

## APPG for London

### Minutes of the meeting held on Monday 17 October 2022

#### Parliamentarians in attendance:

Florence Eshalomi MP (Chairing)  
Sir Bob Neill MP (Chairing)  
Lord Graham Tope CBE  
David Simmonds MP

#### Speakers:

Manny Hothi, Chief Executive, Trust for London  
Cllr Georgia Gould, Chair of London Councils and Leader of the London Borough of Camden  
Stephen Jones, Policy and Research Manager, London Chamber of Commerce and Industry

#### Also in attendance:

Colleagues from the Offices of Catherine West MP, Karen Buck MP  
Officers from the Secretariat at London Councils  
Media: On London, Local Government Chronicle  
External Attendees from: London Boroughs of Bexley, Westminster, Harrow, Southwark, Hammersmith & Fulham, and Newham. City Bridge Trust, London Community Foundation, London Sport, First Love Foundation, Central London Forward, G15/MTVH, London Communications Agency, London City Mission, Learning & Work Institute, Junior League of London, The Policy Institute at King's College London, 4 in 10, City of London Corporation, London Sight Loss Council, Centre for London, Greater London Authority, Thrive LDN, PECAN, Standing Together, LSE, Hestia,

#### 1) Manny Hothi, Chief Executive, Trust for London

- The cost-of-living crisis is hitting many Londoners, particularly those on low incomes. 1.5 million people across the UK have been pushed into poverty during this crisis – The worst event of the century.
- The 'Mini Budget' did help with those numbers – 180,000 fewer people would have been in poverty. However, this has since been reversed.
- Voluntary and community sector (VCS) organisations in London are facing increased cost pressures themselves. Many of these orgs are supporting people specifically with food (rise in heating and eating) but as we move into winter, will also be needing to keep their doors open to those who need warmth.
- Funders will need to give out more money to make sure they meet higher costs.
- Key asks of government – Benefits need to be increased by inflation and not wages. Need to have better targeted support for energy bills – Those on energy meters should have lower price cap.

#### 2) Cllr Georgia Gould, Chair of London Councils and Leader of the London Borough of Camden

- The cost-of-living crisis comes on top of a previous crisis – the pandemic. Those who were previously donating to food banks are now having to use food banks. Some children are having one meal a day. In London, there’s been an average 15 per cent rise in private rents.
- We’ve seen an average 15 per cent rise in private rents alone. Only 8.8% of properties listed for rent in London in 2021/22 were affordable on Local Housing Allowance dropping to 1.3% in central London. There are as many homeless Londoners as the entire population of Oxford.
- Councils are investing in council tax support schemes. Camden has a £2 million Cost of Living Crisis Fund that residents can apply to. 90% of applications are for food. They are also creating warm welcome spaces across the borough. Councils are also investing in local advice services and signposting to existing support. Supporting people through mutual aid networks as during the pandemic, where councils worked alongside communities.
- Acknowledgement that people across the sector are exhausted and struggling to deliver for the extent of need.
- Councils are also seeing enormous pressures on their funds and services. Anything that’s easy to reduce has already happened. We can’t see any more cuts. We need Local Housing Allowance rates to be increased to cover the bottom 30% of local private market rents.
- We also need to look at retrofitting our buildings - An Investment opportunity to decarbonise our cities.

### 3) Stephen Jones, Policy and Research Manager, London Chamber of Commerce and Industry

- The cost of living crisis is also a “cost-of-doing business” crisis.
- LCCI run a quarterly business survey. This has found that cost measures have been going through the roof since 2021. 75% of businesses seeing increase in their energy costs. 40% of firms seeing an increase in borrowing costs. A lot of businesses took on debt during pandemic.
- Businesses are reporting a very high number of people who want wage increases but are finding it very difficult to match these increases with inflation. SMEs are trying to do right by their employees.
- Key asks of government – We need to learn lessons from the pandemic and in particular, the need to avoid cliff edges for businesses and uncertainty. The current energy bill relief scheme only lasts until April – another cliff edge. The government has committed to further support, but it’s better to know where it will be targeted sooner rather than later. We thought reintroduction of VAT-free shopping for tourists was good – disappointing to see that reversed.
- Going forward we need some real stability from this government. Businesses are looking for leadership on this.

### 4) Q&A and Discussion

**Question:** David Simmonds MP asked how MPs and government can access good data on what’s happening on the ground regarding where cost of living is impacting people.

He said that data from payroll companies that he has seen had not indicated signs of distress in people's budgets. Creditworthiness looked like it was improving, people's debts were going down.

Data is crucial for government to decide what the right interventions are and what will make a difference. How can we ensure data is generated and more widely available?

Cllr Georgia Gould said that the cost of living and the cost of doing business was going up and councils were looking into this. She said councils are seeing an increase in residents being in debt to the council and an increase in number of residents whose incomes are lower than their outgoings. London Councils is working on a dashboard to present pan-London data on households to government, MPs and other stakeholders.

Manny Hothi added that Trust for London is working on a Cost of Living Index for London.

**Question:** Lord Graham Tope asked how we can do more and better to champion London to residents, government and the Core Cities and challenge the perception that London is a rich city?

Stephen Jones from LCCI said the Mayor of London's role working with other metro mayors was helpful in this space. LCCI itself works with chambers across the country to show that support for London business is helpful nationally and to emphasise links between London and other areas.

Cllr Georgia Gould echoed the point about the Mayor of London working closely with the metro mayors and added that London Councils is working with Core Cities on shared challenges such as climate, which she referenced earlier. She also added that housing and refugees were other areas where cities have common issues.

Core Cities has set up its Future of Cities Commission to develop policy for cities, looking to where we have shared priorities.

**Question:** Sir Bob Neill MP asked if the panel saw any obstacles to championing London. He highlighted that the APPG for London is meeting the Minister for London this week and responses would be useful for that meeting.

Cllr Georgia Gould highlighted that it was important to raise awareness of the high cost of living in London and the cost of childcare and travel.

She also said getting support for reforming the apprenticeship levy would be helpful – as many businesses see it as a tax and funds are not going towards upskilling Londoners as intended.

Stephen Jones from LCCI said as well as childcare costs affecting the workforce, he said business rates were a burden for businesses as the system is not fit for this century.

**Question:** David Simmonds MP asked a question about energy costs. He said there is a relatively small pool of energy providers feeding into London, and it would be useful to have a shared data set of social tariffs across these providers. His constituents are concerned they are paying more for their energy than their actual usage.

He has also received negative feedback on green deal insulation – hard to get tradespeople to do the work to a good standard and some constituents lost the funding from government as tradespeople

wouldn't do the work. He said it would be good to hear how councils have been investing their money into retrofitting insulation for social housing stock as this could be helpful for owners.

Cllr Georgia Gould said councils want to do this and there are three elements of doing it successfully. Workforce is critical and councils support investing apprenticeship levy into green skills. Access to homes to carry out the works is also critical. The third element is financial, that's where the biggest barrier lies. It's currently hard to get a return on investment with retrofitting insulation.

London Councils with 3Ci and Core Cities are working with private sector on a mixed model – using renewable energies to help fund retrofit. There is also another model saying people would see a reduction of bills in future to fund works. London Councils, 3Ci and Core Cities are keen to work with government to pilot these models – then if success is demonstrated they can scale up.

Manny Hothi from Trust for London said there is a real issue with people not switching energy providers and not being energy literate. He raised the role of energy regulators such as Ofgem and Ofwat in making providers design services better, so people do not become trapped in expensive services.

**Question:** Katherine Hill from 4 in 10, the child poverty advocacy group, said they are seeing voluntary sector organisations responding to high levels of need and people struggling emotionally. At the same time voluntary sector organisations are struggling to keep going. Trust for London is excellent at meeting funded organisations' needs. Are councils looking at contracts to see what can be done to support organisations as well?

She also highlighted lack of affordable childcare as one of the biggest barriers to entering the labour market. In their recent research childcare as a cost topped housing as a concern. She also encouraged the use of child poverty as measure to know if an area is levelled up or not.

Cllr Georgia Gould said she has been meeting with many voluntary sector organisations and has heard how their income has reduced and that they are struggling post pandemic. In Camden they have a £1 million resilience fund and £2 million cost of living fund set up but there is worry when council budgets are hit that these funds will be hit.

Stephen Jones from LCCI commented that during the pandemic we saw that businesses can operate in ways that support working families. However, beyond remote working it is important for businesses to create safe spaces to have those conversations with employees.

**Question:** Cllr Richard Diment, Cabinet Member for Education from Bexley Council, raised the difficulty getting people to work in essential services locally e.g. schoolteachers, NHS workers. In the past the Bexley area relied heavily on people outside their area – Kent, Medway towns. As costs increased, people coming from elsewhere are not coming into Bexley. Due to appeal of the inner London weighting, outer London is being neglected.

Cllr Georgia Gould agreed with his point and said even inner London boroughs were struggling with recruitment to key services.

**Question:** Jasmine Blyth from Westminster City Council, made the point that measures to support with the rising cost of living are not sustainable in the long term. There is a difference between

emergency cost of living issues and the long-term issues that people living with poverty are experiencing.

**Question:** Emily Robinson, Chief Executive of London Sport, said council sport is under pressure. Community organisations have stepped up but are now under enormous strain. They are also feeding people – both during pandemic and now – as people can't get active if they're hungry. How can we make case for joining up health inequalities, hunger and access to sport?

Cllr Georgia Gould discussed London's issues with rising systemic poverty as well as emergency help needed by people immediately due to the rising cost of living. She acknowledged the social determinants of health – hard to be healthy if you're in a crisis. If councils had longevity of funding, they could try to plan for the long term and build capacity. Through the pandemic councils have been working much better together with the voluntary sector and the sectors are now working together again.

**Question:** James Sandbach from London Citizens Advice commented that London's advice organisations are seeing demand going up and up. The pattern of demand this summer was similar to the usual winter pattern.

Focusing on issue of housing – most Londoners are private tenants. People want to rent and can afford to rent, but there are lots of examples of landlord discrimination. Due to this a lot of people are pushed into housing providers with unethical practices – targeted to take advantage of people on benefits.

He also said that the differences between inner and outer London have changed and he does not think data captures how much this has changed. Need has moved from inner to outer London, yet from a voluntary sector perspective it is harder to get funding to run services in outer London councils.

Sir Bob Neill MP commented that many funding formulae do not reflect London's changing demographics.

**Question:** Haren Thillainathan from London's Sight Loss Council commented that London's disabled community is often not noticed or heard in these debates. London Sight Loss Council's own analysis shows 1 in 5 blind and partially sighted people are struggling. This group is often on low incomes and are private renters.

He said his group would support an urgent call to action on benefit rates. They would also like to see an expanded definition of warm homes discount to include people on means tested benefits. His final message was don't leave behind groups that can't be so easily engaged with. Use data and take time to understand those really struggling.

Manny Hothi from Trust for London acknowledged the disproportionate impact of poverty on disabled people. He also said funding cuts were disproportionately affecting disability charities as well. He said Trust for London has two funds available for disability charities to access.

**Question:** Clare McNamara from London Youth said there was a bleak outlook at the moment, and asked if the panel had advice for youth workers supporting vulnerable people, for example with sign posting.

She also made a point about free school meals – London has largest proportion in the country of children not accessing their free school meal entitlements.

Cllr Georgia Gould said that in Camden they do auto enrolment for free school meals. She also said London boroughs were working with the GLA on a ‘no wrong door’ approach – advice for young people available no matter where they go to for help. She said she was happy to engage further on this. Lots of boroughs have set up Young Foundations via the John Lyon’s Charity. It’s an important network which connects local youth organisations and brings in more funding.

Florence Eshalomi MP said she had been a free school meal child and reflected that there is a stigma around receiving free school meals. If government made free school meals universal there would be no stigma. She has also heard Teaching Assistants saying they are bringing snacks to school for children who do not have food. Food helps children with their health and concentration at school, as well as helping to combat inactivity.

She also said that many youth clubs have closed in recent years while schools have been refurbished. She suggested that conversations with schools and councils could be happening to better utilise facilities not needed outside of school hours.

**Question:** Hinna Ghafoor from the Office of Catherine West MP said that in Catherine’s constituency of Hornsey and Wood Green, there are many examples of residents receiving Section 21 notices, evictions and getting into debts due to rising energy bills for the first time.

Locally they are also supporting over 400 families who entered the UK via the Homes for Ukraine scheme and Family Visa scheme. Many of them will become homeless in the next month or so due to placements ending or breaking down. Haringey Council is struggling to find homes for people. People might end up in homes or hostels. What are councils doing to help refugees with housing?

Cllr Georgia Gould said there is a massive issue with housing. She has seen research saying there have been days where there are no 3-bedroom houses under the benefit cap in the whole of the UK.

As well as Ukrainian and Afghan refugees, London also has asylum seekers and people living in temporary accommodation. We need a strategy so we are talking to DLUCH and Home Office so they can look at acquiring properties. However, the severity of the housing crisis means government also needs to look at the benefit cap as well.

**The meeting was brought to a close.**

#### **Other links and resources shared with the Secretariat:**

- London Youth – Cost of Living Crisis: An early spotlight on London’s youth clubs: <https://londonyouth.org/cost-of-living-crisis-youth-clubs/>
- London Higher: <https://londonhigher.ac.uk/resource/cost-of-living-in-london-2022-2023/>
- Age UK London: <https://www.ageuk.org.uk/london/about-us/news/articles/2022/poverty-report/>
- Thrive LDN – The Cost-of-Living Crisis – Implications for Londoners’ public mental health: <https://thrivedn.co.uk/wp-content/uploads/2022/09/Thrive-LDN-briefing-The-cost-of-living-crisis-implications-for-Londoners-public-mental-health-v0.1.pdf>