender roles –

such as having the primary caring responsibility – can contribute to disparities. That these inequalities are consequences of other inequalities also needs to be considered.

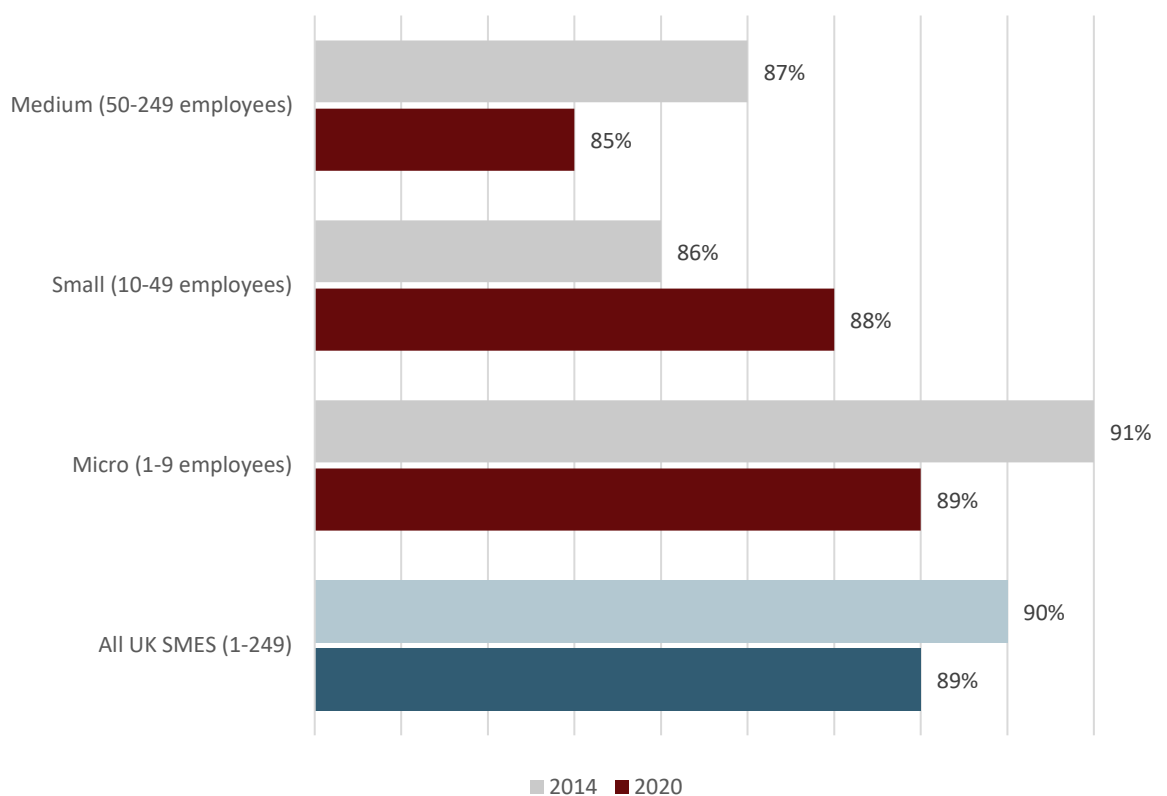
Data from overseas also suggests that, at the very least, opportunity for women to become business owners could be improved. The statistics are clear that fewer women become entrepreneurs in the UK than in comparable rich nations like Canada and the US.⁴²

Ethnicity

The national data on ethnicity and ownership and senior leadership of SMEs shows, like the national data on gender, underrepresentation. For instance, while around 14% of the population is estimated to be non-White, only 7% of SMEs are led by somebody who is non-White.⁴³

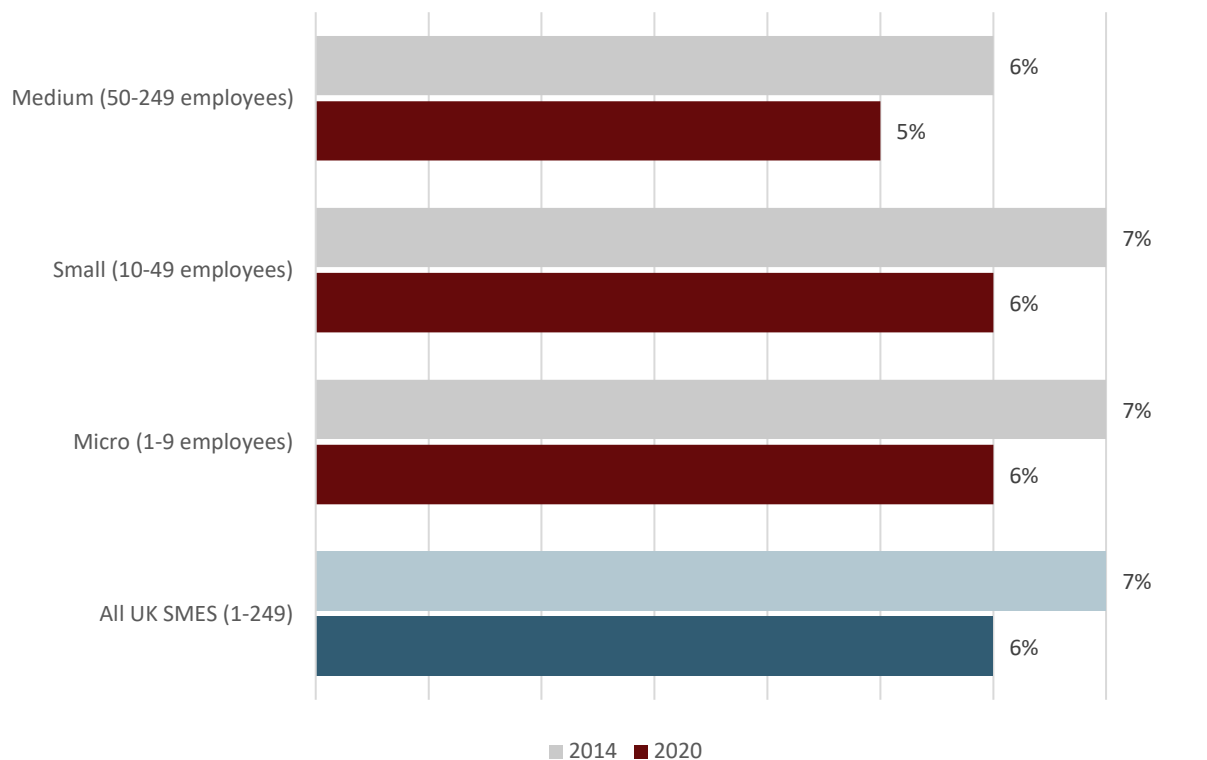
However, unlike the national data on gender, the data on ethnicity does not show much sign of improvement over time (see Figure 38, below), and there is a different picture when considering business size, with larger businesses seeing greater ethnic minority representation (see Figure 39, below).

Figure 38: Proportion of SMEs that have zero directors or partners from ethnic minority groups, split by business size (2014 and 2020)



Source: BEIS Small Business Survey

Figure 39: Proportion of SME employers that are Minority Ethnic Group (MEG)-led, split by size of business (2014 and 2020)



Source: BEIS Small Business Survey

Looking at the BEIS survey regional data (which was requested from BEIS and provided with a note to highlight small sample sizes), Minority and Ethnic Group (MEG)-led SMEs are more prominent in London than other parts of the country. Almost a fifth of SME employers (18%) in the capital were MEG-Led in 2020, with the next largest figures being found in both West Midlands and the East of England at 8%. The average across England was 7%.⁴⁴

This prominent share of ethnic minority-led businesses in London is also recorded in a survey conducted by the British Business Bank (BBB). Its research found that 27% of entrepreneurs in London are from ethnic minorities (compared to 10% across the UK as a whole). However, the definition of “entrepreneur” that is used includes the self-employed, those who own a business, those who are actively thinking about starting a business or becoming self-employed and those who have recently thought about starting a business and becoming self-employed, but no longer are, so it is quite broad a definition, but still an indicator of representation.

Both the BEIS survey and the BBB survey suggest a similar picture. London has a higher proportion of ethnic minority-led businesses than the rest of the country. Despite this, ethnic minorities – who make up 41% of the capital’s population – are still underrepresented in business leadership.

In addition to their underrepresentation in business leadership roles, several studies also point to how ethnic minority-owned businesses have different outcomes to others.

The aforementioned BBB research suggests that Black business owners have a median turnover of 30% less than White business owners and that only half of Black entrepreneurs meet their non-financial business aims, compared to nearly 70% of White entrepreneurs. Asian and Other Ethnic

Minority entrepreneurs were found to have better outcomes than Black entrepreneurs. But their success at starting a business, and overall business success, was found to be less than that of White entrepreneurs.

The same study also described one of the few pieces of evidence around intersectionality, finding that 37% of Black female business owners and 36% of female business owners from Asian and Other Ethnic Minority backgrounds reported making no profit in 2019, compared to 16% of White male business owners.⁴⁵

There is also evidence of poorer outcomes in terms of day-to-day business operations. BEIS research from 2012 found that – post-financial crisis – businesses with Black African owners were more likely to experience an overdraft rejection or a higher interest rate – by over 2 percentage points – on an overdraft facility than a White owner. Black African owners were also found to be more likely to receive rejections for loan facilities, and have higher interest rates on them if the facilities were rejected. The research did suggest some variation in outcomes between ethnic groups. Businesses with Indian owners tended to pay marginally higher interest rates on loans than White owners, but Pakistani owners tended to pay lower interest rates on loans.⁴⁶

Again, it is important not to draw too many conclusions from the above evidence about causation – the inequality in business ownership and outcomes may be the result of other inequalities.

It is, however, possible to say that there is very clear evidence of inequality in business opportunity and outcomes related to ethnicity, but not clear evidence on what the cause of it is. For instance, lower household incomes may mean less ability to invest in ideas and to access finance.

Self-employment

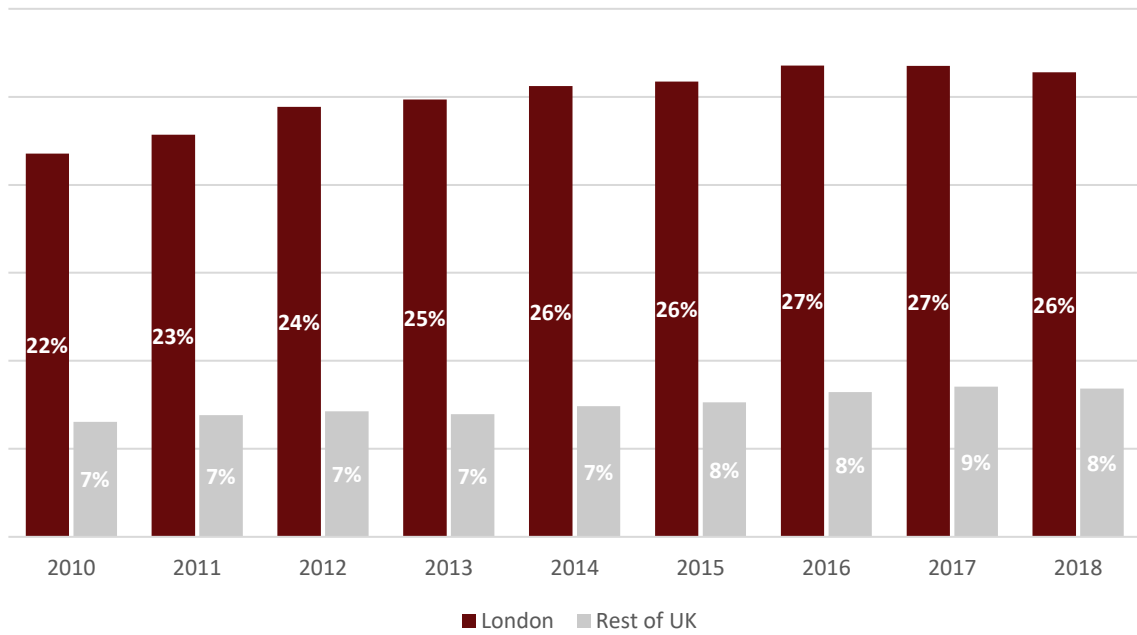
Self-employment has been included in this section on business because it is regularly used as a proxy for business activity and entrepreneurial activity.

The available data shows that the proportion of self-employed who are ethnic minorities in London is much greater than the rest of the UK (see Figure 40, below). However, whereas outside of London the self-employed population broadly represents the breakdown of ethnicity in the population, within London ethnic minorities are underrepresented in the self-employment figures.

This finding raises more questions than it does provide answers. The final report of our research will look in more detail at who the self-employed are in London, what they do in self-employment and how that compares to the rest of the country.

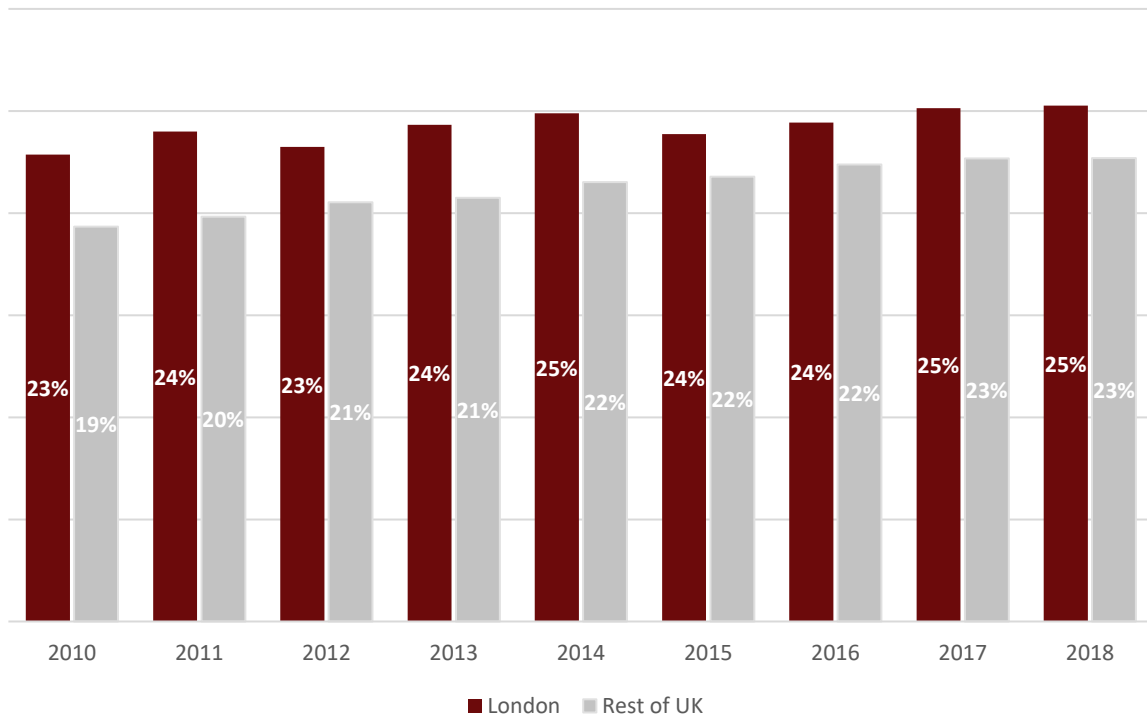
Looking at self-employment and gender does not show such stark differences between London and the rest of the UK. Proportions of the self-employed who are female in London are marginally higher than the rest of the UK, but at around 25% are still underrepresented compared to the population of the capital. Again, this is a subject that will be explored further in the next report (see Figure 41, below).

Figure 40: Proportion of self-employed people that are non-White, London vs Rest of UK (2010 – 2018)



Source: BEIS Small Business Survey

Figure 41: Proportion of self-employed people that are female, London vs Rest of UK (2010 – 2018)



Source: BEIS Small Business Survey

What has the impact of Covid-19 been?

Because of the limited geography-specific data on this subject, there is a limited amount that can be said about the impact of Covid-19 on business inequalities.

At a high level, the sectors that have the greatest proportion of ethnic minority-led and women-led businesses do not have a strong relationship with the sectors that had to furlough most staff and access most government support during the pandemic (See Table 1, below).

However, there is some evidence that some ethnic minority and women owned businesses were hit harder by the pandemic:

- The British Business Bank's survey found that 70% of Black male business owners took drastic action (such as significantly reducing pay or the number of employees) to their protect business from the Covid-19 impact, compared to 52% of white male business owners and 46% of Asian and Other Ethnic Minority business owners.⁴⁷
- The same survey found that 61% of those categorised as Asian and Other Ethnic Minorities had either paused all work on their business idea or permanently stopped. This was twice the figure of Black entrepreneurs and one and a half times the figure for White entrepreneurs.
- The business support provided to businesses owned by ethnic minorities in London suggests that it was these businesses that were particularly hit by the pandemic. Of the businesses supported through the London Growth Hub's business support programme since the start of the pandemic, 38% were BAME-owned businesses.⁴⁸
- Looking overseas, a study in America found a disproportionate impact from Covid-19 on business owners related to gender, race, and immigrant status.⁴⁹
- Some survey evidence, albeit with a small sample size, from King's Business School found that women-led businesses were impacted more adversely than those of men by the pandemic and that women suffered more stress as a result.⁵⁰

Table 1: MEG-led and women-led businesses by sector, proportion of workforce in those sectors furloughed and in receipt of government backed loans

	Production and Utilities	Manufacturing	Construction	Wholesale and Retail Trade	Transport and Storage	Accommodation and Food Services	Information and Communication	Financial, Insurance and Real Estate	Professional, scientific and technical activities	Administrative and support service activities	Education	Human health and social work activities	Arts, entertainment and recreation	Other service activities
Proportion of businesses that are MEG-led	N/A	3%	4%	5%	3%	7%	8%	7%	5%	6%	4%	8%	5%	4%
Proportion of businesses that are women-led	12%	12%	6%	15%	7%	21%	8%	9%	15%	20%	32%	29%	16%	24%
Proportion of businesses where more than 50% of the business owned by women	15%	20%	12%	22%	14%	28%	15%	18%	19%	30%	28%	30%	21%	24%
Proportion of workforce furloughed	14%	20%	30%	28%	29%	69%	11%	21%	15%	33%	11%	10%	71%	34%
Proportion of workforce in receipt of Government-Backed Loans etc. or financing agreement	11%	36%	42%	34%	31%	42%	22%	30%	23%	32%	33%	24%	18%	40%

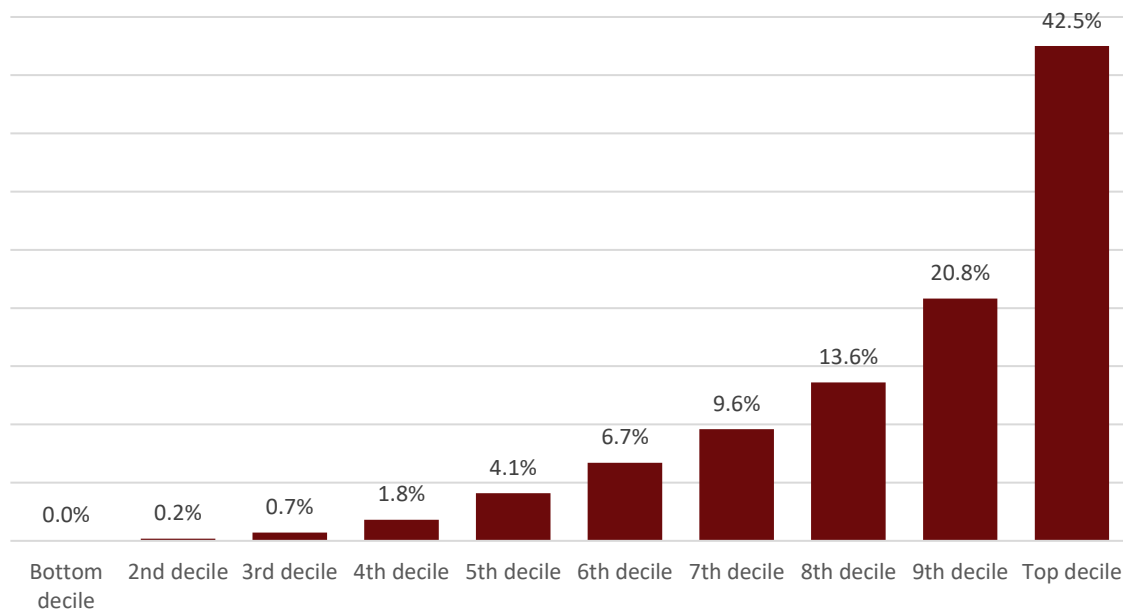
Source: WPI Economics analysis of the BEIS small business survey data and ONS covid business survey.

SECTION 6: WEALTH AND HOUSING

This final chapter explores inequalities in wealth and housing across central London.

London is an area of significant wealth, with one-fifth (20%) of England’s household wealth being held in the capital. However, that wealth is not evenly shared by all residents of London. Whilst data is not available by borough, this inequality can easily be seen through headline statistics on the proportion of total net wealth in London that is held by households in each wealth decile. Overall, across London, the wealthiest 10% of households hold 42.5% of the city’s total net wealth. In contrast, the 30% least wealthy households, hold just 1% of total net wealth.

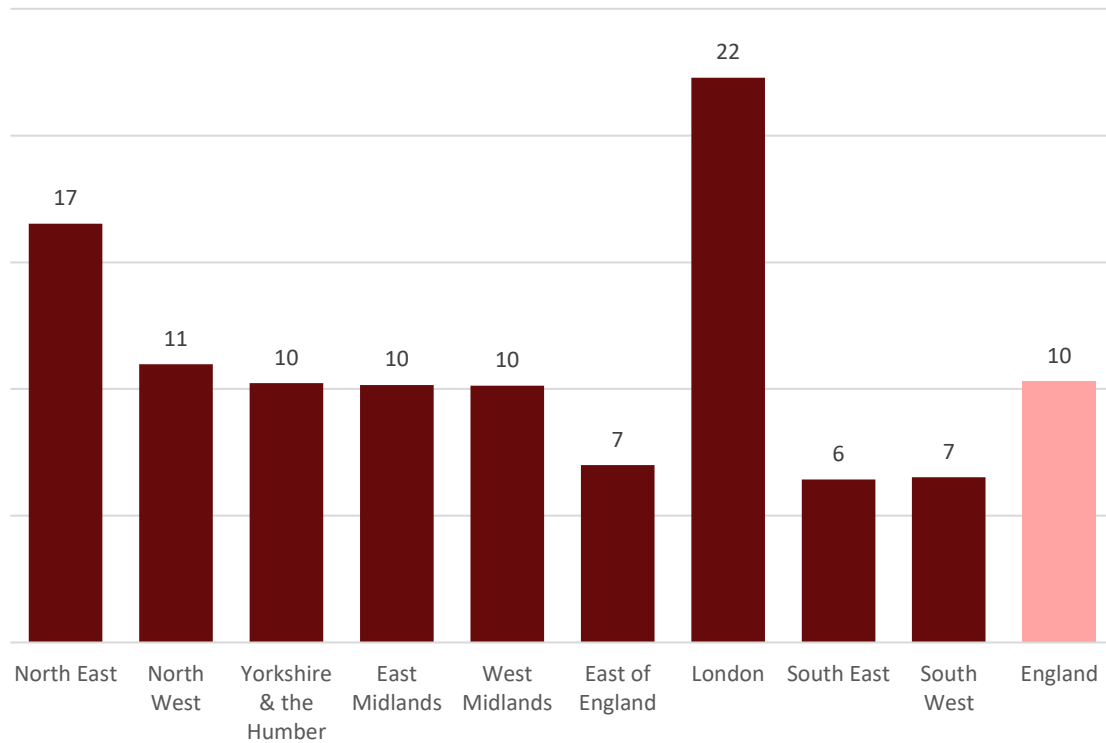
Figure 42: Proportion of total net wealth in London held by each wealth decile, (2016/2018)



Source: Trust for London

The implication of this is that the distribution of this wealth is much more unequal in London than in other parts of the country. For every £1 of wealth a London household at the 25th percentile in the wealth distribution holds, a London household at the 75th percentile holds around £22. This is by far the most unequal distribution of any region of England (see Figure 43, below).

Figure 43: Ratio of household wealth at the 75th percentile to the 25th percentile by region, 2018



Source: ONS, Wealth and Assets Survey

An important part of this wealth inequality relates to property. Property wealth accounts for 42% of all household wealth within London, more than any other region. This is linked to the significant issue of housing in London, with many indicators related to housing highlighting issues around inequality, and some of which have been specifically impacted by Covid-19.

What do we know about inequality in housing pre-Covid-19?

Home ownership

There are wide disparities in how many households own their own home, split by ethnicity. For example, almost three-quarters of Indian households (74%) own their own home, but only 20% of Black African households do; of White British households, 68% own their own home in comparison to 45% of Chinese households.⁵¹

When looking at London, only 35% of non-White households in London own their own home. In every other region of England this figure is 40% or over. However, the disparity between White and non-White household and home ownership is lower in London (62% and 35%, respectively) than several other regions – the East Midlands (71% and 42%), the South East (72% and 45%) and the South West (71% and 40%).

Housing conditions

There are some stark statistics on how housing conditions vary by ethnicity. In one example, 1 in 10 (10%) Bangladeshi households live in damp housing; only 2% of Black Caribbean households do.⁵² In another example, one third (33%) of Mixed White / Black African households live in homes that are classed as non-decent (non-decent means not meeting health and safety standards or being in a reasonable state of repair); only 5% of Chinese households do.⁵³ The proportion of White British

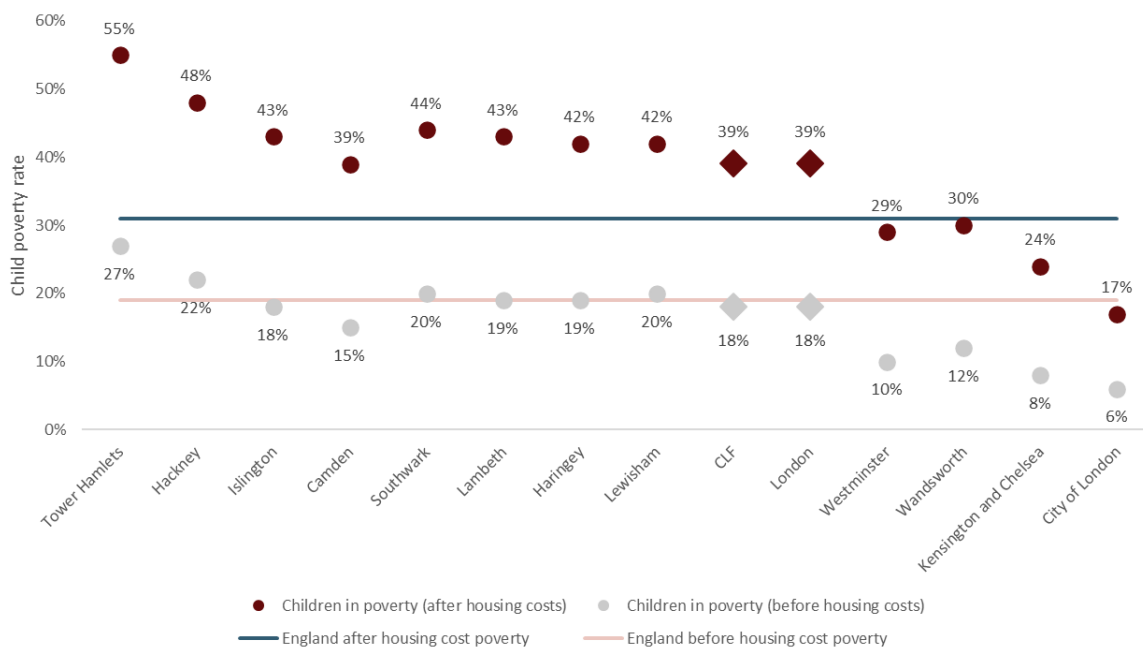
households that live in fuel poverty has fallen from 11.5% in 2002/04 to 9.3% in 2017/19. The proportion of non-White British households living in fuel poverty has risen from 14.5% to 17.7% over the same period.⁵⁴

Across all regions of England, a greater proportion of non-White British households live in overcrowded living arrangements than White British households. In London 13% of non-White British households live in overcrowded conditions. This is greater than any other English region.⁵⁵

Housing costs and poverty

The cost of housing is a key driver of poverty and inequality in central London. Before accounting for housing costs, poverty rates in central London prior to the pandemic were lower than England as a whole. However, when housing costs are factored into family finances, poverty rates were much higher in central London. The child poverty⁵⁶ rate in central London before housing costs was 18%, slightly less than the England average of 19%. Most boroughs fall a few points either side of these figures. However, accounting for housing costs increases poverty everywhere, but the increase is much larger in London. In England, the inclusion of housing costs increased pre-pandemic poverty rates from 19% to 28%, in central London it increased poverty rates to 39%. In every borough in central London, accounting for housing costs more than doubles the child poverty rate, whereas in England it increases it by less than two thirds.

Figure 44: The impact of housing costs on child poverty

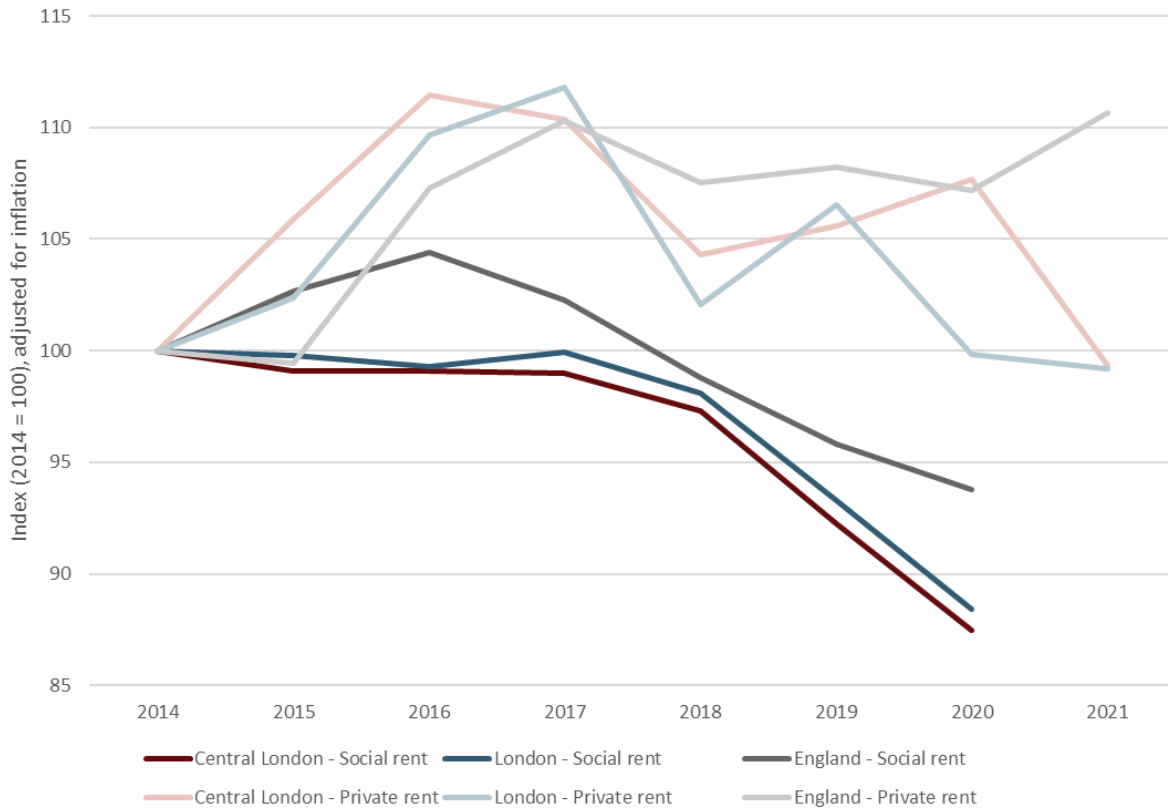


Source: Local Child Poverty Indicators, End Child Poverty

More positively, there is some indication that the rental market in London may be beginning to cool from its long run increases since the recovery from the 2008 financial crisis. Figure 45 shows how social and private rents have changed since 2014 after adjusting for inflation. Rents in central London increased more than 10% between 2014 and 2016, before stabilising and ultimately falling back to their 2014 base as a result of shifts in the housing market caused by the pandemic. This means that private rents increased faster outside of central London between 2014 and 2021. During the same period, social rents gradually declined as rents were frozen in nominal terms. It should be noted that

these real-terms falls in rents do not necessarily indicate that housing has become more affordable, as wages failed to keep up with inflation throughout much of the 2010s.

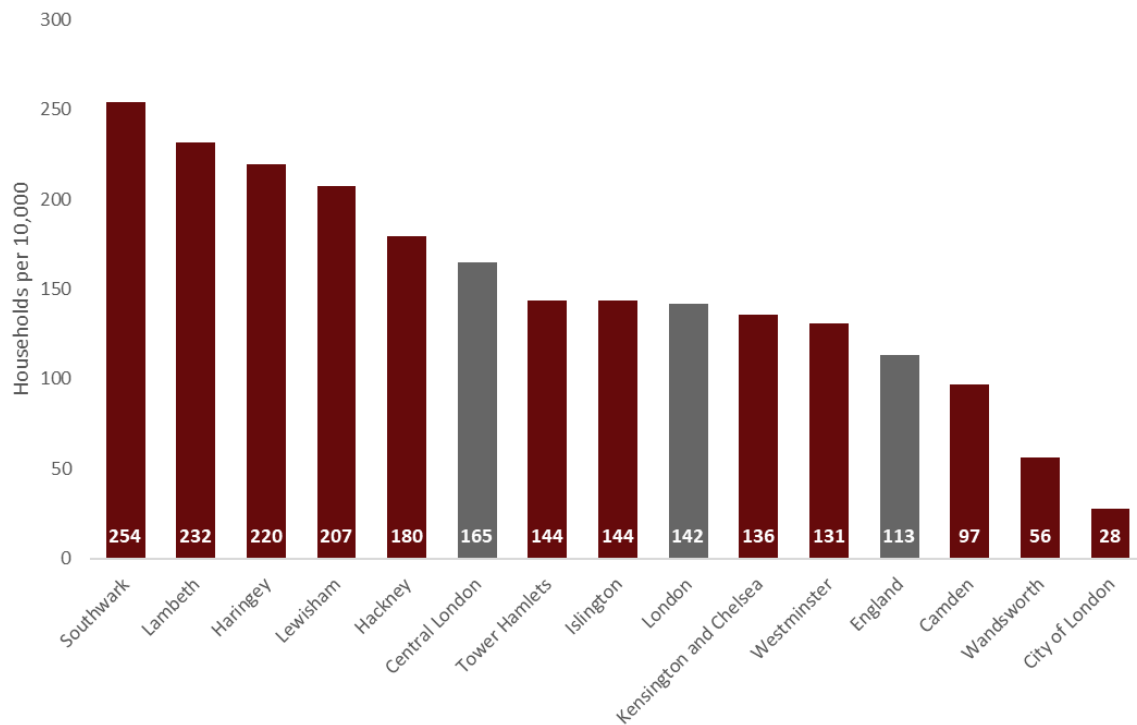
Figure 45: Real-terms change in private and social rents, central London, London and England (2014-2021)



Source: Social housing lettings in England, Ministry of Housing, Communities and Local Government and Index of Private Housing Rental Prices, ONS

The cost of accommodation in central London is part of the reason why homelessness is much more prevalent in the sub-region than it is elsewhere in the capital and the country as a whole. In 2020/21, 165 households per 10,000 in central London were found to be homeless by their local authority, compared to 142 in the whole of London and an average for England of 113. Some boroughs, such as Southwark (254) and Lambeth (232) saw particularly high numbers of homeless households.

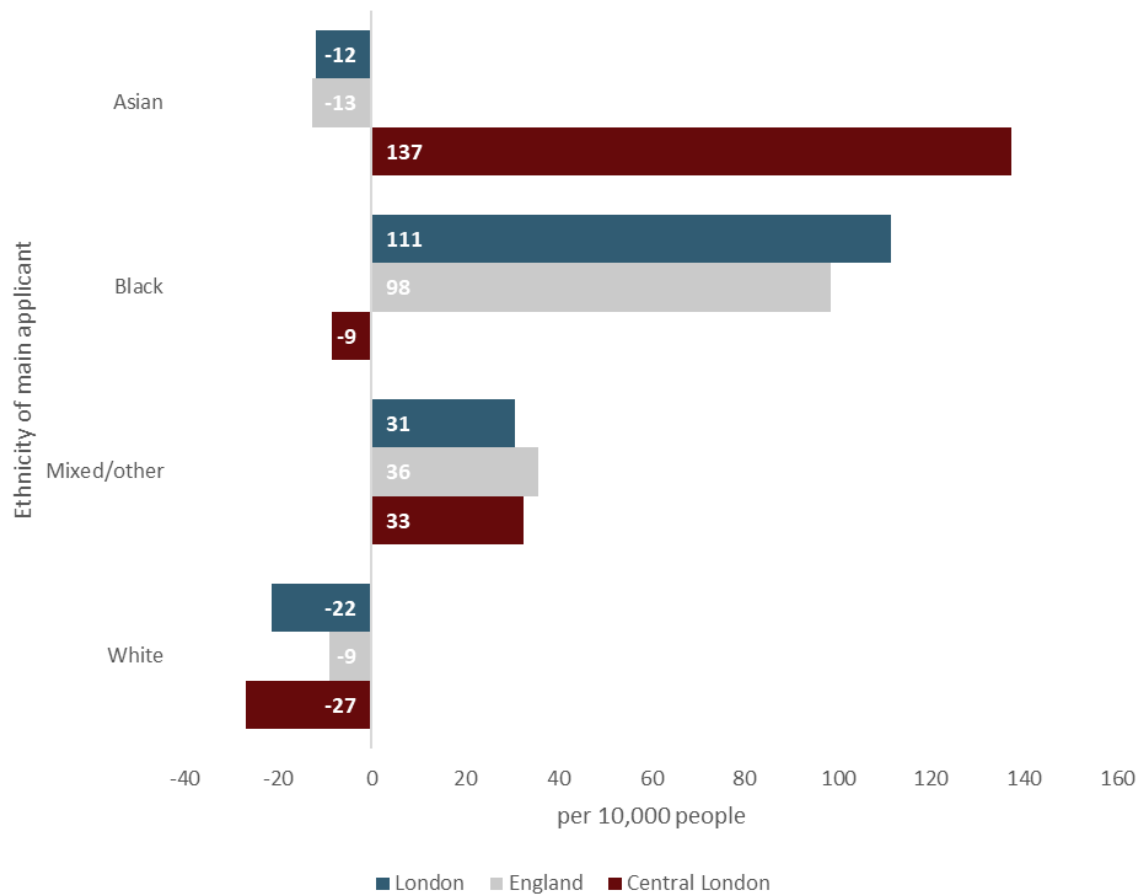
Figure 46: Households per 10,000 found to be owed a Prevention or Relief homelessness duty by their Local Authority (2020/21)



Source: MHCLG homelessness detailed Local Authority tables

Of course, rates of homelessness also vary between different groups. Figure 47 compares the rates of homelessness for different ethnic groups in central London to the average homelessness rate for all households in England. In central London, Asian and people of Mixed/Other ethnicity are more likely to be homeless than the national average. 191 Asian people in 10,000 were found to be homeless in central London in the first quarter of 2021, compared to a rate of 54 in 10,000 in England as a whole for all ethnicities. Black people and White people both had slightly lower homelessness rates in central London.

Figure 47: Difference between the overall homelessness rate for England and for major ethnic groups in central London, London and England (Q1, 2021)

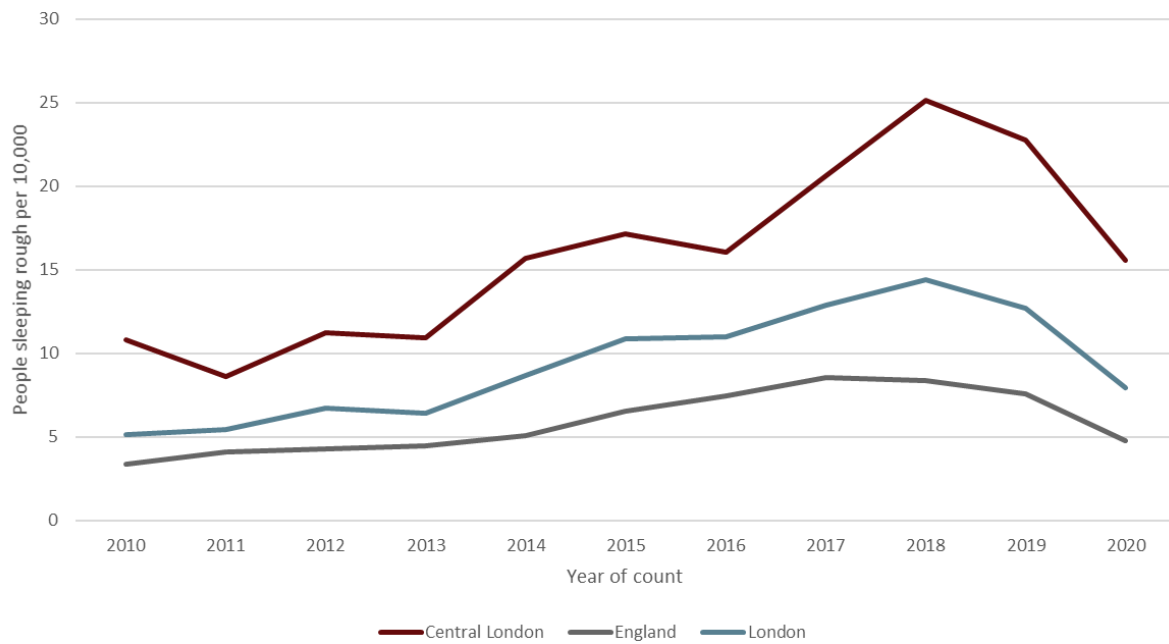


Source: MHCLG detailed Local Authority homelessness tables

Rough sleeping is the most extreme form of homelessness and it is much more prevalent in central London than it is elsewhere in the country. Almost 7,000 people were known to outreach workers as sleeping rough in 2019/20 in central London.⁵⁷

Figure 48 compares annual counts of people sleeping rough in across England since 2010. central London has consistently seen a greater number of people sleeping rough compared to its population than either the city or the country as a whole. In 2020, 16 people in 10,000 were sleeping rough in central London, double the figure of 8 in 10,000 in England as a whole. This is down from a peak of 25 in 10,000 that central London saw in 2018.

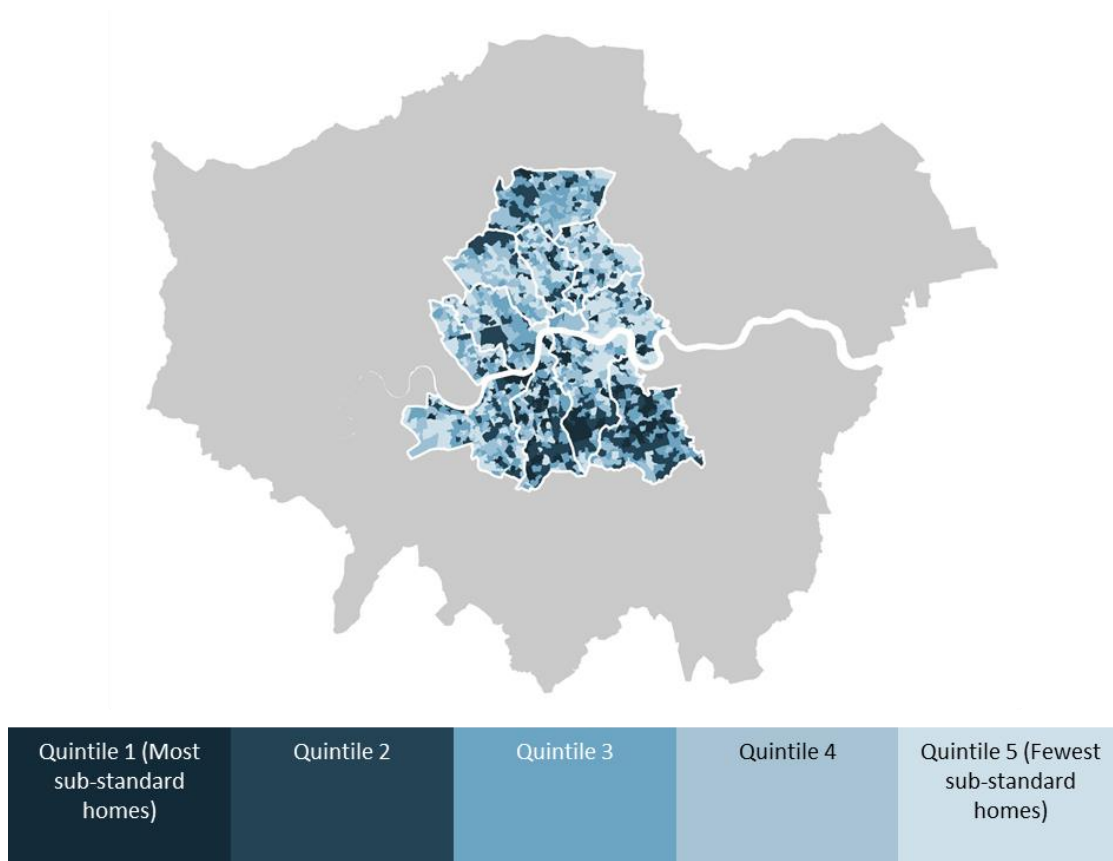
Figure 48: number of people recorded sleeping rough per 100,000



Source: MHCLG rough sleeping snapshots and ONS population estimates

As shown above, homelessness in its various forms is a considerable issue in central London. Whilst homelessness is an extreme manifestation of housing inequality in central London, it is certainly not the case that all homes are equal. The quality of a family’s home also matters enormously, and there is a significant variation in that quality across central London. The map in Figure 49 shows how the houses in central London conform to the Decent Homes Standard – a technical measure of housing quality that assesses various material factors such as damp, insulation and the age of fixtures and fittings – across different neighbourhoods. It shows noticeable variation, with homes in areas of southern Lambeth and Southwark being more likely not to meet the Decent Homes Standard than other areas.

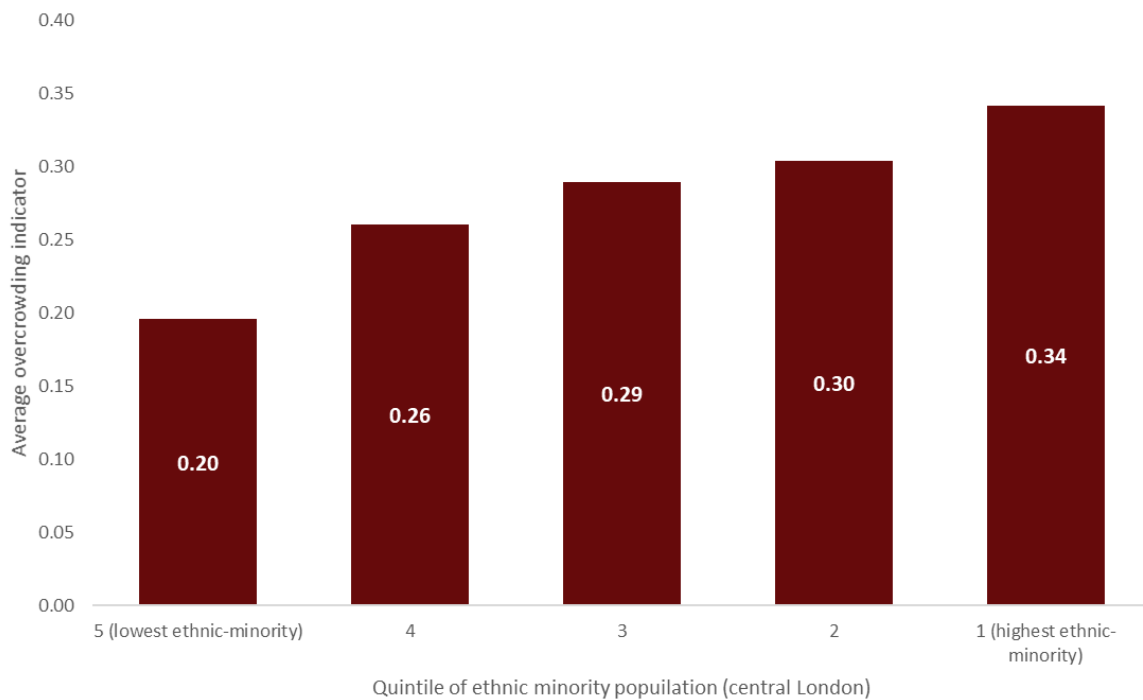
Figure 49: Proportion of homes not meeting the Decent Homes Standard by central London neighbourhood (England quintiles)



Source: English Indices of Deprivation

As well as the quality of homes varying geographically, it also varies based on the background of the residents. The neighbourhoods with the highest proportion of people from an ethnic minority see much higher overcrowding, scoring 0.34 on an overcrowding index (roughly comparable to the proportion living in overcrowded homes) compared to 0.20 in the least ethnically diverse neighbourhoods. For all types of neighbourhoods, central London sees much higher overcrowding than other parts of the country.

Figure 50: Average overcrowding score by proportion of ethnic minority population



Source: English Indices of Deprivation and 2011 Census

What has been the impact of Covid-19?

Overall, a lack of data means that it is hard to say what the impact of Covid-19 has been on wealth and housing in central London. What is clear is that there will have been mixed impacts. For some, the pandemic has created an enforced opportunity to save money, meaning that their net wealth would have increased. However, for others, the loss of jobs, furlough or reductions in hours and earnings have meant debt rising. As is the case with many of the impacts of the Covid-19 pandemic, it is likely that those most likely to see debt rising, rather than wealth increasing, are those that were already in the worst positions prior to the pandemic.

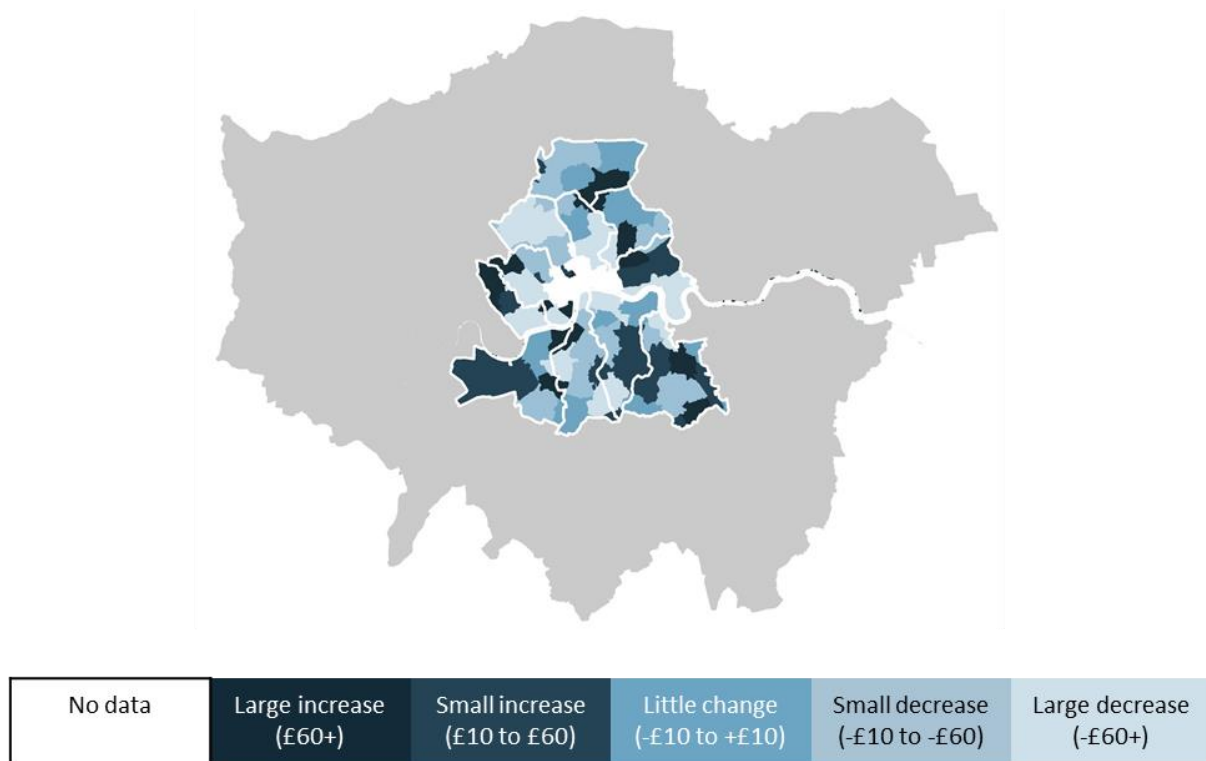
There have also been mixed impacts across the housing market. The early evidence shows that Covid did not have a marked effect on the number of households claiming homelessness, with very similar numbers for central London both before and after the pandemic, with a slight peak in the third quarter of 2020 (up to 435 households per 10,000 compared to an average of 400).

This reduction came about partly because of the ‘Everyone In’ initiative which saw people sleeping rough accommodated in hotels during the pandemic, but the trend was evident in 2019 before Covid-19. The degree to which the success of reducing the numbers of people sleeping rough can continue into the future – especially given the withdrawal of the support seen during the pandemic – will determine the outcomes of some of the more vulnerable people in central London.

More broadly, enforced home working, the desire for private green space, the impacts of the economic turmoil caused by the pandemic, and Government support for house purchases (including significant support through temporary changes to Stamp Duty Land Tax) and the rental market (including significant changes to regulations around evictions) have all had impacts on house prices, rental prices and Londoners experiences of the housing market.

Figure 51 shows the situation for changes in rental prices for 2-bed private properties in different central London boroughs. It shows that prices have fallen significantly in some very central locations, whilst they have typically increased in areas further from the centre.

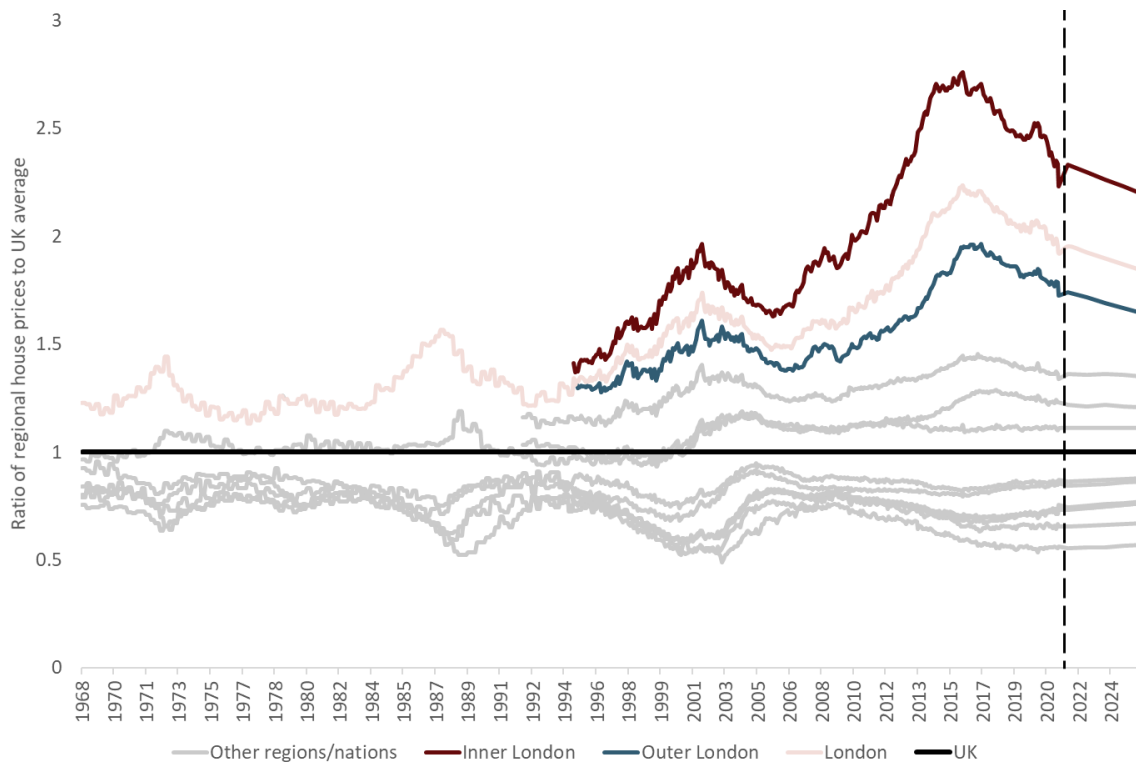
Figure 51: Change in median monthly rent for 2-bed private properties (2019-2020)



Source: Trust for London

House prices across London are also becoming relatively more affordable compared to other regions of the UK. Figure 52 shows that the gap between average London house prices and the UK average are forecast to continue to fall post pandemic.

Figure 52: Ratio of average regional house prices to UK average house prices (1968-2021, forecast to 2024)



Source: HM Land Registry House Price Index and Savills house price forecasts⁵⁸

Notes: Inner and Outer London used rather than central London due to data availability

Looking specifically at housing quality, including overcrowding, it is unlikely that the pandemic will have had a direct impact on these issues. However, what is clear is that the pandemic has shone a light on the impact that the issues have on poverty and inequality: in terms of the challenges that many individuals and families have had in working and learning from home, the increased susceptibility to infection from living in overcrowded accommodation and the mental health impacts of being forced to isolate within poor quality housing.

Together, this presents a mixed picture of the overall impacts of Covid-19 on housing inequality in central London. As we look to the recovery, ensuring a fairer distribution of housing outcomes for central Londoners will be a crucial part of tackling the poverty and inequality that was so evident before the pandemic.

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- ¹ Business and Employment Survey (ONS, 2019)
- ² ONS GVA (2018)
- ³ <https://equalitytrust.org.uk/crime>
- ⁴ <https://equalitytrust.org.uk/health>
- ⁵ <https://equalitytrust.org.uk/economic>
- ⁶ <https://equalitytrust.org.uk/trust-participation-attitudes-and-happiness>
- ⁷ Mid-year population estimates (ONS, 2020)
- ⁸ <https://socialmetricscommission.org.uk/wp-content/uploads/2020/06/Measuring-Poverty-2020-Web.pdf>
- ⁹ WPI Economics analysis of ONS GVA figures (2018)
- ¹⁰ WPI Economics analysis of Earnings and hours worked, place of residence by local authority: ASHE Table 8 (2019)
- ¹¹ April 2016 to March 2018 figures from Total Wealth: Wealth in Great Britain, July 2006 to June 2016 / April 2014 to March 2018, ONS Wealth and Assets Survey (2019)
- ¹² County and Regional Public Sector Finances, FYE 2020 (ONS, 2021)
- ¹³ See [English indices of deprivation 2019 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019). Accessed 03/10/21.
- ¹⁴ WPI Economics analysis of English Indices of Deprivation (2019), applying the proportion of LSOAs in the bottom three deprivation deciles in England to the population of central London
- ¹⁵ Inner London covers a slightly different set of London boroughs to central London Forward area. As it is a more widely used and recognised geography for statistical purposes, we have included data for Inner London where it has not been possible to get the more precise breakdown for central London. The Inner London boroughs are: City of London, Camden, Hackney, Hammersmith and Fulham, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth, Westminster
- ¹⁶ DWP, (2021). Households Below Average Income, 2019/20.
- ¹⁷ Healthy State Life Expectancy 2017-19, ONS
- ¹⁸ For example, see [Evidence hub: What drives health inequalities? - The Health Foundation](https://www.healthfoundation.org.uk/evidence-hub/what-drives-health-inequalities/) and [Centric Lab – Areas of Health Emergency \(thecentriclab.com\)](https://thecentriclab.com/areas-of-health-emergency/) Accessed 03/10/21.
- ¹⁹ WPI Economics analysis
- ²⁰ The Health Foundation, (2020). *Emerging evidence on COVID-19's impact on mental health and health inequalities*. [Emerging evidence on COVID-19's impact on mental health and health inequalities | The Health Foundation](https://www.healthfoundation.org.uk/evidence-hub/emerging-evidence-on-covid-19s-impact-on-mental-health-and-health-inequalities/)
- ²¹ YouGov (2021). *YouGov 2020 Personality Study*. [The impact of coronavirus on mental health and relationships | YouGov](https://www.yougov.com/research/the-impact-of-coronavirus-on-mental-health-and-relationships/)
- ²² Fancourt, D., Paul, E., (2021). *Factors influencing self-harm thoughts and self-harm behaviours over the first year of the COVID-19 pandemic in the UK: a longitudinal analysis of 49,324 adults*. [Factors influencing self-harm thoughts and self-harm behaviours over the first year of the COVID-19 pandemic in the UK: a longitudinal analysis of 49,324 adults | medRxiv](https://www.medrxiv.org/content/10.1101/2021.08.18.21260000v1)
- ²³ Public Health England, (2021). *COVID-19 mental health and wellbeing surveillance*. [2. Important findings - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/covid-19-mental-health-and-wellbeing-surveillance)
- ²⁴ ONS regional labour market statistics Sep-Nov 2019
- ²⁵ WPI Economics analysis of Earnings and hours worked, place of residence by local authority: ASHE Table 8 (2019)
- ²⁶ See [Coronavirus Job Retention Scheme statistics: 9 September 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-9-september-2021) Accessed 03/10/21.
- ²⁷ <https://www.resolutionfoundation.org/press-releases/one-in-five-young-people-and-over-one-in-five-bame-workers-who-were-furloughed-during-lockdown-have-since-lost-their-jobs/>
- ²⁸ WPI Economics analysis of APS via NOMIS
- ²⁹ Learning loss since lockdown: variation across the home nations (Centre for Economic Performance, July 2021) <https://cep.lse.ac.uk/pubs/download/cepcovid-19-023.pdf>
- ³⁰ Learning loss since lockdown: variation across the home nations (Centre for Economic Performance, July 2021) <https://cep.lse.ac.uk/pubs/download/cepcovid-19-023.pdf>
- ³¹ Children without internet access during lockdown (Children's Commissioner, August 2020) <https://www.childrenscommissioner.gov.uk/2020/08/18/children-without-internet-access-during-lockdown/>

³² Inequalities in education, skills, and incomes in the UK: The implications of the COVID-19 pandemic (IFS, 2021) <https://ifs.org.uk/inequality/wp-content/uploads/2021/03/BN-Inequalities-in-education-skills-and-incomes-in-the-UK-the-implications-of-the-COVID-19-pandemic.pdf>

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³⁶ https://eppi.ioe.ac.uk/cms/Portals/0/Lot%204%20-%20FE%20-%20090921_LO.pdf?ver=2021-09-09-114634-593

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³⁹ BEIS Small Business Survey 2021, August 2021, <https://www.gov.uk/government/collections/small-business-survey-reports#2020>

⁴⁰ UNEI's 2020 Report on Gender and Small Business, July 2021, <https://ueni.com/blog/report-gender-small-business-female/>

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⁴² HMT, The Alison Rose Review of Female Entrepreneurship, March 2019, <https://www.gov.uk/government/publications/the-alison-rose-review-of-female-entrepreneurship>

⁴³ ONS, December 2019, Population Characteristics Research Tables, <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationcharacteristicsresearchtables>

⁴⁴ Figures provided to WPI Economics by BEIS. Note that small sample sizes were referenced as a factor in interpreting the data.

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⁴⁶ BEIS, July 2012, the impact of the financial crisis on bank lending to SMEs, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/34739/12-949-impact-financial-crisis-on-bank-lending-to-smes.pdf

⁴⁷ British Business Bank, October 2020, Alone Together, <https://www.british-business-bank.co.uk/wp-content/uploads/2020/10/Alone-together-Entrepreneurship-and-diversity-in-the-UK-FINAL.pdf>

⁴⁸ TheyWorkForYou, <https://www.theyworkforyou.com/london/?id=2020-07-19.2161.h>

⁴⁹ NBER, December 2020, small business owners and racial inequality, <https://www.nber.org/reporter/2020number4/covid-19-small-business-owners-and-racial-inequality>

⁵⁰ King's Business School, September 2020, Entrepreneurship and Covid-19: Challenges and opportunities: An assessment of the short and long-term consequences for UK small business, <https://www.kcl.ac.uk/business/assets/PDF/research-papers/country-report-uk-entrepreneurship-and-covid-19-challenges-and-opportunities-an-assessment-of-the-short-and-long-term-consequences-for-uk-small-businesses.pdf>

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⁵⁵ Ethnicity Facts and Figures, Overcrowded households, <https://www.ethnicity-facts-figures.service.gov.uk/housing/owning-and-renting/home-ownership/latest#by-ethnicity>

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⁵⁷ CHAIN 2019/20 Annual Report (GLA, 2020) [Rough sleeping in London \(CHAIN reports\) - London Datastore](https://www.chain.london.gov.uk/reports/chain-2019-20-annual-report)

⁵⁸ <https://www.savills.co.uk/insight-and-opinion/savills-news/316886/savills-upgrades-2021-house-price-forecast-but-next-few-years-harder-to-predict>