Appendix 2 - EqIA – Approval of GLA funding bids programme

1. Management of the EqIA

This equalities impact assessment is being prepared for the February 2019 Cabinet to approve the Council entering into Agreements with the GLA’s Building Council Homes for Londoners’ programme.

2. Identification of policy aims, objectives and purpose

The Affordable Homes for Newham Programme (AfHN) will build, acquire and secure homes of a range of tenures as set out in the Housing Delivery Statement.

To support the build element of the programme the Council submitted a successful bid to the GLA comprising of a range of Council owned sites across the Borough, which will enable the start of over 1,000 new homes at London Affordable Rents or below by 2022.

The Affordable Homes for Newham Programme will continue to develop to make the best use of Council and external resources and government policy. It will use multiple routes to delivery including:

- The Council’s Housing Revenue Account
- Red Door Ventures
- With a Registered Provider
- Within the General fund

3. Scope / focus of the EqIA

To assess the potential impact on Newham’s residents of entering into agreement with the GLA for the provision of Affordable Homes and how it will help to deliver against the priorities set out in Housing Delivery Statement (2018).

<table>
<thead>
<tr>
<th>Protected Characteristic</th>
<th>Assessment of relevance High, Medium, Low</th>
<th>If Low you must provide evidence.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Medium</td>
<td>Younger people of working age are more likely to be</td>
</tr>
<tr>
<td>Category</td>
<td>Severe程度</td>
<td>Description</td>
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<tr>
<td>----------</td>
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</tr>
<tr>
<td>Disability</td>
<td>Medium</td>
<td>Londoners with a health condition or disability that limits their day-to-day activities are much less likely to be in work.</td>
</tr>
<tr>
<td>Transgender</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td>Pregnancy and maternity</td>
<td>Medium</td>
<td>The existing housing in Newham is not always fit for purpose and modern purpose build family homes are much needed.</td>
</tr>
<tr>
<td>Race</td>
<td>Medium</td>
<td>The highest poverty rates were found amongst Asian Bangladeshi and Asian Pakistani households who had poverty rates of 61% and 59% respectively.</td>
</tr>
<tr>
<td>Religion / belief</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td>Sexual orientation</td>
<td>Low</td>
<td></td>
</tr>
<tr>
<td>Sex</td>
<td>Medium</td>
<td>Single parents are more likely to be female and require family homes and long term tenancies for stability for themselves and their families.</td>
</tr>
<tr>
<td>Class or socio-economic disadvantage</td>
<td>High</td>
<td>Market rents for new build will be higher than those of much of the existing Newham housing stock. Market rents will attract people on higher incomes. This programme will be providing affordable homes at London Affordable Rent levels which are lower than previous affordable rent levels.</td>
</tr>
</tbody>
</table>

4. Relevant data, research and consultation

**Race**

In 2015, the lowest poverty rates after housing costs were recorded amongst White British households, of whom 34% were in poverty. The highest poverty rates were found amongst Asian and Black households who had poverty rates of 56% and 55% respectively.¹

**Pregnancy and Maternity and Sex**

Even before they have children, women earn about 10 per cent less than men. But that gap then increases rapidly for many women after they have children. Twenty years after the birth of their first child, a woman’s hourly wage will on average be a third lower than the hourly wage of a man with a similar level of education.²

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¹ Newham Household Panel Survey 2015
61 per cent of single mothers do not work, while 20 per cent work part-time and 19 per cent work full-time (compared to 32 per cent, 12 per cent and 56 per cent for single women without children)

Working mothers, with at least one pre-school child, who pay for care spend an average 13 per cent of their net income on childcare, while those with only school children spend an average of 7 per cent during the term and 14 per cent during the holidays. For some groups this proportion is much higher: single mothers with pre-school children who are working full-time and paying for care spend almost a quarter of their net income on childcare\(^3\).

**Employment Rates for Women**

![Employment Rates for Women](image)

Source: Institute of Fiscal Studies 2002

In 2017, the additional basic cost of a child, from birth to age 18, was £75,436 for a couple family and £102,627 for a lone-parent family. If housing and childcare costs are added these rise to £155,142 and £187,120 respectively. A couple with two children, both parents working full time on the minimum wage, only has 87 per cent of the income required to meet the family’s minimum needs.

Lone parents face a higher risk of poverty due to a lack of an additional earner, low rates of maintenance payments, gender inequality in employment and pay, and childcare costs. Children living in lone-parent families have a material deprivation rate (at 40 per cent) more than three times that of children living in two-parent families (13 per cent).\(^4\)

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\(^3\) Institute of Fiscal Studies - Can mothers afford to work? March 2002 - [https://www.ifs.org.uk/publications/10](https://www.ifs.org.uk/publications/10)

Age

Younger, lower-income and disabled Londoners, as well as recent migrants to London, are more likely to be renting.\textsuperscript{5}

The divide between young homeowners and renters is growing over time, as those who have managed to buy a home are benefiting from historically low mortgage interest rates.

This has kept the proportion of their monthly income spent on housing each month down. When they reached their late 20s, homeowners born in the early 1980s spent 15\% of their income on mortgage interest payments, compared with the 28\% spent by renters of the same age.

This is tilting the playing field further against those who are unable to buy, in a way that was not true for previous generations.\textsuperscript{6}

Accounting for inflation, house prices have risen by almost 160\% since the mid-1990s while young people's incomes have grown by only 23\%. This means that fewer and fewer can afford to get on the housing ladder.

This gulf can essentially explain all of the fall in the home ownership rate over the past 20 years, analysis by the Institute for Fiscal Studies suggests.\textsuperscript{6}

Class or socio-economic disadvantage

Pay and wages in Newham have fallen in real terms, and median pay is three-quarters of the national average. The median gross weekly pay of employees in Newham is £323.08, substantially below the national average of £417.90.\textsuperscript{7}

Social class: assessing households along the National Statistics Socio-economic Classification (NS-SEC), most households in London (52 per cent) are in the top two social classes, referring to managerial, administrative and professional occupations. This has increased in recent years and is higher than the national proportion of 46 per cent. 27 per cent of London’s households are in the bottom three social classes or are long-term workless, and 22 per cent are in intermediate occupations or are self-employed.\textsuperscript{8}

In contrast Newham is the 6th most deprived area in England and Wales and the 3rd most deprived in London.\textsuperscript{9}

\textsuperscript{6} Institute for Fiscal Studies, How housing has divided the young 15 Aug 2018 - https://www.ifs.org.uk/publications/13268
\textsuperscript{7} National median pay is taken from the ONS Annual Survey of Hours and Earnings (latest data for 2014): http://www.ons.gov.uk/ons/rel/ash/annual-survey-of-hours-andearnings/index.html
\textsuperscript{8} ONS Annual Population Survey Jan-Dec 2016
\textsuperscript{9} The English Indices of Deprivation 2007 HMSO 2008
According to the Office for National Statistics 2001 Census:

- Newham has the joint lowest proportion of its population (with Barking and Dagenham) in higher managerial occupations, and has the second highest proportion of its population in semi-routine occupations.
- The proportion of households in Newham that are made up of lone parents with dependent children is the highest in England and Wales.
- Newham is ranked highest in England and Wales for households with dependent children with no person in employment.
- Newham has the third highest proportion of population aged 16-74 with no qualifications in London.
- Of the total population who are unemployed and seeking work, Newham has the highest proportion (21%) who have never worked.
- 68% of Newham residents describe their health as “good” this is the third lowest proportion in London.
- 17.3% of Newham residents who responded to the Census question said they had a “limiting long-term illness” – a proxy for poor health and disability – this was the fifth highest in London.

Between 2001 and 2011 owner occupation has declined -8.6% and private rent has increased by 15.4% in Newham.

Private renters are particularly badly affected by high housing costs – both absolute and relative to their incomes – compared to other tenures. For example, whereas the median net equivalised household income after housing costs is 88% of median income before housing costs for both owner-occupiers and social renters, this falls to 73% among private renters.

Lower-income households are more likely to rent, with households in the poorest 20 per cent of households the most likely to be in social rent housing. Those in the top 20 per cent are the most likely to be owner-occupiers.

Recent arrivals to London are much more likely to be renting privately, with 79 per cent of people who moved to London in the last year living in private rented accommodation, versus 24 per cent of people who have lived in London for longer than a year.

Disability

Londoners with a health condition or disability that limits their day-to-day activities are much less likely to be in work. 52 per cent of disabled Londoners are in employment, versus 78 per cent among people who are not disabled, a 26-percentage point gap.

10 LBN How Newham is Working to advance equality and promote community cohesion through its core business
11 GLA (2017) Housing in London
There is a similar pay gap between disabled and non-disabled people. At a UK level, in 2015/16 disabled people earned £9.85 compared to £11.41 for non-disabled people.\(^\text{13}\)

Consultation

There has been no public consultation at this stage as the purpose of the cabinet report is a review of an earlier funding decision and delegated decision.

The delivery programme will develop on a site by site basis and the financial viability assessment will be at a site level. Public consultation will be agreed on a site by site basis as part of the planning process.

### 4. Assessment of Impact and outcomes

<table>
<thead>
<tr>
<th>Protected characteristics</th>
<th>Issues taken from evidence</th>
<th>Judgement (positive / negative)</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>All groups</td>
<td>The Affordable Homes for Newham programme is proposing to provide 50% affordable homes. This will help all groups in the borough, not just working households as supply of affordable homes will increase.</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>Evidence suggests Younger people on lower incomes are more likely to be renters. The increase of the number of affordable homes will be advantageous to lower income renters.</td>
<td>Positive</td>
<td></td>
</tr>
<tr>
<td>Disabled</td>
<td>There is evidence that disabled people have lower levels of income. Properties will be designed and developed in line with Planning Policy, the Local Plan and Building regulations for accessible and adaptable dwellings. Provision of wheelchair user dwellings will be directed towards local need in terms of size, tenure and demand for user adapted homes will be determined through early engagement with relevant LBN service areas.</td>
<td>Positive</td>
<td></td>
</tr>
</tbody>
</table>

\(^{13}\) EHRC (2017) Being disabled in Britain: a journey less equal
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newham</td>
<td>Newham has special mechanisms to allocate social rented accommodation to disabled households. We have an accessible housing register (AHR) where we seek to optimise the use of our HRA stock in matching of properties to disabled people.</td>
<td></td>
</tr>
<tr>
<td>Pregnancy and maternity</td>
<td>Evidence suggests that some mothers and parents have at least an additional £75,000 cost for the basis cost of a child which rises to £187,000 when housing and childcare costs are included for a single parent. The increase of the number of affordable homes will be advantageous to lower income renters will be advantageous to renters whose incomes are stretched. In addition longer term tenancies are planned which will provide more stability for families</td>
<td>Positive</td>
</tr>
<tr>
<td>Sex</td>
<td>Evidence suggests women earn less then man partly down to the gender pay gap but also due to a part time working. Single parents are also more likely to be women with the additional cost of raising a child(ren). The increase of the number of affordable homes will be advantageous to lower income renters will be advantageous to renters whose incomes are stretched. In addition longer term tenancies are planned which will provide more stability for families</td>
<td>Positive</td>
</tr>
<tr>
<td>Race</td>
<td>There is evidence that some ethnic minorities have lower levels of income. As this Cabinet paper proposes to increase the number of affordable properties this should have a positive effect on lower income households</td>
<td>Positive</td>
</tr>
<tr>
<td>Socio economic low income</td>
<td>Market rents for new build will be higher than those of much of the existing Newham housing stock. Market rents will attract people on higher incomes. This programme will provide 50%</td>
<td>Positive</td>
</tr>
</tbody>
</table>
### Equality Impact Assessment Action Plan for Affordable Homes for Newham Programme

<table>
<thead>
<tr>
<th>Issues identified and groups affected</th>
<th>Actions to be taken</th>
<th>Timescales of actions</th>
<th>Who is responsible for delivery</th>
<th>Intended outcomes</th>
<th>Performance measures</th>
<th>Reference to service or other plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>Early engagement and Consultation at planning stage</td>
<td>At each planning stage</td>
<td>AHfN team</td>
<td>Consultation feedback</td>
<td>Consultation feedback</td>
<td></td>
</tr>
</tbody>
</table>

6. **Formal agreement**
   a. *Divisional Director*
   b. *Head of Strategy & Partnerships*

7. **Publication of results**
   a. *Date EqIA published on Council website (full or summary version)*

8. **Monitoring and review**
   Set dates and mechanism for monitoring and reviewing