

TOWER HAMLETS

# TIME TO ACT



**Introductory**  
Evidence Pack

**FAIRNESS**  
**COMMISSION**



Toynbee Hall

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## Tower Hamlets Fairness Commission

# Introductory Evidence Pack

This evidence pack provides an introduction to the London Borough of Tower Hamlets and to the concept of fairness. It has been prepared for the Commissioners as background reading to their discussions, but will be made available to the public at [www.towerhamlets.gov.uk/fairness](http://www.towerhamlets.gov.uk/fairness).

The first section introduces the Commissioners to Tower Hamlets, both its people and the place. This section has been prepared by the Council's research team and draws upon a range of data and information held by the Council to give a picture of the borough in numbers. Much of this will be expanded upon in subsequent evidence packs and through the public meetings of the Commission.

The second section introduces the Commissioners to the concept of fairness and includes a range of articles and reports which set out the current public debate around fairness. It is intended to inform the Commissioners debate on what fairness means in Tower Hamlets.

Tower Hamlets is not the first local area to set up a Fairness Commission. The third section brings together the reports of Fairness Commissions who have already published their findings. The intention is that Tower Hamlets can learn from and build upon those that have gone before us.

## Section 1

# An Introduction to Tower Hamlets

The average salary of those who work in the borough is £78,000, the second highest in the UK after the City of London.

Tower Hamlets' economy is worth over £6 billion a year. This is more than Monaco, Malta and Jersey.

The Tower Hamlets economy provides 233,000 jobs. There are 60,000 more jobs than there are residents of working age.

48.6% of children in Tower Hamlets live in poverty – 27,915 children. This is the highest rate in the UK.

Around one fifth of households in Tower Hamlets have an annual income of less than £15,000. The average household income in Tower Hamlets is £29,550.

Just over 10,000 Tower Hamlets residents of working age are unemployed and looking for work. This is the third highest rate in London.

The difference in life expectancy between the least and most deprived people in Tower Hamlets is 11.2 years for men and 6.5 years for women.

Tower Hamlets has a population of 254,100 people and is the fastest growing borough in the country. The population grew by almost 30% between 2001 and 2011.

The daytime population of Tower Hamlets is 380,000, the 4<sup>th</sup> highest in London after the City of London, Westminster and Camden. This figure includes employees, students and tourists.

The borough's population has been significantly shaped by international migration. 41% of the borough's population were born outside the UK. Approximately 112,000 adults born outside the UK registered for national insurance between 2002 and 2012.

Tower Hamlets has a young population. Almost a quarter of residents are aged 0 to 19. And the borough has the lowest proportion of residents aged 65 and over in London – only 6.1% compared with 10.7% in London and 16.4% in England and Wales.

90 different languages are spoken in Tower Hamlets schools. Almost three quarters of school age children speak a language other than English.

11.2% of households are in fuel poverty, meaning they would need to spend more than 10% of their income on heating their home to a satisfactory level.

The number of homes in Tower Hamlets has increased by 34% since 2003. 37% of the borough's housing stock has been built since 1990. There are now over 104,000 homes in the borough. The borough currently has the highest number of homes under construction in London.

Around 23,000 households are registered on the borough's social housing waiting list. There are over 41,000 homes in the social housing sector in Tower Hamlets, around 40% of homes. On average 2000 homes become available for rent to households on the waiting list each year.

1607 new homes were built in 2011-12 and made available to rent as social housing.

Over 80% of homes in the borough are flats, compared with 50% across London.

The average property price in Tower Hamlets is £358,601. The average across London is £367,785. This compares with a national average of £162,900. The average price of a terraced house in Tower Hamlets is £384,820 – three times the average for England and Wales.

9300 households, 40% of those on the Tower Hamlets housing waiting list, live in severely overcrowded accommodation. This means they need at least 2 more bedrooms than they have.

Tourism contributes £818 million to the Tower Hamlets economy each year. Key attractions including the Tower of London, the Museum of Childhood, the Whitechapel Gallery and the Museum in Docklands attract more than 3.5 million visitors each year.

Tower Hamlets has the second lowest female employment rate in London – after Newham and followed by Kensington and Chelsea.

In 2011 61.4% of pupils achieved 5 or more A\*-C grade GCSEs, including English and maths, above the national average. Tower Hamlets' results improved by almost 10 percentage points from summer 2010, one of the most improved boroughs in the country.

Like other inner London boroughs, Tower Hamlets has a high rate of population 'churn' meaning lots of people move in and out of the borough, and within the borough each year.

Approximately 29% of the Tower Hamlets population moves each year.

It is estimated that 21,000 people in Tower Hamlets provide care support, unpaid, to family member, partner or friend. This is similar to the national average. However Tower Hamlets has a high proportion of people providing 50 or more hours of unpaid care per week – at least 5800 people.



Tower Hamlets is the 4<sup>th</sup> most densely populated area in England and Wales, and does not have the recommended amount of open space. The borough has on average 0.98 hectares of open space per 1000 residents. This is significantly lower than the national guidance standard of 2.4 hectares.

Map 1

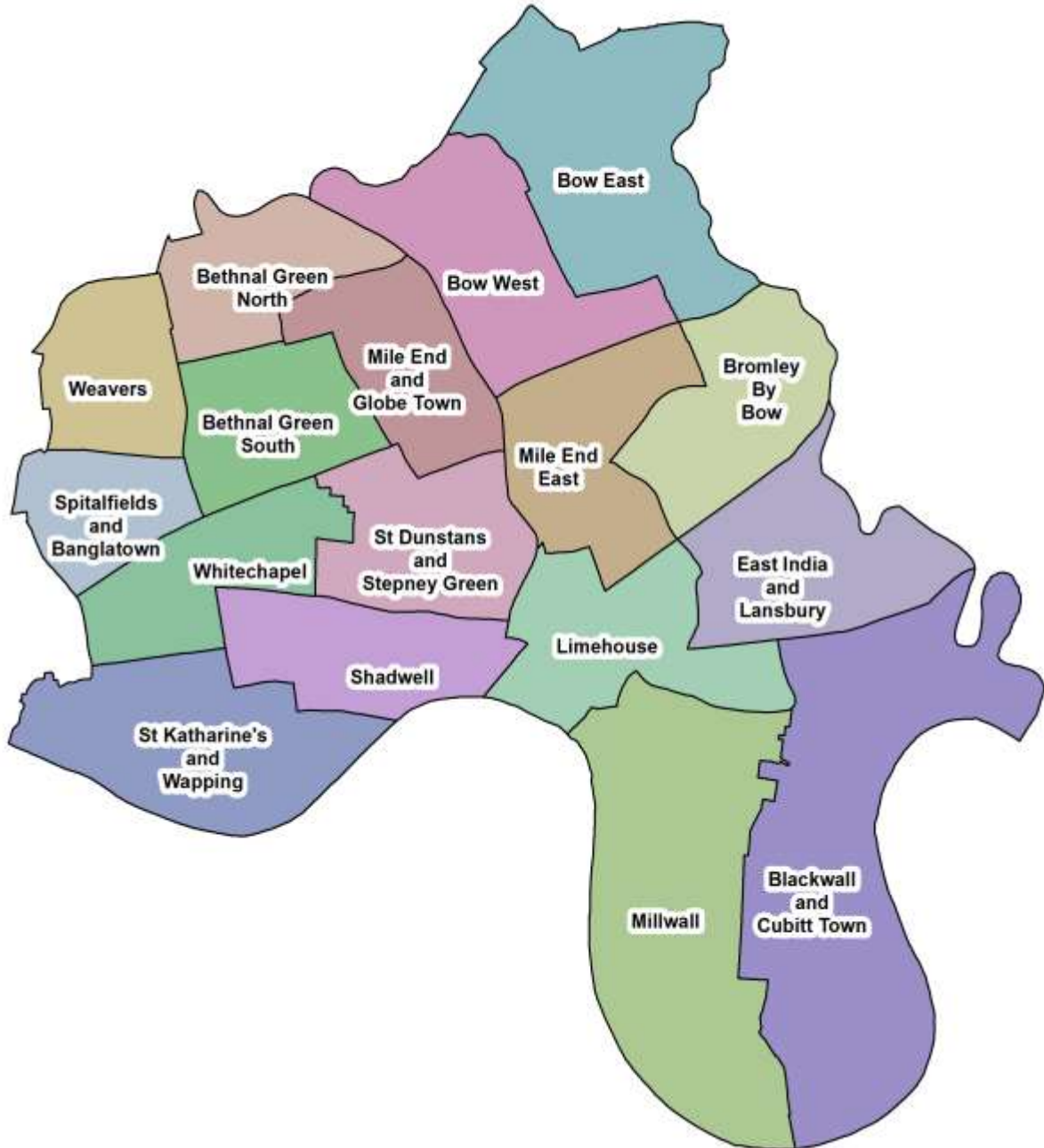
# London Boroughs



## Legend

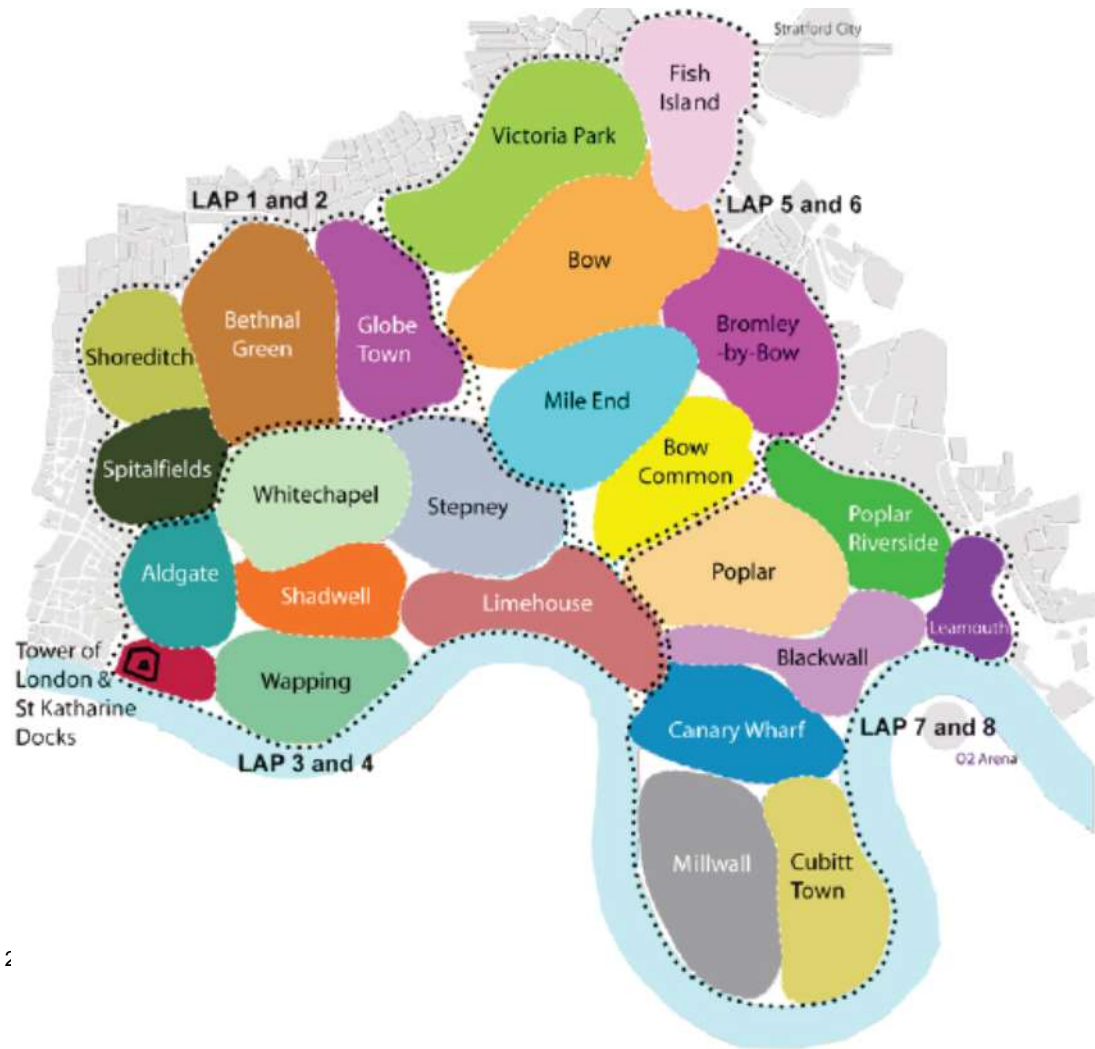
-  London Local Authorities
-  London Borough of Tower Hamlets

## Tower Hamlets Wards



Map 3

“Places” of Tower Hamlets



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London Borough of Tower Hamlets 100019288 2

## **The People of Tower Hamlets**

Tower Hamlets is unparalleled in its history of diversity and growth. Long a place of settlement for migrant communities the borough has experienced waves of migration including Flemings in the 14th century, French Huguenots in the 17th century, Jews, Irish Catholics and Bangladeshis in the mid -20th century and more recently Somali, Chinese and Eastern European communities. These communities have created strong infrastructures around family, faith and work, often before moving away to different parts of London and wider UK.

The history of diversity and migration has given the borough a rich heritage, visible in its historic environment, local buildings and archaeology, parks, open spaces and views, archives and collections many of which are of local, national and international importance. Local cultural activities such as markets and festivals attract visitors from across the UK and further afield.

The borough's population continues to be ethnically diverse, with almost half of residents coming from black and minority ethnic backgrounds. The borough is home to the largest Bangladeshi population in the UK; 33% of local people come from a Bangladeshi background. The Somali community is thought to be the second largest minority ethnic group though current Census classifications mean that we do not have accurate figures. Religion continues to play a prominent role in the lives of many of the borough's population, with 80% of residents claiming a religious belief.

The local population has grown markedly over the past 20 years, spurred by the dynamic growth of Canary Wharf. The 2011 Census estimated the population at 254,100; this is a 29.6% increase on the 2001 Census results and was the highest growth rate across England and Wales. It is expected that this growth will continue and the population is expected to reach 361,000 by 2035.

While figures are imprecise using the established estimate for inner city areas, approximately 10% of our overall population is lesbian and gay. This means there are potentially 23,900 LGB people living in Tower Hamlets.

The borough also has a relatively young population with almost half of the growth between the 2001 and 2011 Censuses concentrated in the 25 to 35 age range. This trend of a growing young population is reflected across east London. Over 81% of residents aged 19 and under are from ethnic minority communities. In contrast, 58% of the population aged over 30 are from White ethnic groups.

## **The place**

The borough's geography reflects a complex legacy of industrial change, wartime damage, slum clearance and social housing development. Moreover it still reflects the polycentric nature of the borough's historic hamlets and their town centres as well as the effect of the City's proximity to the West. The past twenty years has seen the iconic heights of Canary Wharf and ribbon riverside residential development reshape the borough's physical and human geography.

Good public transport links, proximity to customers and premises are perceived as the most important factors for doing business within Tower Hamlets. From recent research we know that



current business sites and premises were generally viewed as “fit for purpose” and the majority of business owners seeking to relocate would prefer to remain within the borough where possible.

### **Poverty**

Within the borough immense wealth and economic opportunity sit alongside some of the most deprived areas in the country. Ranked as the seventh most deprived borough nationally on the government’s Indices of Multiple Deprivation, inequality is stark, with almost 18% of households living on less than £15,000, while in 2011, the average gross annual earnings of those working in the borough was over £78,000. On other indicators of deprivation there has been progress in recent years, in particular in respect of education and employment, and some improvement in health outcomes. Whilst deprivation is widespread the Tower Hamlets economy is one of the strongest in the UK and will see further expansion in population, jobs, homes and supporting infrastructure in coming years.

### **Health**

Many different factors affect the health of people in Tower Hamlets, but the poverty experienced by many families has a particularly significant effect on their life chances. Inequality in health outcomes is therefore a characteristic of the borough. Average life expectancy is often used as an indicator of a population’s health and life expectancy in Tower Hamlets is lower than both the national and London averages for men and women. There are also significant differences between the most and least deprived wards of the borough. Millwall, the least deprived ward has an average male life expectancy of 83.5, this is 9 and a half years higher than East India and Lansbury, the most deprived ward. It is also estimated that we have the fifth highest disabled population of any London borough.

### **Housing**

The relationship between housing and economic activity is complex and particularly so in a borough where there is such a high level of commuting exchange with the rest of London. The fundamental dynamics of the borough’s housing market mean that middle earners look outwards, and poorer households face more limited choices and may experience adverse housing outcomes.

Overall house prices are higher in the borough than the London averages, and though prices fell during the course of the recession they have stabilised and are now seeing marginal rises.

The house price to mean income ratio in the borough is 6.6 to 1, but this is based on a mean income of £39,000 which is heavily skewed by the high wages of a minority. The largest group of residents earn in the £15-20,000 band and face a far higher affordability ratio.

Housing tenure has diversified significantly over the past 20 years, mainly through the construction of new private flatted accommodation – in 1985, 13% of housing in the borough was in private ownership, and this had risen to 58% by 2005. But this diversification of tenure has changed the outcomes only for certain parts of the population, with social tenure dominating for all but cohabiting adults without children and single adults.

## The economy

The [Tower Hamlets Local Economic Assessment](#) was published in 2011 describes how the borough has evolved from a deprived borough to a deprived borough with an oasis of wealth, which is most obviously manifest in the polarisation of incomes and the ‘missing middle’ that lies between.

Tower Hamlets has seen exceptional economic and employment growth over the last twenty years. With 200,000 jobs it is now home to 5% of London’s employment, in a borough that constitutes just over 1% of the capital’s land area. Within East London, Tower Hamlets represents some 30% of total employment across the area.

There are 3 jobs in Tower Hamlets for every 2 residents of working age in the borough – an “excess” of 60,000. Indeed, Tower Hamlets has the fifth highest “job density” in London, with only the central London boroughs of the City, Westminster, Camden and Islington ahead.

Despite the huge transformation in economic development in the borough, the borough has one of the highest unemployment rates in the country. In September 2012, 6.2% of the population was unemployed. Between July 2011 and June 2010 the working age employment rate of Bangladeshis was 39% significantly lower than both the rate for white residents at 78%<sup>1</sup> and the national average.

Jobs are concentrated in two areas (Canary Wharf and the City Fringe) that together provide 60% of the borough’s employment. The development of Canary Wharf since the 1980s has acted as the prime engine of employment growth, giving rise to a current total of 80,000 jobs, constituting some two-fifths of the borough’s employment total.

The degree of specialisation within the Tower Hamlets economy, with a concentration of employment in the financial services sector, has the effect of increasing demand for people resident outside the borough. A third of those commuting in are employed in financial services enterprises. Indeed only 15% of jobs in the boroughs are taken by local residents – 85% are filled by those travelling in from across all quarters of London, and from other parts of the South-East.

Public sector employment – spanning public administration, education, and health and social work – provides a sixth of the borough’s jobs. Within education, a third of jobs are in higher education; in health and social work 40% of employment is hospital-based. Collectively the public sector has grown by two-fifths over the past 10 years but now faces a period of acute retrenchment.

Employment in the Hotels and Restaurants sector has increased by over 75% over the decade, driven by growth in Canary Wharf and the City Fringe, and provides close to 10,000 jobs across the borough.

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<sup>1</sup> Nomis: Annual Population Survey 2012

## People

### Key facts

Tower Hamlets is the fourth most densely populated local authority area in London and in England and Wales.

The results of the 2011 census show that the borough was the fastest growing borough in the country increasing by almost 30% between 2001 and 2011 to 254,100.

There are 101,300 households in Tower Hamlets and an average household size of 2.47.

Almost 41% of all households in the borough are single person households, 17.3% are family households with dependent children and 5.6% of households are occupied by an older person living alone.

Similar to London, Tower Hamlets has a young population with 24.4% aged 0 -19 (24.5% in London).

Tower Hamlets now has the lowest proportion of residents aged 65 and older in London and nationally, with only 6.1% in this age group.

Our working age population grew by almost 45%, the fastest growing in the country. Approximately 69% (176,400) of the borough's population are now aged 19 to 64.

Just over 50% of the borough's population are from a Black and Minority Ethnic community.

Around 40% of all adults in the borough speak a language other than English in their home.

In the last decade international migration has shaped the profile of the borough's communities, 41% of the population were born outside of the UK.

Approximately 112,000 adult overseas nationals registered for national insurance between 2002/3 and 2011/12. In 2011/12 Tower Hamlets had the 3<sup>rd</sup> highest number of adult overseas national registering for national insurance numbers nationally.

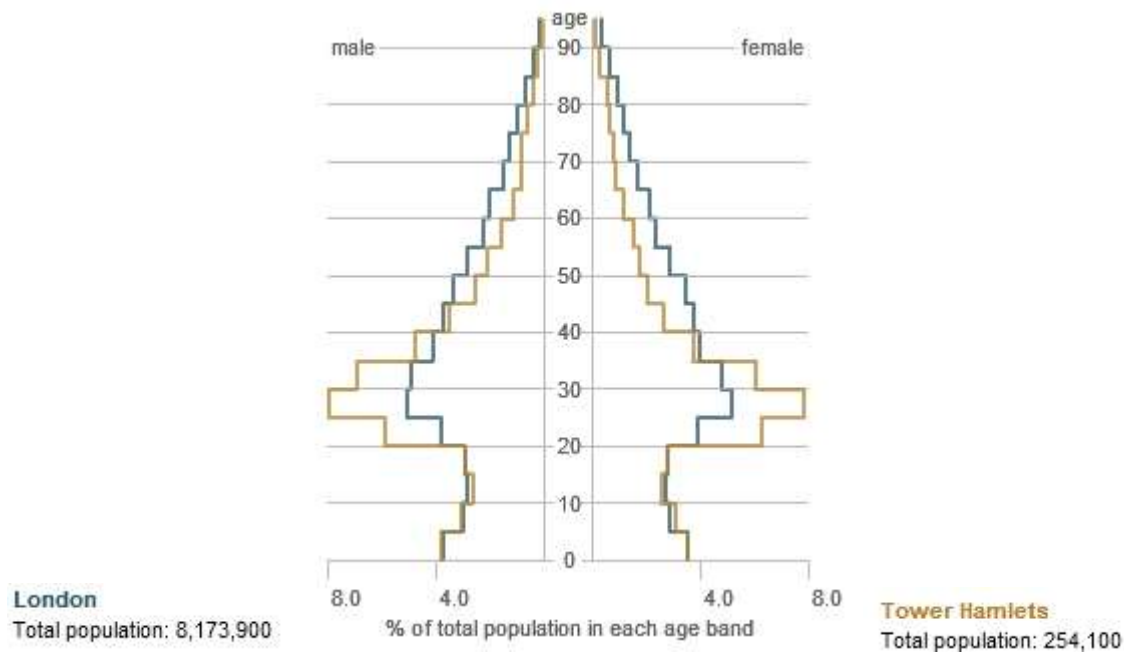
Tower Hamlets has a daytime population of 380,000, the fourth largest daytime population in London.

## Population

Tower Hamlets is the fastest growing local authority area in the country. Results from the 2011 census confirmed that between 2001 and 2011, the borough's population increased by almost 30% to 254,100. Recently published population projections<sup>1</sup> from the Office for National Statistics (ONS) indicates that the borough's population could reach 361,000 by 2035, a further increase of 41%. In London as a whole the population is projected to increase by 30%.

**Figure 1**

### 2011 Census Population estimates for Tower Hamlets and England and Wales



## Population density

With a population density of 12,845 per sq.km, Tower Hamlets is now the fourth most densely populated borough in London, after Islington (13,875), Kensington and Chelsea (12,087) and Hackney (12,930), and the fourth in England and Wales.

## Population churn

Tower Hamlets has a high population turnover rate compared to other local authority areas across England. Tower Hamlets ranks 11<sup>th</sup> out of 354 English local authority areas and 8<sup>th</sup> highest in London. Inner London boroughs and university towns, such as Oxford and Cambridge, top the list of high population turnover areas.

## Day time population

After Westminster, Camden and the City of London, Tower Hamlets has the fourth highest day time population in the capital, with an estimated population of 380,000. This figure includes the number of employees, students (including local residents aged 5 and over) and tourists.

## International migration

International migration has been a significant contributor to the growth of the borough's population. Between 2002/03 and 2009/10 the Tower Hamlets share of National Insurance number (NINo) registrations has increased from 6,510 per year to 13,540 per year. This 108% increase was substantially higher than the UK (65%) or London (67%) increase. Between 2002/03 and 2009/10 around 82,660 overseas nationals registered for NINo in Tower Hamlets. The biggest groups were from Bangladesh 21.5% (17,810), Poland 6.1% (5,020) and Australia 5.7% (4,730). A relatively high number of Italian 5.3% (4,400), Indian 4.6% (3,820) and French 5% (4,170) nationals, also registered in the Borough during this period.

## Short -term migrants

The 2011 Census also captured information about the numbers of short term residents born outside the UK but who intend to stay for a period of 3 to 12 months. After Westminster and Camden, Tower Hamlets had the third highest proportion (3,500) of short term residents in London.

## Population distribution by Ward

2011 Census data is not yet available at ward level but other data confirms that Millwall and Blackwall and Cubitt Town are now the largest wards in the borough, with both accommodating just over 16.5% of the borough's population. The smallest ward is St. Katherine's and Wapping.

**Table 1**  
**Population Distribution by Ward in March 2011**

Ward	Proportion (%)
Bethnal Green North	5.2
Bethnal Green South	5.6
Blackwall and Cubitt Town	7.5
Bow East	5.8
Bow West	4.9
Bromley-by-Bow	6.0
East India and Lansbury	6.4
Limehouse	6.3
Mile End and Globe Town	5.5
Mile End East	5.2
Millwall	9.0
St Dunstan's and Stepney Green	6.1
St Katharine's and Wapping	4.1
Shadwell	6.5
Spitalfields and Banglatown	4.8
Weavers	5.1
Whitechapel	5.8
<b>Tower Hamlets</b>	

(Source: Population Estimate and Change, Mayhew Harper Associates, 2011)

## Age structure

Between 2001 and 2011 there has been considerable change in the age structure of the borough's population. Tower Hamlets is one of two London boroughs which has had a significant increase in the working age population during this period and the largest decrease in the number of older residents.

**Table 3**  
**Age Structure of Tower Hamlets, 2011**

Age Group	Percentage		
	Tower Hamlets	Tower Hamlets	London
0 -4	18,700	7.4	7.2
5 - 19	43,300	17	17.3
20 - 64	176,400	69.4	64.4
65+	15,500	6.1	10.7
Total	254,100	100	100

Source: 2011 Census, ONS

### Pre-school (0 – 4)

Tower Hamlets has a high proportion of its population which are of pre-school age. According to the 2011 census there are 18,750 pre-school children in Tower Hamlets, 7.4% of the total population. This compares to 7.2% in London and 6.2% in England and Wales.

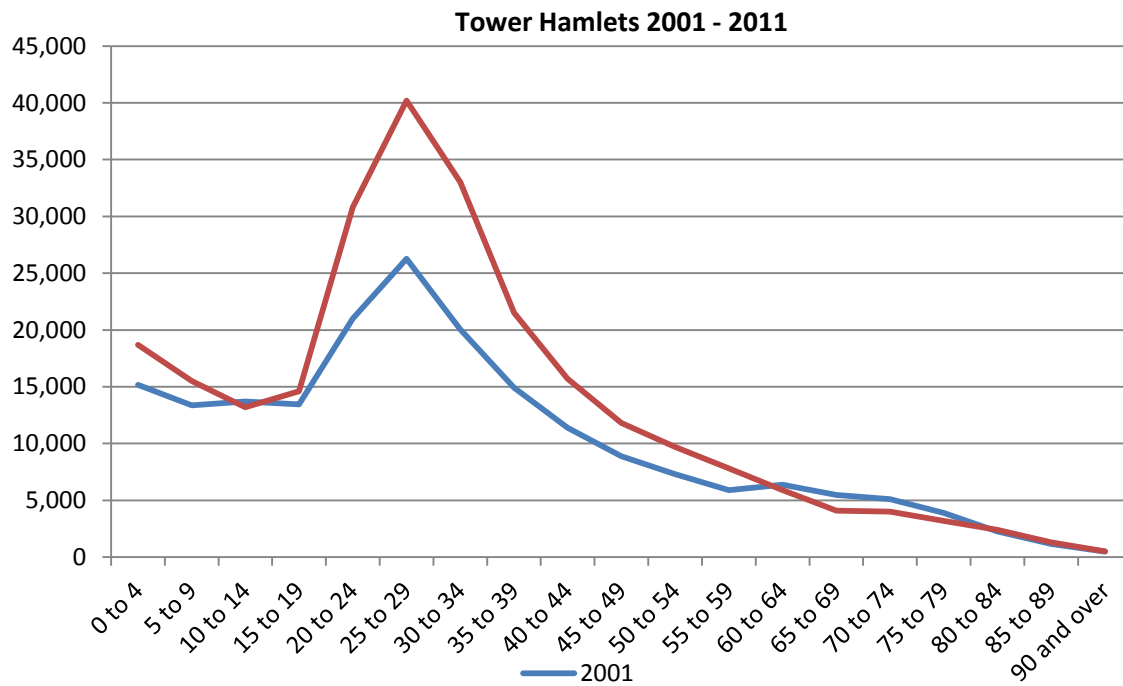
### School age (5 – 19)

There are 43,300 school age children and young people in the borough, 17% of the total borough population.

### Working age (20 – 65)

There are now 176,400 working age residents in the borough, 69% of the total. All London boroughs saw their working age population increase between 2001 and 2011 but both Tower Hamlets and Newham saw increases of more than 40%. In Tower Hamlets the most significant increases were in the 25 to 29 age group which increased by 53.1% and the 30 to 34 age group which grew by 64.6%.

**Figure 2**  
**Tower Hamlets Population Change by Age 2001 – 2011**



Source 2011 Census, ONS

**Older population (65 and over)**

Tower Hamlets now has the lowest proportion of residents aged 65 and over in London. Only 6.1% (15,500) are in this age group compared to 10.7% in London and 16.4% in England and Wales. Between 2001 and 2011 Tower Hamlets also had the largest decrease in the number of residents in this age group, with the number of residents falling by 15.6% (2,862 residents).

## Ethnicity

**Table 2**

**Population by ethnic group, Tower Hamlets and London, 2011**

	Tower Hamlets		Greater London	
	Number of residents	% total	Number of residents	% total
<b>All ethnic groups</b>	<b>254,200</b>	<b>100</b>	<b>7,900,500</b>	<b>100</b>
White	135,500	53	5,188,400	66
Bangladeshi	75,300	30	188,700	2
Indian	5,500	2	529,900	7
Pakistani	1,600	1	192,100	2
Other Asian	4,600	2	264,700	3
Chinese	8,400	3	115,500	1
Black Caribbean	4,700	2	371,200	5
Black African	7,200	3	509,800	6
Black Other	3,900	2	218,200	3
Other	7,500	3	321,900	4
<b>All BME groups</b>	<b>118,700</b>	<b>47</b>	<b>2,712,100</b>	<b>34</b>

*Source: Greater London Authority, 2010 Round Ethnic Group Population Projections*

Tower Hamlets is one of the most ethnically diverse local authority areas in country. Just over 41% of the borough's residents were born outside the UK. Ethnic Group population projections by the GLA show that the White Group (British, Irish and Other White) make up 51.4% of the population in the borough compared to 71.2% of London and 91.3% in England and Wales.

People of Bangladeshi origin make up the single largest minority ethnic group in Tower Hamlets, accounting for 33.4% of all residents. Black Africans (including Somalian residents), Black Caribbean and Black Other residents are 6.6 % of the total population compared to 10.9% of London's population and 2.2% of the total England and Wales population.

The borough's black and minority ethnic (BME) population is generally younger. Of all residents aged 0-19 in the borough, 71% are from BME groups, whilst white residents account for two-thirds of residents 65 and older.

## Religion

The borough's largest faith groups are Christian and Muslim, with 39% of residents identifying themselves as Christian and over one third, 36% identifying themselves as Muslim.

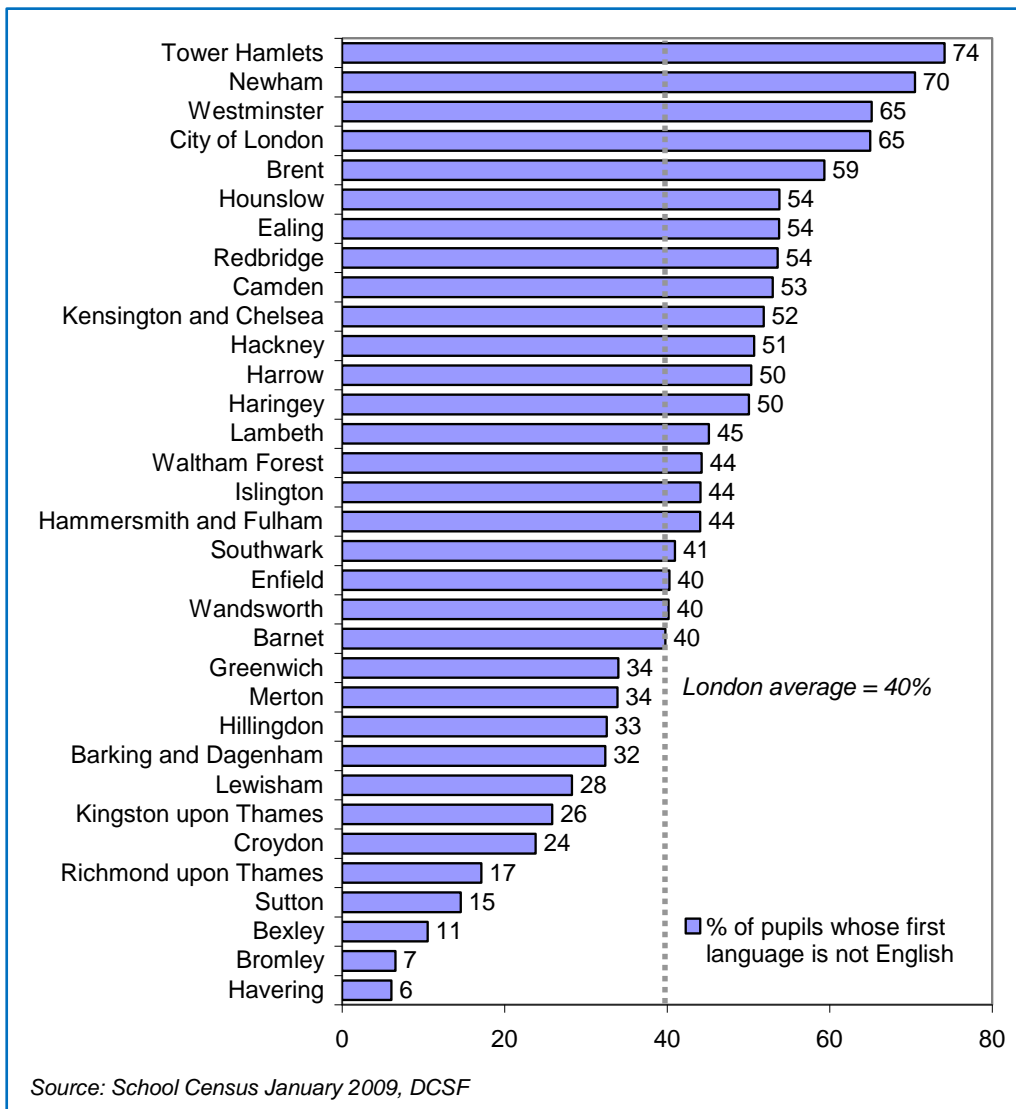
## Language

According to the 2011/12 Annual Residents Survey, 40% of all adults in borough said the main language used at home was a language other than English. Just over 26% spoke Bengali (mainly Sylheti) and 14% used other languages.



Tower Hamlets has the highest proportion of EAL (English as an Additional Language) pupils in both London and England. This reflects the size and young age profile of the BME population in the borough.

**Figure 3**  
**Percentage of pupils who have a first language other than English, London 2009**



Ninety different languages are spoken in Tower Hamlets schools. Almost three quarters of school age children in Tower Hamlets speak a language other than English, 60% of which use Bengali and remainder use a wide range of other languages, the largest of which is Somali (3%).

**Table 3**  
**First language of Tower Hamlets pupils, Summer 2009**

	Number of pupils	% total
<b>All</b>	<b>31,589</b>	<b>100.0</b>
<i>By first language (top 20):</i>		
Bengali	18,972	60.1
English	7,980	25.3
Somali	961	3.0
Arabic	342	1.1
Turkish	262	0.8
Chinese	243	0.8
Yoruba	234	0.7
Portuguese	224	0.7
Vietnamese	197	0.6
Urdu	172	0.5
French	151	0.5
Lithuanian	134	0.4
Spanish	130	0.4
Polish	117	0.4
Akan/Twi-Fante	108	0.3
Panjabi	101	0.3
Albanian/Shqip	62	0.2
Hindi	52	0.2
Russian	50	0.2
Gujarati	43	0.1
All other languages	871	2.8
Unclassified / not known	183	0.6

*Source: Schools Census (Summer 2009)*

*Notes: Data relate to the pupils in maintained schools, of compulsory age and above, and exclude dual registered pupils.*

### **Disability**

A limiting long-term illness covers any long-term illness, health problem or disability that limits daily activities or work. Seventeen % of the Tower Hamlets population have a long term illness or disability, higher than the national average.

In 2009/10 there were 636 people on the learning disability register. This was 0.33% of the GP registered population and similar to the London average, 50% of adults with a learning disability are in settled accommodation (one of the lowest in the country). The percentage of adults with learning disabilities in employment is 3.4% which was lower than both the London and England averages (8.3% and 6.4% respectively). 20% of people registered on GP registers with a learning disability received a health check in 2009/10 compared to 41% nationally and a London average of 37%.

## Households in Tower Hamlets

Tower Hamlets experienced the largest increase in the number of households (occupied homes) between 2001 and 2011, increasing by 29% from 78,533 to 101,300. However, the average household size has remained unchanged at 2.47 persons per household, whilst the average for London increased from 2.35 to 2.47.

### *Household composition*

Around 41% of all households in the borough are single adult households. The second largest group are cohabiting adult households with no children. (See the Table below).

**Table 4**

**Total number of households by household composition in Tower Hamlets 2011**

Description	Category	Tower Hamlets Total	Tower Hamlets %
family households with dependent children	A	18,152	17.3
single adult households with dependent children	B	7,779	7.4
older cohabiting households	C	4,639	4.4
older person living alone	D	5,876	5.6
three generational households	E	2,343	2.2
cohabiting adult households no children	F	22,016	21.0
single adult households	G	42,883	40.9
other households	H	1,247	1.2

(Source: Population Estimate and Change, Mayhew Harper Associates, 2011)

East India and Lansbury Ward has the largest number of family households (26.4%) with dependent children, accounting for 1,435 households. This ward includes the highest number of single adult households with dependent children (11.4%). Spitalfields and Banglatown has the highest proportion of single adult households (40.9%).

**Table 5**  
**Household composition by Ward, 2011**

Households composition	Ward with highest proportion	Tower Hamlets average
family households with dependent children	East India and Lansbury (26.4%)	17.3%
single adult households with dependent children	East India & Lansbury (11.4%)	7.4%
older cohabiting households	Bow West (6.5%)	4.4%
older person living alone	St Dunstan's & Stepney Green (8.5%)	5.6%
three generational households	St Dunstan's & Stepney Green (3.6%)	2.2%
cohabiting adult households no children	Millwall (25.3%)	21%
single adult households	Spitalfields & Banglatown (52.3%)	40.9%
other households	Mile End & Globe town (3.7%)	1.2%

Source: Population Estimate and Change, Mayhew Harper Associates, 2011

## Poverty and Deprivation

### Key facts

Tower Hamlets is the 7<sup>th</sup> most deprived local authority area in the country, and 48% of all children live in poverty.

St Katherine's and Wapping is the least most deprived ward whilst East India and Lansbury is the most deprived. The most deprived small area (lower super output area) in London is in Spitalfields and Banglatown Ward.

Tower Hamlets has a median household income of £29,550 compared to the London median household income of £31,522. Around 20.7% of all households in the borough have a household income of £15,000 or less.

### Household Income

Tower Hamlets has a median annual household income of £29,550 compared to the London median income of £31,522. Around 50% of all households have an annual income of below £50,000. Compared to London Tower Hamlets has a higher proportion of households with an income below £20,000. As Table 7 shows 20.7% of all households have an income of less than £15,000 whilst 12% have an income of £60,000 and around 3.7% have an income of £100,000.

Table 6

#### Summary Household income (median) distribution in Tower Hamlets and Greater London 2012

##### Equivalised - Percentage of households earning under (%)

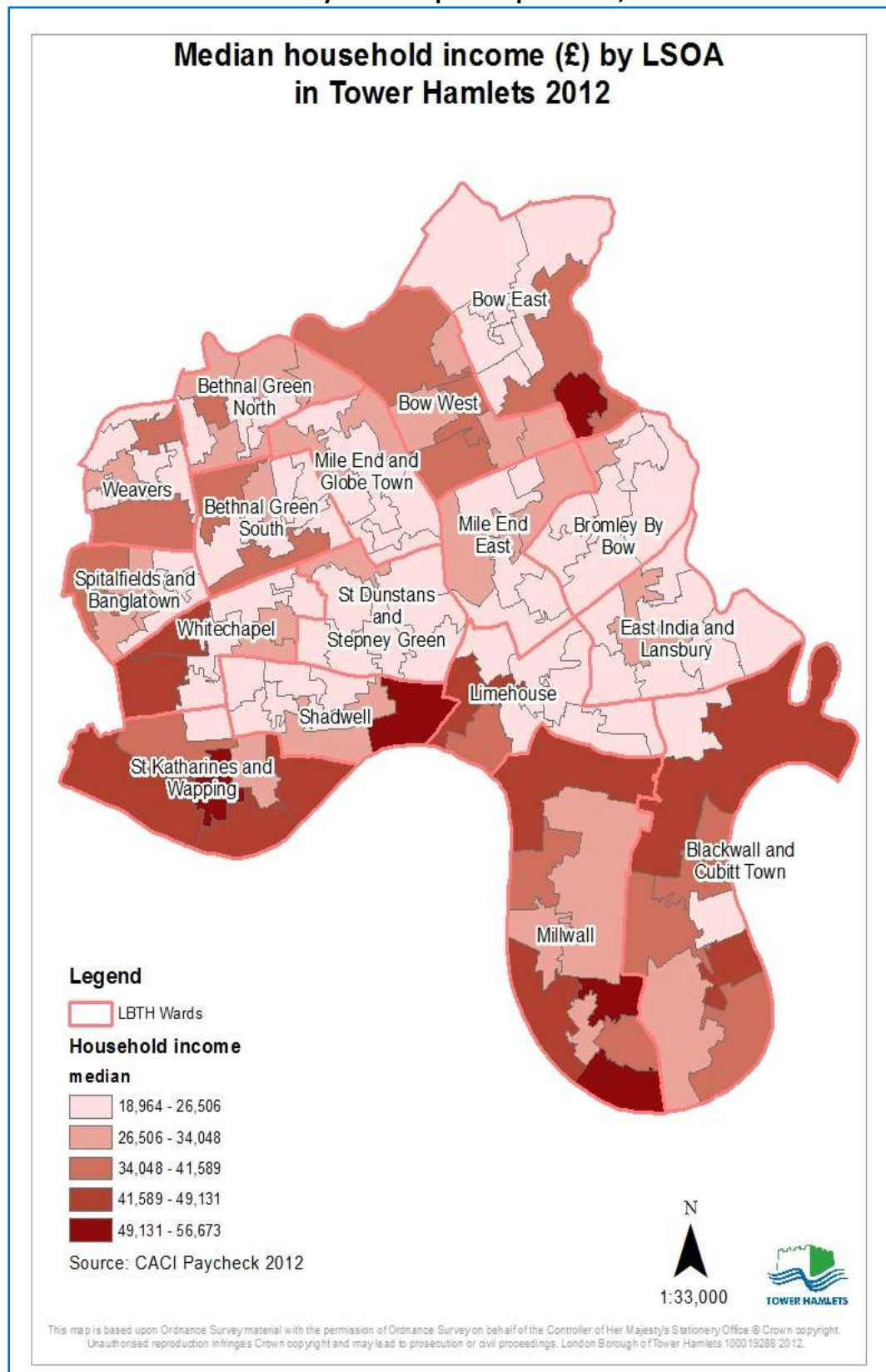
	Under £15,000	Under £30,000	Under £45,000	Under £60,000	Over £60,000	Over £100,000
<b>Tower Hamlets</b>	20.7%	50.8%	71.6%	<b>84.5%</b>	<b>15.5%</b>	3.5%
<b>London</b>	17.3%	47.4%	69.9%	<b>83.8%</b>	<b>16.2%</b>	3.4%

Source: CACI Paycheck 2012

As Map 3 shows there is a strong relationship between location and household income in the borough with high household income concentrated along the riverside, the City Fringe, around the Canary Wharf business district, close to transport hubs, regeneration areas and conservation areas. The wards with the highest household income are St. Katherine's and Wapping, Blackwall and Cubitt Town and Millwall. In St. St Katherine's and Wapping 28.6% of households have an income of £60,000 and above. By contrast in East India and Lansbury 30.9% of households have a household income of £15,000 and below.

**Map 3**

**Median household income by lower super output area<sup>2</sup>, 2012**



<sup>2</sup> Lower super output area is a geographical area which would normally have a population of between 1,000 and 3,000 and households of between 400 and 1,200.

## Child Poverty

The child poverty rate measures the percentage of children who live in families in receipt of out-of-work (means tested) benefits or in receipt of tax credits where income is less than 60 % of median income. 2010 data shows that 24,655 children in Tower Hamlets live in poverty, a child poverty rate of 48%. All wards in Tower Hamlets have higher rates of child poverty than the national average of 21% and London average of 28%. The ward with the highest child poverty rate is East India and Lansbury (54%) and the lowest in St. Katherine's and Wapping (34%)

**Table 7**  
**Child Poverty Rate by Ward, 2010**

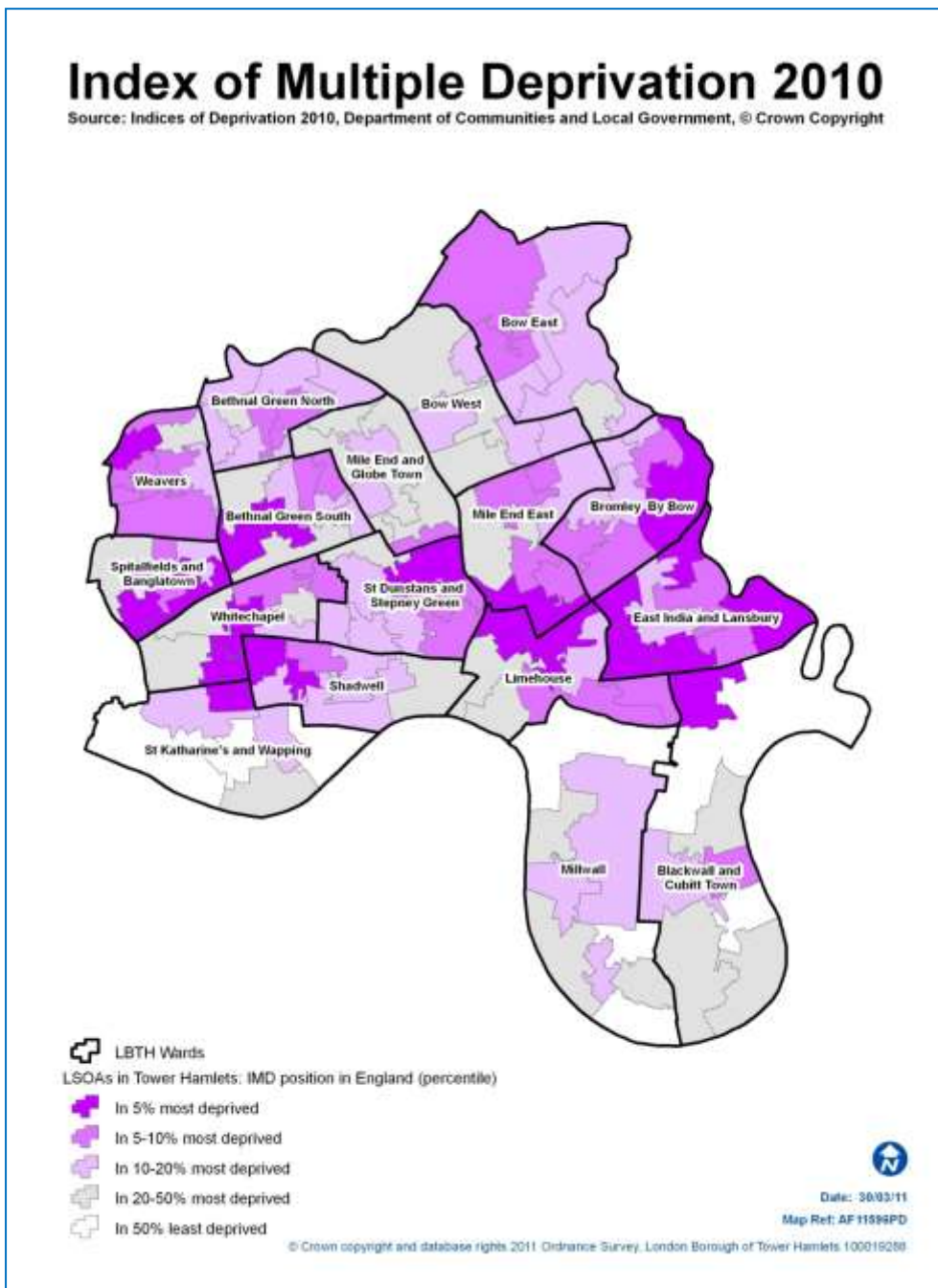
Ward (ranked highest to lowest rate)	Number of children	Percentage of children in Poverty (%)
East India and Lansbury	2,645	54
Bromley-by-Bow	2,265	52
Mile End East	1,890	51
Bow East	1,475	51
St Dunstan's and Stepney Green	2,325	51
Shadwell	1,980	50
Mile End and Globe Town	1,620	50
Weavers	1,325	50
Whitechapel	1,405	48
Limehouse	1,845	46
Spitalfields and Banglatown	845	46
Blackwall and Cubitt Town	1,670	45
Millwall	1,650	45
Bow West	1,075	39
St Katharine's and Wapping	640	34
Tower Hamlets	24,655	48

Source: HMRC, October 2012

## Deprivation

The Indices of Deprivation 2010 (IMD 2010) provides a relative measure of deprivation for small areas across England. Tower Hamlets is ranked the 7th out of 326 local authority districts in England. This is an improvement on the IMD 2007 which ranked Tower Hamlets as the 3<sup>rd</sup> most deprived area in 2007.

Map 4



The IMD2010 also measures the extent, the average, local concentration, income and employment deprivation at a local level.

On the extent measure which depicts how widespread levels of deprivation are in an area, Tower Hamlets is ranked 3<sup>rd</sup> most deprived.

On the local concentration measure – which profiles the severity of deprivation in hotspot areas – Tower Hamlets is ranked 38<sup>th</sup> most deprived in England, a significant improvement on the IMD 2007 when Tower hamlets was ranked 21<sup>st</sup>.



The IMD2010 also measures the extent of income and employment deprivation. Income is measured using available data about the numbers of local residents receiving income related benefits such as income support and tax credits (child tax credits and pensions credits) whilst employment deprivation is measured using employment related benefits data including JSA claimants, Employment Support Allowance and Severe Disability Allowance. On the income scale measure Tower Hamlets is ranked the 10<sup>th</sup> most deprived and on the employment scale measure, Tower Hamlets is ranked 38<sup>th</sup>.

Although deprivation in the borough is widespread, none of the borough's lower super output areas (LSOAs) appear in the most severely deprived areas in England. However, relative to other areas in London concentrations of deprivation in Tower Hamlets are still high. The most deprived LSOA in London is in Spitalfields and Banglatown Ward. Other wards with high levels of deprivation are East India and Lansbury, Mile End East and Bromley by Bow. At the other end of the scale wards with the least levels of deprivation are St. Katherine's and Shadwell, Millwall and Blackwall and Cubitt Town.

## **Financial Capability**

### *Profile of debt in Tower Hamlets*

The London Debt Strategy Report (2011) estimated that 13% of Londoners were in arrears with their debts as compared to the national average of 10%. Using these estimates potentially 33,033 residents in Tower Hamlets have difficulty keeping up with their financial commitments (based on an overall population estimate of 256,000).

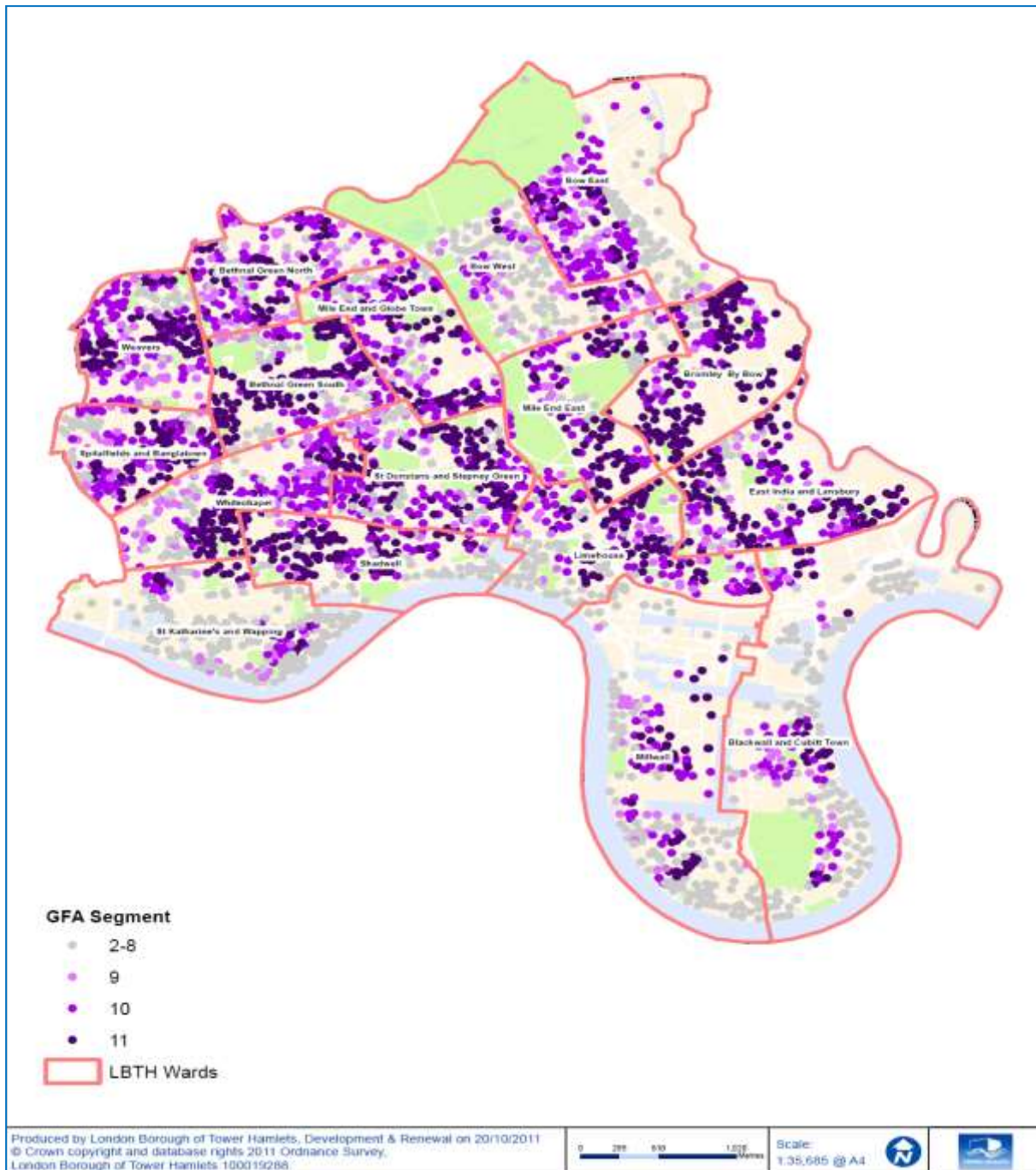
### *Financial capability across Wards in Tower Hamlets*

Within the borough, there is significant variation in levels of financial capability at ward level as measured by the demand for generic financial advice (GFA) using a 0 – 11 sliding scale of need. The percentage of postcode areas falling into the most vulnerable GFA groups (9-11) ranges from 95 % in Bromley-by-Bow down to 29 % in St Katherine's and Wapping.

The percentage of areas falling into the most financially vulnerable segment (GFA group 11) ranges from 9% in St. Katherine's and Wapping up to 72% in Bromley-by-Bow, which is the highest ward percentage in London. All wards in Tower Hamlets have a relatively high percentage on this indicator compared with the London average (6%).

## Map 5

### Postcode areas in Tower Hamlets by levels of financial capability, 2010



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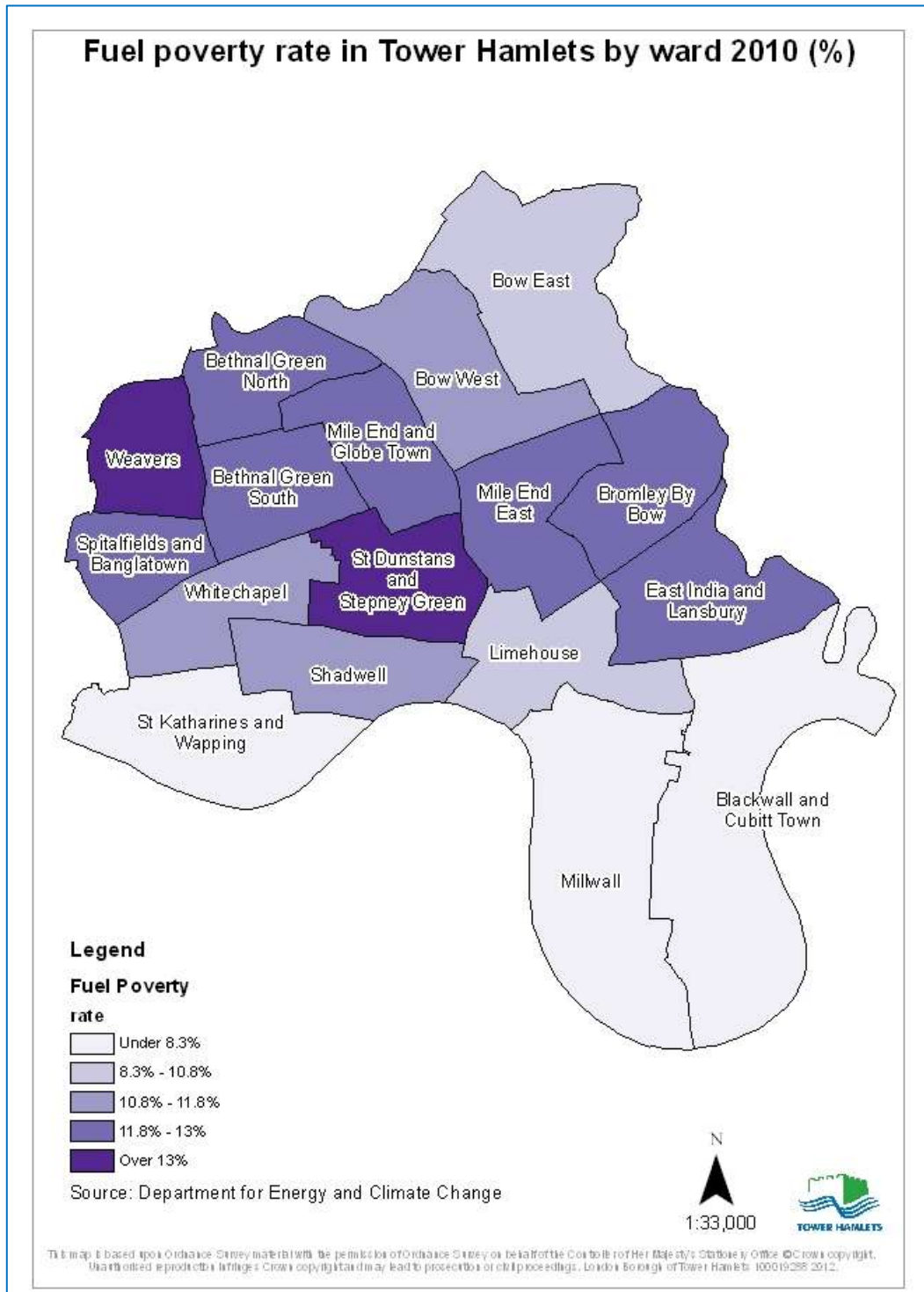
### Fuel poverty

A household is said to be in fuel poverty if it needs to spend more than 10% of its income on fuel to maintain a satisfactory heating regime.

The fuel poverty rate in Tower Hamlets (11.2%) is slightly above the London rate (10.8%). The rate shows some stronger variations at ward level. The highest Fuel poverty rate is estimated to be in

Weavers (13.7%). The fuel poverty rate in East India and Lansbury (12.7%) is above the Tower Hamlets average, very similar to Mile End East (12.7%) and Bromley by Bow (12.8%). The lowest fuel poverty rates are in Millwall (7.5%) and St Katherine's and Wapping (7.6%).

Map 6



## Life and Health

### Key Facts

Life expectancy in Tower Hamlets remains lower than rest of country but continues to improve.

Male life expectancy is 75.3 years compared to 77 years nationally.

Female life expectancy is 80.4 years compared to 81.1 years nationally.

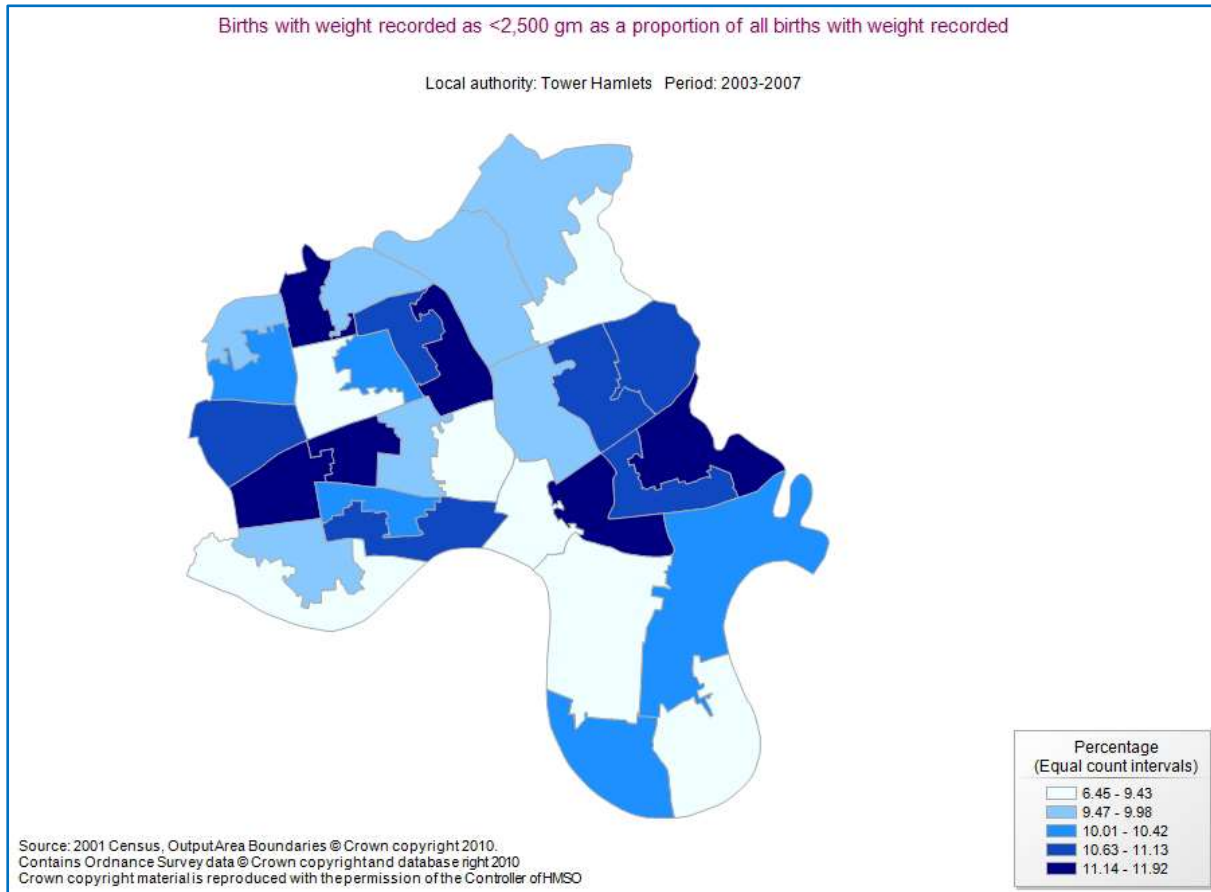
Health inequalities within the borough are striking. Both men and women in the borough have life expectancy which is below the national averages, and there is a ten year difference between men and women, with women having a life expectancy of 80.4 years compared to 75.3 years for men. There are also huge variations between different parts of the borough. For males, ward life expectancy varies by ten years. It is 82 years in Millwall and 72 years in Stepney. For females life expectancy varies by 13 years. It is 92 years in Millwall and 79 years in Mile End East. The life expectancy gap between least and most deprived people in Tower Hamlets is 11.2 years in males (fig 1) and 6.5 in females. These variations generally correlate with relative deprivation across the borough.

Local authorities and Primary Care Trust have a statutory requirement to assess the health needs of the local community and use this information to inform the amount of services they commission. This assessment is called the Joint Strategic Needs Assessment. [The 2010/12 Tower Hamlets JSNA Life and Health in Tower Hamlets](#), provides detailed analysis of residents health status, determinants of their health, evidence for effectiveness of different services and the current approach for each stage in the life course – being born, growing up, being an adult and growing old. Some of the health headlines from the JSNA are set out below.

### Being Born in Tower Hamlets

- 9% of babies born to Tower Hamlets mothers have a low birth weight compared to 7.5% in London. This varies by ward from 7% to 11.5% (fig 5) and this is correlates with to the level of ward deprivation (fig 4).
- 56 babies died at under 1 year old in Tower Hamlets over 2007-9 (a rate of 4.4 per 1000 live births). This is a similar rate to London and but contrasts with higher rates in Hackney and Newham.

## Map 7



### Growing Up in Tower Hamlets – Early Years

- By the age of 5 only 46% of Tower Hamlets infants have achieved a good level of cognitive development compared to 56% nationally.
- 12.7% of children in Reception years (5 year olds) in Tower Hamlets are obese, the 6<sup>th</sup> highest in the country and by Year 6 (11 year olds) this increases to 25.6%, the 4<sup>th</sup> highest in the country.
- 39% of children have experience of tooth decay compared to 31% nationally. There is evidence however that this inequality is declining.
- Tower Hamlets has above average breast feeding rates. Around 80% of mothers initiate breast feeding at birth and around 68% are still breast feeding at 6-8 weeks (compared to 72% and 45% in England).

### Growing up in Tower Hamlets – children and young people

- In Tower Hamlet 25.7% 10-11 year olds are obese (3<sup>rd</sup> highest in the country);
- The incidence of sexually transmitted infections in young people is thought to be high. Tower Hamlets has the 8<sup>th</sup> highest rate in the country for age groups
- The rate of injuries (deliberate and unintentional) to children and young people is significantly higher than London (123.3 per 10,000 compared to 98.9);

- Around 1 in 10 children are estimated to have a mental health disorder. This is similar to national averages.

### **Being an adult in Tower Hamlets**

- Compared to London, Tower Hamlets has the third highest premature death rate from circulatory disease, the highest death rate for cancer and the fifth highest death rate for chronic lung disease.
- These death rates vary across the borough and in general are higher in areas of higher deprivation.
- They also vary substantially by ethnicity with significantly higher death rates in the white population (even when adjusted for age)
- Increasing prevalence of diabetes, particularly amongst the Bangladeshi community, is increasing with around 12,000 adults in Tower Hamlets diagnosed.
- Tower Hamlets has high levels of infectious diseases compared to elsewhere;
- Tower Hamlets has the fifth highest admission rates for mental health reasons in London (457 per 100,000 compared to 326 per 100,000).
- Tower Hamlets has high levels of disability, with the level of long term illness or disability approximately 34% higher than that for London.
- There are high numbers of carers and high levels of informal carers, with an estimated 9,000 carers providing 20 hours or more unpaid care per week of which around 6,000 provide 50 hours or more unpaid care (the highest proportion in London).
- Tower Hamlets has amongst the highest smoking prevalence rates in the country, with 27% of adult residents smoking, compared to 21% nationally, but higher still amongst Bangladeshi males (42%).
- There are high levels of problem drinking. 50% of the adult population who are drinkers, 43% have alcohol consumption patterns that were either hazardous or harmful to their health.
- Tower Hamlets has amongst the highest number of problem drug users in London. 23 per 1000 people compared to 11.6 in London as a whole.

### **Growing Old in Tower Hamlets**

- 56% of 65-84 year olds report long term illness compared to 48% nationally.
- A larger proportion of residents in Tower Hamlets aged 65 and over use social services compared to London (20% compared to 15%).
- Estimates by Public Health suggest that around 7% of over 65s population have dementia but only around 2% are registered as having dementia indicating significant under diagnosis.

## Housing and communities

### Key facts

#### *Housing tenure*

Just under half of the housing in the borough is in the social housing sector.

In 1981 over 97% of all homes in Tower Hamlets were owned by Tower Hamlets Council or the Greater London Council. Today only 11.6% of the stock is council owned and for the first time in the borough's history, less than half the housing stock is social housing.

The private rented sector is now the fastest growing housing sector in the borough; it has risen from 18.3% of all homes in the borough in 2003 to around 23% of the stock in 2011.

There are approximately 9,000 former right-to-buy leasehold properties maintained by Tower Hamlets Homes (THH), the council's arms-length management-organisation, in the borough. Overall, there are more than 15,000 leasehold properties formerly owned by the council.

#### *Housing Quality*

Over 80% of accommodation in the borough is flats compared to 50% in London as a whole. Between 2010 and 2016 more than £203m will be spent on improving more than 90% of THH stock decent.

44% of council owned properties, 95% of housing association properties and 33% of private sector homes meet the decent homes standard.

Approximately 19.7% (12,180) of homes in the private sector do not meet the Decent Homes Standard, the highest proportion of which is flats or maisonettes.

According to the 2011 Private Sector Stock Condition Survey, 37% of the borough's housing stock has been built since 1990.

#### *Housing cost*

The average house price in Tower Hamlets is £358,092, compared to £360,171 in London and £162,561 in England and Wales.

The most expensive property sold in the borough between March and May 2012, was in the Pan Peninsula, Millwall which sold for £1,490,000.

The median rental price in the borough was highest for a 4 bedroom property £2,275 per month. Renting a 2 bedroom property costs around £1,517 per month whilst the price for a studio is £984 per month.

#### *Housing Supply*

Tower Hamlets housing supply has increased by 34% since 2003. There are now over 111,000 homes.

Tower Hamlets is expected to accommodate an additional 28,000 dwellings by 2025, an annual

target of 2,800.

Just over 2,000 homes per year become available for social rent from new supply and council and housing association re-lets.

#### *Social Housing Providers*

There are approximately 53 housing associations working in the borough managing over 30,000 social homes. The Tower Hamlets Housing Forum (THHF) is a partnership of 21 housing associations who work with the council to deliver the housing vision set out in the borough's Housing Strategy.

#### *Housing need*

About 23,000 households are registered on the Common Housing Register of which 64% are waiting for a home and the remaining 36% likely to be existing council tenants.

In 2008/9 about 70% of households accepted as homeless had dependent children or were about to have a child.



## The Tower Hamlets Housing Market

Between 2001 and 2011 Tower Hamlets experienced the largest increase in the number of homes in the country, increasing by 24%. Housing tenure patterns have also changed significantly in Tower hamlets over the last 20 years. In 1985 13% of the housing in the borough was in private ownership. By 2011 this proportion had increased to 59%.

**Table 8**  
**Dwelling Stock by Tenure, 2011**

Tenure	2003	%	2011	%
Owner occupied	27,308	31	25,339	23
Council owned	24,200	28	12,500	12
Registered social landlord	17,828	20	26484	24
Private rented sector	17513	20	416870	39%
Shared ownership	500	1	2,000	2
Total	87,349	100	108,193	100

Source: Council Tax Records, Tower Hamlets

The private sector is now the fastest growing housing sector in the borough, increasing from 18.3% in 2003 to around 23% by 2011.

Despite the economic downturn, east London generally and Tower Hamlets specifically continues to have a buoyant housing market. The London Residential Crane Survey, published by Drivers Jonas Deloitte, confirms that whilst there has been a slight dip in the level of residential construction in London in the last six months this has not been the case in east London. In the last 6 months Tower Hamlets had the highest number of completions in the capital.

## Households in Social housing

41% of the borough's housing is in the social housing sector. East India and Lansbury (65.93%), has the highest proportion of households living in social housing, followed by Mile End East (64.94%) and Bromley by Bow (63.58%). The lowest proportion of households in living in social housing is in Millwall (18.83%), followed by St Katherine's & Wapping (25.09%) and Whitechapel (27.34%).

**Table 9**  
**Households in Social housing, March 2011**

Ward	Households	Social Housing	% Social housing
<i>Bethnal Green North</i>	5,463	2,635	48.23%
<i>Bethnal Green South</i>	5,444	2,158	39.64%
<i>Blackwall and Cubitt Town</i>	8,748	2,581	29.50%
<i>Bow East</i>	6,873	2,954	42.98%
<i>Bow West</i>	5,119	2,291	44.75%
<i>Bromley By Bow</i>	5,241	3,332	63.58%
<i>East India and Lansbury</i>	5,441	3,587	65.93%
<i>Limehouse</i>	6,426	2,665	41.47%
<i>Mile End and Globe Town</i>	5,940	2,051	34.53%
<i>Mile End East</i>	4,724	3,068	64.94%
<i>Millwall</i>	11,042	2,079	18.83%
<i>Shadwell</i>	5,946	2,517	42.33%
<i>Spitalfields and Banglatown</i>	4,584	1,422	31.02%
<i>St Dunstons and Stepney Green</i>	5,889	2,941	49.94%
<i>St Katharine's and Wapping</i>	6,087	1,527	25.09%
<i>Weavers</i>	5,802	2,285	39.38%
<i>Whitechapel</i>	6,166	1,686	27.34%
<i>Total</i>	104,935	41,779	39.81%

Source: Population Estimate and Change, Mayhew Harper, 2011)

### **Affordability**

#### House Prices

Whilst nationally the average house price in July 2012 was £162,900, Tower Hamlets has an average house price of £358,601, just below the average for London of £367,785. The average price of a flat or maisonette in Tower Hamlets is now £353,556 compared to £330,051 in London. The average price of a terraced house in Tower Hamlets is £384,820, just above the average price for London but three times the average price for England and Wales. Over the last 12 months house prices in Tower Hamlets have increased by 3.2%, just below the London average of 4.2%. The most expensive property sold in Wapping for £1,400,000 and the cheapest sold for £80,000 in Bromley by Bow (on a shared ownership basis).

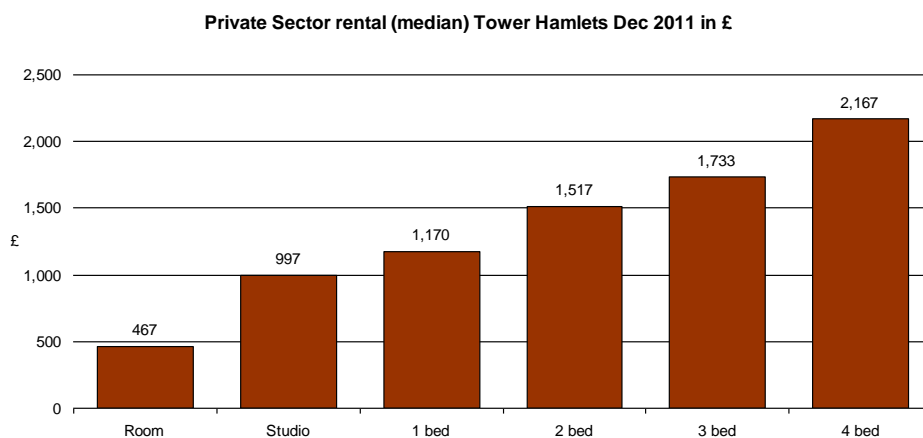
**Table 10****House Prices in Tower Hamlets July, 2012 (in £, rounded)**

	Detached	Semi Detached	Terraced	Maisonette/Flat	All (average)
<b>England and Wales</b>	£256,496	£153,339	£123,097	£155,314	<b>£162,900</b>
<b>Greater London</b>	£648,561	£377,195	£336,301	£330,051	<b>£361,785</b>
<b>Tower Hamlets</b>	£456,465	£358,804	£384,820	£353,556	<b>£358,601</b>

(Source: Land Registry, Jul 2012)

**Private sector rents in Tower Hamlets**

The average private sector rent in Tower Hamlets is now £1,300. The median rental price in Tower Hamlets was highest for a 4 bed property with £2,167. A 2 bed property has a median price of £1,517 while a Studio was £997. See chart 6 below.

**Figure 4****Private sector rental – median price in Tower Hamlets (£) by property price**

(Source: VOA December 2011)

## Housing Demand

In April 2012 there were 23,585 households on the Tower Hamlets housing register. Demand for social housing has increased by 35% since 2005.

**Table 11**  
**Housing Demand by Bedroom Category**

	Apr-05	Apr-06	Apr-07	Apr-08	Apr-09	Apr-10	Apr-11	Apr-12	% Change 2005 - 2011
1bed	8,537	9,626	9,938	11,159	11,705	11,396	11,152	11,141	31
2bed	3,965	4,204	4,405	4,600	4,757	4,665	4,976	5,001	26
3bed	3,695	4,094	4,561	4,368	4,630	4,857	5,215	5,386	46
4bed	928	796	821	1,341	1,450	1,447	1,545	1,616	74
5bed +	177	161	147	261	247	249	248	241	36
Total Demand	17,302	18,881	19,872	21,729	22,789	22,614	23,136	23,385	35

Source: Housing Options, LBTH

Whilst the demand is mostly for 1 and 2 bedroom properties, there has been a significant increase in the need for larger dwellings, 4 and 5 bedroom properties. Currently 69% of all households on the council's housing register need 1 and 2 bedroom properties and 31% need 3 bedrooms and above. However, since 2005 the number of households requiring 4 and 5 bedrooms has increased by 74% and 36% respectively.

## Overcrowding

There are 9,300 households (40%) on the housing register living in overcrowded accommodation, of which two-thirds are Bangladeshi households.

**Table 12**  
**Overcrowded households in Tower Hamlets by Ethnic Group**

Broad Ethnic Group	No. of households	%
Asian/Asian British	6545	69
Black/Black British	1020	11
Dual Heritage	187	2
White/White British	1323	14
Refused/unknown	27	0
Other	430	4
Total	9532	100

Source: Housing Options Team, LBTH

## Homelessness

In 2011/12 the council was approached by 2,057 residents because of homelessness or because they were at risk of being homeless. In 2008/09 this figure was

### *Statutory homelessness*

In 2008/9 there were 946 decisions (what does Decisions mean) relating to homelessness assessments, but this had fallen to 662 decisions by 2011/12.

There has also been a fall in the number of households accepted as homeless, again also in line with the regional trend. In 2008/9 there were 713 acceptances and this fell to 404 acceptances by 2011/12.

### *Temporary accommodation*

The number of number of households placed in temporary accommodation has also fallen year on since 2008/9, falling from 2,423 to 1,789 in 2010/11.

## Housing Supply

**In the last decade Tower Hamlets has seen an increase of 29% in the number of properties increasing from 83,416 in 2001 to 108,193 in 2011.CF TOP OF PAGE 30**

**Table 13**

**Tower Hamlets Dwelling Stock 2001 - 2011**

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
83,416	85,230	87,046	88,902	91,833	94,026	96,582	99,188	101,823	106,723	108,193

Source: Council Tax Records, Tower Hamlets Council, 2012

Tower Hamlets is expected to accommodate an additional 28,850 dwellings by 2021, an annual target of 2,885. Whilst the economic downturn has impacted on the pace of delivery, in 2010-11 1,202 net additional homes were built. The majority of this new development was concentrated in Millwall, East India and Lansbury and Whitechapel Wards. Analysis published by surveyors Drivers Jones Deloitte confirms that in 2012, despite the national stagnation in the construction industry nationally, activity is concentrated in Inner London boroughs and that Tower Hamlets currently has the highest number of new homes under construction in London.

## Housing providers in Tower Hamlets

There are 53 housing associations (also known as registered providers, RPs) working in Tower Hamlets and managing 27,632 homes. Excluding Tower Hamlets Homes, the five largest RPs' in the borough are, Poplar HARCA, Old Ford, Gateway, East End Homes and Tower Hamlets Community Housing, between them, they manage 56.4% of all RP stock in the borough.

**Table 14****Registered Providers in Tower Hamlets**

Registered Provider	No. of homes managed	%
Tower Hamlets Homes	12,517	33
Poplar HARCA	6333	16
Old Ford HA	3384	9
East End Homes	2204	6
THCH	1918	5
Gateway HA	1744	5
One Housing Group	1539	4
Swan HA	1412	4
Island Homes HA	1209	3
East Homes	1196	3
Southern Housing Group	1139	3
Genesis Housing Gp	961	3
Peabody Trust	959	2
Newlon Housing Trust	676	2
Circle 33	633	2
Spitalfields HA	587	2
Total	38,411	100

Source: RSR, August 2012

The Tower Hamlets Housing Forum (THHF), the membership of which is made up of 21 of the largest housing associations, works with the council to deliver the vision set out in the Housing Strategy. THHF delivers its priorities through its 8 sub-groups. THHF is also represented on the Great Place to Live Community Plan Delivery Group of the Tower Hamlets Partnership.

**Tower Hamlets Homes**

Tower Hamlets Homes, THH, is an Arm's Length Management Organisation (ALMO). It was established in 2008 to manage council's 21,865 homes and to deliver the decent homes programme, improving the quality of homes in the borough.

Properties managed by THH are predominately concentrated in the north and west of the borough, with 5,266 in Bethnal Green, 4,110 in Stepney and Wapping, 1,873 in South Poplar and 1,344 in Bow North Poplar.

**New Homes Bonus**

The New Homes Bonus was introduced by the Coalition Government in 2011/12 as "an incentive" to local authorities to increase their housing supply either by delivering new homes, bringing empty properties back into use or delivering additional affordable homes. Tower Hamlets received £10,109,809, the largest allocation in the country for 2012/13.

## **Economy, Business and Labour Market**

### **Key Facts about the Tower Hamlets economy and labour market**

#### *The economy*

The Tower Hamlets economy is worth an estimated £6billion per annum, more than Monaco, Malta or Jersey.

Canary Wharf is the second largest financial business centre in the country and has an estimated workforce of 104,000 employees.

Tourism contributed an estimated £818million to the Tower Hamlets, 3.7% of the total tourism spend in London.

There were 3.5million visitors to attractions in Tower Hamlets in 2011/12.

Major employers in Tower Hamlets are in the public sector include the local authority and public health, Barts Health NHS Trust, in the Higher and Further education sector including Queen Mary, University of London and London Metropolitan University, and financial institutions including HSBC and Barclays.

Large firms dominate the borough's economy with more than 45% of jobs in firms employing 500 or more employees.

#### *Profile of Jobs*

There are more than 12,935 businesses and organisations providing 233,060 jobs in Tower Hamlets. 92% of all jobs in Tower Hamlets are in the services sector. 55.3% of all jobs are now in financial, IT and other business services sector.

Data published by Jobcentre Plus in September 2012 shows there were 900 vacancies in the borough but analysts estimate that JCP vacancies only account for 30% of all vacancies in an area.

The largest sector in the borough is now the financial and insurance sector providing 32% of jobs.

There are almost 18,000 jobs in the creative and cultural industries in Tower Hamlets.

#### *Unemployment*

Tower Hamlets has an employment rate of 60.5%, the second lowest in London and the second lowest female employment rate in London (47.6%).

With unemployment rate of 6.2% in Tower Hamlets has the third highest unemployment rate in London after Newham and Hackney. There are xxx residents claiming Jobseekers Allowance.

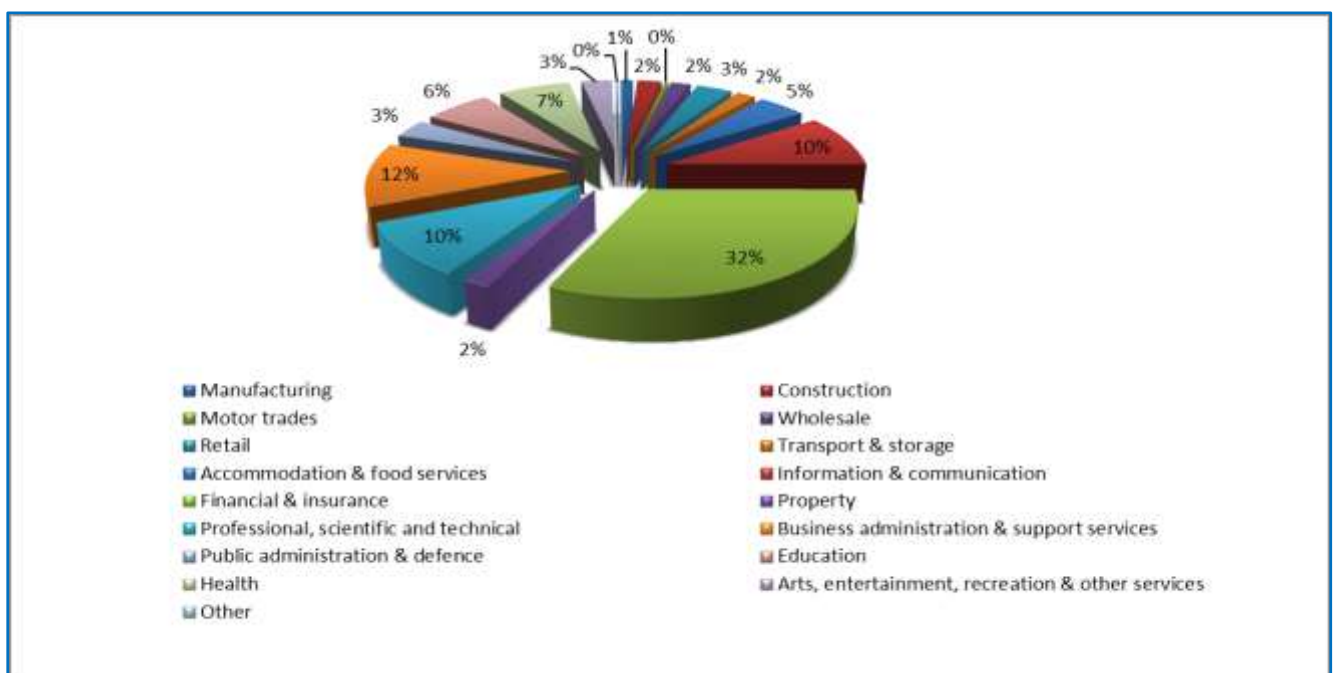
Less than one fifth of jobs in the borough are taken by local residents, the others are filled by people commuting in.

In February 2012 there were 32,000 residents claiming out of work benefits.

## The Economy

The Tower Hamlets economy has been transformed in the last decade growing by some 60%, four times the rate of growth for London as a whole. One of the most significant factors in this growth has been the on-going development of Canary Wharf, the second largest financial business district in the Country. According to the Local Economic Assessment published in 2011, the economy is now estimated to be worth £6 billion per annum with 12,935 businesses and organisations providing 233,000 jobs, 5% of the total employment in London. Employment projections estimate that the number of jobs in the borough could increase to 379,000 by 2031 despite the current economic climate. Estimates continue to project growth in financial and insurance activities, professional, scientific and technical activities but decreases in the public sector.

**Figure 5**  
**Employment in Tower Hamlets by Sector, 2011**



Source: BRES 2011, ONS 2012

## Labour Supply

The economy of Tower Hamlets is heavily concentrated in financial and business services, which together account for almost half of the borough's employment. At the same time Tower Hamlets has around 30,000 public services jobs including health and education.

In the last decade the manufacturing sector has declined in the borough but still provides around 10,000 jobs. Newspaper publishing accounts for half of these manufacturing jobs.

Employment in hotels and restaurants has increased by 75% over the last decade. The creative and cultural industries sector also makes a significant contribution to employment, providing some 18,000 jobs. Tourism now contributes an estimated £818 million to the local economy. Key attractions, including the Tower of London, the Victoria and Albert Museum of Childhood, the Whitechapel Gallery and the Museum in Docklands, attract more than 3.5million visitors to the borough.



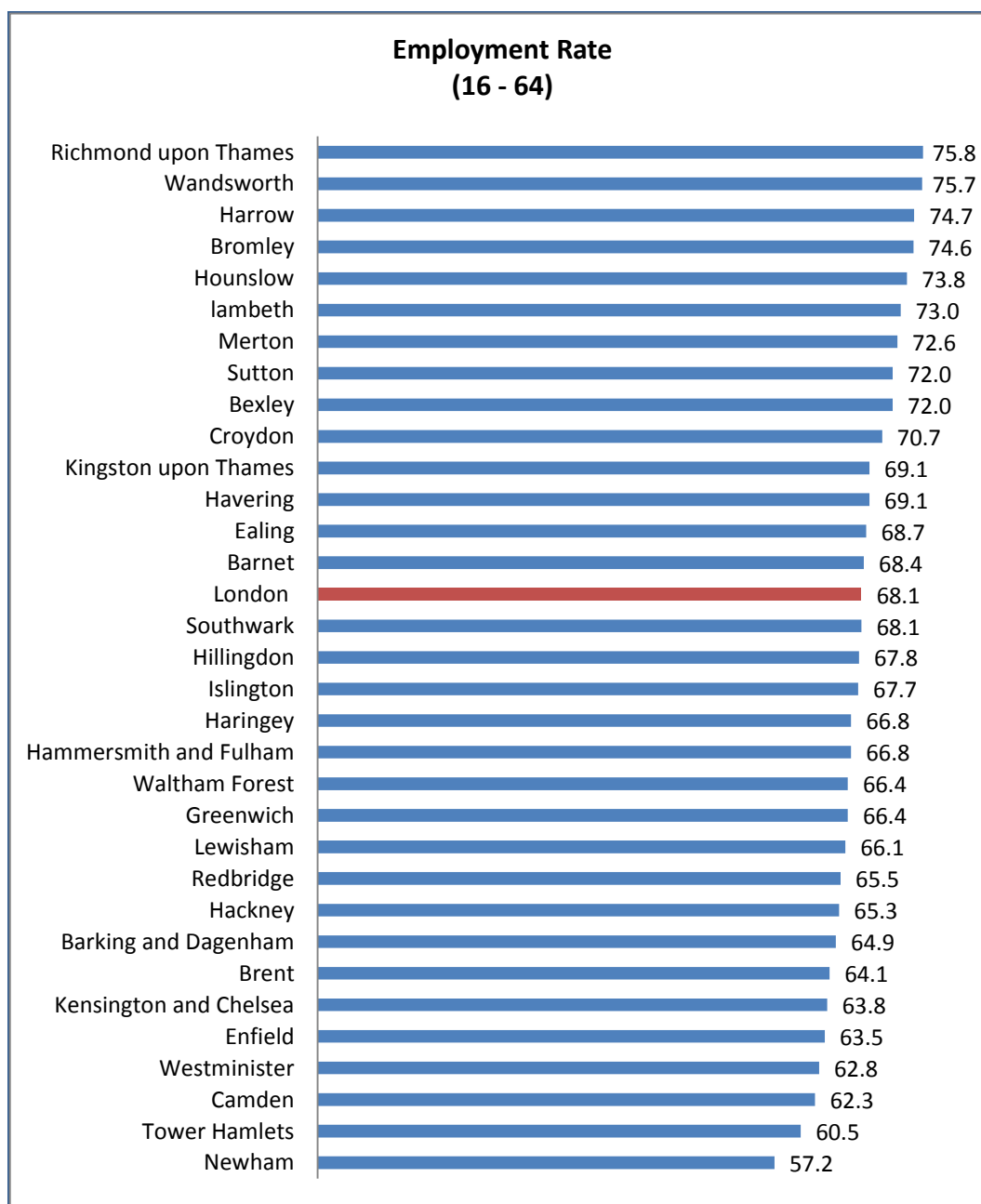
### Job Vacancies

Job vacancy data published by Job Centre Plus for September 2012 shows that there were just under 900 vacancies in the borough. It is estimated that JCP vacancies account for approximately 30% of all potential job vacancies in an area.

### Employment

Tower Hamlets employment rate is 60.5%, the second lowest in London after Newham. Employment levels are lowest amongst women aged 50 – 64 (currently 44.2%) and well above the regional average for young men aged 25 – 34, (currently 86.1% in Tower Hamlets compared to 85.8% in London).

**Figure 6**  
**Employment Rate by London Borough, 2011**



Source: Annual Population Survey, Jun11-Jul12, ONS

### Employment by Gender

There are approximately 70,300 male residents in employment, an employment rate of 72.3%) and 42,100 female residents in employment (47.6%). Tower Hamlets has the second lowest female employment rate in London, after Newham and followed by Kensington and Chelsea.

### Employment by Age

Employment in Tower Hamlets is highest amongst residents aged 25 -49 (%) and lowest amongst younger residents aged 16 – 24 and older residents aged 50 -64.

### Employment Rate by Ethnic Group

Amongst BME residents in the borough, Bangladeshi residents have the lowest employment rate, 39.1% compared to 51.7% for London.

**Table 15**

#### Employment Rate by Ethnic Group

Ethnic Group	Employment Rate (16 – 65)	
	Tower Hamlets	London
White	78.0	73.3
Mixed ethnic group	69.5	59.0
Indians	46.8	68.8
Pakistanis/Bangladeshis	39.1	51.7
Black or black British	60.6	56.6
Other ethnic group	62.2	59.8

Source: Annual Population Survey, NOMIS, 2012

### Employment by Occupation

Tower Hamlets residents are most likely to be employed in professional occupations (22.7%) and associate professional and technical occupations (26%). Just over 11% are employed in elementary occupations, compared to 9% in London.

**Table 16**

#### Occupational structure in Tower Hamlets, London and England (%)

	Tower Hamlets	London	England
1: Managers, directors and senior officials	10.1	11.5	10.3
2: Professional occupations	22.7	25.0	19.4
3: Associate prof & tech occupations	26.0	17.9	14.1
4: Administrative and secretarial occupations	7.5	10.7	11.2
5: Skilled trades occupations	3.9	7.6	10.6
6: Caring, leisure and other service occupations	6.1	7.1	9.0
7: Sales and customer service occupations	7.0	6.3	7.9
8: Process, plant and machine operatives	3.3	4.3	6.4
9: Elementary occupations	11.2	9.0	10.8

(Source: Annual Population Survey March 2012)

## Qualifications

Analysis of the qualifications held by working age residents shows that around 46% of all residents aged 16 to 64 had an NVQ 4+ qualification. Around 76% had a NVQ2+ qualification. However around 14% had no qualification.

Overall NVQ4 plus levels have seen a significant growth both in London and Tower Hamlets. Both rates in Tower Hamlets and London are at around 46%.

While the Tower Hamlets rates for NVQ1+, NVQ2+ and NVQ3+ are below the London rates, they have seen a positive growth similar to London between 2004 and 2011.

The percentage of people with no qualification is still higher in Tower Hamlets when compared to London. However the rate of 14.3% has dropped over the last few years bringing it closer to the London average (9.3%).

**Table 17**

### **NVQ levels of people aged 16 to 64 in Tower Hamlets 2011 (%)**

	Number	Tower Hamlets	London	Great Britain
% with NVQ4+ - aged 16-64	79,700	46.1	45.9	32.9
% with other qualifications - aged 16-64	16,100	9.3	9.5	6.7
% with no qualifications - aged 16-64	24,600	14.2	9.3	10.6
% with NVQ3+ - aged 16-64	98,700	57.1	59.4	52.7
% with NVQ2+ - aged 16-64	116,300	67.3	71.4	69.7
% with NVQ1+ - aged 16-64	132,100	76.5	81.2	82.7

Source, Annual Population Survey 2012, ONS

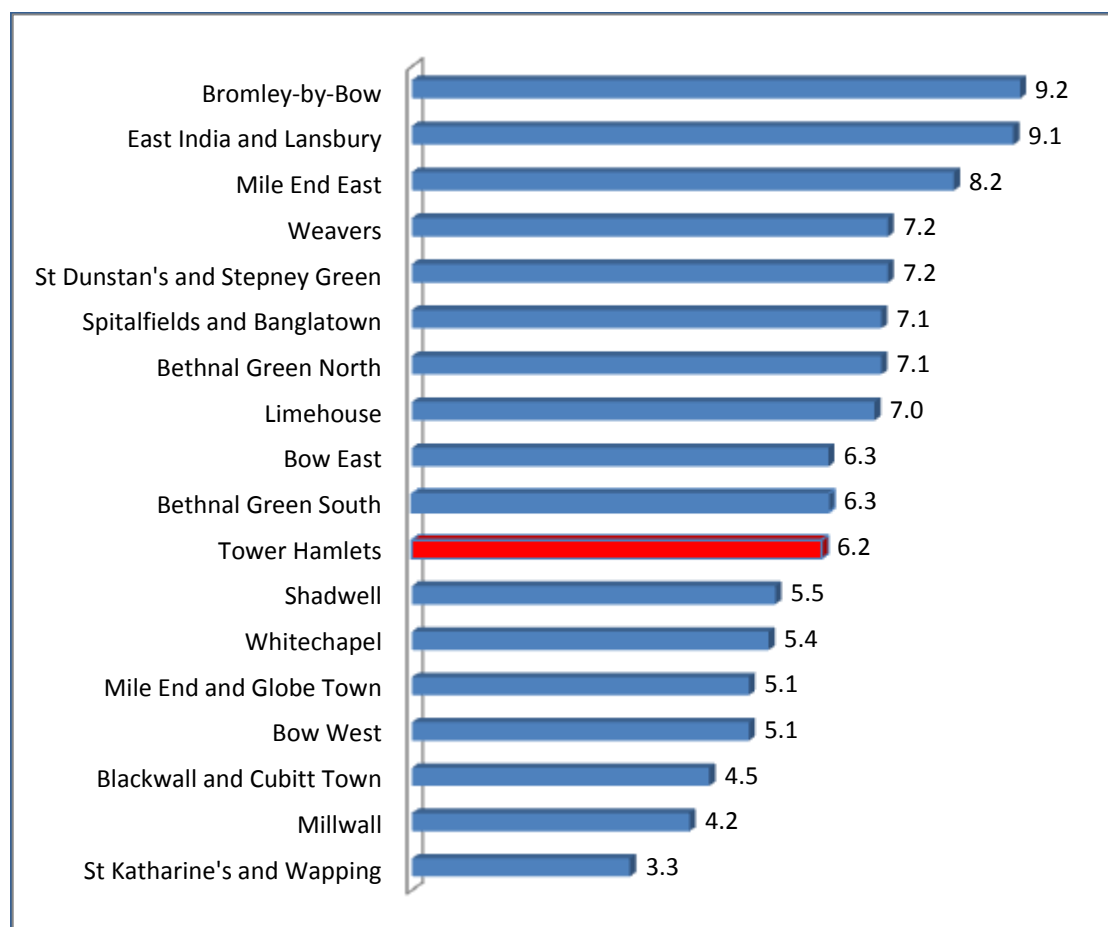
## Unemployment

Tower Hamlets continues to have some of the highest levels of worklessness in the country. There are 26,600 workless residents in the borough. This estimate included Jobseekers Allowance (JSA) claimants plus those looking for work but not claiming benefits and the economically inactive who want to work.

In September 2012 there were 10,805 working age residents claiming Jobseekers Allowance, was 6.2%, the third highest in London after Newham (6.9%) and Hackney (6.5%). London has an unemployment rate of 4.1%. Unemployment levels are highest in Bromley by Bow, East India and Lansbury whilst levels in Blackwall and Cubitt Town, Milwall and St. Katherine's and Wapping are closer to the London average. More than a quarter of JSA claimants have been unemployed for over one year, and 13% for more than 2 years.

Significant numbers of claimants have been claiming for long periods, with 38.3% claiming for up to one year and 48.4% claiming for 2 years or more.

**Figure 7**  
**Claimant Count Unemployment Rate by Ward, September 2012**



Source: JSA Claimant Count, ONS, October 2012

**Table 18**  
**Unemployment by Age, September 2012**

Age	Percentage	
	Tower Hamlets	London
Aged 16-24	8.6	5.7
Aged 25-49	5.1	4.0
Aged 25-29	4.9	4.3
Aged 30-34	4.3	3.5
Aged 35-39	4.5	3.5
Aged 40-44	6.3	4.1
Aged 45-49	7.7	4.7
Aged 50-54	10.0	4.5
Aged 55-59	9.4	3.8
Aged 60-64	2.4	1.0

Source: JSA Claimant Count, ONS, October 2012

Unemployment levels are highest amongst the youngest and oldest residents in the borough whilst the claimant count unemployment rate for residents aged 30 -39 is closer to the London average.

**Table 19**  
**Ethnicity of JSA Claimants, August 2012**

	No of claimants	%
White - British	2,485	24
White - Irish	60	1
White - other	600	6
Mixed - white and black Caribbean	165	2
Mixed - white and black African	55	1
Mixed - white and Asian	30	0
Mixed - other mixed	90	1
Asian or Asian British - Indian	95	1
Asian or Asian British - Pakistani	95	1
Asian or Asian British - Bangladeshi	4,370	41
Asian or Asian British - other Asian	85	1
Black or black British - Caribbean	550	5
Black or black British - African	745	7
Black or black British - other black	115	1
Chinese or other ethnic group - Chinese	90	1
Chinese or other ethnic group - other ethnic group	280	3
prefer not to say	500	5
unknown	150	1
<b>Total</b>	<b>10,565</b>	<b>100</b>

Source: JSA Claimant Count, ONS, October 2012

Analysis of claimant count data for August 2012, the most up to date data available by ethnicity, shows that unemployment is highest amongst Bangladeshi residents who are 41% of all JSA claimants. Compared to Proportion of Working Age who are Bangladeshi

## Out of work benefits

The most up to date data about residents claiming out of work benefits relates to February 2012. There are 32,000 Tower Hamlets residents claiming out of work benefits.

**Table 20**  
**Out of Work Benefit Claimants, February 2012**

	<b>Tower Hamlets</b>	<b>Tower Hamlets</b>	<b>London</b>
	(numbers)	(%)	(%)
<b>Total claimants</b>	32,200	18.4	14.6
<b>By statistical group</b>			
<b>Job seekers</b>	11,020	6.3	4.3
<b>ESA and incapacity benefits</b>	12,260	7	5.9
<b>Lone parents</b>	3,710	2.1	1.9
<b>Carers</b>	2,760	1.6	1
<b>Others on income related benefits</b>	880	0.5	0.4
<b>Disabled</b>	1,290	0.7	0.8
<b>Bereaved</b>	260	0.2	0.2
<b>Key out-of-work benefits†</b>	27,880	16	12.6

Source: ONS, September 2012

Changes to the benefits systems, introduced in the last 18 months, has reduced the qualifying age of the youngest child. It is having an impact on the number of lone parent claimants. It is expected that there will be a corresponding increase in the number of JSA claimants.

## Not in Education, Employment and Training (NEETS)

The proportion of young people in Tower Hamlets not in education, employment and training (NEETS) has decreased steadily since 2009, falling from 8.1% to 5%.

## Section 2

# Thinking about fairness

The issue of fairness has become an increasingly discussed topic. Politicians, philosophers, social theorists, journalists, think tanks and policy makers are all debating what fairness means and what can and should be done to make our society fairer.

This debate can be divided into four key areas, outlined below. This section of the evidence pack brings together thinking which discuss one or more of these areas of the debate. This pack does not attempt to provide all the answers, or set out a clear definition of fairness for the Commission to work to. This will be developed by the Commissioners themselves throughout the course of the project.

### **Is fairness about everyone contributing to society or about everyone getting the same?**

When you're cutting a cake and sharing it amongst 10 people the most obvious way might be try and divide it equally into 10 pieces. But that's not the only way of sharing the cake! You could divide it by how much effort everyone has put into making the cake, or by who is the hungriest, or perhaps give more to growing children. Which is the fairest way?

The same discussions are had about tax, or eligibility for some benefit payments. Should we all pay the same level of tax? Or should we pay more tax if we earn more? Should benefits be targeted at those who need them most, or does everyone who 'pays in' to the system deserve to receive some benefits or services in return? Should we be able to pay for 'upgraded' services to better our life chances, or those of our children?

### **The importance of income inequality**

If we are all getting richer, does it matter if the gap between rich and poor has increased? It can be argued that recent administrations, including Blair and then Brown's Labour governments and the current Coalition, have prioritised growth in the economy over income inequality. This was based on the idea that huge personal wealth in the economy will 'trickle down' to all of us, making everyone better off.

In their influential book *The Spirit Level*, Professors Richard Wilkinson and Kate Pickett argue that income inequality matters enormously and that more equal societies have better outcomes for health, education, crime, happiness and other areas, when compared with unequal societies, for both rich and poor people.

### **Responsibility for making a more equal society**

One of the main arguments for building a welfare state was to create a level playing field for everyone in society. A person's family background and income would no longer determine what they could go on to achieve. The responsibility for providing basic services to help everyone out of poverty, rested with the state.

In the last few years, the Coalition Government have argued that businesses or charities and community organisations may be better placed to provide basic services, as part of the 'big society'. This is in turn based on the idea that Government has been too paternal, disempowering people from helping themselves and each other.

Critics of this approach have argued that this will lead to resources being directed towards areas or issues which are popular with businesses and rich donors, at the expense of those issues which are not. The playing field would not necessarily be level, and the 'fair' allocation of resources is based on the views of a small number of people, rather than a commonly or democratically formed view.

### Whose fairness?

The thoughts and ideas of philosophers and public policy experts aren't the only important views. How we all view fairness is really important. Fairness is a social concept – it is about how we interact with each other as individuals and as part of larger organisations. How we all think about ourselves and our position in society influences our thoughts about fairness – how much we earn, how secure we feel in our jobs, our hopes and fears for our children or our retirement.

Some philosophers argue that when we discuss fairness or think about the best way to organise our society, we should try to discount our own position and assume that we could be born anywhere in society, or experience bad luck at any point in our lives. This can help us create a more general view of fairness.

## Background reading

The articles and other reading in this evidence pack are just a small selection from a wide and varied literature on fairness and equality. Here are our **top 3 reads** suggested for Commissioners:

1. The Centre for Labour and Social Studies (CLASS) has produced a summary of *The Spirit Level* by Kate Pickett and Richard Wilkinson. They argue that more equal societies have better social outcomes for everyone. CLASS was set up by UNITE the union, the GNB and the Institute of Employment Rights and as a centre for left debate and discussion.  
<http://classonline.org.uk/pubs/item/why-inequality-matters>
2. The Joseph Rowntree Foundation have written a report that examines what motivates our beliefs and feelings about income inequality and welfare benefits.  
<http://www.jrf.org.uk/sites/files/jrf/attitudes-tackling-economic-inequality-full.pdf>  
The Joseph Rowntree Foundation is a social policy think tank and campaign organisation which focusses on change for people and places in poverty, communities where everyone can thrive and a more equal society.
3. The Royal Society of Arts hosted a radio debate with LBC on a 'fair future for all'. Speakers included Will Hutton, Matthew Taylor and philosopher Professor Angie Hobbs.  
<http://www.thersa.org/events/audio-and-past-events/2011/rsalbc-debate-a-future-fair-for-all>



Here are links to some other things to read which we think are interesting:

1. 10 reasons to care about inequality by the New Economics Foundation:  
<http://www.neweconomics.org/publications/ten-reasons-to-care-about-economic-inequality>
2. John Tomasi 'Social justice, free market style'  
*An essay from IPPR's Juncture journal in which Tomasi explains his notion of free market fairness.*  
<http://www.ippr.org/juncture/171/9169/social-justice-free-market-style>
3. Joseph Rowntree Foundation 'Fairness in a time of public spending cuts' Blog post by Nancy Kelley  
<http://www.jrf.org.uk/blog/2010/08/fairness-public-spending-cuts>
4. The Fabian Society: Fabian Essays 'The Fair Society' by Dr Keith Hyams  
<http://www.fabians.org.uk/the-fair-society/>
5. Robin Wilson and Jon Bloomfield 'Building the Good Society' *A report published by Compass setting out 'a new form of progressive politics'.*  
[http://clients.squareeye.net/uploads/compass/documents/Compass\\_good\\_society\\_report\\_WEB.pdf](http://clients.squareeye.net/uploads/compass/documents/Compass_good_society_report_WEB.pdf)

#### Interesting podcasts:

1. Philosopher Dr Angie Hobbs discusses fairness as part of a Radio 4 Today programme discussion on Fairness, in the lead up to the 2012 Comprehensive Spending Review:  
[http://news.bbc.co.uk/today/hi/today/newsid\\_9079000/9079254.stm](http://news.bbc.co.uk/today/hi/today/newsid_9079000/9079254.stm)
2. Journalist Polly Toynbee and Tony Atkinson: <http://www.ippr.org/events/54/6093/unjust-rewards-greed-and-inequality-in-britain-today-with-polly-toynbee>
3. <http://www2.lse.ac.uk/publicEvents/events/2012/06/20120629t1830vOT.aspx> A podcast of a LSE debate called the price of inequality.

## Section 3

# Fairness Commissions in other local areas

Tower Hamlets is not the first local area to set up a Fairness Commission. This final section brings together the reports of Fairness Commissions who have already published their findings. The intention is that Tower Hamlets can learn from and build upon those that have gone before us.

### **Islington Fairness Commission**

Islington were the first local area to establish a Fairness Commission and publish a report. The Commission launched in June 2010 and was chaired by Professor Richard Wilkinson and Cllr Andy Hull. Their final report was published in June 2011 and is available on Islington Council's website:

[http://www.islington.gov.uk/publicrecords/library/Democracy/Quality-and-performance/Reporting/2011-2012/\(2012-03-03\)-IFC-Final-Report-Closing-The-Gap.pdf](http://www.islington.gov.uk/publicrecords/library/Democracy/Quality-and-performance/Reporting/2011-2012/(2012-03-03)-IFC-Final-Report-Closing-The-Gap.pdf)

It is over a year since Islington Fairness Commission published their report and last month they published a further report 'One Year On':

<http://www.islington.gov.uk/democracy/reports/reportdetail.asp?ReportID=10412&intSectionID=6&intSubSectionID=2>

### **Liverpool Fairness Commission**

Liverpool's Fairness Commission was Chaired by Claire Dove MBE DL, Chief Executive of Blackburne House, Women's Technology and Education Centre. They published their report in May this year:

[http://liverpoolfairnesscommission.com/downloads/Fairness\\_Report.pdf](http://liverpoolfairnesscommission.com/downloads/Fairness_Report.pdf)

### **Newcastle Fairness Commission**

Newcastle launched their Commission in the summer of 2011 and published their report in July 2012. The Commission was Chaired by Professor Chris Brink of Newcastle University.

<http://www.ncl.ac.uk/socialrenewal/fairnesscommission/documents/fairnessreport.pdf>

### **York Fairness Commission**

The York Fairness Commission was sponsored by the Archbishop of York, Dr John Sentamu, and Chaired by Ruth Redfearn. They published their report in September 2012.

<http://www.yorkfairnesscommission.org.uk/report-download.html>

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