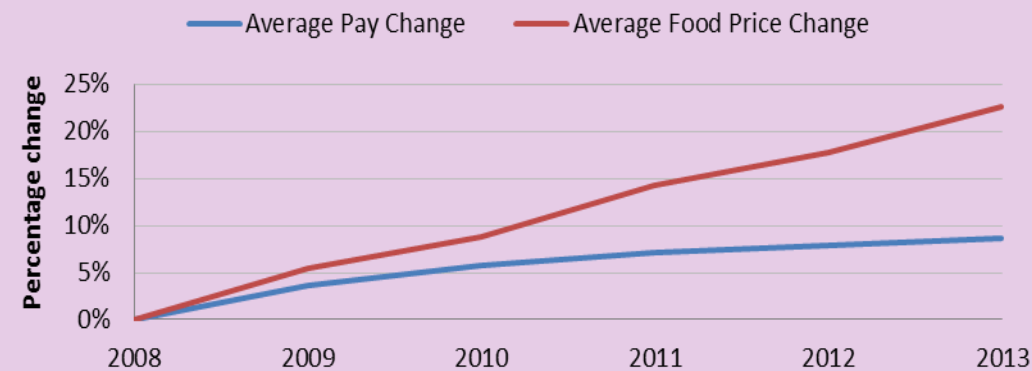


The Cost of Boris Johnson

Rises in the cost of living in London have outstripped wages consistently since Boris Johnson came to power



Average pay increases compared with average food price rises.

Since 2010 Food prices have risen almost three times faster than average wages.

The number of Londoners earning less than the London Living Wage has rocketed to almost 1 million



Year	Estimated number of jobs in London paid less than London Living Wage
2008	569000
2009	558000
2010	557000
2011	639000
2012	748000
2013	807000
2014	917000

£9.15—the current LLW

£11.65—what LLW would need to be without tax credits

£7.20—The Chancellor's new 'Living Wage'

Fiona Twycross is the Labour London Assembly Economy Spokesperson.

Contact: Fiona.Twycross@london.gov.uk

Copyright: Greater London Authority, 2015.



THE COST OF BORIS

London:
The Low Pay Capital

Fiona Twycross AM

LONDONASSEMBLYLABOUR

London: The Low Pay Capital

It shouldn't be controversial to say that people who work in London should be paid enough to live here.

Yet, in recent years we have seen a fall in incomes whilst the cost of living in this city has risen dramatically. Since Boris Johnson's election in 2008, real-terms average wages have fallen by more than £2,000 a year.

Over this period the Mayor has been a vocal supporter of the London Living Wage. But simply repeating your view, as he does, that the London Living Wage is a good thing and that firms and public sector bodies should pay it if they can, does not make you – as Boris Johnson is sometimes portrayed to be – a Living Wage champion. On his watch, there has also been a steady rise in inequality and poverty pay. The stark reality is that there are now almost a million Londoners paid below the London Living Wage, hundreds of thousands more than when the Mayor came to power.

**The greatest thing about the capital is “we have now in London 72 billionaires”
- Boris Johnson**

More Londoners paid below living wage than when Boris came to power

The Mayor has boasted that the greatest thing about London is “we have now in London 72 billionaires” and that the extortionate cost of housing is the “right problem to have”. It is perhaps unsurprising therefore that he appears comfortable with low pay and the widening pay gap. Since Boris Johnson took office, the number of people on poverty pay has increased both as an overall number and as a percentage of all the jobs in London.

That means nearly a fifth of all jobs in the capital now pay poverty wages; in some boroughs that figure rises to as many as four-in-ten people working for a wage below what they need to make ends meet. In human terms, that is hundreds of thousands of extra families paid less than it costs to live in the capital, leaving them worrying about how they will pay their rent, bills and childcare costs every month, and how to put food on the table.

Cost of Living crisis

Since 2010 the cost of living in London has outstripped wage growth on almost every measure. Whilst average wages have grown by just 3.5 per cent since 2010, the capital's living costs have rocketed:

Private sector rents for a two bed property have risen by more than 20 per cent, nearly six times faster than wages.

- **House prices are up 34 per cent, well over nine times higher than wage rises**
- **Travel costs are up 20 per cent, nearly six times faster than wages**
- **Food costs are up 13 per cent, almost three times faster than wages**

As a result of this and many of the Government's changes we've seen poorer Londoners pushed further and further out of the capital as rising costs and stagnating wages make it unaffordable.

The situation will undoubtedly worsen when the Government's planned reduction in working tax credits and total benefit cap are introduced. The Mayor's team has admitted that without tax credits, the true London Living Wage would need to rise from its current rate of £9.15 an hour to £11.65, a figure that dwarfs the Chancellor's 'National Living Wage' of £7.20.

But what can the Mayor do?

Until recently, many of the companies signing were effectively 'low-hanging fruit', often big companies with very few low paid staff – this means that progress has plateaued. Some progress has been made with big name companies such as IKEA and Oliver Bonas added to the list of stores committed to paying the Living Wage. Their commitment has meant that Lush – the first high street store to sign up – is no longer an out-rider. However, we remain a long way from where we should be. The goal must be for all companies in low pay sectors to be paying the Living Wage.

If a statutory – and genuine – Living Wage is off the agenda until at least 2020, the voluntary route is all we've got. All the evidence shows that if we are to make any progress, London needs a Mayor who is willing to invest some of their political capital – and resources – in making that a reality.

Prioritise action to increase pay and bear down on living cost rises

The Mayor has previously rejected costed proposals put forward by Labour London Assembly Members for additional GLA resources to be used to promote the many benefits of paying the London Living Wage to more businesses in London. He also failed to act on our calls for him to focus greater attention on low-pay sectors and has refused to meet with low paid workers, notably the cinema workers from the Ritzy in Brixton, to hear how low pay impacts them. He appears largely to have approached his 'championing' through writing letters rather than picking up the phone or getting key people round the table.

The Mayorality has the power to instigate a revolution in how we think about pay in the economy. Like many London boroughs, the Mayor needs to show the personal determination to ensure work pays for all and put time and effort in to making it happen. At the same time we need a Mayor who will reduce the cost of living in London for low-income households by building more homes at genuinely affordable prices and bearing down on transport fares.

The Mayor also needs to get his own house in order

Despite the vast majority of the GLA-family – including Transport for London – now being accredited living wage employers, Boris Johnson still had unpaid staff, or in his words 'trainees', at City Hall. The programme sees young Londoners undertake three months of administrative work, such as photocopying, filing and diary management. It's a role with all the hallmarks of an entry level job – apart from the salary, just expenses.

Ultimately, our aim should be to stamp out poverty in the capital whether by a statutory London Living Wage or a much more established voluntary system. With prices rocketing, particularly for housing, we need to bin Boris Johnson's tolerance of poverty wages and elect a Mayor who won't accept employers paying poverty wages in the capital.

