Poverty

Southwark's Joint Strategic Needs Assessment Factsheet

Southwark Public Health Division

March 2025

Southwark Council

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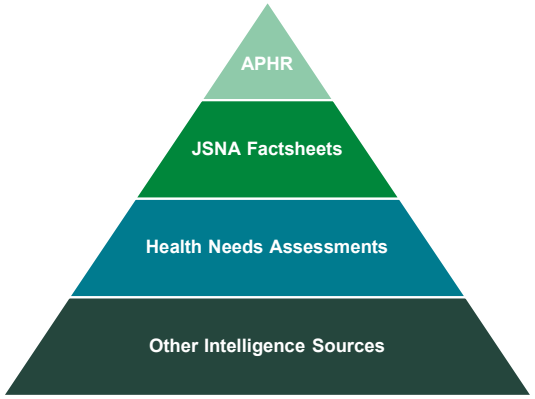
JSNA Factsheets form part of Southwark's Joint Strategic Needs Assessment process

The Joint Strategic Needs Assessment (JSNA) is the ongoing process through which we seek to identify the current and future health and wellbeing needs of our local population.

- The purpose of the JSNA is to inform and underpin the Joint Health and Wellbeing Strategy and other local plans that seek to improve the health of our residents.
- The JSNA is built from a range of resources that contribute to our understanding of need. In Southwark we have structured these resources around 4 tiers:



Tier I: The Annual Public Health Report provides an overview of health and wellbeing in the borough.

Tier II: JSNA Factsheets provide a short overview of health issues in the borough.

Tier III: Health Needs Assessments provide an in-depth review of specific issues.

Tier IV: Other sources of intelligence include Local Health Profiles and national Outcome Frameworks.

- This document forms part of those resources.
- All our resources are available via the following link: www.southwark.gov.uk/JSNA

This Joint Strategic Needs Assessment Factsheet aims to evaluate the levels and impact of poverty in Southwark

This Joint Strategic Needs Assessment Factsheet aims to evaluate the levels of poverty in Southwark, understand the effects, and identify the populations and areas that are most at risk.

- Taking action to reduce poverty is a key area of the Southwark 2030 strategy. Building a strong and fair economy requires supporting people in Southwark out of poverty and low pay.
- Poverty is a key driver of ill-health, resulting in substantial health inequalities. By tackling poverty we will ensure that more residents are able to stay well, another goal of Southwark 2030.
- Reducing inequality requires significant efforts to reduce levels of poverty in Southwark.

There are a range of measures used when discussing poverty, however accurately measuring it can be challenging

Defining poverty

There are a range of approaches to defining poverty. The Joseph Roundtree Foundation defines poverty as 'When a person's resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).' This is dynamic and multi-dimensional with minimum needs reflecting what is socially acceptable in a society. Factors that decrease income, or increase expenditure can drive people into poverty, with severe life impacts.

Directly measuring poverty is challenging

We often use income, relative expenditure, or economic status as proxy measures of poverty. The most widely accepted definitions are:

*Absolute poverty

Households with income below 60% of median income in a base year, usually 2010/11. This measurement is adjusted for inflation.

*Relative poverty

Households with income below 60% of the median in that year.

*Severe or deep poverty

Households with an income below 50% of median income.

Material deprivation

This relates to people's ability to afford a range of items – such as a winter coat for a child or activities such as taking children to a regular leisure activity.

Destitution

This is the most severe form of material hardship where people are not able to meet their most basic physical needs to stay warm, dry, clean and fed.

Persistent poverty

Households that have been below the poverty threshold in at least three of the last 4 years.

Given that poverty can cause people to be marginalised from society, measuring its effects can be challenging with many datasets likely to underestimate the scale of the impact. There are a number of recognised limitations for example:

- There is a near absence of data on those who have no recourse to public funds.
- Defining housing costs and other "unavoidable costs" such as the costs of disability as well as the impact of debt can be challenging.

[1,2,3,4,5,6,7]

*These measures are assessed before and after housing costs as these are often people's highest outgoing.

Strong evidence links poverty to ill health. Action on poverty, and socio-economic conditions are vital to improve health

Socio-economic factors strongly drive health differences. This can be seen in three ways:

- **The Health Gap**: There are large, significant inequalities in health between people living in the most and least affluent areas of England. For example, children born in Blackpool can expect to live 76.5 years, while those in Kensington can expect to live 86.5 years.
- **The Health Gradient**: There are gradual differences in health across the country as measured by socio-economic measures. As an area's affluence progressively decreases, mortality rates progressively increase (figure 1).
- **Marginalised groups**: Marginalised groups have significantly poorer health compared to the national average. For example, Romany and Traveller people have a life expectancy that is 10 to 25 years lower than the general population.

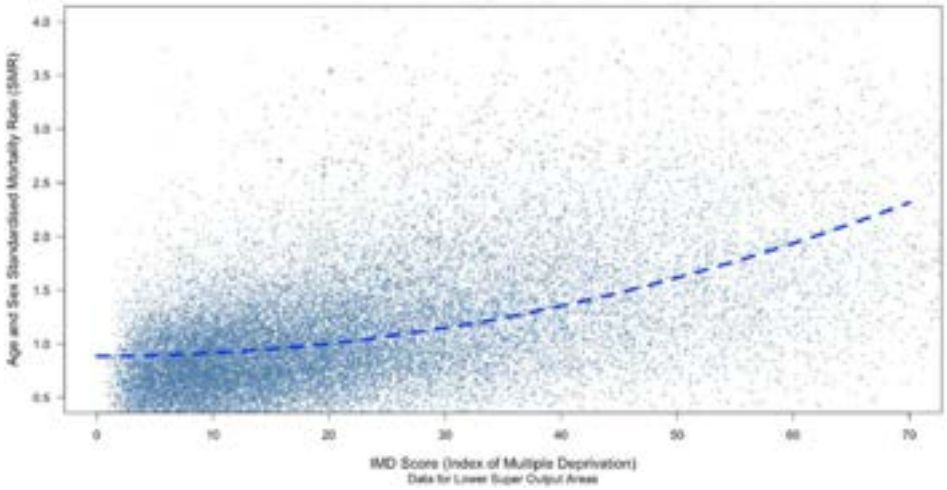


Figure 1. Age and Standardised Mortality Rate of each Lower Super Output Area in England, 2021.

Action to improve health and reduce health inequalities requires consideration of the wider determinants of health.

- **The National Health Inequalities Strategy** (1999-2010) in England was the first example of an international attempt by a government to reduce health inequalities. This strategy aimed to improve health by targeting the socio-economic determinants of health. It succeeded by reducing inequalities in life expectancy and child mortality between socio-economic groups while improving health outcomes in every area of England.
- **Changes** in levels of socio-economic inequality closely mirror resultant health inequalities.
- **A review** of international examples where health inequalities have been reduced identified aggressive targeting of health's social determinants as a necessary factor to achieve this.

[8,9,10,11,12,13]

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Southwark Council

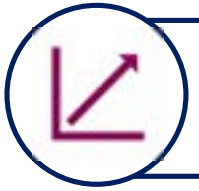
Section 1: Executive Summary

Southwark Council

Poverty is a significant issue in Southwark, with serious consequences for health and wellbeing

Southwark ranks 43rd (out of 326) most socio-economically disadvantaged Local Authority in the country. Of Southwark postcodes, 26.5% have deprivation scores in the country's top 20%.

Almost 8,900 households were reported to be in relative poverty by most recent analysis. The same analysis reported that over 4,900 households did not have enough money to eat and drink sufficiency, wash, and heat their homes.



High levels of poverty are driven by inequalities. In 2023/24 there was a £37,000 difference in household income between Southwark residents in the most and least affluent areas.

Poverty impacts the lives of Southwark's children significantly. Over 15,000 children are eligible for free school meals, 8,100 live in relative poverty, and 4,100 experience food, water or fuel poverty. These figures are likely to be underestimates.

Poverty is a key driver of poor health in the borough. People experiencing poverty die earlier, have more medical conditions, spend more time in poor health, are more likely to be obese, and more likely to live with severe mental illness.

Many residents experience poverty but it is heightened in pockets within certain neighbourhoods and communities

The wards most affected by poverty were predominantly found in the central belt of Southwark. Examples include Faraday, Old Kent Road, Peckham, Nunhead and Queens Road and North Walworth.

There were areas of poverty throughout all wards in Southwark, even in more affluent neighbourhoods. For example, Dulwich Wood ward has a concentrated area of high poverty around the Kingswood Estate.

People with children are significantly affected by poverty. The rate of child poverty is rising across the borough. Southwark has a rate of child poverty after housing costs that is the 9th highest in London.

Households with children, older residents, carers, refugees and asylum seekers and people with mental and physical ill-health are notably affected by poverty.

Although poverty rates are static, the depth of poverty is increasing particularly amongst vulnerable groups, heightening health inequalities.

Section 2: The Economy

a) Socioeconomic disadvantage
b) Income
c) Employment
d) Cost of Living

Southwark Council

Southwark has significant levels of socio-economic disadvantage with marked differences across the borough

The Index of Multiple Deprivation score measures deprivation by seven measures. The Low Income Family Tracker (LIFT) compiles information from the Department of Work and Pensions on those with low income.

Over half (55%) of postcodes in Southwark are in the **most disadvantaged 30% of neighbourhoods in England**. Only **6%** of postcodes are in the **least disadvantaged 30% of areas.**

The LIFT dataset reveals that almost **8,900 households experience relative poverty.**

Areas with the **highest deprivation** scores are most commonly found across the **centre of the borough**. These areas also experience the highest relative poverty:

- St George's (17.8%)
- Faraday (10.5%)
- Old Kent Road (9.9%)

There are also **pockets of disadvantage** throughout the borough. For example, the **Kingswood Estate** has a very high deprivation score despite being found in more affluent Dulwich Wood.

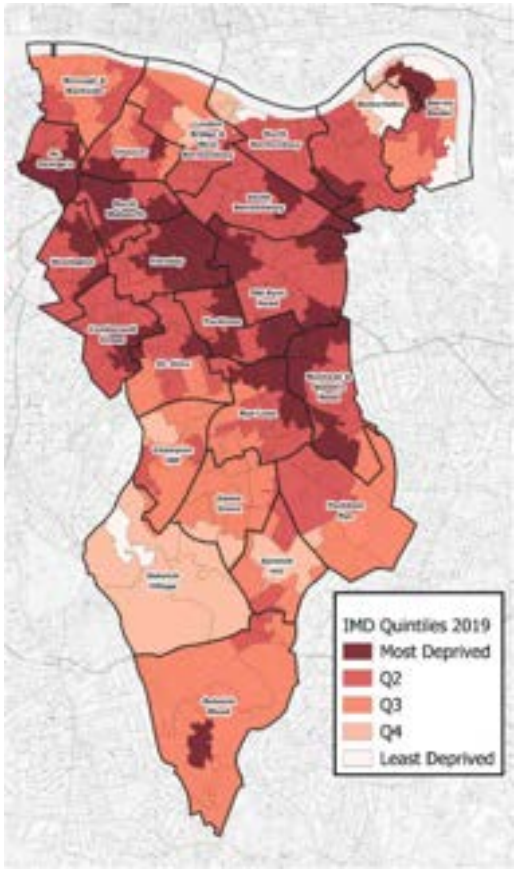


Figure 2. IMD score of lower super output areas in Southwark, 2019.

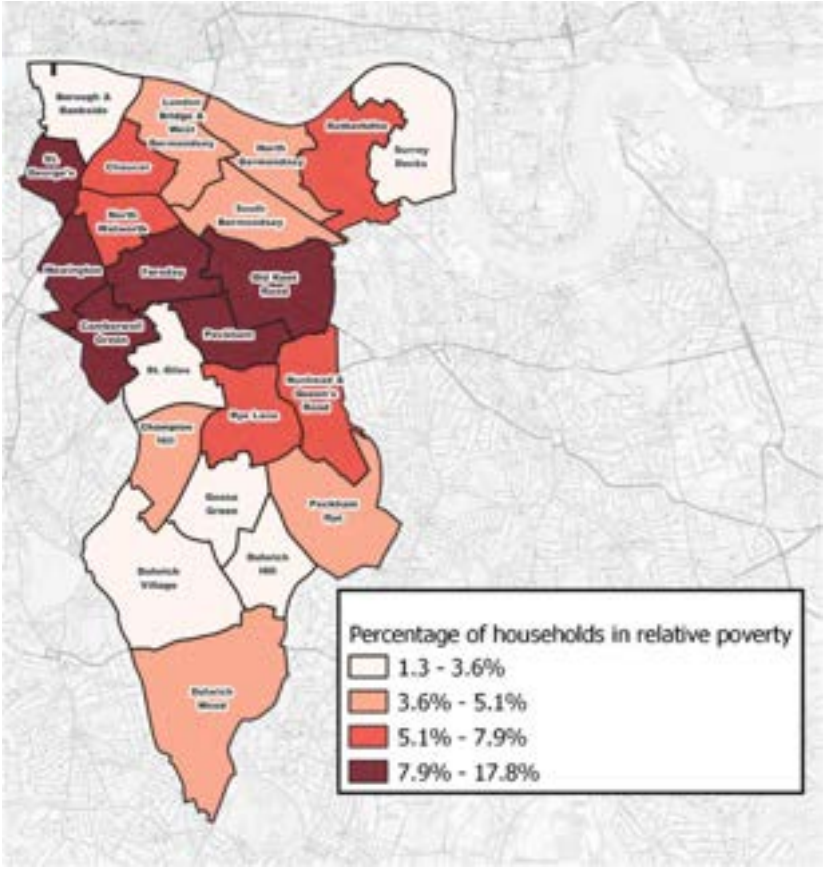


Figure 3. Prevalence of households in relative poverty, by Ward (2024)

Income: Overall earnings in Southwark are comparable to other areas of London and above the national average

London Living Wage

23,000 People in Southwark are not **paid the London Living wage**

8-9% This equates to a **similar** proportion of the population compared to the rest of London

Median Pay

£43,751 Median pay in Southwark is **comparable** to that of London, and **higher** than England.

Median pay has **gradually increased** over the last decade.

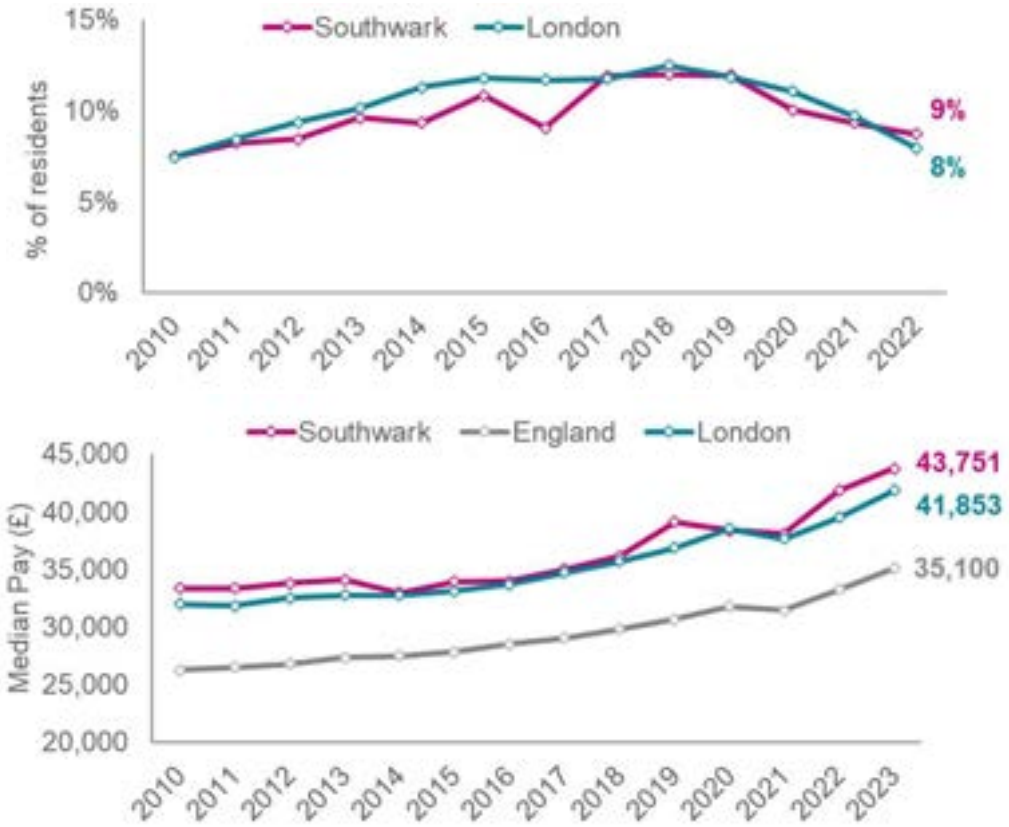


Figure 3 & 4: Percentage of Southwark residents not being paid the London Living Wage (top); and Median pay in Southwark, London and England (bottom)

[17,18]

Income: Data indicates many households in the borough struggle with low and in some cases negative disposable income

Negative Income

5,900

Households have **negative income,** meaning that they don't have enough money to pay for all of their outgoings.

Rates were highest in **Peckham** (10% of households), **Nunhead & Queen's Road** (7%) and **Chaucer** (7%).

Geographical Inequality

£37,000 difference in the mean income between Southwark's least and most affluent areas in 2023-24

The pay gap between geographical areas has increased from **£28,500** in **2023/24**.

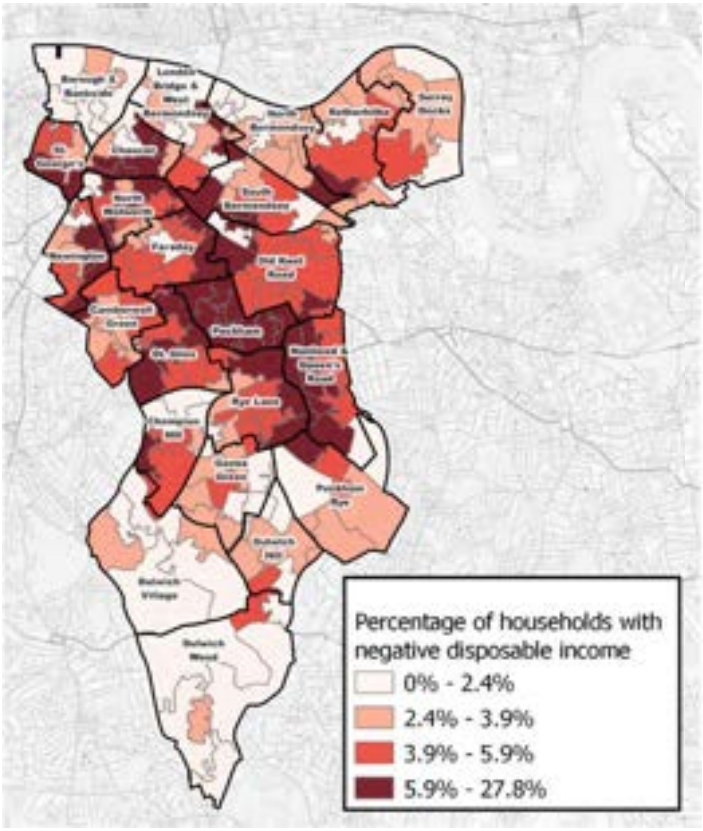


Figure 5. Prevalence of household negative income across Lower-Super-Output-Areas in Southwark (2024)

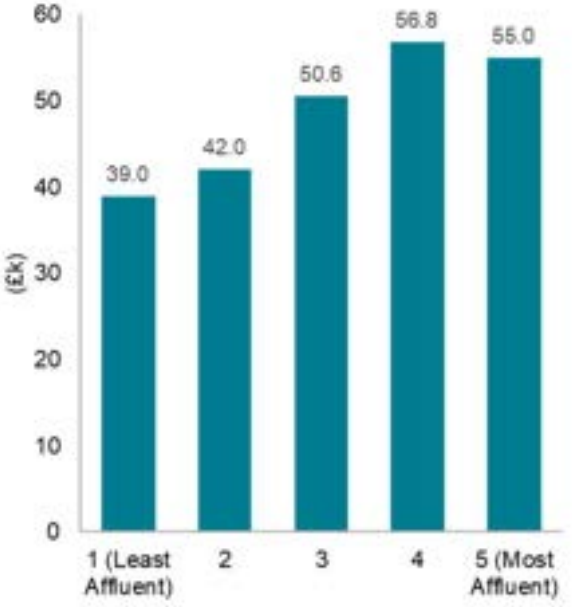


Figure 6. Mean postcode gross household income segmented by IMD (2024)

Income: Data highlights marked inequalities in both overall and disposable income

Substantial geographical inequalities in household income are seen before and after accounting for expenses.

- The wards with the lowest mean incomes per household were **Old Kent Road** (£46.8k), **Faraday** (£48.3k) and **Peckham** (£47.9k).
- After taxes and expenditures required to live (e.g. food, electricity, childcare, clothing) the wards with the lowest net incomes were **Chaucer** (£11.82k), **Faraday** (£11.91k) and **North Walworth and London bridge and West Bermondsey** (£11.93k).
- Despite **Dulwich Wood** being a relatively affluent area, there is a notable pocket of low income around the **Kingswood Estate**.

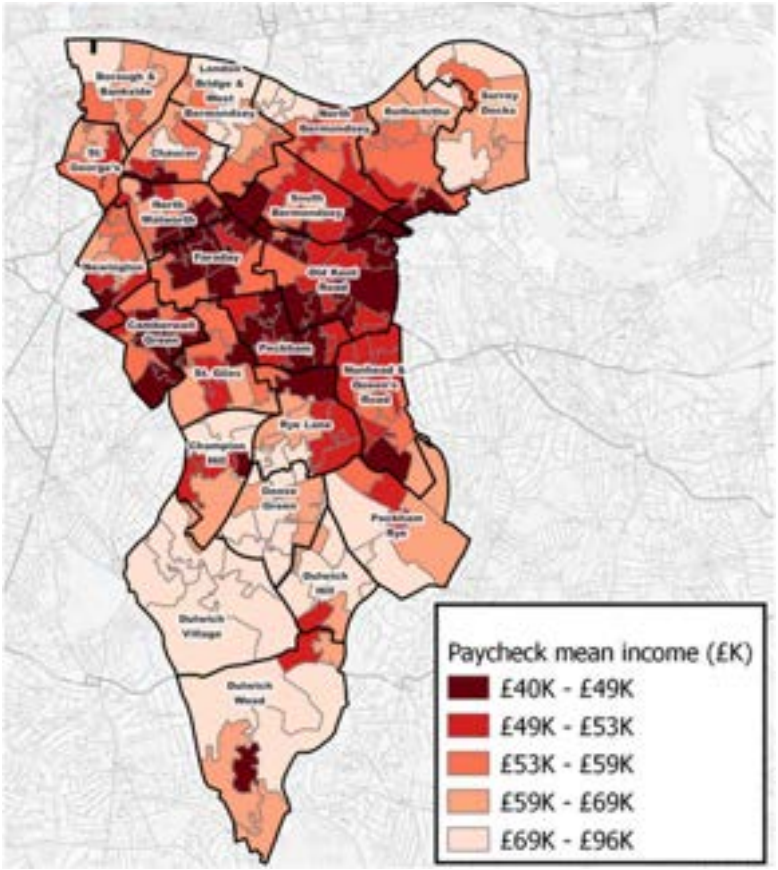


Figure 7. Paycheck mean income across Lower-Super-Output-Areas in Southwark (2024)

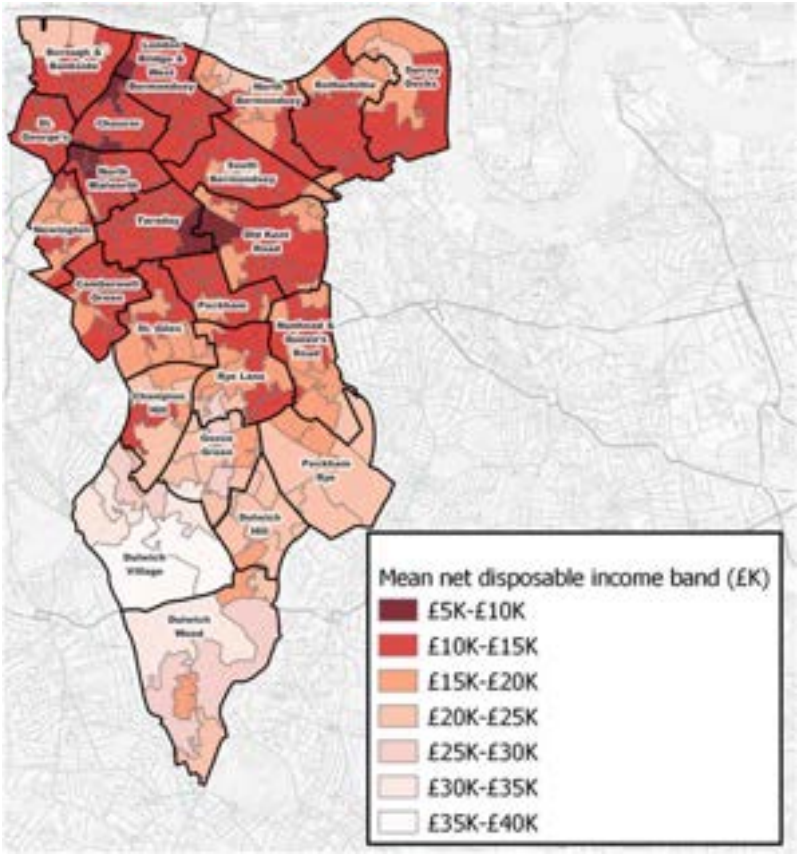


Figure 8. Mean net disposable income across Lower-Super-Output-Areas in Southwark (2024)

Employment: Compared to London and England, Southwark has a lower rate of economic inactivity but a higher rate of unemployment

Unemployment

Over the last decade, Southwark had a **consistently higher rate of unemployment** compared to London and England.

1.6x Increase in unemployment rate in the last year (2022-23 to 2023-24). Unemployment rates are now **higher** in **Southwark** than **London** (4.1%) and **England** (3.1%).

Economic Inactivity

The ONS defines economic inactivity as people who are not employed, have not sought work in the last four weeks, and who are unable to start work for the next two weeks. These people may be unable to find a job, not want a job, be retired, be carers, are students or be long term sick or disabled.

Over the last decade, there has been a consistently **lower rate** of **economic inactivity** in Southwark compared to London and England.

17.2% of Southwark 16–65-year-olds are economically inactive, compared to **21.6%** across **England**

Figure 9 and 10. Rates of economic inactivity (top); and unemployment in 16–65-year-olds (bottom)

Employment: Females and non-white residents are more likely to be economically inactive

Sex

1.7x greater rate of economic inactivity in **females** compared to **males**. This difference has been consistent over the last three years.

Ethnicity

2.5% higher economic inactivity in **non-white** UK nationals, compared to **white** UK nationals in 2023-24. This had **decreased** from **9.0%** in 2022-23.

Age

Economic inactivity was highest in those aged 16-24 (56.5%) and 50-64 (21.8%) compared to those aged 25-34 (9.5%) and 35-49 (6.1%) in 2023-24

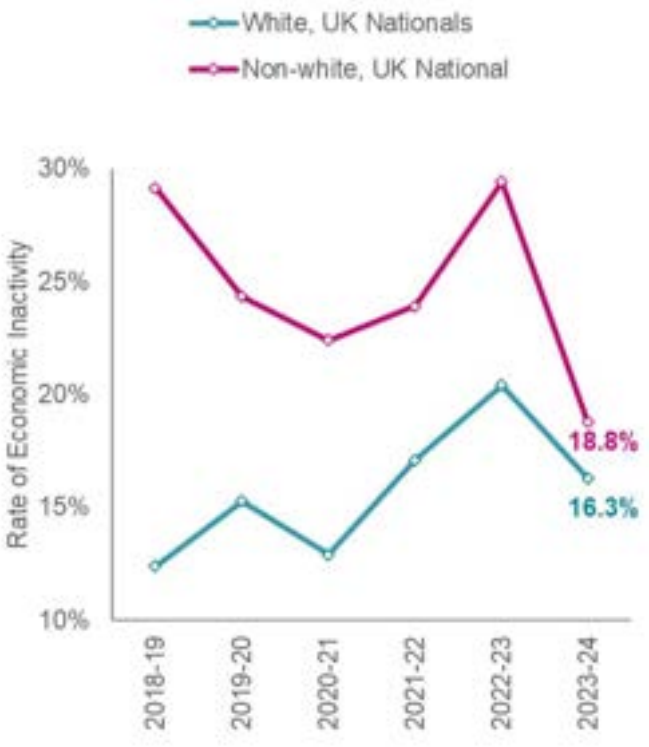


Figure 11. Rate of economic inactivity for Southwark UK nationals (2018/19-2023/24)

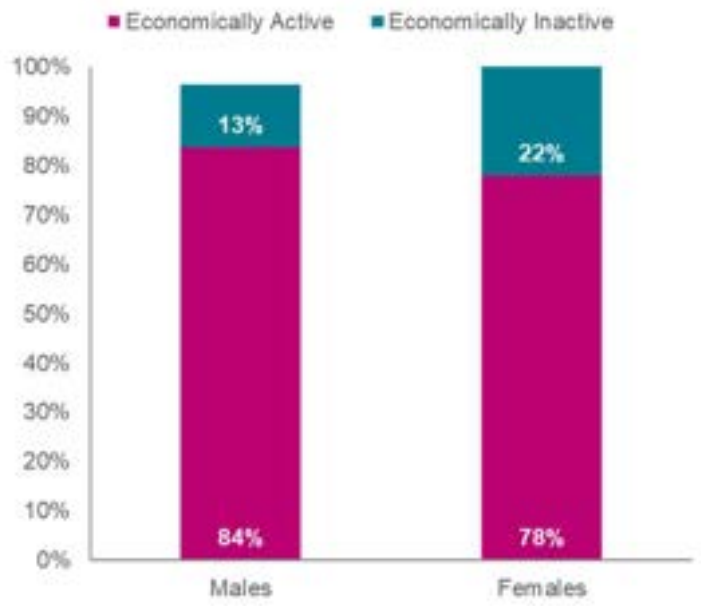


Figure 12. Employment status stratified by sex (2023/24)

Cost of Living: Inflation is a key factor that has fuelled the high levels of poverty in recent years

Inflation has improved in the last year, though are still noticeably higher than a decade before, and it continues to increase the cost of living for people in Southwark.

3.1%

While the current inflation rate is lower than the 2022 peak it has resulted in **large increases in costs of food and common household goods**

Despite improvement in inflation, prices have continued to increase in the last 12 months. The most relevant increases were in **housing**, **water and fuel** (3.6%), **health** (5.6%) and **communication** (4.1%).

Despite improving overall inflation, rates are still high compared to a **decade ago**: In 2014, overall inflation rate was **1.5%**.

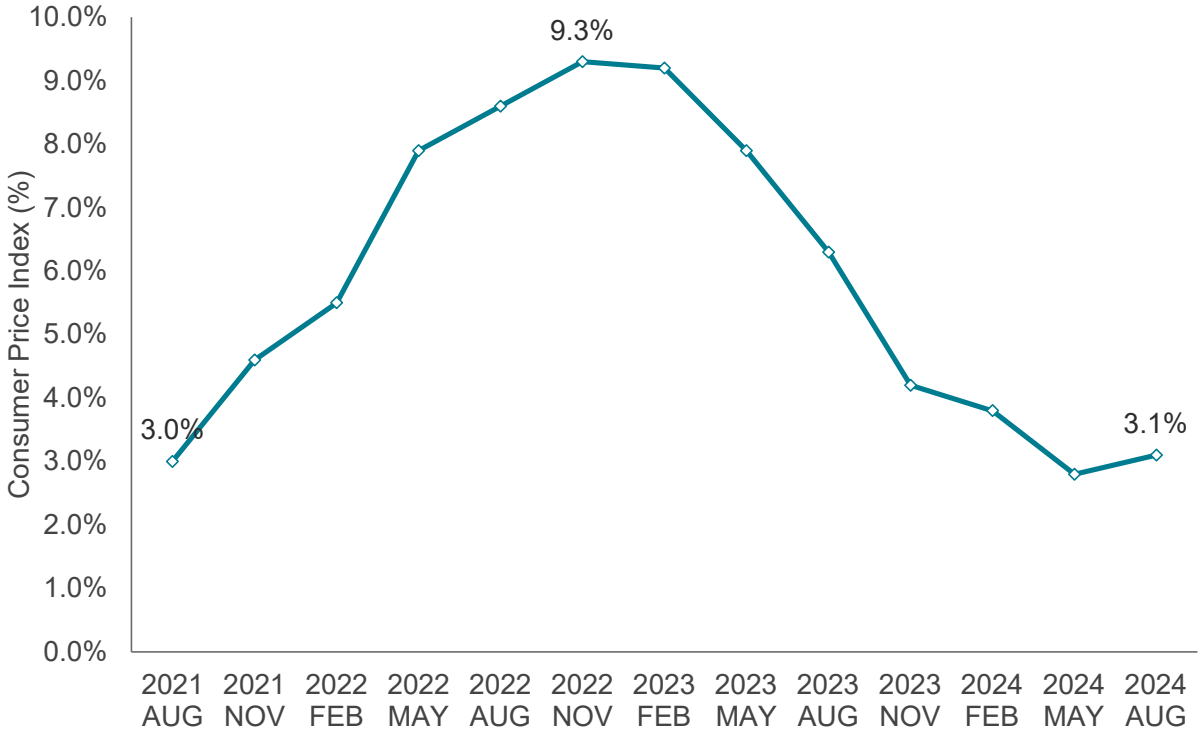


Figure 13. Consumer Prices Index including owner occupiers' housing costs rate

Cost of Living: Residents living in lower income households are more likely to be affected by food, childcare and clothing inflation

Food costs make up 12.5% of spending in lowest income households compared to 6.2% in the highest income households.

Relative spending is also higher for childcare (3.5% vs 0.9%) and Clothing costs (2.9% vs 2.5%).

Costs of food have increased by 15.1% and education by 7.8% between August 2022 and August 2024, significantly impacting residents on the lowest incomes.

	Most Affluent Postcodes	Least Affluent Postcodes
Mortgage	5.2%	0.7%
Private rent	16.3%	4.0%
Social rent	0.1%	15.4%
Council tax	2.6%	2.9%
Water bills	0.8%	1.1%
Gas, electricity, oil	1.2%	0.6%
Structure insurance	0.5%	0.0%
Food costs	6.2%	12.5%
Clothing costs	2.5%	2.9%
Childcare	0.9%	3.5%
Student loan	1.1%	0.2%
Pension	2.8%	2.9%
Travel to work	0.7%	1.5%

Table 1. Percentage of income spent by category in the 10% most and least affluent postcodes. 15-1 12-3 1.5

	Aug-23	Aug-24
Food	13.6%	1.3%
Alcohol and Tobacco	10.5%	5.7%
Clothing	7.0%	1.6%
Housing, water and fuel	5.7%	3.7%
Furniture and household	5.1%	-1.3%
Health	8.6%	5.6%
Transport	-0.7%	1.2%
Communication	8.1%	4.1%
Recreation and culture	6.0%	4.1%
Education	3.2%	4.5%
Restaurants and Hotels	8.3%	4.4%
Miscellaneous	5.3%	3.2%
CPIH (Overall index)	6.3%	3.1%

Table 2. 12 Month Inflation rate by expense category in August 2023 and August 2024.

[17,20]

Section 3: Impacts of Poverty

a) Health Impacts of Poverty
b) Social Impacts of Poverty

Southwark Council

Mortality is significantly higher in more disadvantaged neighbourhoods

- Age-and-sex standardised death rates are **significantly higher** in **more disadvantaged communities**.
- Life expectancy in Southwark is **significantly lower** in **more disadvantaged communities**.

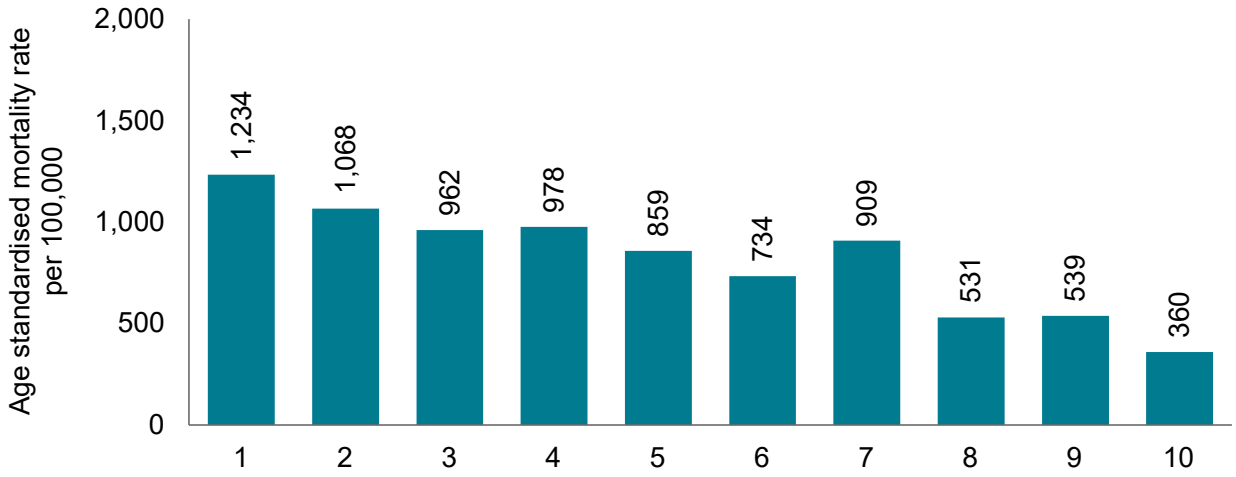


Figure 14. Age and Sex Standardised Mortality Rates of Southwark Residents by IMD decile (2021-23)

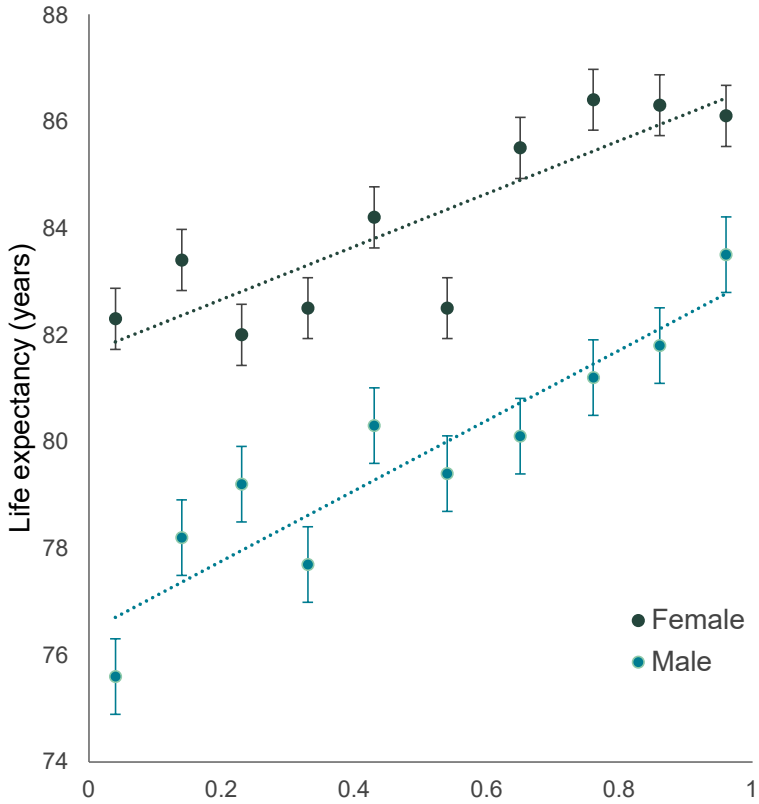


Figure 15. Life expectancy of Southwark residents at birth by IMD decile (1-10) with Confidence Intervals (2018-20)

[21,22,23]

The negative effect of poverty on health are seen throughout life. People in less affluent areas are more likely to have poorer self-rated health

The Impact of Urban Health survey asked respondents to assess their own health. Stark inequalities were seen between those living in the most and least disadvantaged areas of the borough.

Those living in more affluent areas were twice as likely to have very good self-rated health compared to those in the least affluent area.

No respondent surveyed in the most affluent areas reported very bad self-reported health compared to 8% of those in the most socioeconomically disadvantaged areas.

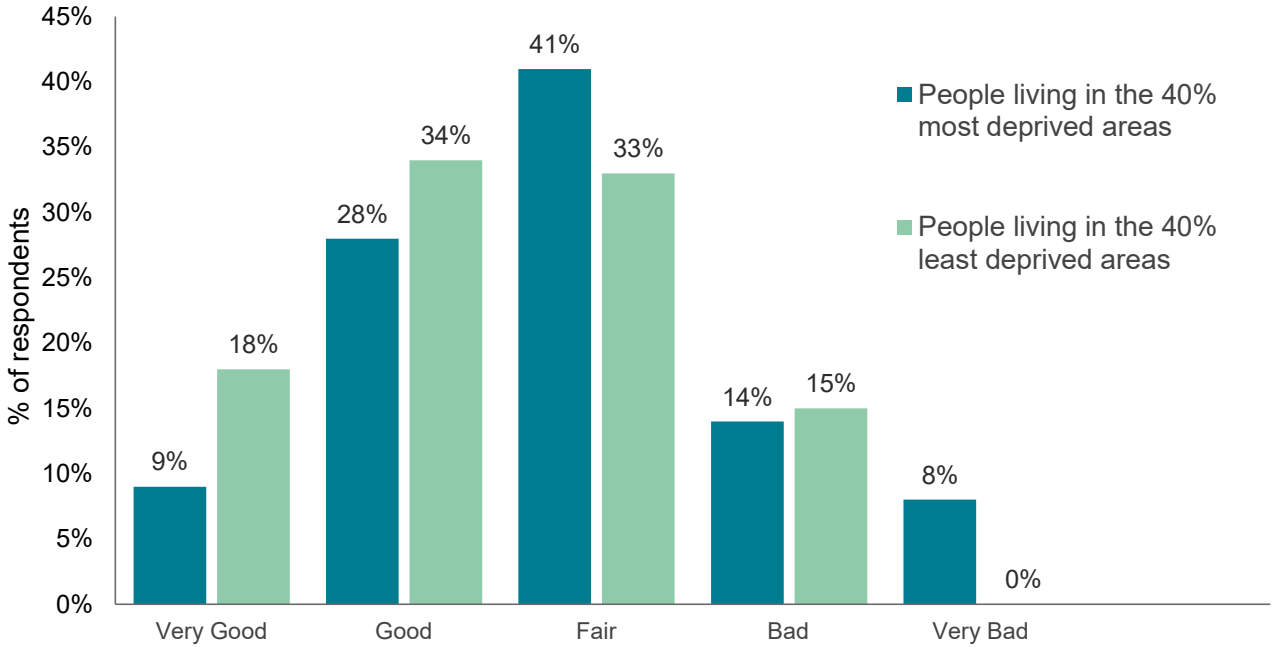


Figure 16. Answer to "How is your health in general?" in people above the age of 65 (2024)

People who live in areas of higher socioeconomic disadvantage have higher chance of having multiple medical conditions, at a younger age

Data from the South East London Integrated Care Board shows the rates of multiple long-term conditions across Southwark.

Those living in less affluent areas have a greater number of comorbidities and start developing medical conditions earlier in life.

This data shows the number of people living with at least two long-term medical conditions. The rate of this is strongly impacted by age. For example, the high rates in Dulwich Wood are likely due to greater numbers of older residents.

Despite having younger populations, the wards with the highest rates of comorbidly were found in the central belt of Southwark. These wards were commonly identified earlier as key areas where rates of poverty are high.

The three wards with the highest rates were Old Kent Road (77.3 people per 1,000), Camberwell Green (76.6), and Peckham (75.6).

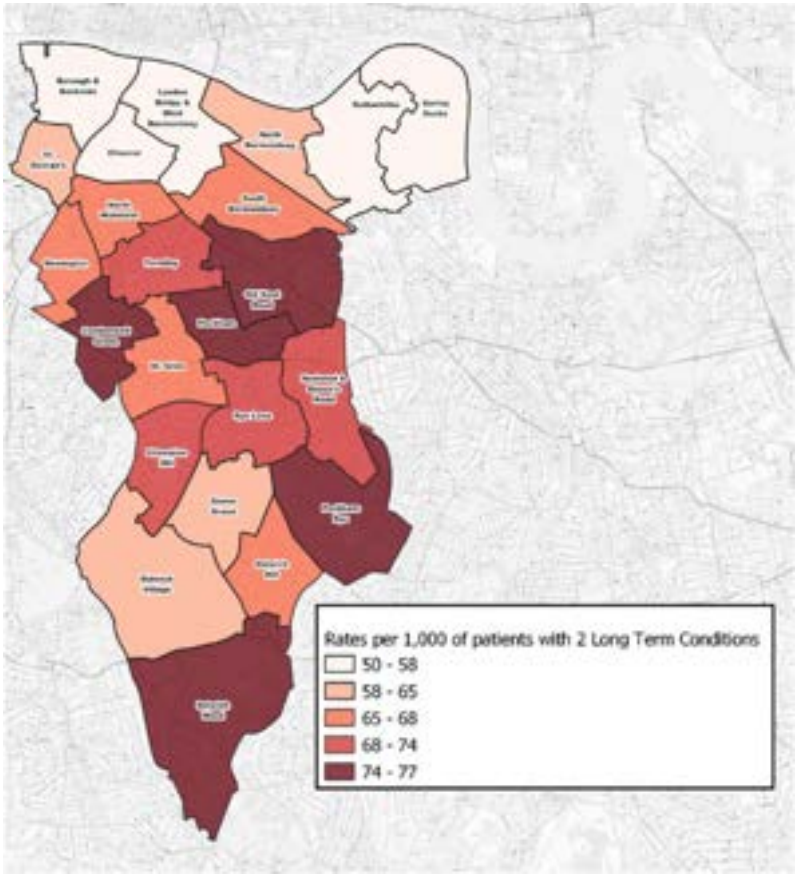


Figure 17. The number of people living with at least 2 long term medical conditions per 1000, by Ward.

Poverty is strongly associated with adult and child obesity, with the highest prevalence in the most disadvantaged communities

Adult obesity is highest in Old Kent Road (114 cases per 1,000 population), Peckham (109 cases per 1,000 population, and Camberwell Green (104 cases per 1,000 population).

The less disadvantaged areas of Dulwich Village (42 cases per 1,000), Surrey Docks (60 cases per 1,000 population), and Goose Green (61 cases per 1,000 population) had rates 1.9 to 2.7 times lower than Old Kent Road.

Obesity in children is markedly higher in the less affluent areas.

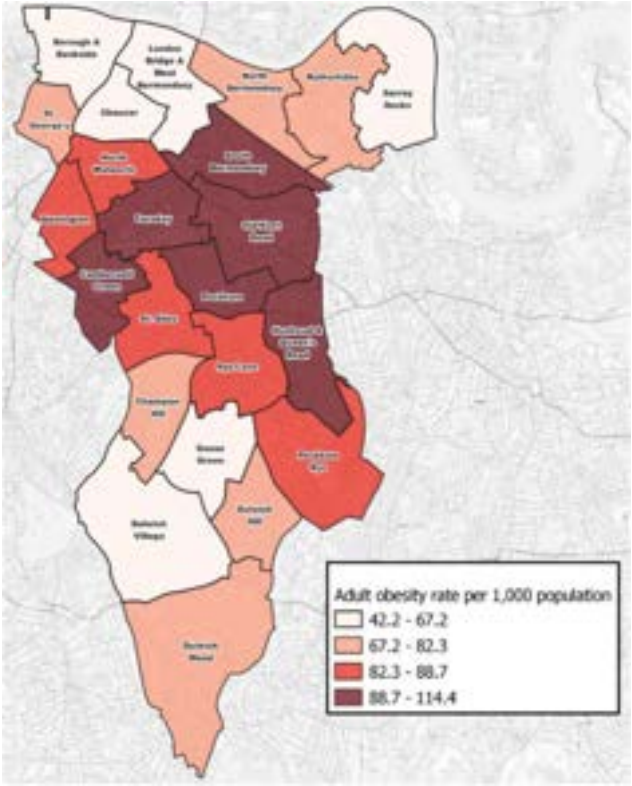


Figure 18. The adult obesity rate per 1,000 population in Southwark (2024), by ward

Figure 19. Prevalence of obesity amongst children in Year 6 between 2018/19 to 2022/23, by deprivation quintiles.

Housing costs are a key driver of poverty with many living in household deprivation or unable to afford secure housing

Census data reveals patterns in deprivation related to housing tenure

<1/3 of Southwark residents own their own homes with 2/5 living in social housing

89% of those affected by 4 deprivation areas (housing, employment, education and health) are social housing residents

28% of private rental tenants faced housing deprivation, this describes factors relating to the building (e.g. lack of heating) or occupancy (overcrowding).

This proportion increases across the central belt of the borough with 60% of private rental households in the Burgess Park area experiencing household deprivation.

Many Southwark residents experiencing poverty live in temporary accommodation or face homelessness

3,630 the number of households in temporary accommodation as of April 2024, with rates considerably higher compared to London and England.

3,078 homeless assessments were carried out in 2023/24 where a homeless duty was owed either for relief or prevention of loss of home

17% of these were due to rent arrears compared to 6% across London

549 people were rough sleeping in 2023/24, an increase in 26% compared to 2022/23

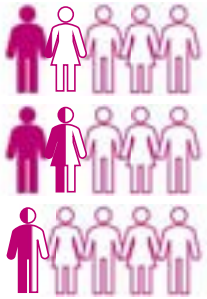
Figure 20. Numbers of households in temporary accommodation in Southwark, London and England per 1,000 households, 2024.

[27, 28, 29, 30]

Levels of relative poverty result in many people in financial crisis, and unable to afford food, water and heating

Across the borough, over 2,400 residents responded to questions prepared by Impact on Urban Health about their experiences of poverty in Southwark

In the last six months, due to not being able to afford or get access to food:



22% had experienced hunger

29% ate smaller meals than usual

16% went an entire day without eating

When asked how well they were managing financially:

25% reported difficulty

Further data from LIFT, identifies areas with high levels of food, water and fuel poverty and where there is high levels of financial crisis.

- **4,944 households do not have sufficient money for food, heating or water. This was highest in St George's (9.3%), Faraday (7.2%) and Old Kent Road (5.1%).**
- **1,158 household's financial resilience is in crisis. This was highest in St George's (2.0%), Faraday (1.2%) and Old Kent Road and Peckham (0.9%).**

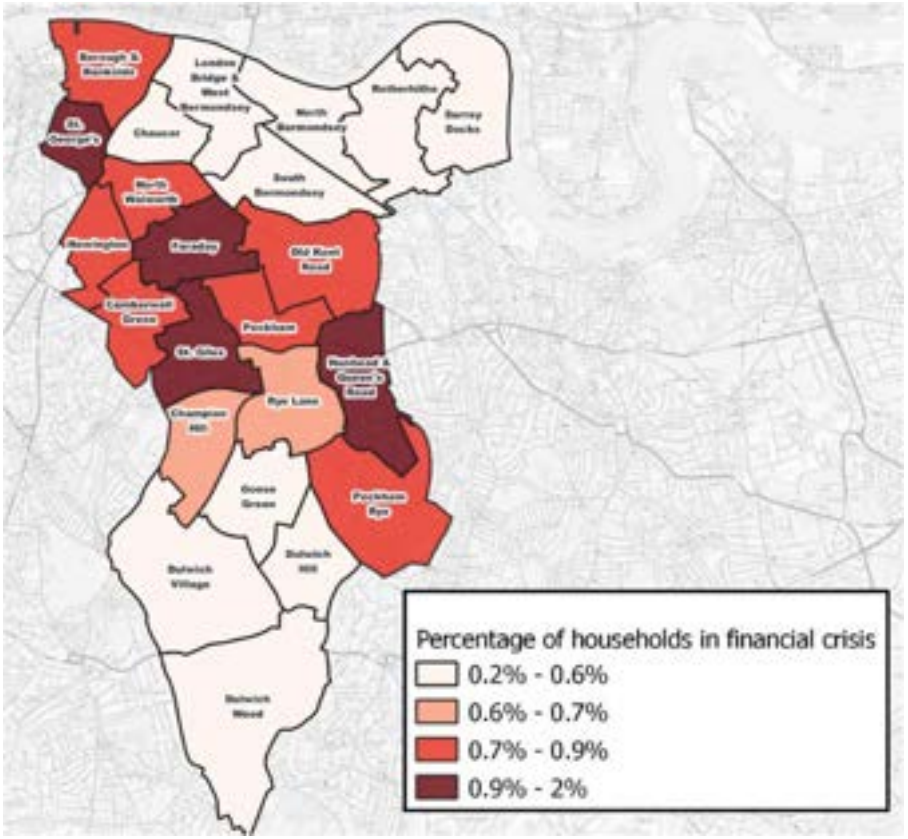


Figure 21. Prevalence of households in financial crisis, by Ward.

[15, 24]

There are high levels of food and fuel poverty amongst Southwark residents

- **Fuel poverty** refers to households which are unable to afford to heat their home to adequate temperatures.
- Over 9,200 households do not have enough money to afford fuel. The proportion of low income households in fuel poverty was highest in Faraday (54.7%), Chaucer (50.0%) and Old Kent Road (49.8%).
- **Food poverty** is the inability of individuals and households to secure an adequate and nutritious diet.
- Over 5,500 households don't have enough money to afford enough food. The proportion of low income households in food poverty was highest in Faraday (38.3%), St George's (32.3%) and Peckham Rye (29.3%).

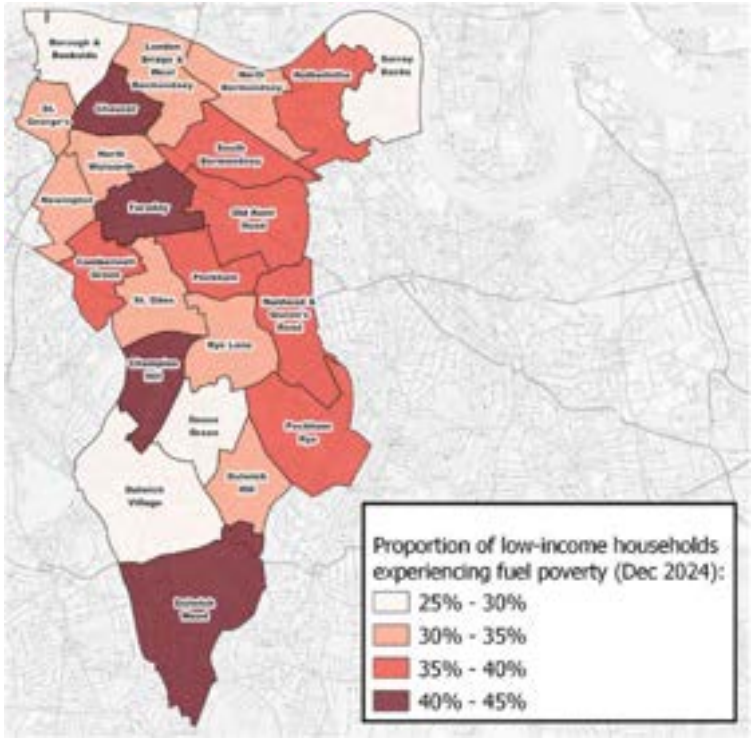


Figure 22. The proportion of low-income households experiencing fuel poverty (December 2024), by ward.

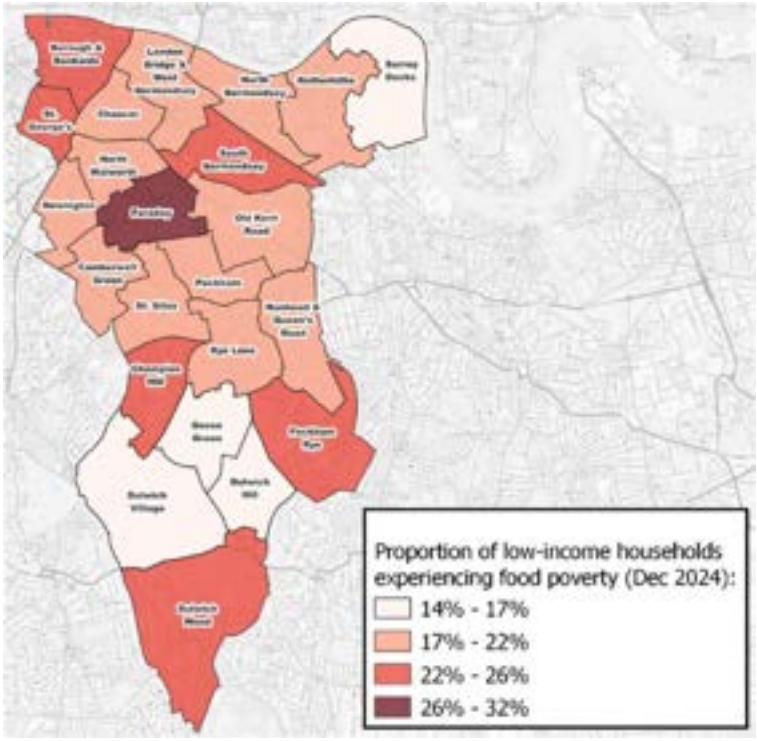


Figure 23. The proportion of low-income households experiencing food poverty (December 2024), by ward.

Further data from the Impact of Urban Health Survey identifies areas and populations most affected by food poverty

Over 2,400 residents were asked by the survey to describe whether in the last six months they had been hungry but not eaten because they couldn't afford or access food.

Area

Rates were highest in **Faraday** (38%), **Peckham** (33%) and **Borough and Bankside** (33%).

Age

Rates were **higher in young people**. Rates were highest in the **16-24** age group (32%), followed by **45-54** (23%), **25-34** (22%), and **35-44** (21%).

Ethnicity

Rates were highest in the **Gypsy or Irish Traveller** (57%), **Roma** (43%), **Arab** (28%) and **Pakistani** (26%) communities.

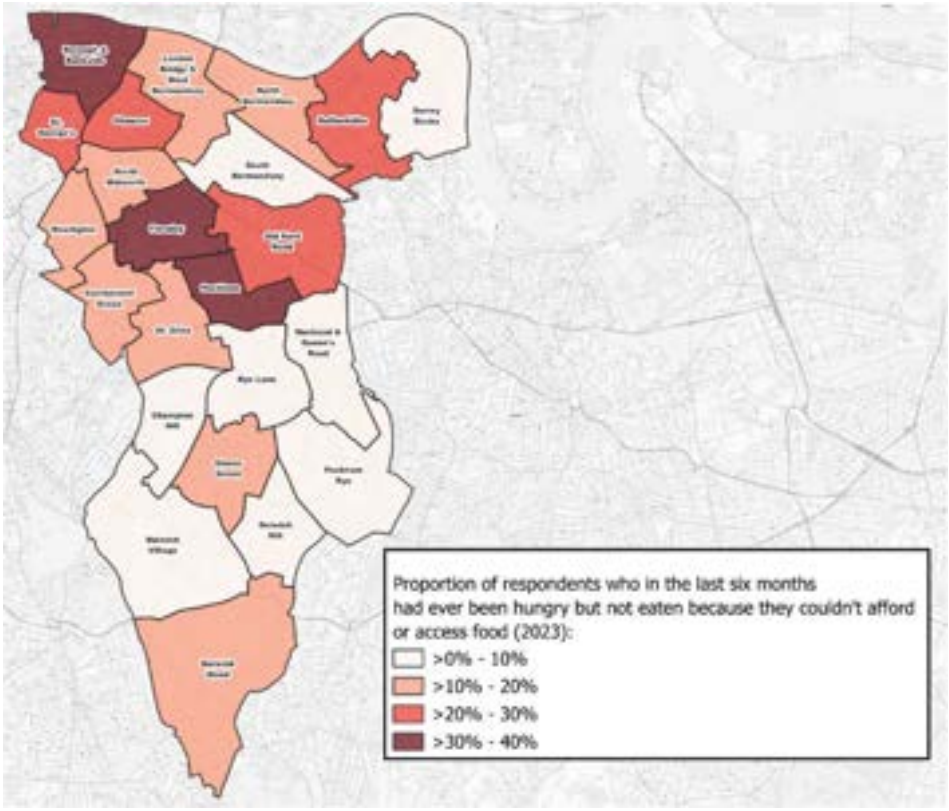


Figure 24. Percentage of residents reporting that they had not eaten due to affordability or access to food, by Ward (2023)

There are high levels of digital poverty across Southwark, with affordability being one the key driving factors

Digital poverty is defined as "the inability to interact with the online world fully, when, where and how an individual needs to".

The University of Manchester has created a Digital Exclusion Risk Index (DERI) bringing together a broad set of indicators to create a score between 0 (low risk of digital exclusion) and 10 (high risk of digital exclusion).

In Southwark, areas with the highest DERI scores are found across the central belt. Old Kent Road has the highest ward DERI score at 4.53 compared to 2.77 in Dulwich Village

IoUH data reveals a divide across income with 26% of those in the lowest income bracket rating their ability to use digital and online health services as "very good" compared to 56% of those in the highest income bracket

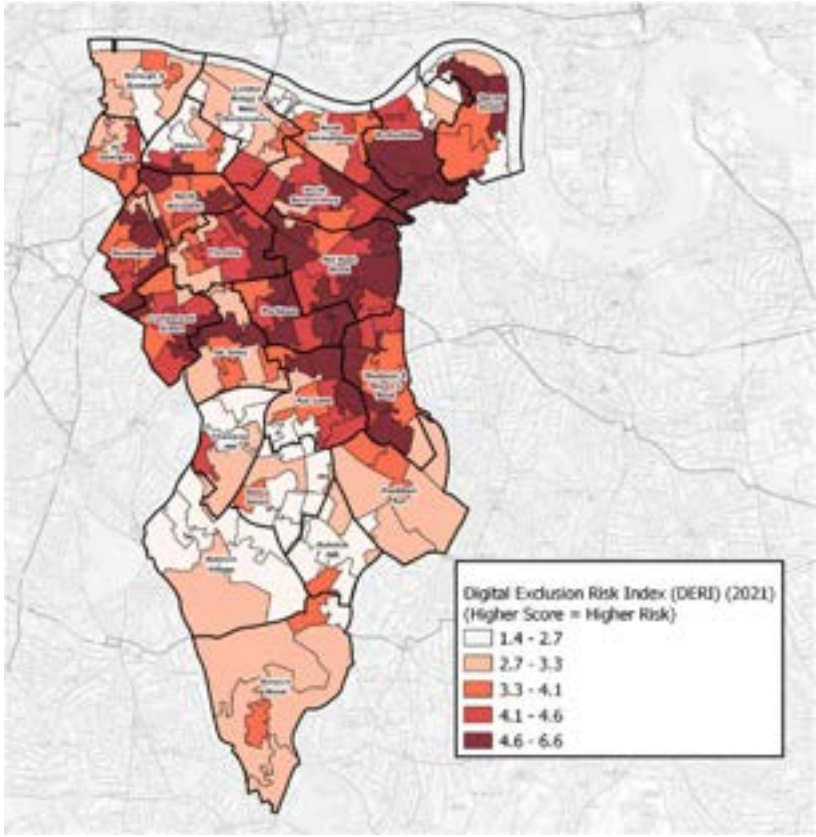


Figure 25. Map showing DERI scores across Southwark

[31, 32, 33]

Section 4: Impacted Populations & Communities

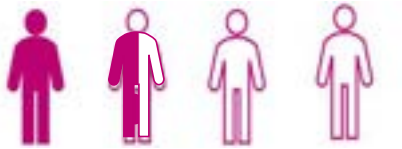
a) Children
b) Older people
c) Asylum seekers & refugees
d) People with disabilities and physical & mental ill health

Southwark Council

Child Poverty: More children in Southwark live in poverty compared to many areas in London

Levels of relative child poverty in Southwark are greater than many other boroughs in London

Rates differ between areas, however in all the five constituencies in Southwark, **over one quarter of children live in poverty** after housing costs. The highest rates are found in **Vauxhall and Camberwell Green** (37.3%), **Bermondsey and Old Southwark** (37.1%) and **Peckham** (35.6%)



After accounting for housing costs, 37% of Southwark's children live in poverty. This figure is the **9th highest in London**.

Child poverty levels are rising, the **two-child benefit limit** is one of the main drivers with **23,000 families** affected by the cap in April 2024 which is estimated to affect around **4,000 children**.

Data from the LIFT dataset, reports that:

8,080 Children live in **relative poverty**.

4,119 Children live in a household **unable to afford food, fuel and water**.

The numbers of children living in temporary accommodation in Southwark is greater than London and England:

383% Higher rate in Southwark (13.9%), compared to England (2.9%).

[15,34,35,36]

Child Poverty: Increasing proportion of parents in the borough require financial support

Eligibility for Healthy Start, Alexandra Rose Vouchers and Free School meals is high and continuing to rise.

5,294 beneficiaries were eligible for **healthy start vouchers** in August 2024, **an increase from 3,434 in January 2024**. Healthy start vouchers can be exchanged for healthy food.

37.3% the percentage of children eligible for free school meals is **the 7th highest in London** and **over 2.5x the average London rate**.

The numbers of children eligible for free school meals has **risen** over recent years, **faster** than across London.

1,447 Between April - September 2024, Alexandra Rose vouchers supported the families of 1,447 eligible children **to buy fresh fruit and vegetables**.

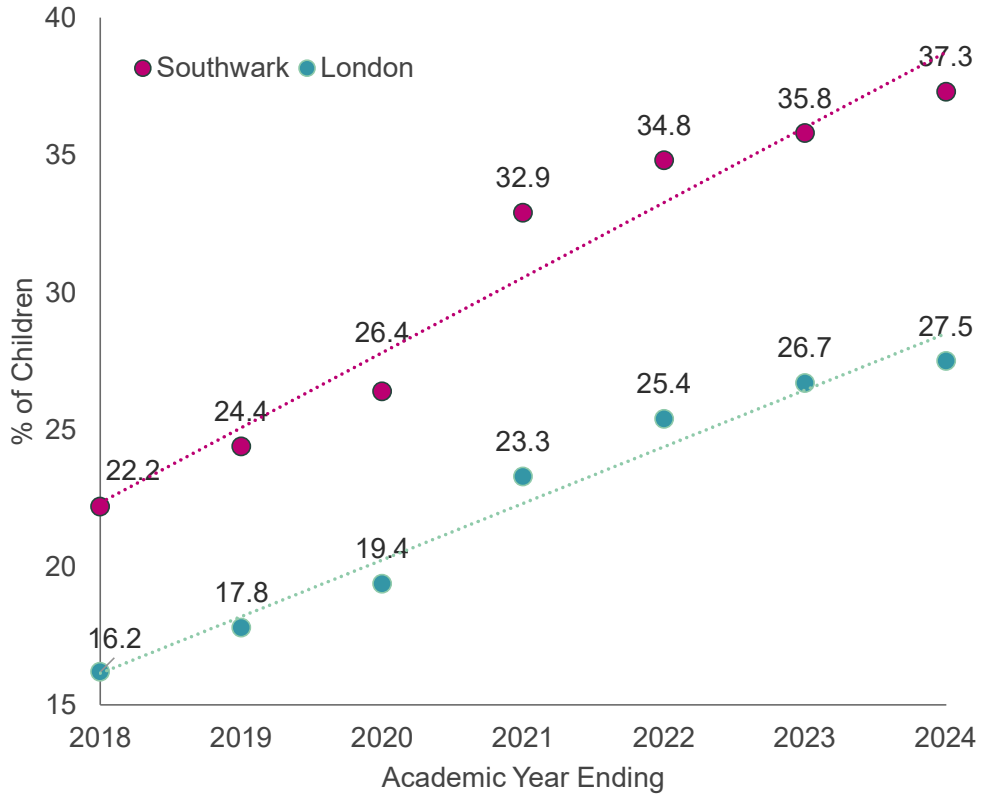


Figure 26. Percentage of children eligible for free school meals in Southwark, and in London.

[15,37,38]

Almost a third of Southwark pensioners claim pension credit; almost three times the national level

Nationally, pensioners have high rates of poverty

1.9 million pensioners in the UK live in relative poverty

While some pensioners have lower rates of deprivation, there are significant inequalities

1.7x The IoUH data reveals that people who self-reported as black and above the age of 55 were 1.7x more likely to report financial difficulty (29%) compared to people who are white and over 55 (17%).

30% of state pensioners claimed pension credit across Southwark in May 2024. This is almost 3x national rates (11.5%) and 1.5x London rates (19.9%).

41% Census data from 2021 shows that 41% of over 65-year-olds living in Old Kent Road were living in a household deprived in two dimensions or more compared to 10% in Dulwich Village.

In 2021, Old Kent Road had the highest share of the older population (6%) in Southwark, which is set to increase to 9% by 2035.

Ward	IMD Decile (1-10)	65+ population (2021)	Share of borough 65+ population	65+ population (2035)	Share of borough 65+ population
Old Kent Road	3	1508	6%	3595	9%
Dulwich Village	8	1501	6%	1973	5%
Nunhead & Queen's Road	2	1404	6%	2077	5%
Camberwell Green	3	1357	5%	2186	5%
Rye Lane	4	1312	5%	2318	5%

Table 3. The 5 wards with the greatest share of Southwark's 65+ population in 2021 with 2035 population projections and IMD decile (1=highest socioeconomic disadvantage; 10= lowest economic disadvantage)

[24,39,40,41,42,43]

There is a significant population of asylum seekers and refugees in Southwark with limited data on their experiences

Southwark has seen a dramatic increase in the number of asylum seekers hosted in the last 5 years with the population reaching 1,002 asylum seekers in 2023 compared to 99 in 2019. A lack of data exists on this population. This may be due to temporary status, difficulty contacting, mistrust of investigators or the state or a lack of information that the state has on these people. However, research suggests that they are under significant financial pressures:

£49.18

Those seeking asylum cannot legally work and receive asylum support set at **£49.18 per person per week**.
This equates to only **£7.03 per day** for all a person's essential shopping, including food, water, medicine, travel and clothing.

A 2020 report found that of those receiving asylum support:

- 91% didn't always have enough money for food.
- 97% didn't always have enough money for clothes.
- 95% didn't always have enough money for public transport.
- 75% didn't always have enough money for medications.

17%

A 2023 report from the refugee council reported that **17% of asylum seekers experienced homelessness**.

4x

Those who gain refugee status may then struggle to find employment due to a significant gap in work history.
The national unemployment rate amongst refugees is 12%, 4x the national average.

Particular challenges are faced by those who have No Recourse to Public Funds (NRPF) this includes migrants with irregular status who may have been trafficked, overstayed their visa or had their asylum claim refused.

Those who are NRPF are at high risk of being pushed into poverty due to insecure employment, lack of access to benefits, and high housing costs.

58%

58% of household subject to NRPF who are receiving local authority support due to destitution are thought to be in London.

£50 million

In 2021, Southwark was consistently spending **£6 million** annually supporting residents through its NRPF service which only reaches a fraction of this population. This cost was estimated to be **£50 million** across 30 London boroughs in 2022/23.

[44,45,46,47,48,49]

The highest levels of financial difficulty have been reported among Gypsy or Irish Travellers, Pakistani and Bangladeshi residents

The highest rates of reporting financial difficulty were reported in those who identified as Gypsy or Irish Traveller (57%), Pakistani (41%) and Bangladeshi (38%).

The highest rates were reported by those between the ages of 40-54 (26%) and 35-44 and 55-64 (24%).

1 in 9

National data reflects these disparities, with over 1 in 9 mixed race households and Black and Black British households in a negative budget compared to 1 in 15 White households.

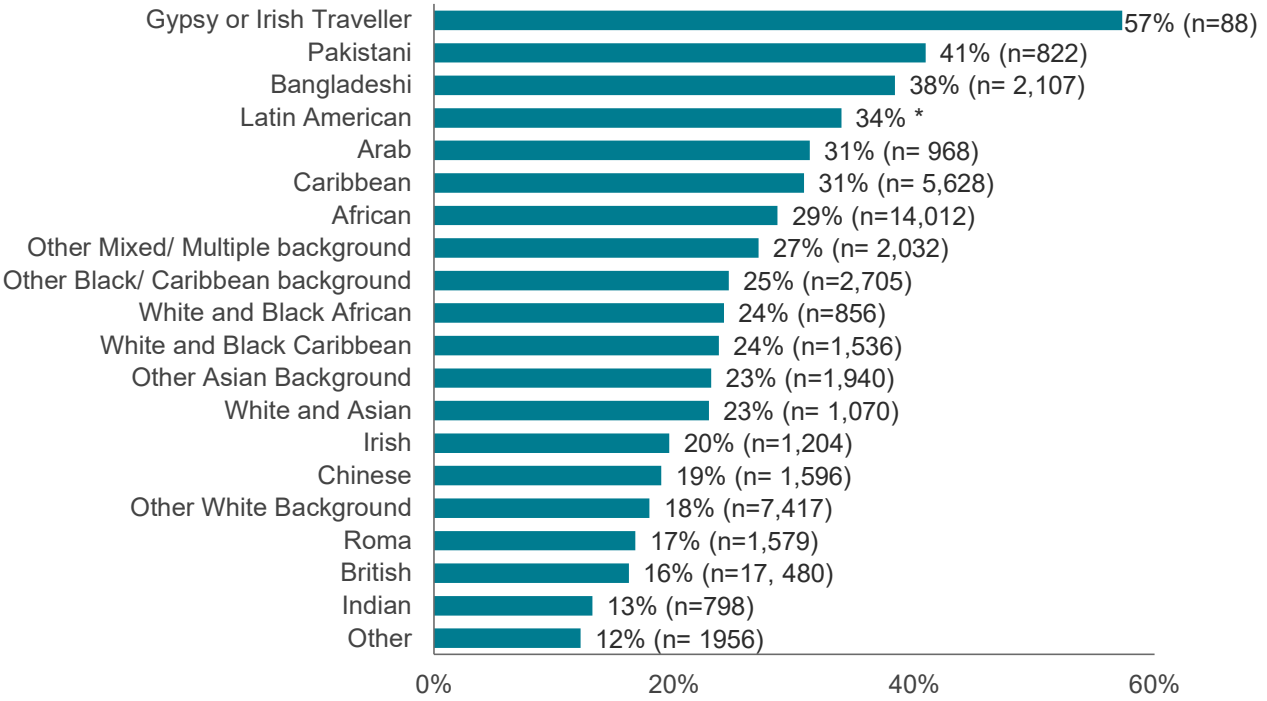


Figure 28. Percentage of Southwark residents reporting financial difficulty by ethnicity (2024)
"n" represents an estimate of the number of residents affected by extrapolating percentages on Census demographic data.
* Ethnic group not included in census data

[24,28, 50]

Disabled people face barriers which drive higher levels of poverty among this population group

Definition of disability under the Equality Act 2010

People who are Disabled under the Equality Act 2010 if have a “physical or mental impairment that has a ‘substantial’ and ‘long-term’ negative effect on their ability to do normal daily activities.”

Disabled people face higher costs of living driving high levels of poverty

20% Research from Citizen’s advice shows that 20% of households in a negative budget include someone with a disability.

23% Overall, 9% of households that include someone with a disability are in a negative budget, this jumps to 23% for households with a disabled person who is not receiving disability benefits.

38% In London, 30% of those in households that include a disabled person are living in poverty compared to 22% of those that don’t.

13% Census data reveals that 13% of Southwark residents equating to 42, 022 people are Disabled under the Equality Act.

1.8x Residents who self-reported as Disabled were 1.8x more likely to say they were struggling financially.

Disabled people are less likely to be in employment and those in work earn less than non-disabled workers

26% of self-reported disabled Southwark residents were in full or part time employment compared to 71% of non-disabled residents.

1.9x Disabled residents were almost twice as likely to report earning less than the London living wage than all residents.

£2.35 less per hour Nationally, the disability pay gap was estimated to be 17.2% or £4,300 a year in 2024 meaning that non-disabled employees earn on average £2.35 an hour more than disabled workers.

Across the UK, 10.9% of disabled Black and Ethnic Minority workers are unemployed compared to 2.8% of white non-disabled workers.

[24, 50, 51, 52, 53, 54]

Poor physical and mental health limits the ability of people to work, which causes significant financial struggle

Poor health limits access to work, and therefore income

1st Excluding studying, having poor health is the most common reason for people being economically inactive in the UK. As of September 2024, **2.8 million people** were not working due to a long-term health problem.

7% of working age UK adults are economically inactive due to long term sickness

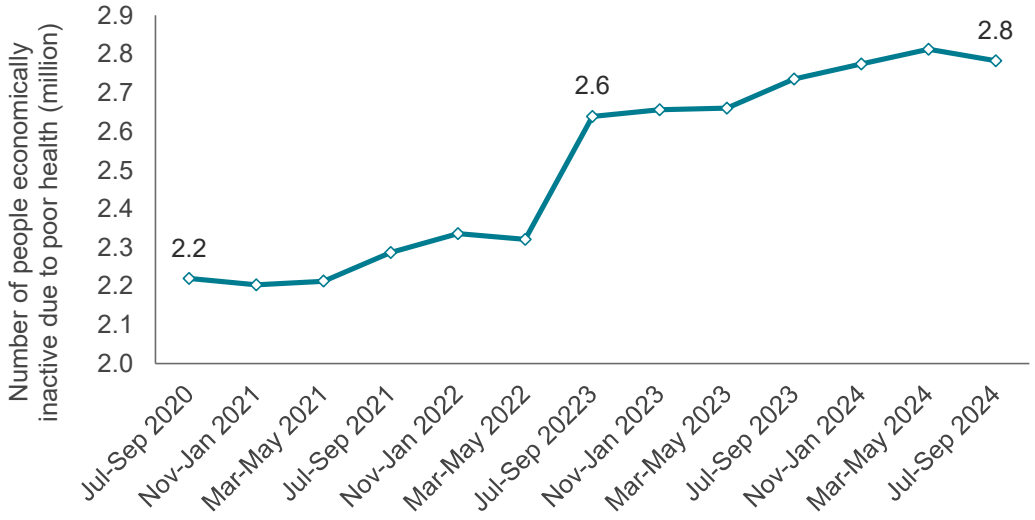


Figure 29. Number of people in the UK who are economically inactive due to long term sickness.

Poor health and economic inactivity in Southwark

15% difference in employment rate between those with a physical or mental long term health condition and the Southwark population as a whole

Following a brief post-pandemic increase in the number people with poor health who were economically inactive, in 2024 the numbers in employment increased, and numbers inactive decreased.

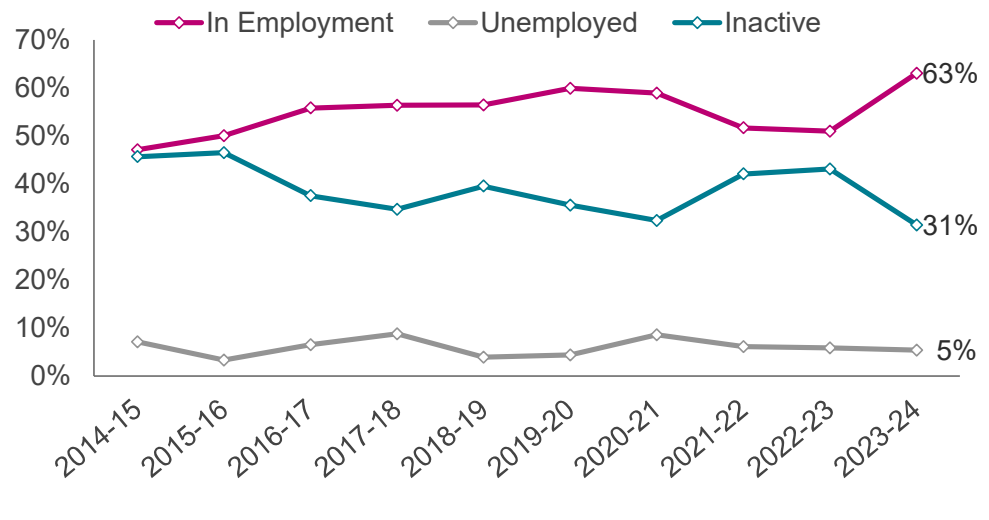


Figure 30. Economic activity of those with a health condition or illness lasting longer than one year, Southwark.

The link between socio-economic factors and mental ill health drives a vicious cycle, trapping people in poverty

Financial effect of mental ill health

- A 2020 report found that the salaries of people with anxiety, depression and other common forms of mental ill health were on average £8,400 lower than those without.
- 18% of people with mental ill health are in problem debt (unable to afford their debt payments)
- 2021/22 data reported that only 52% of working age adults with mental ill health were in employment, compared to 75.8% in the general population.

Effect of low income on mental health

- 46% of people with problem debt have a mental health condition.
- People with depression and problem debt are over 4 times more likely to have depression after 18 months compared to people without financial difficulty.
- People with problem debt are three times more likely to have had suicidal thoughts compared to those without.
- The effects of poverty affects all, especially children. Young people in England in the lowest income bracket are 4.5x more likely to experience severe mental ill health than those in the highest.

[56,57,58]

Carers are more likely to be affected by poverty compared to non-carers

Carers offer significant value to the local economy but are more affected by financial difficulty.

£597M

In Southwark unpaid carer estimates range from 18,800 to 37,000 individuals. This wide range reflects the difficulty in identifying carers for example in England, it takes most unpaid carers a year to recognise themselves as such.

In 2023/24, 56% of Southwark's unpaid carers reported that caring had caused financial difficulty.

A 2021 report, using conservative estimates, predicted that carers offer the local economy £597 million in value.

National research underscores the large financial challenges faced by carers

- The rate of poverty amongst unpaid carers is 50% higher than those who do not provide unpaid care
- 62% of people who receive Carer's Allowance live in poverty

A 2024 survey from Carers UK highlighted the financial difficulties that unpaid carers face nationally

61% were worried about finances

28% had to cut back on essentials such as food and heating,

51% of carers reported that their financial situation had a negative impact on their mental health.

[24,28,59,60,61,62,63,64]

While rates of poverty are stable, deep poverty and destitution are increasing, particularly in groups at high risk of health inequalities

Those affected by **deep poverty, persistent poverty** and **destitution** are the least able to **participate fully in society** and face **worse health outcomes**.

London has high levels of deep and persistent poverty

18.3% of Londoners were living in households in deep poverty in 2022/23, compared to 14.3% in the rest of England

1/5 of London's children live in persistent poverty

8th Southwark is estimated to have the 8th highest number of people experiencing destitution of all local authorities based on analysis from the Joseph Roundtree Foundation.

Since 2010, the likelihood of falling into deep poverty has increased for the following groups, exacerbating existing health inequalities

- Women
- Children
- Larger families
- Black people
- Those in full time work

The COVID-19 pandemic has exacerbated poverty

54% The number of people with negative budgets has increased by more than 54% since the start of the pandemic.

[5,6,7,50,65,66]

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