Demography and deprivation in Southwark and Tower Hamlets

A paper for the Wakefield and Tetley Trust by the New Policy Institute

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1. Introduction and summary

1.1. Introduction

This paper uses statistics to describe demographics, housing, education, employment, poverty and deprivation across and within Southwark, Tower Hamlets, and the City of London.

The first half of the paper focuses on comparisons between the boroughs of Southwark and Tower Hamlets and with London and national averages. The second half takes a closer look at the local level, including some statistics on City of London as well as wards in Southwark and Tower Hamlets.

The paper was commissioned by for the Wakefield and Tetley Trust, which provides grants to organisations working in the London Boroughs of the City of London, Southwark and Tower Hamlets that are working to improve the lives of people and communities experiencing disadvantage. It is written by the New Policy Institute (NPI), a think tank with expertise on a range of social and economic issues including poverty in London and across the UK, housing and social security.

1.2. Summary

1.2.1. Age and ethnicity

Tower Hamlets and Southwark have relatively young, ethnically diverse populations for the UK, typical of Inner London.

- Of the entire population in Tower Hamlets, 39% was aged between 20 and 34 at the last Census in 2011, compared to a third in Southwark and one in five across the UK.

- Tower Hamlets is one of three London boroughs where over half the adult population is Black or minority ethnic (BME). A third of Southwark’s adult population is BME. This is slightly less than the average for Inner London, but significantly more than the average for the UK.

1.2.2. Housing

Both boroughs still have historically large social housing stocks, with some ethnic groups particularly concentrated in these homes.
• 37% of households in Southwark and 42% in Tower Hamlets were social renters at the last Census in 2011, higher than both the Inner London (32%) and UK (18%) averages.

• 70% of Black households were living in social rented accommodation, compared to 46% of Asian households and 32% of White households.¹

Meanwhile, private renting is currently the fastest growing tenure, and problems associated with private renting are also growing.

• There were 10,000 more private rented households in each borough between 2009 and 2014.

• Across the two boroughs, the number of accelerated landlord repossession orders, which allow mostly private landlords to process evictions faster, rose from 173 in 2003 to 837 in 2015.

Census data also shows particularly high rates of large households in Tower Hamlets, indicative of high levels of overcrowding in the borough.

• 19% of people in Tower Hamlets, with up to one in four in some wards, lived in households of 6 or more people, compared to one in ten across London and 6% across England. Southwark was close to the average for London.

• 8% of Tower Hamlets residents lived in households of 8 or more people.

1.2.3. Education and employment

Historically, Inner London had high unemployment and poor school attainment. In recent years there have been considerable shifts in both, particularly education.

• Tower Hamlets and Southwark have a high proportion of free school meal pupils meeting the target standard of 5 A*-C GCSEs including English and Maths (ranking third and fifth in London in 2013/14).

• Less than half of 19 year olds eligible for free school meals in Southwark and Tower Hamlets were lacking two or more A-levels or equivalent vocational qualifications, significantly lower than the 64% average across England.

However, while unemployment has been falling, low pay among working residents remains a significant challenge.

• 22% of employees living in Southwark were paid below the London Living Wage in 2014, a high rate for Inner London. In Tower Hamlets it was 19%.

¹ Households where the Household Reference Person was Black, Asian or White respectively.
• In 2015 40% of working-age social renting claimants in Tower Hamlets were in work compared to 30% in Southwark and 25% on average across England.

1.2.4. Poverty and deprivation

Child poverty is a major problem in certain areas, especially in Tower Hamlets.

• Child poverty varied significantly across local areas, at just 4% in Cripplegate, City of London, and 12% in Village, Southwark, to 54% in Bethnal Green South and Bromley-by-Bow. There are nine wards in Tower Hamlets where more than half of children were in poverty.

• 45% of secondary school pupils in Tower Hamlets are eligible for free school meals, far above the Inner London average and the level for Southwark which are both 30%.

Despite a reduction in pensioner poverty across the country and London, Inner London boroughs still have relatively high pensioner poverty rates.

• Over half of all residents 75+ receive pension credit in Tower Hamlets, double the London average.

• In Southwark, 40% of 85+ receive pension credit, compared to the London and Great Britain average of 30%.

Both boroughs, especially Tower Hamlets, have a high concentration of deprived local areas.

• Over half (59%) of Tower Hamlets' neighbourhoods are in the bottom fifth for levels of deprivation nationally. Southwark also has high levels of deprivation relative to the rest of the country, as more than one in three (39%) of neighbourhoods are in the bottom fifth nationally.

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2 Based on child poverty rates after housing costs, published by End Child Poverty in 2013.
3 Called Lower Super Output Areas, or LSOAs
2. Borough-level analysis

The first part of the paper uses official government published statistics to describe the population and levels of deprivation in Southwark and Tower Hamlets.

It is divided into three sections. The first it looks at the how the characteristics of the population in each borough are distinct from one another and from London as whole. It the next section looks at levels of deprivation among different age groups (children, young adults, working-age and pensioners) and how these have changed over time. The final section looks in particular at housing problems in these boroughs which affect people of all ages.

2.1. Key statistics

Area profile

- Both Southwark and Tower Hamlets have a higher proportion of people in their 20s and 30s than the London average and the UK.
- The working-age adult population in Southwark aged 25 to 64 grew 44% over the past two decades, while the same group grew by 105% in Tower Hamlets.
- Tower Hamlets is one of three London boroughs with a majority 16+ BME population, while a third of Southwark’s 16+ population is BME. This share has dropped in both cases.
- Compared to White British people the largest BME groups (Black in Southwark and Bangladeshi in Tower Hamlets), make up a higher proportion of children but a lower proportion of of adults in their 20s and early 30s.
- Both Tower Hamlets and Southwark have a higher proportion of social renters at 42% and 37% respectively than the average for Inner London.
- Around 70% of households with a Black household reference person were social renters in both boroughs.
- 19% of people in Tower Hamlets live in households of 6 or more people, compared to one in ten across London and 6% across England. Southwark was close to the average for London.

Children

- Free school meal (FSM) eligibility was particularly high in Tower Hamlets, with 45% of secondary school pupils eligible. In both Southwark and Tower Hamlets a high proportion of FSM pupils achieve the target standard at age 16.
• Tower Hamlets and Southwark have 71% and 58% respectively children benefiting from tax credits. The figure for Tower Hamlets is the highest in London.

Young adults
• Southwark has a higher proportion of both FSM and non-FSM eligible 19 year olds lacking qualifications than the London average, while Tower Hamlets has a lower proportion in both cases.
• In the past decade, out-of-work benefit claims in both boroughs among young adults have fallen from around 14% to 8%, while across Great Britain they have fallen from 12% to 10%.

Working-age adults
• Out-of-work benefit claims by those aged 25 to 64 in Tower Hamlets came down from 21% in 2000 by 11 percentage points to 10% in 2015, while Southwark’s came down by 9 percentage points from 19% to 10% in the same period.
• Over a fifth (22%) of employees living in Southwark were paid below the London Living Wage, one of the highest rate in Inner London, in Tower Hamlets it was 19%.
• The proportion of jobs based in Tower Hamlets and Southwark that pay less than the London Living Wage was 13% and 8%. This is lower than the proportion of low paid employees living in the borough as many higher paid jobs based there are done by people living outside of these boroughs. Despite relatively high levels of poverty, Tower Hamlets has the lowest rate of low paid jobs in the whole of London.

Pensioners
• Over half of all residents aged 75 and over are receiving pension credit in Tower Hamlets.
• Pension credit claims peaked in London and Great Britain in the mid-2000s, and in the late 2000s to early 2010s in Tower Hamlets and Southwark. The fall is likely to be related to the fall in pensioner poverty, demographic shifts as well as possibly some changes around eligibility.

Housing
• In both boroughs, only about 10% of housing benefit claimants lived in the private rented sector.
• Whilst most working-age claimants in the social rented sector were workless, the proportion that were working was in Tower Hamlets was higher than
Southwark and London as a whole. In both boroughs more than half of private rented claimants were in work.

- The total number of housing benefit claimants in Southwark and Tower Hamlets has fallen since 2013, but the number of claimants in work has risen.

- In 2015 there were 12 landlord repossession orders in Southwark per 1,000 renting households, compared to 10 in Tower Hamlets and 15 across London.

- Across the two boroughs, the number of accelerated landlord repossession orders, which allow mostly private landlords to process evictions faster, rose from 173 in 2003 to 837 in 2015.

- Mortgage possession orders have fallen by 93% across the two boroughs from 580 at their peak in 2007 to 40 in 2015, with 34 in Southwark and only 6 in Tower Hamlets.
2.2. Area profile

This section looks at some of the main demographic patterns across Southwark and Tower Hamlets. Comparisons are made with London as a whole and the rest of the country. The analysis looks at how the population has changed over time, including how it breaks down by ethnic group and age.

These are useful indicators for two reasons. First, some of the sections are broken down by age in order to capture age-specific dynamics, for instance around work and education, or benefits that are only available to particular age groups or family types, for instance child tax credit or pension credit. Second, different demographic groups tend to have different characteristics. For instance, young adults are less likely to be homeowners because they have had less time to save and the amount required for a deposit.

In order to gain a clearer picture of group characteristics and how to interpret trends in the two boroughs, we also look at their housing situation. We look across the whole population of households at how many are living in different forms of housing tenure and how many are living in large households, as well as the housing situation for different age and ethnic groups.

Housing is a particularly important factor shaping poverty in London, with high poverty rates associated with high housing costs, and a notable shift towards poverty in the private rented sector. Historically, Inner London boroughs such as Southwark and Tower Hamlets have a large social housing stock, meaning that many poor families are social tenants. Private tenants are less likely to be in poverty in Inner than Outer London, both because it is too expensive for most people in poverty to continue to rent privately, and because the larger social housing stock means more of the poor are housed in social housing.

2.2.1. Age

The first graph looks at the age distribution across the whole population, in comparison to London and the UK, broken down into five year age bands. It shows that Tower Hamlets and Southwark have relatively young populations, with a higher proportion of adults in their 20s and 30s than the London and England averages, but a lower proportion of people from age 40 upwards. Of the entire population in Tower Hamlets, 39% is aged between 20 and 34, compared to a third in Southwark and one in five across the UK.
The population has grown in both boroughs, but the mix has also changed substantially, as the next graph explores. It shows the size of the population in each borough over five year intervals dating back to 1995, with each bar broken down by different broad age groups – children (0 to 15 years old), young adults (16 to 24), working-age adults (25 to 64) and pensioners (65+). Southwark started with a larger population than Tower Hamlets in 1995, at 230,000, growing 29% to 300,000 by 2015, but the growth in Tower Hamlets was larger, starting from 170,000 and growing 64% to 280,000.

The trends in different age groups were similar across the two boroughs, with the working-age adult population growing fastest. The working-age adult population aged 25 to 64 grew 44% over the past two decades, while the same group grew by 105% in Tower Hamlets.
The pensioner and young adult populations have followed divergent paths in both boroughs. The pensioner population slightly reducing between 1995 and 2010, then increased over the past five years. The young adult population increased by 58% in Tower Hamlets between 1995 and 2010, and by 31% in Southwark. It has since fallen slightly in Tower Hamlets and stayed flat in Southwark.

Meanwhile, the population of children aged 0 to 15 has grown slightly in Southwark, by around 11%, and more in Tower Hamlets, by 26%. Much of the growth in Tower Hamlets came since 2010. In 2015 both boroughs contains just under 60,000 children aged under 16.

### 2.2.2. Ethnicity

The graph below shows the proportion of the 16+ population that is non-White, broken down by Black, South Asian (Indian, Pakistani and Bangladeshi) and Other Black or Minority Ethnic (BME), which includes mixed race.

Tower Hamlets is one of three boroughs (along with Brent and Newham) where over half the adult population is BME, with the majority of the BME population Bangladeshi. A third of Southwark’s adult population is BME. This is slightly less than the average for Inner London, but significantly more than the average for the UK. 18% of the adults in Southwark belong to a Black ethnic group.

It is also important to note the different age composition of different ethnic groups. Using Census data from 2011, the next two graphs break down ethnicity by age, showing the proportion of the population in each age group that are White British and the proportion in the largest non-White ethnic group in each borough.
White British people in Southwark made up 40% of the population in 2011, while Black people made up 27%, with more than half of this group Black African. However, the age distribution of these two ethnic groups is quite different, with Black people making up a larger share of the child population.

In the age groups that make up the bulk of the population, 20s and 30s, the White British population was almost twice the size of the Black population. White, while for all five year age bands over 55 over half of the population was White British. Black people make up over 30% of the 40 to 54 age group, many of whom are likely to be parents of the young Black population.

The pattern in Tower Hamlets is similar when you compare the White and Bangladeshi population. White British people made up 31% of the entire population of Tower Hamlets at the last Census. Bangladeshi people made up 32%, and were the largest individual ethnic group. More than half of children aged 19 and under are Bangladeshi. For all other five year age bands, Bangladeshi people make up between 15% and 31% of the population.
2.2.3. Housing

Poverty is concentrated among renters in London, with just under a half of social renting households and two in five private renting households in poverty in 2013/14, compared to around one in six owner occupiers.

The remaining graphs in this section provide a picture of the housing situation in Southwark and Tower Hamlets and explore how it interacts with the broad demographic trends in age and ethnicity outlined above. The first graph shows the proportion of households that are in each housing tenure – owned with or without a mortgage, social rented, or private rented.

Both Southwark and Tower Hamlets have a higher proportion of households living in social housing than the average for Inner London, at 37% in Southwark and 42% in...
Tower Hamlets, compared to 32% across the whole of Inner London and 18% across the UK. Meanwhile, 26% of households in Southwark and 31% in Tower Hamlets live in the private rented sector, compared to 31% across the whole of Inner London and 18% across the UK. Owner occupation is therefore particularly low in Tower Hamlets, at just 27% including only 7% who own outright, compared to 64% in the UK, half of whom own outright.

The next graph shows how the number of households in each tenure has changed between 2009 and 2014. The number of outright owners stayed relatively low and constant in both boroughs over this period. In Southwark, the number of social renters hovered around 50,000 while owners with a mortgage increased to reach 37,000. Conversely, in Tower Hamlets owners with a mortgage stayed flat at 21,000 whilst social rented households increased to 45,000. In both boroughs private renting saw the biggest increase each rising by 10,000 households to reach 37,000 in Southwark and 34,000 in Tower Hamlets.

**Figure 2.7. Tenure over time**

![Graph showing tenure over time](image)


The following graph explores how this breakdown of households by tenure interacts with ethnicity. Although the mix of ethnic groups in the two boroughs is quite different the tenure distribution each broad ethnic group was fairly similar, therefore the data in the next graph combines the population of both boroughs.
Across the two boroughs, 70% of Black households were in social rented accommodation, compared to 46% of Asian households and 32% of White households. Black households are less likely to be in private rented accommodation. White households are most likely to be owner occupiers, at 35% of all households, compared to one in four Asian households and 16% of Black households.

At a further disaggregated level, White British or Irish households were in stark contrast with Other White households. In the former, 25% were private renters compared to 57% of the latter.

Some of these differences in ethnicity will be linked to age. The older population, who are predominantly white British, are more likely to own their homes outright. Families whilst children, many of whom are in BME groups, often live in social rented or mortgaged properties. The much of the Other White population are young adults who often live in private rented homes. The following graph shows this by looking at how tenure by age. As with ethnicity, the share of different tenure types by age was similar across the two boroughs so they have been combined into one graph. Three in five young adult households are private renters, the largest share of any age group, while pensioner households are both most likely to be owner occupiers with no mortgage, having already paid it off, and be social renters, having been allocated social housing when it was more readily available. Housing costs are therefore less likely to be a driver of pensioner poverty than poverty for other age groups. Working-age adults aged 25 to 49 are most likely to have a mortgage, closely followed by those in the 50 to 64 group.
When we are thinking about poverty and housing costs, the number of people living in a household can be both a useful indicator, and one to be used with caution. On the one hand, it can be indicative of where there is most likely to be overcrowding, where people are trying to save on space, cramming additional people into rooms in order to save money. On the other hand, there may be cultural factors that influence how many people are living in a household.

Tower Hamlets has the third highest proportion of households across London (and the whole of the UK) with six or more people living in them, after Newham and Brent, which are the two areas with the highest proportion of BME residents in the UK.
Among these there are of course likely to be large families with four or more children. The high proportion of households with even more people living in them does suggest the possibility of some overcrowding. Overall, 19% of people in Tower Hamlets live in households with six or more people, with 5% of all people living in households of eight or more people. The average household size for households with 8 or more people in both Southwark and Tower Hamlets was closer to 9 than 8, suggesting some particularly large households.
2.3. Deprivation by age

Whereas the last section focused on an overall picture of Southwark and Tower Hamlets. This section looks specifically at the level of deprivation among different age groups in each borough, namely children, young adults, working-age adults and pensioners.

2.3.1. Children

Concerns about high levels of child poverty, which stood at 46% for the three years to 2013/14, and low levels of social mobility in Inner London boroughs has led to significant policy interventions, for instance the London Challenge, which targeted school standards and the attainment gap between children receiving free school meals and those not receiving free school meals. Children are eligible to receive free school meals if their parents or guardians meet certain criteria relating to low income, including receiving out-of-work benefits or are in work and receive tax credits and do not earn a certain amount. The next graph therefore looks at the proportion of children eligible for free school meals at secondary school level.

Figure 2.11. Primary and secondary school children eligible for free school meals

![Proportion of secondary school pupils eligible for free school meals](image)

The graph shows that 45% of secondary school pupils in Tower Hamlets are eligible for free school meals, far above the Inner London average and the level for Southwark which are both of 30%.

There has been a dramatic improvement in attainment in Inner London boroughs among pupils on free school meals. Tower Hamlets and Southwark are among the boroughs with the highest proportion of free-school meal pupils meeting the target standard at GCSE (ranking third and fifth in London in 2013/14). But the attainment gap persists across London, we are not at a point where being disadvantaged as a child due to low income does not make a difference to school attainment.
The next graph shows that over half of free-school meals achieved at least 5 A*-C grades at GCSE (including English and Maths) in 2013/14 in Southwark and Tower Hamlets, much higher than pupils in Outer London and the rest of England. But in Southwark the attainment rate among non-free-school meal pupils is 14 percentage points higher than their peers on free school meals; the gap is 10 percentage points in Tower Hamlets.

![Graph showing GCSE attainment by free school meals eligibility](https://example.com/graph.png)

**Figure 2.12. GCSE attainment by free school meals eligibility**

The next graph looks specifically at children benefitting from tax credits, broken down by whether the family receives working tax credit and child tax credit, child tax credit only and are working, or child tax credit only and are not working. Although the government did not cut tax credits as planned in 2015, there are changes that will affect the amount claimants receive. Some of the changes are being enacted through the transition to Universal Credit, including what is in effect an earnings disregard for new claimants, while the family element of tax credits is also being cut for new claimants. Larger families will also lose out, with tax credits limited to the first two children. The effects of this is likely to have some geographical and cultural variation, for instance in areas with a high concentration of ethnic groups that tend to have larger families.
The graph shows that 58% of children in Southwark and 71% of children in Tower Hamlets benefitted from tax credits in 2013/14. Southwark is close to the Inner London average, while Tower Hamlets has the highest proportion across the whole of London. As with free school meals, this is indicative of the scale of disadvantage facing children in Tower Hamlets. In Tower Hamlets, 32% of children are in workless families that receive child tax credit, while in Southwark 26% children are in these families. Meanwhile, 32% of children in Tower Hamlets are in working families receiving both working tax credit and child tax credit, with a further 7% in working families receiving child tax credit only. In Southwark, 23% and 9% fit these categories respectively.

### 2.3.2. Young adults

Across the UK young adults had the highest poverty rates for any age group other than children in 2013/14, the only 16+ group where more than one in four people were in poverty.

The next graph looks at the qualifications of young adults – it shows the proportion of 19 year olds who were lacking Level 2 and Level 3 qualifications in 2013/14. Level 2 refers to GCSE qualifications or equivalent, while Level 3 refers to A-level qualifications or equivalent. The graph shows these as part of the same bar, showing those who lack both Level 2 and Level 3 (bottom part of the bar), and those only lacking Level 3 (top part).

Less than half of 19 year olds eligible for free school meals in Southwark and Tower Hamlets were lacking Level 3 qualifications, significantly lower than the average across England, which was 64%. Around 15% were lacking Level 2 in the two
boroughs, better than the London average, which was 19%. Given that Tower Hamlets has such high levels of free school meal eligibility, the low rate of under-attainment is especially encouraging. Unfortunately, qualifications alone do not guarantee access to decent, well paid, secure employment.

Figure 2.14. 19 year olds lacking qualification

Young adults not eligible for free school meals are not likely to have experienced the same levels of disadvantage growing up as those eligible for free school meals, but will nevertheless face significant barriers to employment if they lack qualifications. The graph shows that among this group in Southwark, 39% lack Level 3 qualifications, more than the London average of 33% and closer to the England average of 40%, whereas the Tower Hamlets average was closer to London, at 32%. There was less variation in the cases of Level 2 qualifications, with around one in ten lacking in all cases.

Although most people in poverty in London live in a working family, getting a job is nonetheless crucial for most young adults to avoid poverty. The next graph looks at the proportion of young adults claiming out-of-work benefits as a proxy for unemployment.
Figure 2.15. Out-of-work benefit claims among under-25s by claimant type

The graph shows that both Southwark and Tower Hamlets have lower out-of-work benefit claims than the Great Britain average, at 8% compared to 10%. Tower Hamlets has a slightly higher rate of young adults claiming jobseeker’s allowance (JSA) compared to other areas. But both Southwark and Tower Hamlets have less people claiming disability related out-of-work benefits, Employment Support Allowance (ESA) or incapacity benefits, and Tower Hamlets has a lower rate of lone parent claimants.

However, as the following graph shows, while young adult out-of-work benefit claims in the two boroughs are lower now than the national average, this has not been the case historically. A decade ago, young adult out-of-work benefit claims were 3 percentage points higher in Southwark and 2 percentage points higher in Tower Hamlets than the national average, at 15% and 14% compared to 12%. By 2008, claims had reduced in the two boroughs to the national average, and while claims increased everywhere in 2009 and again slightly in 2011, having dipped in 2010, the rates in the two boroughs were by this point lower than the national average. Compared to a decade ago, claims have fallen by 7 percentage points in Southwark, 6 in Tower Hamlets, and just 2 across Great Britain.
2.3.3. Working-age adults

The picture with out-of-work benefit claims is different when looking at older working-age adults, both geographically and in terms of the type of benefit claimed. The following two graphs repeat the last two, but for ages 25 to 64. The proportion claiming JSA is about half the rate of young adults, while the overall claimant rates are fairly similar. This is because there is a considerably higher proportion claiming ESA and incapacity benefits, around 6% of the total population in each area.

Geographically, the difference is that whereas among young adults Southwark and Tower Hamlets now have lower rates than the national average, among 25 to 64 year olds their rates are still above the national average. Southwark has the higher
out-of-work benefit rate of the two boroughs, largely because of a slightly higher proportion of people claiming JSA and lone parent claimants.

Figure 2.18. Out-of-work benefit claims over time

As with young adults, the 25 to 64 year old group in both boroughs have seen out-of-work benefit claims come down substantially, almost to the national average. This chart shows that historically Tower Hamlets has had a slightly higher claimant rate for this age group than Southwark. This has come down from 21% in 2000 by 11 percentage points to 10% in 2015, while Southwark’s came down by 9 percentage points from 19% to 10% in the same period.

When compared with the graph showing historical claimant rates for young adults above, we can also see that young adults were worse affected by the effects of the financial crisis and the ensuing recession in the UK in 2009 than adults aged 25 and over, with out-of-work benefit claims rising by 2 percentage points among young adults in the two boroughs compared to 1 percentage point among the older age group.

The next graph shows, for all working age adults aged 16 to 64, the proportion of people paid below the London Living Wage (LLW) in 2014, when it was £8.80 per hour. It shows this both for residents of each borough, as well as for Inner and Outer London, and for the jobs located there. Whereas Inner London tends to have more low paid residents than jobs located there, as people commute in to higher paid jobs from Outer London and outside London, Outer London tends to be the reverse, although low pay among residents is also higher than Inner London.
Figure 2.19. Low pay for all working-age adults, 16-64

Source: Annual Survey of Hours and Earning, 2014

The graph shows that low pay in Southwark and Tower Hamlets mirrors that across Inner London, with residents considerably more low paid than employees working in jobs there. Southwark has one of the higher low paid resident rates in Inner London at 22%, with only Haringey and Newham (the highest rate in London) above it, while 19% of Tower Hamlets residents are low paid.

Both Southwark and Tower Hamlets have a lower rate of low paid jobs than any Outer London borough, at 13% and 8% respectively. This is compared to 25% of jobs on average that are low paid in Outer London. Despite relatively high levels of poverty, Tower Hamlets has the lowest rate of low paid jobs in the whole of London.

When the new National Living Wage (NLW) is introduced in April 2016 at £7.20 per hour, a 50p increase on the 2015 minimum wage, this will still be far below the LLW. Under current plans, the NLW in 2020 will still be lower than the LLW for 2014, while the LLW will increase as costs increase over this period. Moreover, the NLW will not apply to under-25s, so young adults will lose out relative to others.

2.3.4. Pensioners

Pensioner poverty has reduced across the country and this is true of London as well. However, while it has dropped 6 percentage points in Inner London from 29% to 23% over the past decade, this is still higher than Outer London at 16% and the rest of England at 12%.

The next two graphs look at the proportion of pension age residents claiming pension credit. The first compares the two boroughs with the London and Great Britain averages, for five year age bands. The second looks at the change in claims over time.
Tower Hamlets has the highest proportion of residents for each age group receiving pension credit, with over half of all residents aged 75 and over receiving pension credit. It is around double the London average and more than double the Great Britain average for all ages. This is indicative of relatively high pensioner poverty rates still existing in Inner London boroughs, with Southwark somewhat between Tower Hamlets and the London average. Claims reached over 40% in Southwark for the 85+ age group, compared to the London and Great Britain average of 30%.

The next graph shows how the proportion of people aged 65+ claiming pension credit has changed over time. It shows that pension credit claims peaked slightly later in Southwark and Tower Hamlets, between 2009 and 2011, than the average for London or for Great Britain, which peaked between 2005 and 2008. Pension credit claims were below 50% in Tower Hamlets for the first time in the last decade,
at 49% in 2014, falling 8 percentage points since 2009. This is still considerably higher than the London average of 23% or Great Britain average of 18%. In Southwark, claims are now at 36%, 2 percentage points higher than a decade ago but 4 percentage points lower than 2011.

The fall is likely to be related to a combination of factors: the fall in pensioner poverty, changes around eligibility and the changing composition of pensioners as the baby-boomer cohort reach 65.
2.4. Housing deprivation

In the opening section, we looked at the housing tenure breakdown across the two boroughs, and how this interacted with some of the demographic patterns in age and ethnicity. Both boroughs had a higher than average proportion of renting households, particularly in the social rented sector. White households were much more likely to be owner occupiers than BME households, particularly Black households, which were especially concentrated in Southwark and especially likely to be social renters. Young adults are much more likely to be private renters, and pensioners more likely both to own outright and to be social renters.

2.4.1. Housing benefit claims

In this section we look at housing benefit claimants by tenure and whether they are working or workless, and at landlord and mortgage repossession orders.

Figure 2.22. Housing benefit claimants by tenure and employment status

The first graph shows that compared to London and England Southwark and Tower Hamlets have a high proportion of housing benefit claimants in the social rented sector. This partly reflects their larger stock of social housing in in Inner London. In both boroughs, almost 90% of housing benefit claimants are in social rented housing (the vast majority of pensioner claimants live in the social rented sector) compared to a London and England average of around 70%.

Over a third (35%) of housing benefit claimants in Tower Hamlets were in work about the same as the London average. In Southwark a quarter of claimants were in work which, though a lot lower than the London average, is above the level for the rest of England (22%). This difference in work status of housing benefit claimants in
Southwark and Tower Hamlets is to do with the proportion of workless claimants in the social rented sector. Among working-age social renting claimants in Tower Hamlets 40% were in work compared to 30% in Southwark. In fact Tower Hamlets has a very high proportion of social renting claimants in work and both boroughs are well above the average for England at 25%. In both Southwark and Tower Hamlets there were more working private renting claimants than workless ones.

The next graph explores how these trends have changed over time in both boroughs, looking at the overall number of working-age claimants (the number of pensioner claimants remained flat over the last five years at 8,700 in Southwark and 7,500 in Tower Hamlets). Working-age housing benefit claims were lower in both Southwark and Tower Hamlets in 2015 than they were in 2010 with the number peaking in 2013. The majority of this is due to the rising number of in-work claimants, both in the social rented and private rented sector.

This fall is due to a drop in the number of workless claimants in both social and renting homes. In almost every year since 2010 the number of workless social and private renting claimants fell, whilst the number of working social and private rented claimants rose. This suggests that employment in these boroughs has improved and has in part reduced the housing benefit caseload, for many that employment did not provide sufficient income to negate their entitlement to housing benefit.

### 2.4.2. Evictions and reposessions

The next graph looks at landlord outright orders and reposessions per 1,000 renting households in each area. Outright landlord repossession orders allow landlords to...
evict their tenants, although not all of these end in evictions. While we may be interested fundamentally in evictions, which result in the physical displacement of tenants and may result in them having to find temporary accommodation or registering as homeless, the effect of being subject to a repossession order can cause high levels of stress and are therefore also due consideration.

Figure 2.24. Outright landlord repossession orders and repossessions

It shows that outright orders and those that resulted in repossessions are more common in Southwark and Tower Hamlets than the average for England, but less common than the average for London. Repossessions were more common in Southwark than Tower Hamlets, at 8 per 1,000 households compared to 5 per 1,000. This partly reflected a higher proportion of outright orders resulting in repossessions, at 65% compared to 53%, although outright orders were more common, at 12 per 1,000 compared to 10 per 1,000. In London the average was 15 per 1,000.

The next graph shows how outright landlord repossession orders have changed over time. It shows this for social and private landlords and for accelerated orders, the majority of which are private landlords and which allows landlords to process evictions faster. It can be used if a landlord has served a valid Section 21 notice, which means the tenant can be evicted within 2 months of the order being served.
While there is some variation year on year, outright order have generally been on an upward trend over the past decade in both boroughs, with significant increases particularly since 2011 in Southwark and 2009 in Tower Hamlets. The most striking feature is the substantial increase in accelerated landlord orders in both boroughs. Across the two boroughs, these rose from 173 in 2003 to 837 in 2015.

The final graph looks at the trend in outright possession orders for mortgaged properties. These are granted by the court following a judicial hearing and permit the immediate possession of a property. At a peak in 2006/07, there were 7.9 mortgage possession order for every 1,000 households with a mortgage in London. This has consistently fallen, to 1.6 in 2014/15. The final graph looks at the total amount of outright mortgage repossession orders in Southwark and Tower Hamlets.
Figure 2.26. Mortgage possession orders in Southwark and Tower Hamlets

Mirroring the trend across London, mortgage repossession orders peaked in 2007 at 580 overall across the two boroughs, with 319 in Southwark and 261 in Tower Hamlets. They have since fallen by 93% to 40 overall in 2015, with 34 in Southwark and only 6 in Tower Hamlets. This contrasts significantly with landlord repossession orders, shown in the past two graphs.

Source: Mortgage and landlord possession statistics, Ministry of Justice
## 3. Ward-level analysis

Figure 3.1. Variation in demography, living situation and deprivation by ward

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Key to indicators
The indicators in the table above demonstrate some of the variation between areas within Southwark and Tower Hamlets. The first three indicators summarise the characteristics of the population:

- **Black or minority ethnic (BME)** – BME population as a proportion of the total population (Source: Census, 2011)
- **English as an alternative language (EAL) households** – the proportion of households where the first language of no-one is English (Source: Census, 2011)
- **Private rented sector (PRS)** – the proportion of households that are private renting (Source: Census, 2011)

The final three indicators capture particular dimensions of poverty, deprivation or economic disadvantage.

- **Housing benefit (HB)** – claimant rate (families, including individuals and couples) (Source: DWP Housing Benefit caseload, via GLA Datastore, 2015)
- **Child poverty** – the proportion of children in poverty after housing costs (Source: End Child Poverty, 2013)

The table shows the wards of Tower Hamlets and Southwark, ranked from 1 to 38 for a range of indicators that are later shown as maps in this report. City of London wards are not shown because data is not readily available across these and other indicators, often because the wards are very small. The wards in this table (and the maps) are “2003 CAS Wards”, which are not always the same as current electoral ward boundaries.

The **Orange cells** in the table show the 10 wards with the highest proportions for each indicator (number 1 to 10). The **Green cells** show the 10 wards with the lowest proportion (numbers 29 to 38).

### 3.1 Patterns across the wards

The five wards which are consistently in the top ten (orange) for all three indicators of deprivation and disadvantage are all in Tower Hamlets. For the most part, they also have relatively high proportion of BME residents and households where English is not the first language. They have relatively lower levels of private renting.

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4 2003 CAS (Census area statistics) wards were the standard wards used in 2003 neighbourhood statistics, primarily for 2001 Census data. They continue to be used in some databases, for instance by the Department for Work and Pensions, despite differing in some areas from current electoral wards. 2011 electoral wards are used in some of the graphs later in this report, meaning that there are some differences in the names and boundaries of wards across Tower Hamlets.
At the other end of the spectrum, the five wards in the bottom ten (green) for all three indicators of deprivation and disadvantage are all in Southwark. These tend to have a relatively low proportion of BME residents, households where English is not the first language, and a lower proportion of private rented households than the five relatively deprived wards of Tower Hamlets in the last paragraph.

The less clear picture with respect to private renting here is interesting. Rising levels of private renting across London are a cause for concern as they are currently associated with, for instance, increasing landlord repossessions and homelessness following a shorthold tenancy. Historically poor Inner London areas in wards such as St Dunstan’s and Stepney Green and East India and Landsbury have high social housing stock, which in part explains a lower proportion of private renters in these areas that have high levels of poverty and deprivation. But within the private rented sector in Inner London there is considerable variation in housing quality and tenants incomes. Less deprived wards with high levels of private renting are likely to contain higher income renters in decent housing. More deprived wards with high levels of private renting are likely to contain lower income families in non-decent housing.

3.2. A closer look at local deprivation

Although there is a great deal of variation between wards within the two boroughs, Tower Hamlets contains a greater share of the most deprived wards, and Southwark a greater share of the least deprived.

Figure 3.2. Deprivation by small local area

Source: Indices of Multiple Deprivation, 2015, Department of Communities and Local Government

Figure 2 shows where small local areas, or neighbourhoods (called Lower Super Output Areas, or LSOAs), in Tower Hamlets and Southwark fall within the distribution of neighbourhoods across the country, from the least deprived to the most deprived. The Indices of Multiple Deprivation measures relative deprivation across a range of
indicators pertaining to income, employment, education, health, crime, accessibility of housing and services, and the living environment.

There are 166 LSOAs in Southwark and 144 in Tower Hamlets. Almost one quarter of LSOAs in Tower Hamlets are in the most deprived decile nationally, with 59% in the most deprived quintile and only 10% in the top half. Southwark also has high levels of local deprivation relative to the rest of the country, but less so than Tower Hamlets, with 5% in the bottom decile, 39% in the bottom quintile, and 15% in the top half.

3.3. Area profile of wards

This section looks at the indicators in the table in more detail, and makes further comparison with the City of London. It also looks at two further indicators on household size and young adult qualifications.

3.3.1. Ethnicity and language

Figure 3.3. BME population

Figure 3 shows that both Southwark and Tower Hamlets contain areas where BME groups account for over two thirds of the population. Peckham in Southwark and Bromley-by-Bow in Tower Hamlets had the highest proportion of BME residents in 2011, at 71% and 70% respectively. Portsoken had the highest proportion in the City of London, at 49%.

Aldersgate had the lowest proportion, at 15%, the only ward not above the average for England. All City of London wards except Portsoken were below the London average of 40%. The lowest proportion in Southwark was in Village, with 20%, which along with seven other wards in the borough was below the London average. The only ward in Tower Hamlets below that average was St Katharine's and Wapping, at 38% BME.
Figure 4 shows that the wards with a higher proportion of households where English isn’t a first language for anyone are concentrated closer to the Thames and particularly in Tower Hamlets, while the lowest was in Village in Southwark, with 3%. A quarter of households in Whitechapel and Spitalfields and Banglatown in Tower Hamlets and Bishopsgate in the City of London did not have English as a first language.

In some cases, an individual or family will speak English well, even if it is not their first language. It also matters what situation people are in, for instance whether people in the household are seeking employment or receiving benefits, as English language proficiency is likely to remove or create obstacles. In general, older residents for whom English is not their first language tend to have lower proficiency. Finally, households vary considerably in size. In some cases in which English is not the first language for anyone the household will be small, possibly only a single adult or a couple, while in others it may be a large family (see Figure 5). These factors shape access to and need for housing, education, health and other services.

### 3.3.2. Housing

Figure 5 shows the proportion of people in each ward living in households with 6 or more people in 2011. It shows that many more people live in households with 6 or more people in the majority of Tower Hamlets wards than in the majority of Southwark wards. In four wards in Tower Hamlets, at least one in four people were living in a household with 6 or more people. In the next five, at least one in five were in households with 6 or more people. In all wards in Tower Hamlets, at least one in ten people live in such a household, meaning that all wards in Tower Hamlets are equal to or above the London average.

In comparison, Southwark had three wards where only one in twenty people lived in such households in 2011, less than the England average. In no ward in Southwark did more than 14% of residents live in households with 6 or more people in them.
St Dunstan’s and Stepney Green in Tower Hamlets had the highest proportion of people living in households of 6 people or more, but also the highest proportion of people living in households of 8 people or more, with 8% of total residents living in households of this size. In ten wards in Tower Hamlets, one in twenty (5%) were in households of this size or larger, compared to 1% across England and 2% across London. Areas such as St Dunstan’s and Stepney Green, Bromley-by-Bow and East India and Lansbury also had large Bangladeshi populations. It’s probable that large household sizes are more common among the Bangladeshi community in Tower Hamlets.

The highest proportion of private renters was in several wards in the City of London, where around three in five households were private rented in 2011. In Tower Hamlets the highest levels tended to be in the docklands (at 48% in Millwall) and towards the City. In Southwark the more northerly wards had the higher levels of private renting (the highest being 35% in Surrey Docks). Across the southern half of Southwark private renting was relatively uncommon with the lowest level in Livesey at 15%. In mid Southwark this is due to the high levels of social renting and in the south it is due to high levels of owner-occupation.
The vast majority of Housing Benefit (HB) claimants (between 80% and 90% in both boroughs) are social tenants in Southwark and Tower Hamlets. In general, Figure 7 is almost the inverse of Figure 6, which fits the general picture of the two boroughs where the majority of low income residents live in social housing and where private tenants often have medium to high incomes.

East India and Lansbury in Tower Hamlets had the highest HB claimant rate in 2015 at 26%. The next highest in the borough were Mile End East and St Dunstan’s and Stepney Green at 20%, while the lowest was in St Katharine’s and Wapping and Millwall, both at 9%. The highest HB claimant rate in Southwark was in Livesey at 22%, followed by Peckham and Camberwell Green at 21%. The lowest was Village at 5%, the same as the average for the City of London.

### 3.3.3. Education and employment

Figure 3.8. Young adults lacking qualifications

Historically, Inner London had high unemployment and poor school attainment. In recent years there have been considerable shifts in both, particularly education.
Figure 8 shows the proportion of 19 year olds lacking qualifications by electoral ward in Southwark and Tower Hamlets in 2011. It shows this for Level 2 and Level 3 qualifications.  

There was a lot of variation across the wards in the two boroughs. East India and Lansbury in Tower Hamlets had the highest proportion lacking Level 2 or Level 3 qualifications, with 45% lacking Level 2 and an additional 12% lacking Level 3 (meaning 57% lack Level 3 in total). The lowest in Tower Hamlets was Millwall, where 18% were lacking Level 2, and a further 7% lacking Level 3 (25% in total). Village in Southwark had 15% lacking Level 2 and an additional 9% lacking Level 3. Livesey had the highest proportion in Southwark lacking Level 2 at 36% and an additional 14% lacking Level 3 (50% in total).  

Only East India and Landsbury had a higher proportion lacking Level 3 qualifications than the average for England, and less than half the wards in the two boroughs had a higher proportion than the average for London. Schools in Inner London have improved relative to the rest of the country. Whilst other indicators of deprivation show Tower Hamlets tends to perform worse Southwark, in terms qualifications at 19 the performance between the two boroughs is relatively balanced.

Figure 3.9. Out-of-work benefits

The out-of-work claimant rate was highest in 2015 in East India and Lansbury in Tower Hamlets at 22%, and in Nunhead in Southwark at 21%. This map looks fairly similar in pattern to the map of the HB claimant rate (Figure 7), which suggests that poverty and deprivation in these areas is still marked by unemployment and living in social housing, despite a growing poverty among private renters and working families across London as a whole.  

The lowest claimant rate in Southwark was in Surrey Docks at 7% and East Dulwich at 8%, while the lowest in Tower Hamlets was in Millwall at 8%. These are higher than the average for all wards in the City of London, at 5%.

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5 Attainment of Level 2 equates to achievement of 5 or more GCSEs at grades A*-C or a Level 2 vocational qualification of equivalent size. Attainment at Level 3 equates to achievement of 2 or more A-levels or equivalent size vocational qualifications (Source: Department for Education)  
3.3.4. Child poverty

The standard measurement of child poverty is the proportion of children living in households with an income of less than 60% of the national median. Income can be measures before or after housing costs, which makes a significant difference in London in particular. It is difficult to measure child poverty at the local level, so instead it is estimated using data on children in workless families and families receiving in-work benefits (tax credits). Statistics are published by End Child Poverty.

Figure 10 shows estimated child poverty rate (after housing costs) for wards in Southwark, Tower Hamlets, and two City of London wards for 2013. Child poverty varied significantly across local areas, at just 4% in Cripplegate, City of London, and 12% in Village, Southwark, to 54% in Bethnal Green South and Bromley-by-Bow.

In total, more than half the children in 9 wards in Tower Hamlets were in poverty. The highest proportion in Southwark was in Livesey, at 42%. Housing costs make a significant difference in all wards across the boroughs, with child poverty after housing costs around 13 to 16 percentage points higher than before housing costs in Tower Hamlets and around 9 to 14 percentage points higher in Southwark, with the exception of Village.