

WE ARE RESPONDING.

WE ARE NEWHAM.

NEWHAM COST OF LIVING CRISIS RESPONSE

www.newham.gov.uk/costoflivingresponse

WHY ARE WE HERE TODAY?

- The cost of living emergency will hit UK householders harder than any other country in Europe – but most extreme in Newham where thousands of residents will face catastrophic financial instability due to inflation, soaring energy bills, housing costs that follows more than 12 years of austerity.
- The ethnic diversity of our young borough population means that Newham residents face structural inequalities that leave them disproportionately vulnerable to the cost of living emergency
- Covid-19 proved in times of crisis our community response can make fundamental difference
- This summit is to again mobilise our collective resources to implement actions that will have greatest impact in helping Newham's residents.
- It is clear that national government has a responsibility to take urgent action but, even if this intervention is forthcoming, more has to be done locally driven by our collective efforts
- This presentation will share newly commissioned data that illustrates how the residents of Newham will be affected to bring to life the extreme need but also the areas where efforts must focus
- The discussion that follows is to share experience and ideas on the solutions needed
- The commitments made will be collated into our borough-wide action plan and our progress reported back on over the coming months.

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EXPOSURE FACTORS TO INFLATION IN NEWHAM

- We already know that many of Newham's residents had low economic resilience going into this crisis.
- The effects of inflation could create a perfect storm for residents who were already struggling.
- The poorest households facing severe conditions without significant additional government support beyond what has already been promised.
- Most of the existing cost-of-living analysis is not specific to London and does not take into account all essential spend (e.g. housing).
- **This means that the impact will be felt by nearly all households across the borough**

National inflation exposure factors



1. Food



2. Energy



Transport

Wider exposure factors



3a. Housing quality (Energy Efficiency)



3b. Housing tenure

Evidence of price differential against some of these things mean that Londoners could be worse off than the national average

Specific local challenges in Newham and London housing raises exposure and needs to be considered in overall

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LOCAL EXPOSURE FACTOR 2: FUEL POVERTY

- BEIS says: *“Fuel poverty in England is measured using the Low Income Low Energy Efficiency (LILEE) indicator. Under this indicator, a household is considered to be fuel poor if:*
 - they are living in a property with a fuel poverty energy efficiency rating of band D or below*
 - when they spend the required amount to heat their home, they are left with a residual income below the poverty line”.*
- By this definition, Newham has the 2nd highest fuel poverty rate in London & the **21st highest fuel poverty rate nationally.**

Sources: BEIS



% of households who are 'fuel poor', 2020

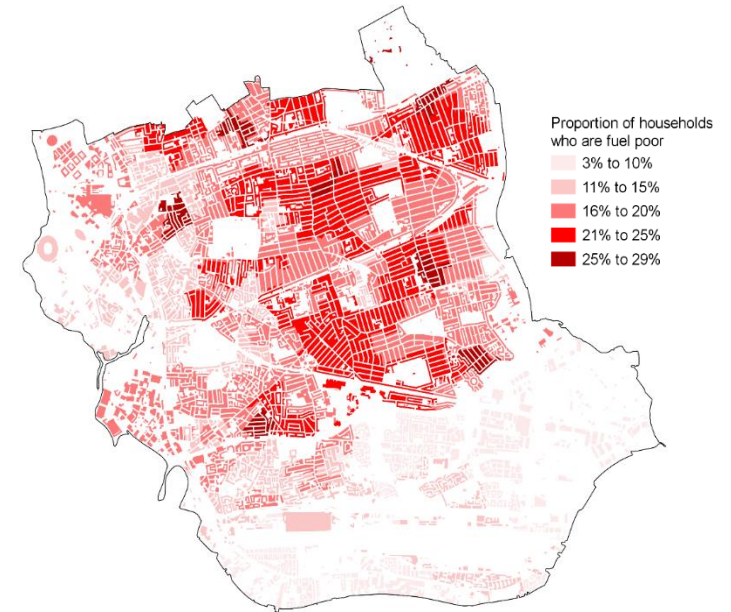


Fig 1. % of households who are 'fuel poor' by LSOA, 2020

19,547

Households estimated to be in fuel poverty in Newham in 2020 which is likely to rise significantly

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LOCAL EXPOSURE FACTOR

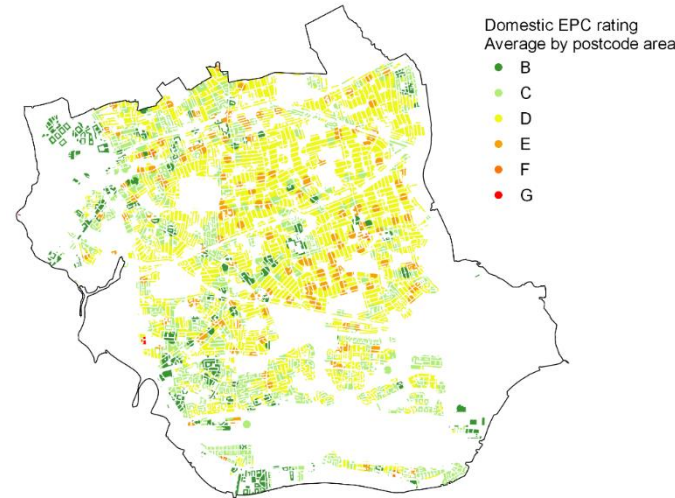
3A: HOUSING QUALITY

- Fuel poverty therefore closely aligns with EPC ratings of properties.
- Terrace housing in and around Forest Gate, Upton Park and East Ham is typically rated band D or below on average. Areas of highest development tend to have higher average EPCs (e.g. Stratford/the Royal Docks)
- Energy efficiency has a direct impact on energy bills. Residents living in a Band G property are likely to be paying 190% more for their energy than those living in Band A-C rated EPC properties.
- Around 16,000 households are living in properties rated Band E or below. These groups are specifically impacted by increases to the price cap.

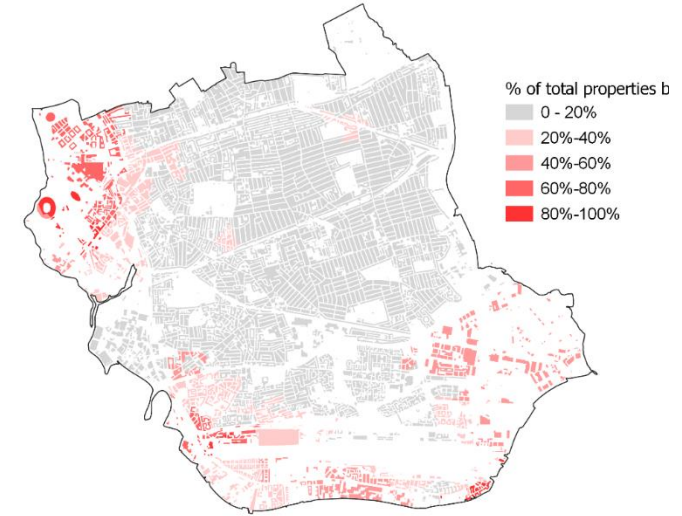
Sources: JLL, ONS, London Datastore, VOA

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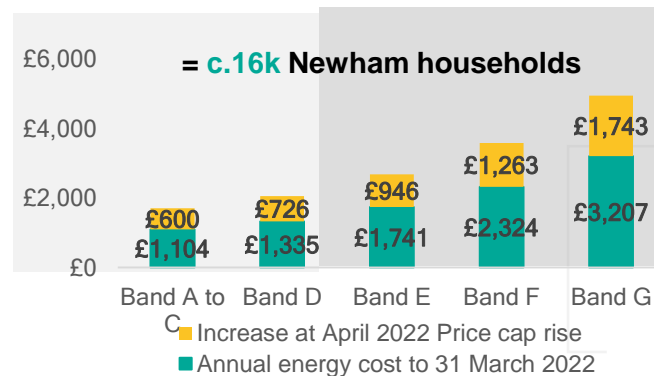
Domestic EPC rating average by postcode area, 2021



% of properties built between 2000-2015



Estimated increase in energy bills by EPC rating for the April 2022 price cap



Newham total properties by EPC rating

EPC	Number of properties	Proportion of properties
A	63	0.1%
B	26,933	22.3%
C	33,252	27.5%
D	44,579	36.9%
E	13,572	11.2%
F	1,778	1.5%
G	759	0.6%

LOCAL EXPOSURE FACTOR

3B: HOUSING & HOUSING TENURE

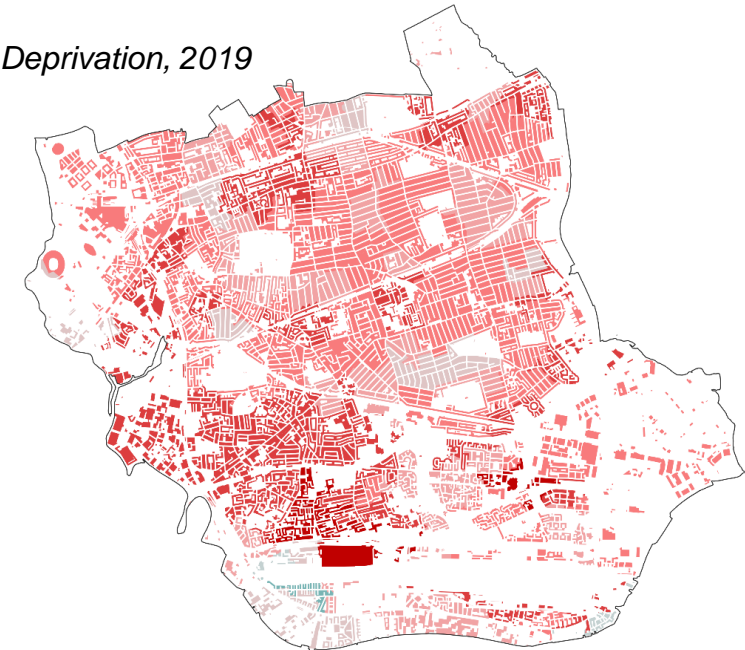
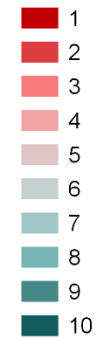
- Newham is the 12th most deprived local authority nationally* which is affecting prosperity and opportunity in the borough's places.
- Every neighbourhood in Newham falls within the top 10% most deprived nationally for the Barriers to housing and services sub domain.
- The Barriers to Housing sub-domain measures issues relating to access to housing such as affordability and is made up of the following indicators:
 - Household overcrowding
 - Homelessness
 - Housing affordability

Sources: IMD

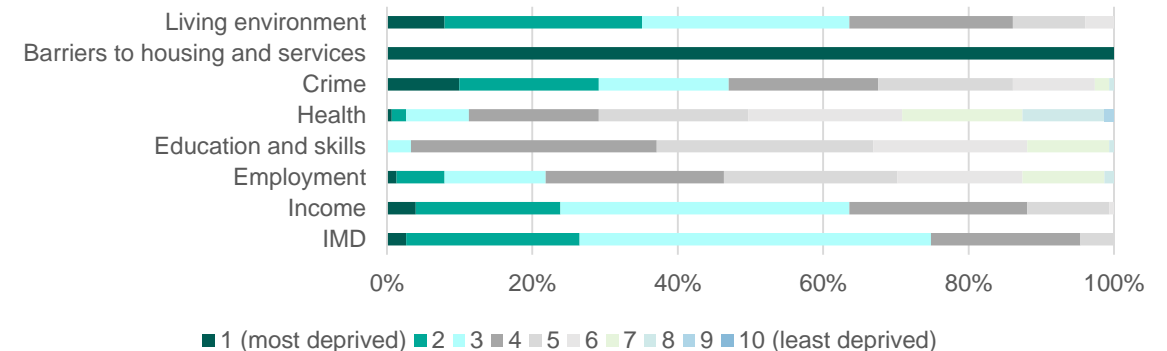
*Based on average rank scores against IMD sub-domains

Index of Multiple Deprivation, 2019

IMD Decile, 2019



% of LSOAs by IMD sub-domain in Newham, 2019

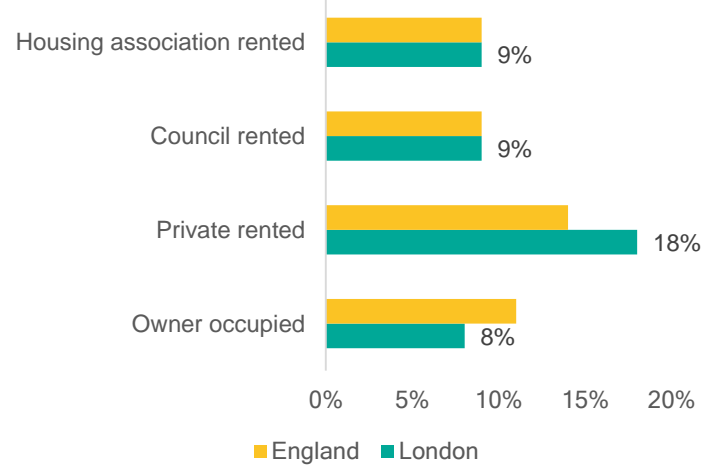


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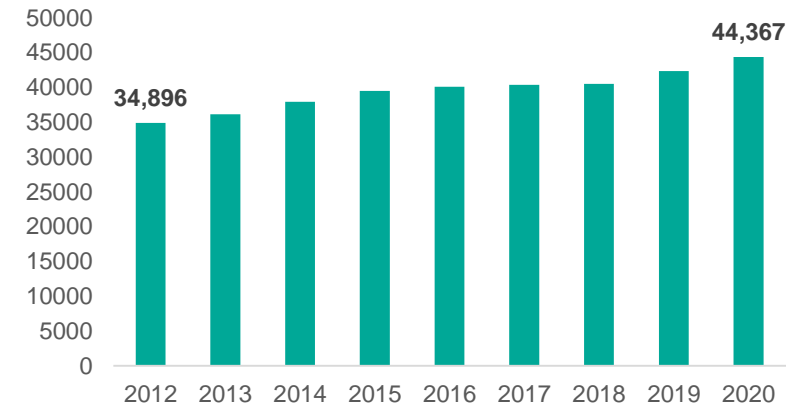
LOCAL EXPOSURE FACTOR 3: HOUSING TENURE

- Cost of living crisis is likely to acutely impact residents who rent privately. The evidence shows that in London, private renters are significantly more likely to experience fuel poverty than any other tenure.
- The number of dwellings in Newham that are privately rented has increased by 27% since 2012.
- Newham has the highest proportions of people renting privately of any borough in London (35.5%).
- This is significantly higher than the London average and means that residents are more exposed to macro-economic shifts.

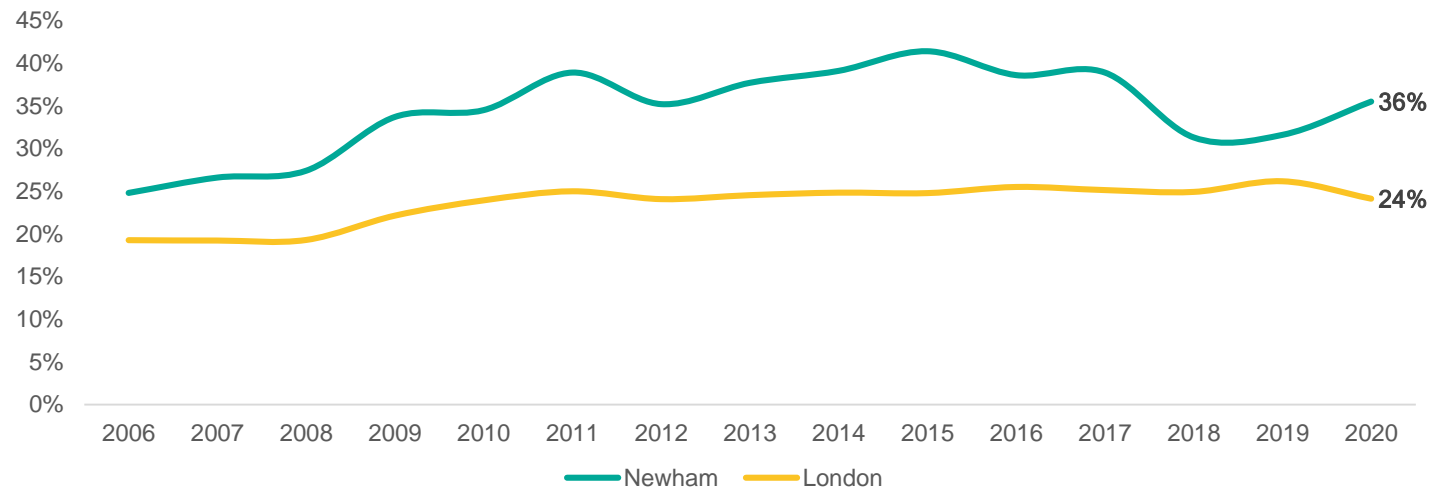
Fuel poverty by tenure, 2018 (Below)



Number of dwellings in Newham which are private rented, 2012-2020 (Below)



% of households renting privately, 2006-2020 (Below)



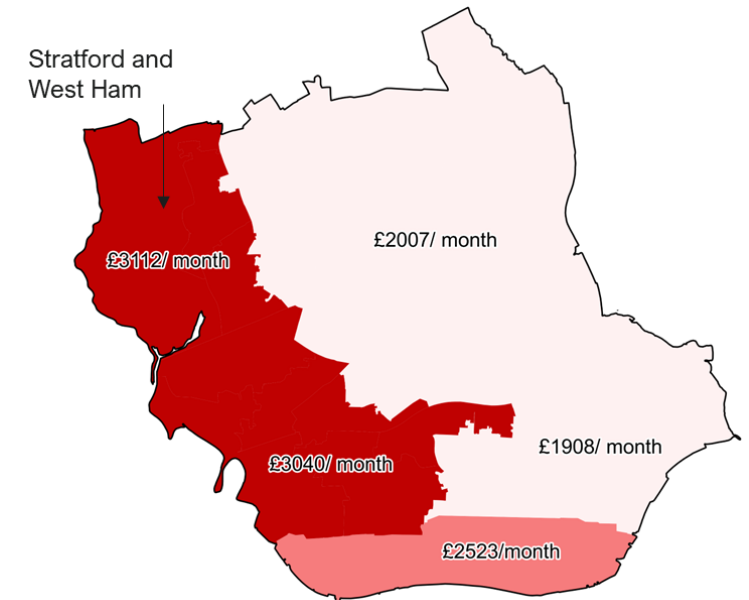
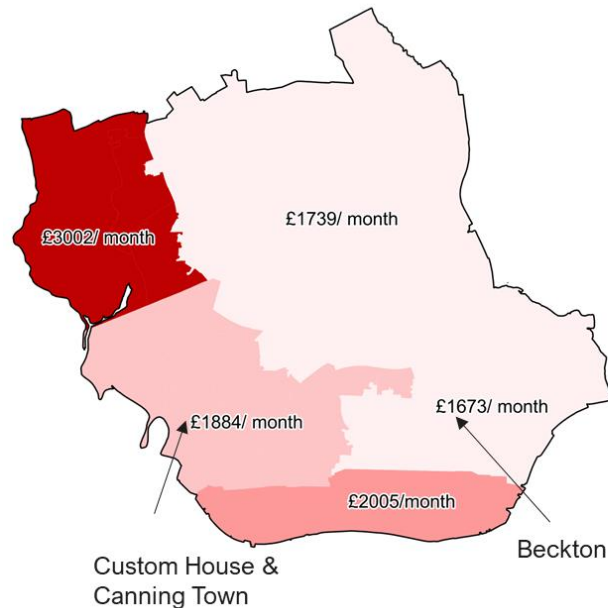
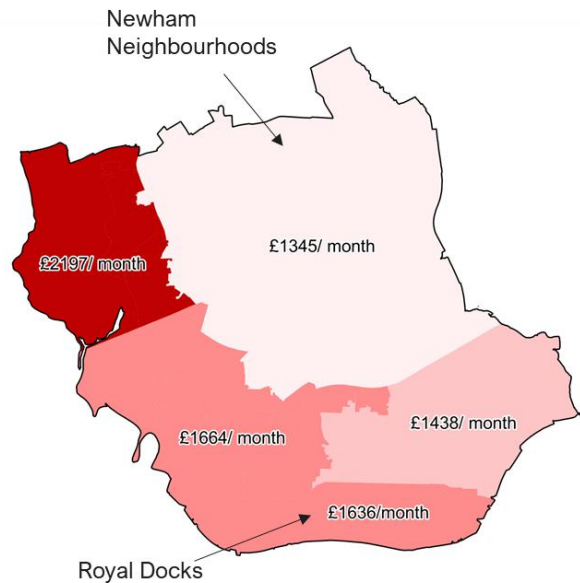
Sources: Annual Population Survey, Sub-national estimates of Dwellings by tenure,

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LOCAL EXPOSURE FACTOR

3B: Housing Tenure (2) – Real Rents

- Rental postings analysis show that the ONS' March 2022 significantly underplays rent increases.
- 2% of residents have used Newham's homelessness prevention services. Residents from Plaistow are significantly more likely to have used homelessness prevention services... **but** this could increase with rent rises, long tenancies, and wider inflationary pressures.



ONS private rent data for Newham estimates that the mean price paid for a 1-bed property is **1,307pcm**
One bed

ONS private rent data for Newham estimates that the mean price paid for a 2-bed property is **£1,589pcm**
Two bed

ONS private rent data for Newham estimates that the mean price paid for a 3-bed property is **£1,824pcm**
Three bed

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The next three slides show some modelling we have carried out that shows in stark terms the real world impact of these pressures on typical Newham households

CASE STUDIES

Scenario 1: Living in Newham and working in central London



A civil servant and marketing professional. Annual combined total household income **£67k**



Working in Westminster and Stratford and get the bus and tube to work.

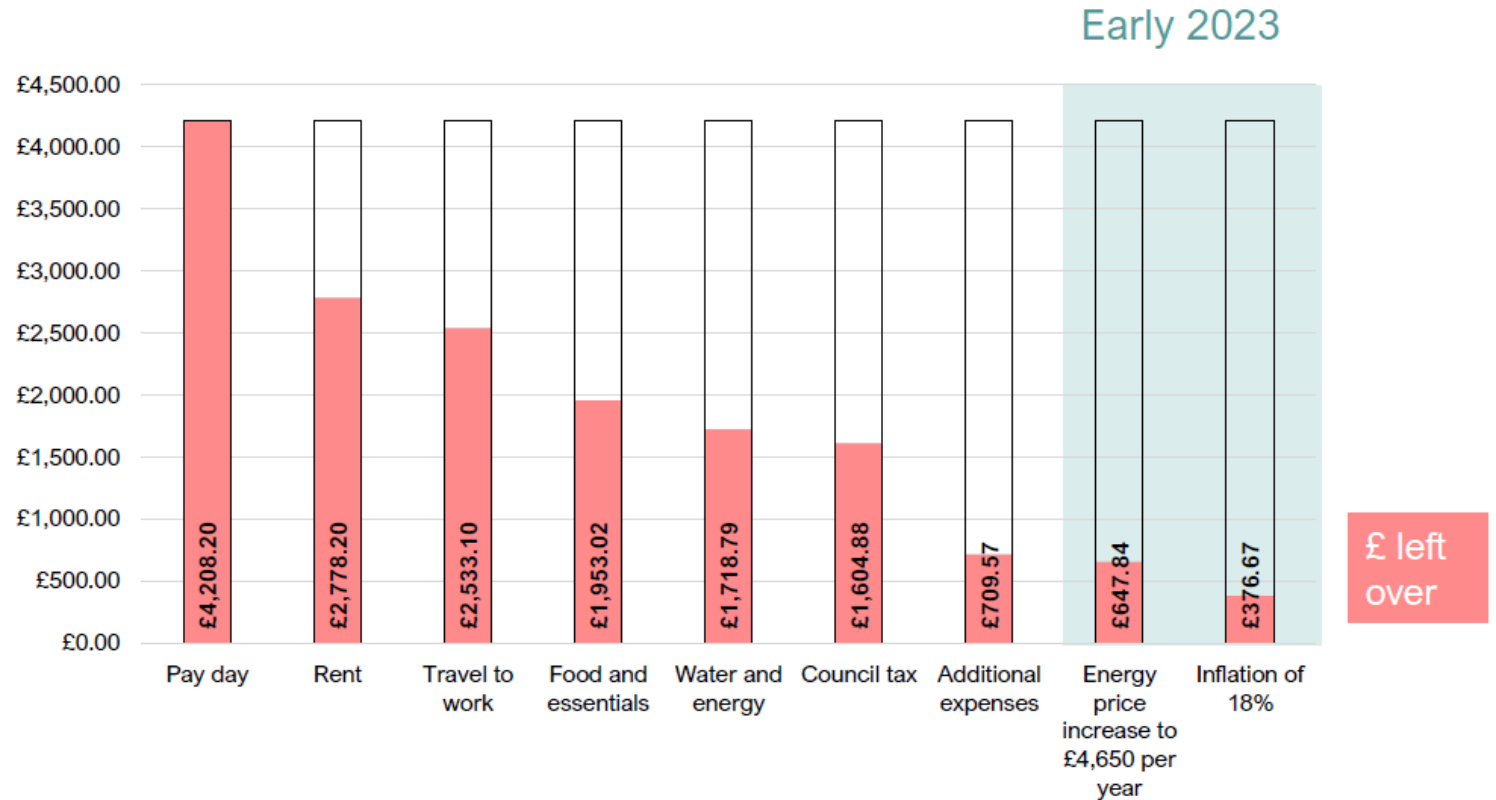


Living in a one-bed flat in Newham costing **£1,430pcm**

0

Children requiring childcare

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CASE STUDIES

Scenario 2: Living and working in Newham



A teacher and a nurse. Annual combined household income of **£63,163**



Working in Newham and get the bus to work

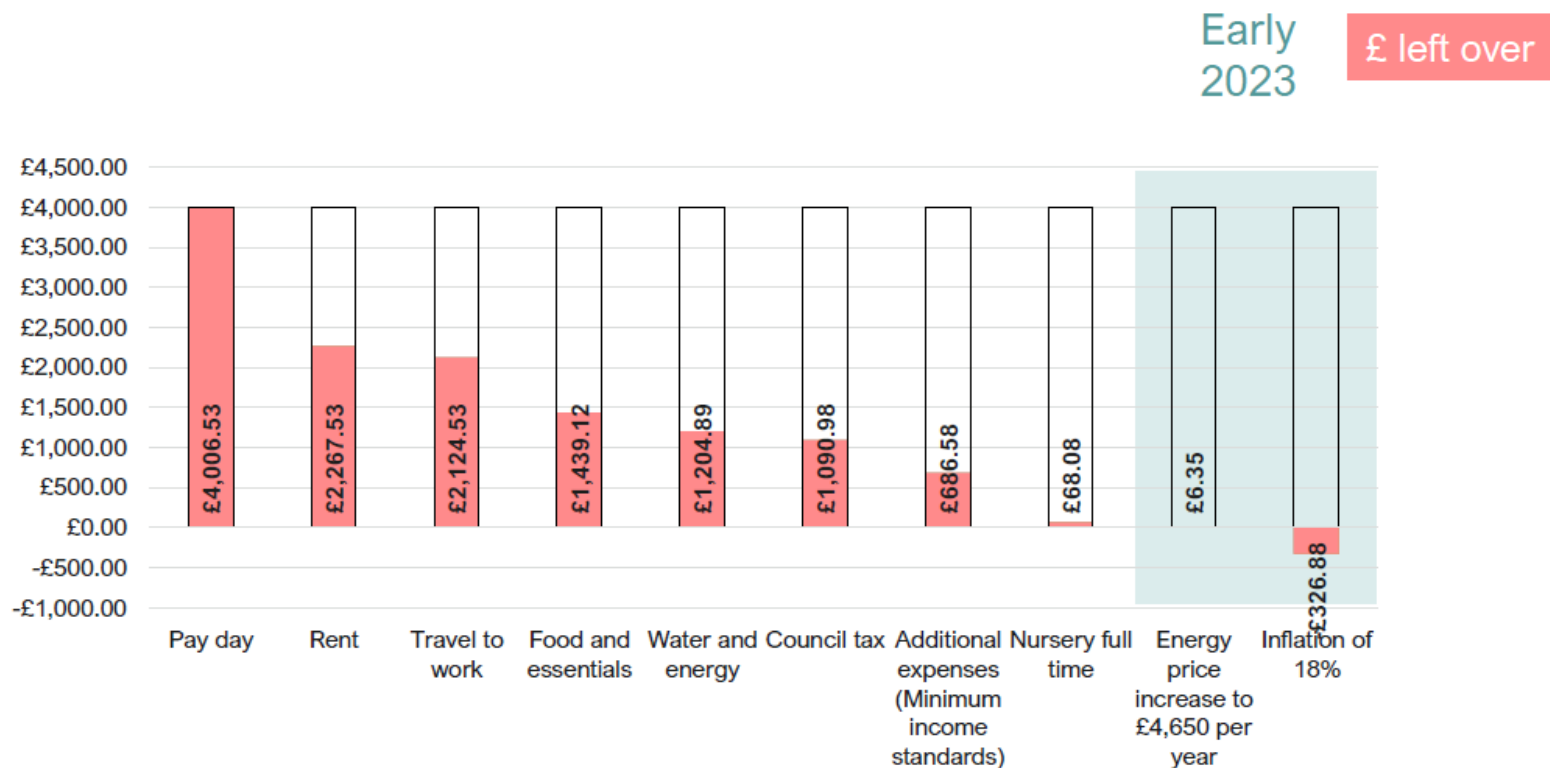


Living in a room in a 2 bed flat in Newham costing **£1739pcm**

1

Child requiring full-time childcare

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CASE STUDIES

Scenario 3: Living in Newham and working in central London



A hospitality worker. Median gross annual salary in London is **£26.1k**



Working on the Southbank and needs to use the tube to get into work.

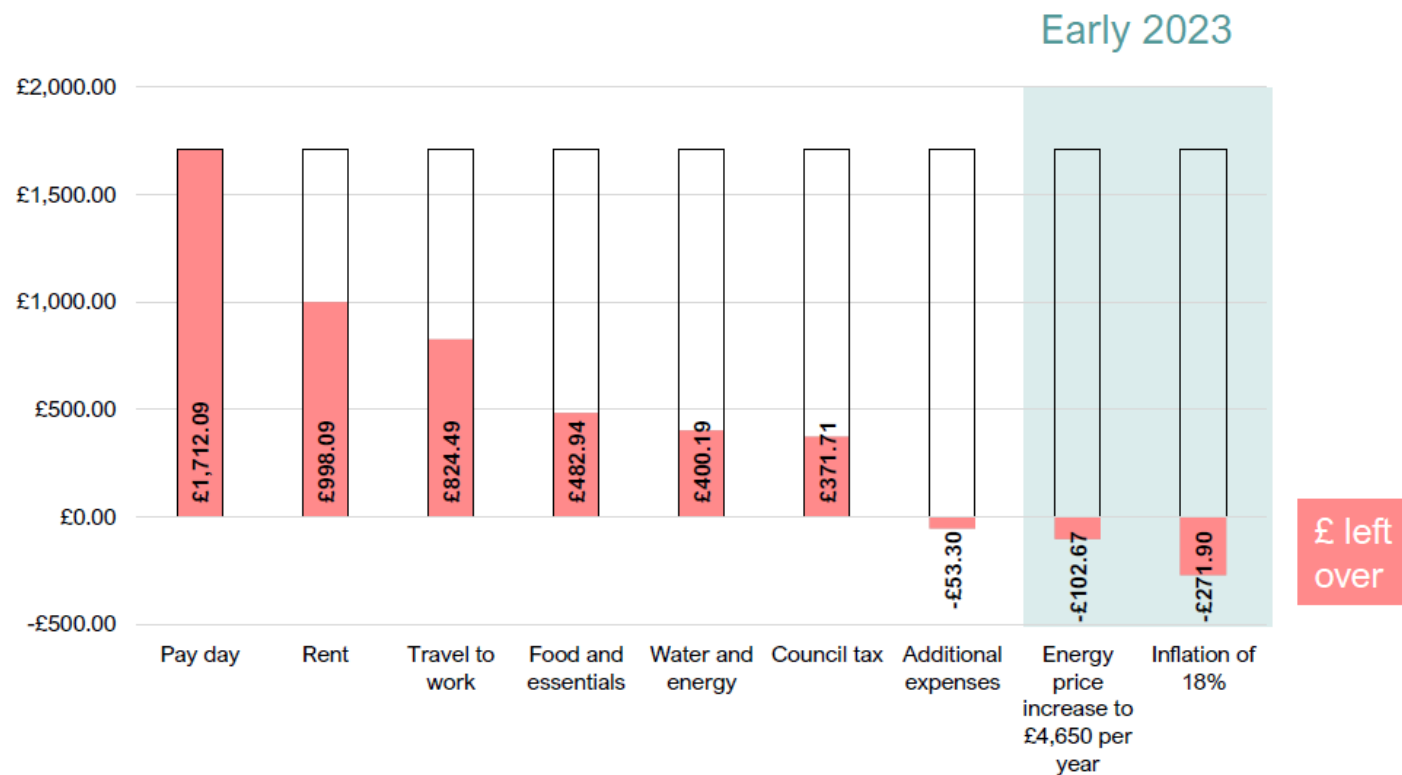


Living in a room in a four-bed flat in Newham costing **£714pcm**

0

Children requiring childcare

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Cost of Living Crisis – emergency response

- Our Cost of Living Crisis bespoke analysis helps us both better understand the scale of the challenge the borough faces and shape our collective response
- The findings are stark. The combination of existing challenges such as in-work poverty, low disposal income and high housing costs with increased prices for essentials such as energy and food create a ‘perfect storm’
- This evidence also points to four main areas – food, energy, housing quality and housing tenure – that are driving the crises in Newham.
- We’ve discussed these in the breakout groups: what we can do collectively in these areas to try and mitigate some of these challenges

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CALL TO ACTION & OUR RESPONSE: FEEDBACK FROM BREAK OUT GROUPS



- **WHAT MORE CAN YOUR ORGANISATION DO NOW TO PROVIDE EMERGENCY SUPPORT TO RESIDENTS?**
- **WHAT SHOULD WE BE LOBBYING GOVERNMENT TO DO MORE OF TO HELP SUPPORT NEWHAM RESIDENTS?**

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THE COUNCIL AND PARTNERS ARE ALREADY RESPONDING TO THE EMERGENCY



- Our Eat for Free scheme ensure that **14,000** primary school children get at least one healthy meal a day while at school. This summer we worked with schools to ensure that almost **2000** Newham school children could benefit from holiday food vouchers
- Provided **£150k** to the Newham Food Alliance partners to enable them to provide food and other priority goods to Newham residents – and distribute **50 tonnes** of excess food weekly
- Allocated **£150k** to Children’s Centres so they can provide support directly to those in need
- We are expanding the council’s Our Newham Money service and increasing capacity to support residents. The service has seen **3160 residents** in the first 5 months of this financial year – that is more than it saw for the whole of the previous year
- **1374** families have received immediate financial assistance with food and energy - issuing **£251,660** in grants. The rest have been provided with advice ranging from budget advice to specialist debt management support.
- Through benefit and debt specialist case work support the team has secured around **£600k for residents** by helping them to access their correct benefit entitlements
- We are a **London Living wage** employer and are promoting the paying of the London Wage across the borough through our Community Wealth Building Pledge

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WE KNOW WE NEED TO GO FURTHER NOW



We know that the scale of this crisis means that the Council and our partners need to go further and faster to provide support to our community:

- An additional immediate action I am announcing today is that the Council will work with partners to deliver borough 'warm havens' where libraries, leisure centres, community buildings and NHS buildings / specific places are made available to those in need; alongside community hot meals in venues across Newham in partnership with Newham food alliance. Exact locations and timings announced in due course when the Council will also unveil an interactive map to help residents find venues.
- We are also rolling-out training to partners in the VCS and Faith organisations staff to raise awareness of the full support package which is on offer and understand how they can help residents access this. This approach builds on the lessons we learnt from how we responded to Covid

But there is more we can do collectively

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WHAT HAPPENS NEXT?

- ✓ An Action Plan will be produced and shared with the Cost of Living Taskforce – this group will oversee and drive delivery of the plan
- ✓ A resident event will be planned so we can talk directly to the community about how we are responding and supporting them
- ✓ A business focused event where we will talk to local small businesses about what support we could offer them, while also talking to larger businesses about what they can offer our residents
- ✓ We will lobby the new government for a fairer deal for Newham residents. This will include joining the Mayor of London in lobbying for a two year rent freeze

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