

London's Poverty Profile 2021: COVID-19 and poverty in London

Trust for London
Tackling poverty and inequality

WPI | ECONOMICS

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Foreword

Since 2009, London's Poverty Profile (LPP) has provided evidence and insight on poverty and inequality in the UK's capital. It shines a light on the nature of poverty in London in an attempt to prompt action from local, regional and national government, the third sector, faith groups, practitioners, experts, businesses, the public and anyone who cares about making London a fairer city to live in.

Prior to the pandemic, 27% of Londoners were living in poverty, significantly more than in any other part of the UK. Poverty rates in Inner London were even higher (30%), and at least five percentage points higher than in many parts of the North of England. The last year has seen the scale and complexity of challenges facing Londoners on low incomes deepen further. As other reports have shown, right across the country the pandemic has hit hardest those individuals, families and communities that were already struggling the most prior to the arrival of COVID-19. Unpicking and analysing these impacts will take time, not least because of the significant lag on data being collected, processed and released for public use. For example, data that underpins national and regional measures of poverty (the Family Resources Survey) will not be available for the last year until spring 2022. Yet given the severity of the impacts of the pandemic and the urgent need for national and local government, delivery partners and the voluntary sector to support those affected, this is obviously too long to wait.

To address this, the LPP 2021 report focuses on using what data is available now to provide a picture of what we know about the impact of the pandemic on poverty in London. The report demonstrates the unequal distribution of health impacts, as well as considering how work, living standards and wellbeing have been impacted. From this, it is clear that the impact of the pandemic on London has been profound and that the economic and health burdens have not been shouldered equally. Londoners – in particular, low-income Londoners – have been hard hit by employment impacts, food insecurity and increased debt.

As we emerge from the crisis, we must all work together to ensure that no one has to live a life of poverty, and that social and economic prosperity is shared more equitably. More needs to be done to tackle systematic disadvantage faced by certain groups in our city. We hope that the LPP can be used as a tool to make this case for change.

Jeff Hayes, Chair, Trust for London

Headline Findings

Last year's headline LPP report was published as the COVID-19 pandemic was beginning to take hold. A year on, life has fundamentally changed. Well over 100,000 people across the country have lost their lives to the virus and three national lockdowns as well as constant restrictions on work and social activity have impacted very heavily on our economy and living standards.

This year's headline LPP report takes stock of what we know so far about the impacts in London. The report shows that London has been hit particularly hard compared to many other parts of England, both in terms of its citizens' health and its economy. The report also shows those living on the lowest incomes in the capital are most likely to have been hit hardest.

This can be seen across a range of indicators. For example, infection rates and mortality are higher in more deprived neighbourhoods, and those living on the lowest incomes are most likely to have been furloughed or lost their jobs. While government support has protected many families to some extent, more Londoners are now subject to the benefit cap, and food banks across the capital have increased the number of packages provided by 128% over the course of the last year.

As the COVID-19 vaccine continues to be rolled out, and national and local policymakers turn their attention to economic and social recovery, these findings provide a stark baseline against which the success of policies can be judged.

COVID-19 Infections and Mortality

Even after controlling for a range of neighbourhood characteristics, **mortality rates in London are 23% higher in the most deprived 20% of neighbourhoods than in the least deprived 20% of neighbourhoods.**



They are also higher in neighbourhoods with a high proportion of Black residents.

Work

The number of payrolled jobs in London has fallen by 214,000.

February 2020:
4,150,000

27% of the total increase in London unemployment benefit claims was in the most deprived 20% of neighbourhoods. 9% of the increase was in the least deprived 20% of neighbourhoods.

February 2021:
3,950,000

There has also been a disproportionate rise in unemployment benefit claims among men, with a 5.9 percentage point rise in claims in the year to December 2020, compared to 4.4 for women.



Living Standards

In the six months to September 2020, **food banks in London distributed 210,000 food packages to people in the capital,** a 128% increase compared to the same period in 2019.



Levels of happiness, feeling worthwhile and life satisfaction have fallen across the capital.

In winter 2020/21, anxiety scores were 44% higher than pre-pandemic levels.



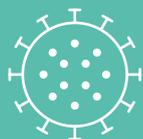
COVID-19 Infections and Mortality in London



At the time of writing (March 2021), more than 100,000 people across the UK have tragically lost their lives. In London alone, more than 17,000 have died.¹ The human costs of this are immeasurable.

While individuals, neighbourhoods and communities all over the UK have been impacted to some extent, the overall direct health impacts of COVID-19 have not been evenly spread; as well as the disproportionate impact on older people, infection rates and death (mortality) have been higher among people living in deprived areas and people from Black and minority ethnic (BME) backgrounds.

By the end of February 2021, **7,816** in every 100,000 Londoners had tested positive for COVID-19,



with nearly 18,000 Londoners having lost their lives.²

COVID-19 mortality has hit some populations harder than others.



In London, 90% of deaths within 28 days of a positive COVID-19 test have been among people aged 60 or over.⁴

After adjusting for differences in age,

London has the highest regional COVID-19 mortality rate in the UK: 263.8 deaths per 100,000 people.³



The North West's age-adjusted mortality rate is the second highest in the UK:

231.2 deaths per 100,000 people.

England average:

186.6 deaths per 100,000 people.

Even after controlling for a range of neighbourhood characteristics,

mortality rates in London are 23% higher in the most deprived 20% of neighbourhoods

than in the least deprived 20% of neighbourhoods.

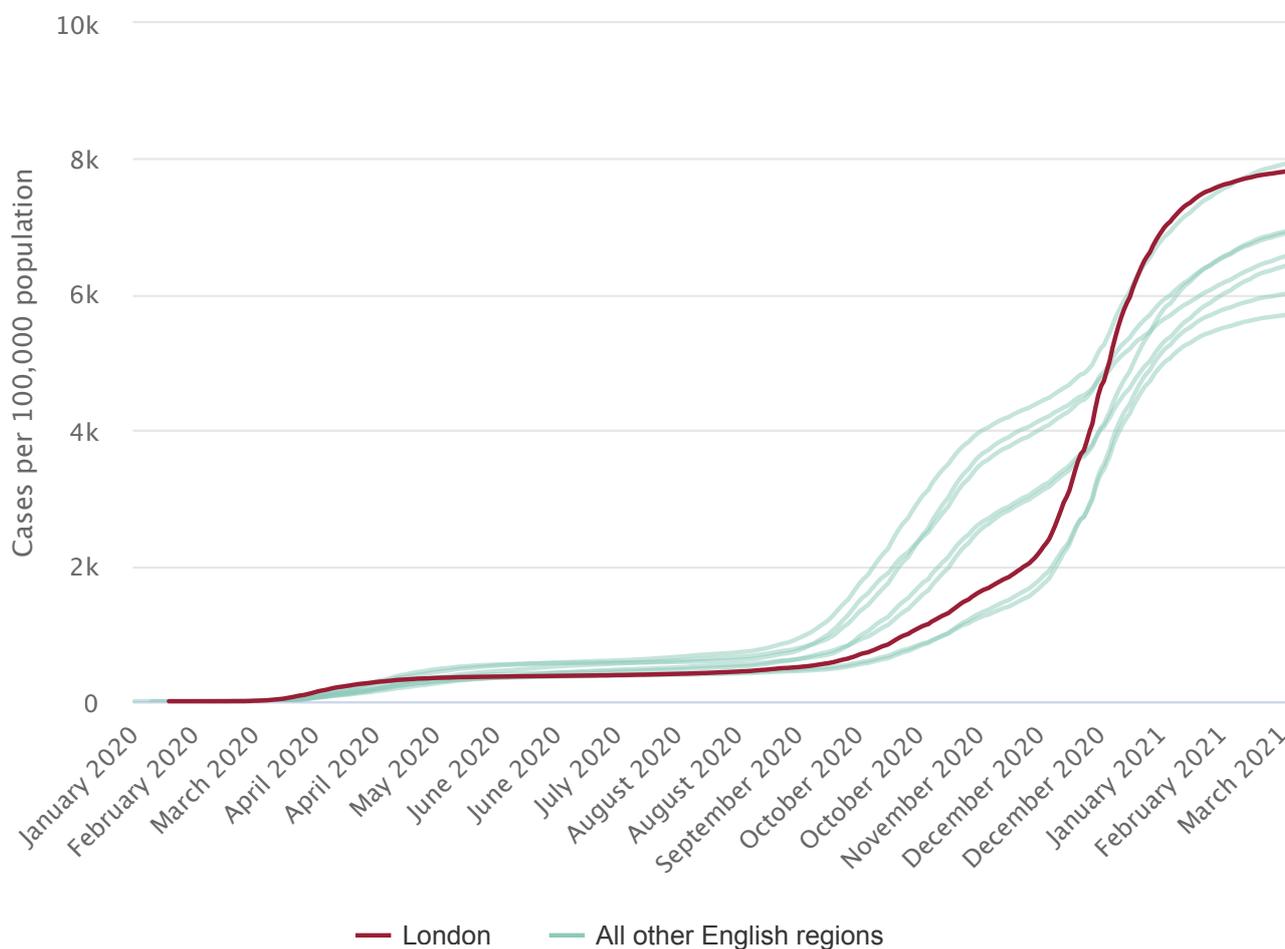


They are also higher in neighbourhoods with a high proportion of Black residents.

The course of COVID-19 infections in London

London was one of the first areas of the UK to experience widespread transmission of the virus. By the start of the first national lockdown on 23 March 2020, 47 in every 100,000 Londoners had tested positive for COVID-19,⁵ compared with an average of 14 people per 100,000 across the rest of England. By 7 March 2021, this had risen to 7,816 in every 100,000 Londoners, compared to an average of 6,260 per 100,000 people across the rest of England.

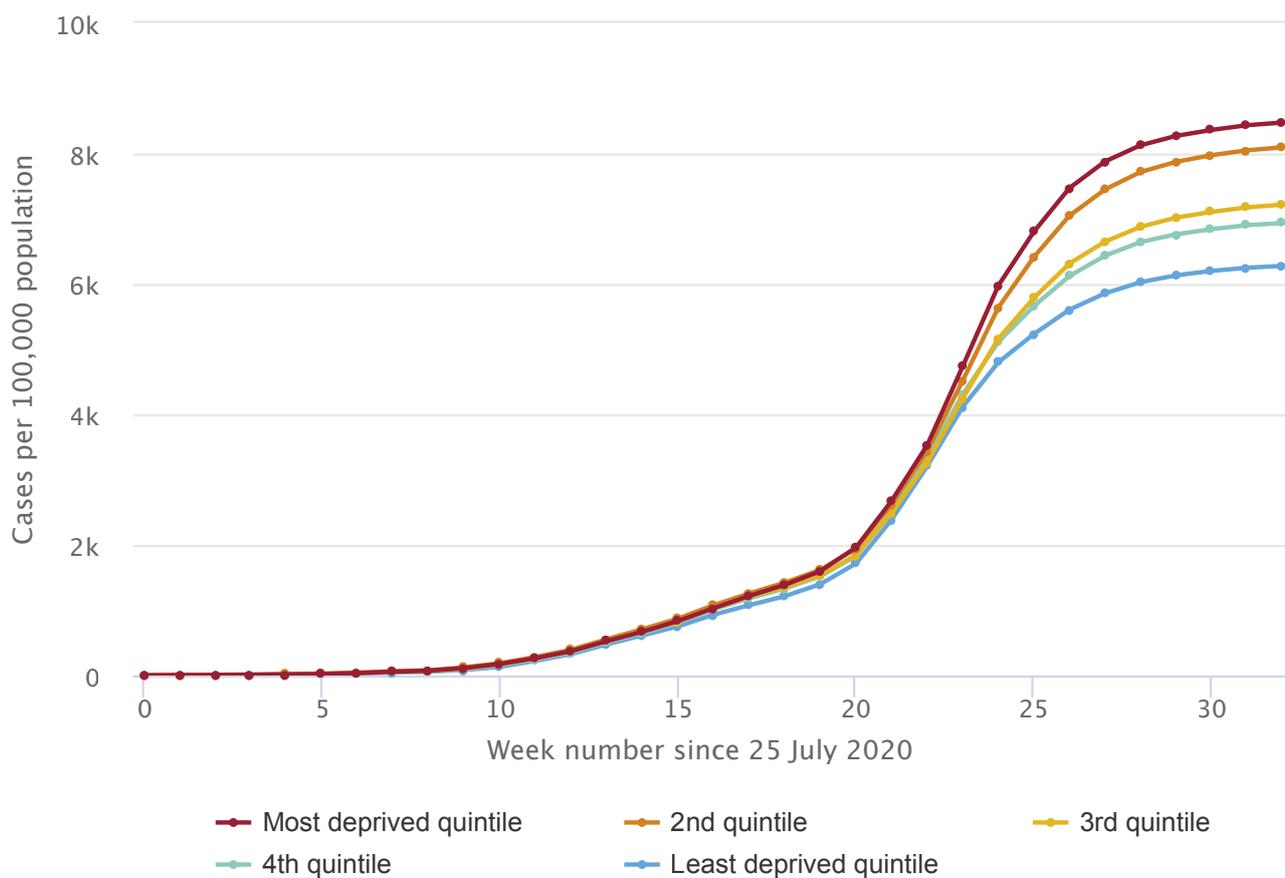
Figure 1: Total (cumulative) infections per 100,000 population



Source: Deaths due to COVID-19 by local area and deprivation, Office for National Statistics (ONS)

COVID-19 infections have not been evenly spread across London's population. In fact, the rate of positive tests between July 2020 and March 2021⁶ was more than a third (35%) higher in the most deprived 20% of London neighbourhoods compared with the least deprived 20% of neighbourhoods.

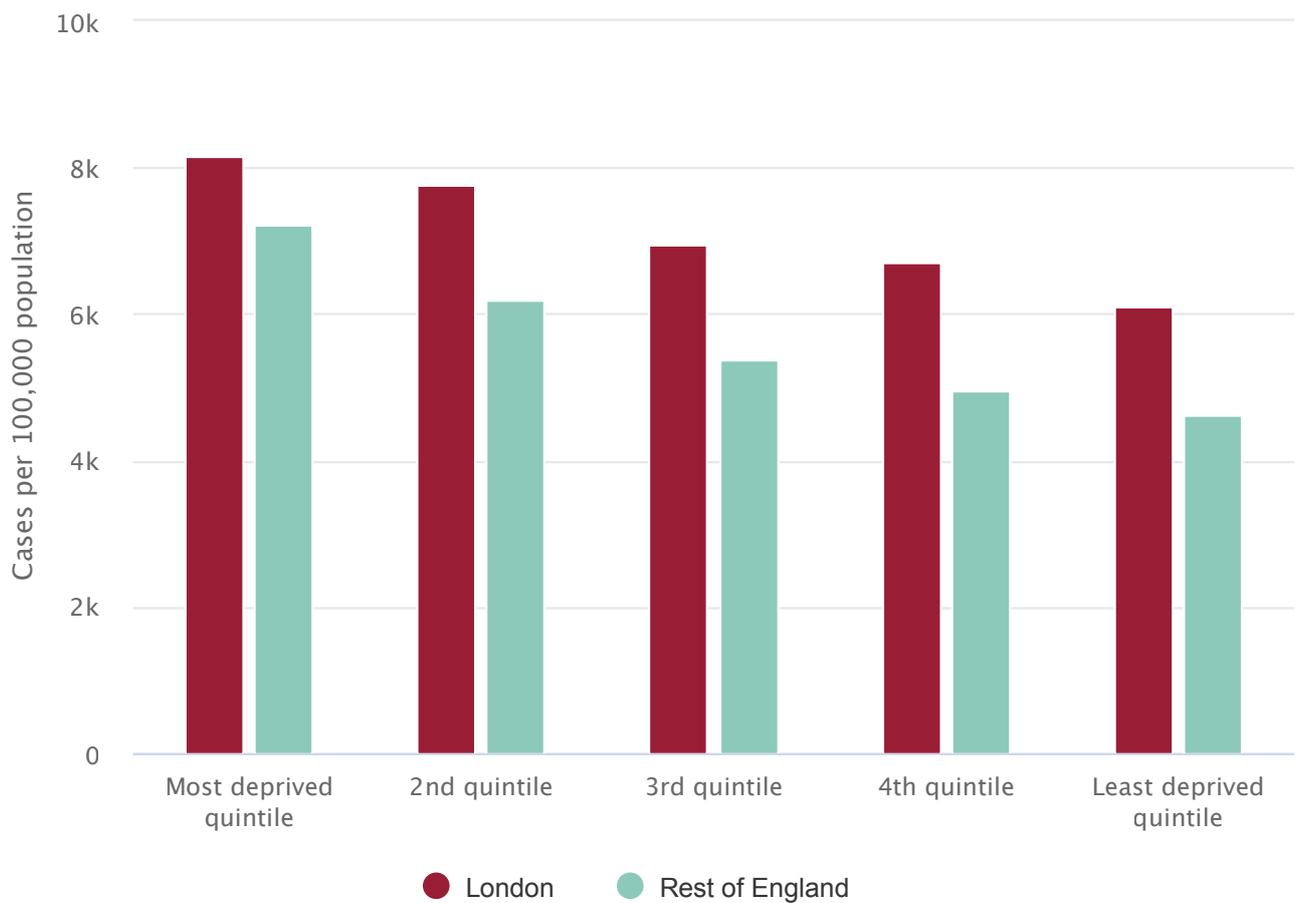
Figure 2: Cumulative COVID-19 infection rates in London by neighbourhood deprivation quintile (25 July 2020 to 3 March 2021)



Source: Coronavirus cases, Public Health England (PHE); population estimates for middle layer super output areas (MSOAs), ONS; Indices of Multiple Deprivation (IMD) 2019, Ministry of Housing, Communities and Local Government (MHCLG)

Figure 3 shows how this compares to the rest of England. It indicates that across the whole of England, infection rates are highest in more deprived neighbourhoods. It also shows that, across all deprivation quintiles, infection rates are higher in the capital than in the rest of England.

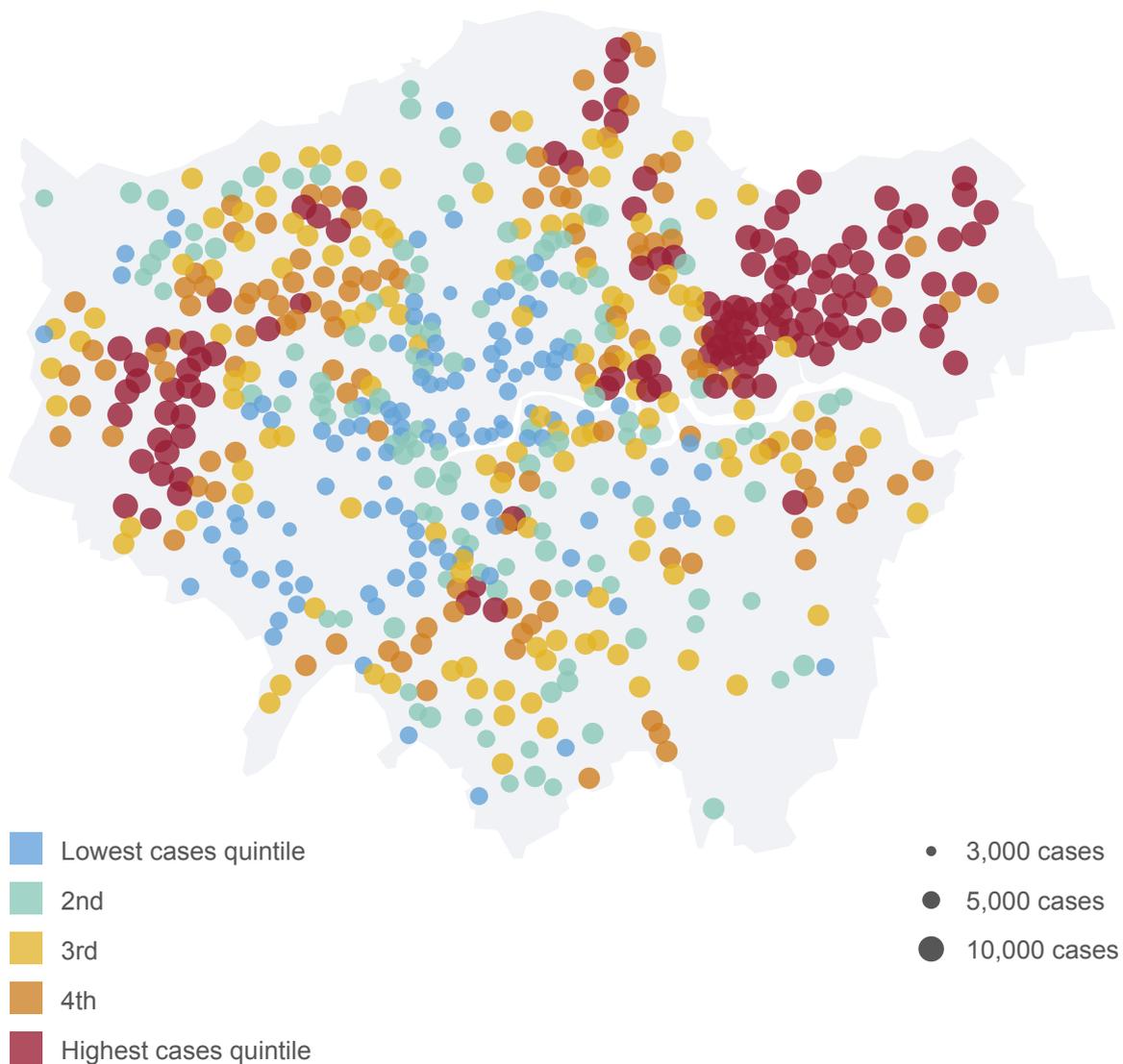
Figure 3: Cumulative COVID-19 infection rates by neighbourhood deprivation quintile (September 2020 to March 2021)



Source: Coronavirus cases, PHE; population estimates for MSOAs, ONS; IMD, MHCLG

With such stark differences in infection rates by level of neighbourhood deprivation, it is no surprise that different parts of London have fared very differently. This can be seen both at specific points in time, when infections have grown rapidly as the virus transmitted quickly in a specific local area, and overall, with total infection rates varying significantly across different parts of the capital. By 3 March 2021, Barking and Dagenham had the highest cumulative infection rate (10,816 infections per 100,000 people) and Camden the lowest (5,091 infections per 100,000 people).

Figure 4: COVID-19 infection rates per 100,000 people in London neighbourhoods (MSOAs⁷) for all weeks between 25 July 2020 and 3 March 2021



Source: Coronavirus cases, PHE; population estimates for MSOAs, ONS

COVID-19 mortality in London

By mid-February 2021, nearly 18,000 Londoners had lost their lives to COVID-19.⁸ To understand how this compares to other regions across the UK, we can look at deaths as a proportion of the population and adjust to take account of the different age profiles of different areas. This is important when considering London statistics as the LPP shows that London has a relatively young population. Given that older age is a risk factor for COVID-19 mortality, we would expect London to have a lower mortality rate than other regions with older populations. Controlling for age allows us to compare areas on a consistent basis.

After doing this London has the highest regional mortality rate for COVID-19. By January 2021, the cumulative mortality rate in London was 264 deaths per 100,000 people compared to 187 per 100,000 for the rest of England. The North West had the second highest rate, with 231 in every 100,000 people having lost their lives to the virus.

Figure 5: Cumulative age-standardised COVID-19 mortality (ASMR) per 100,000 population

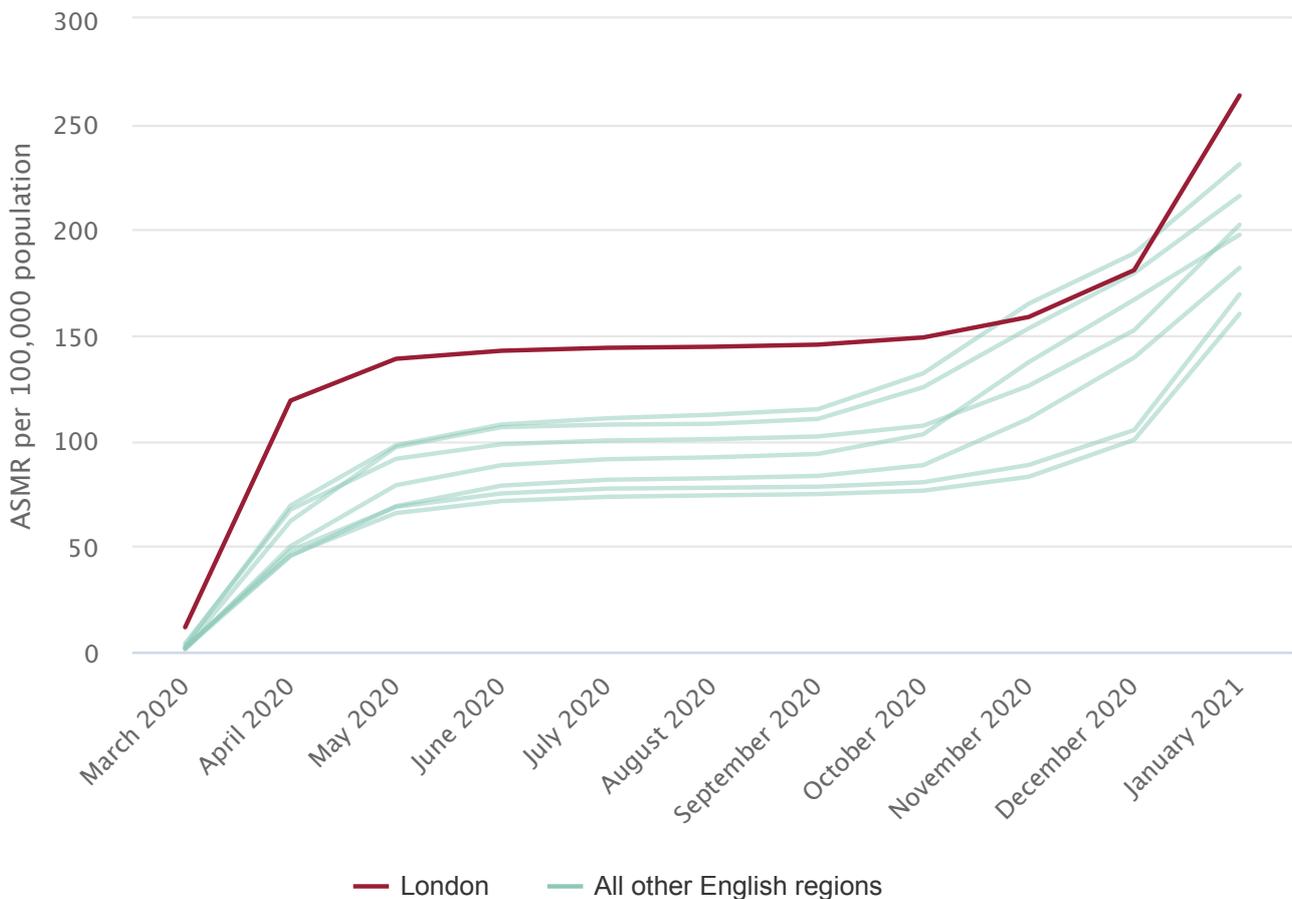
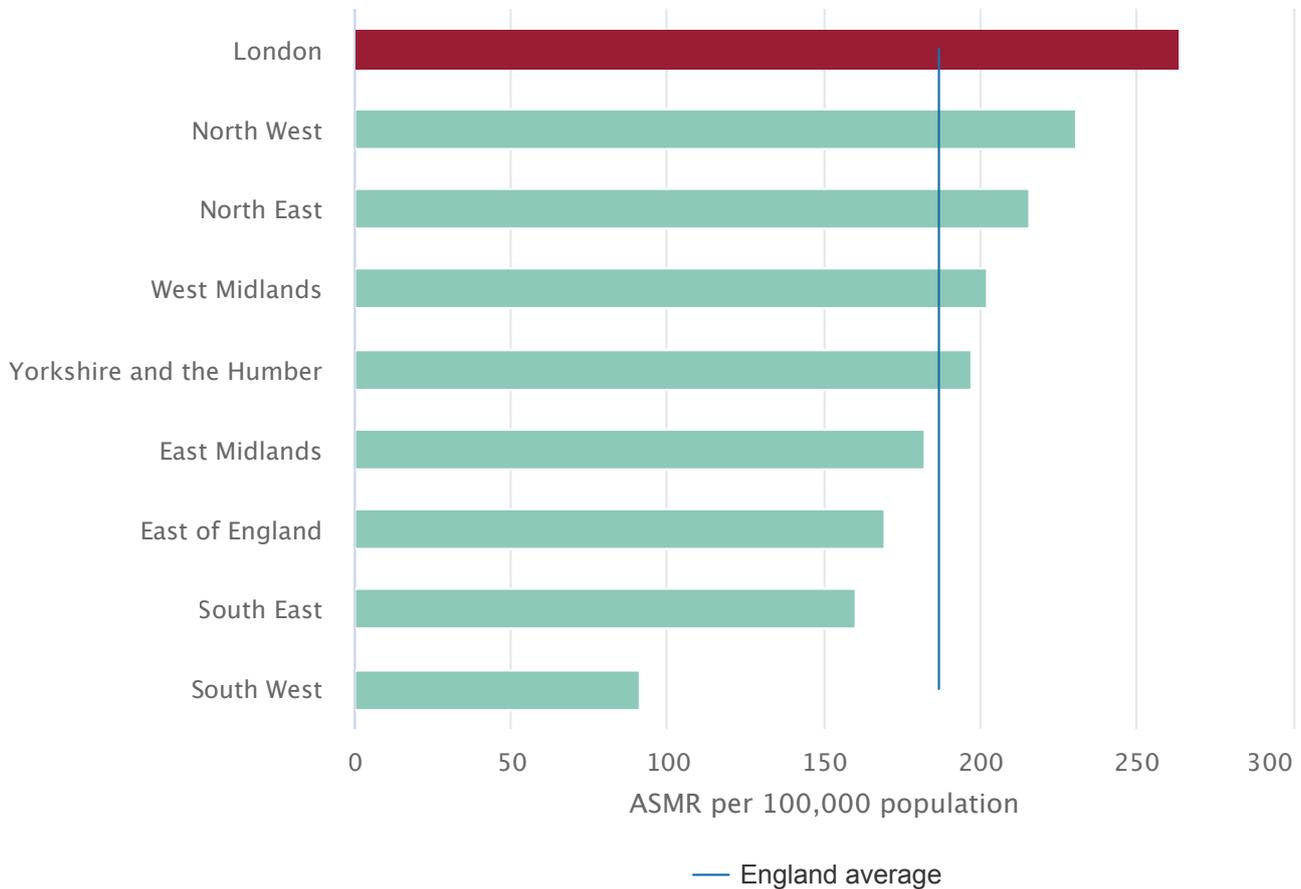


Figure 6: Cumulative age-standardised COVID-19 mortality per 100,000 population, as at January 2021 (March 2020 to January 2021)

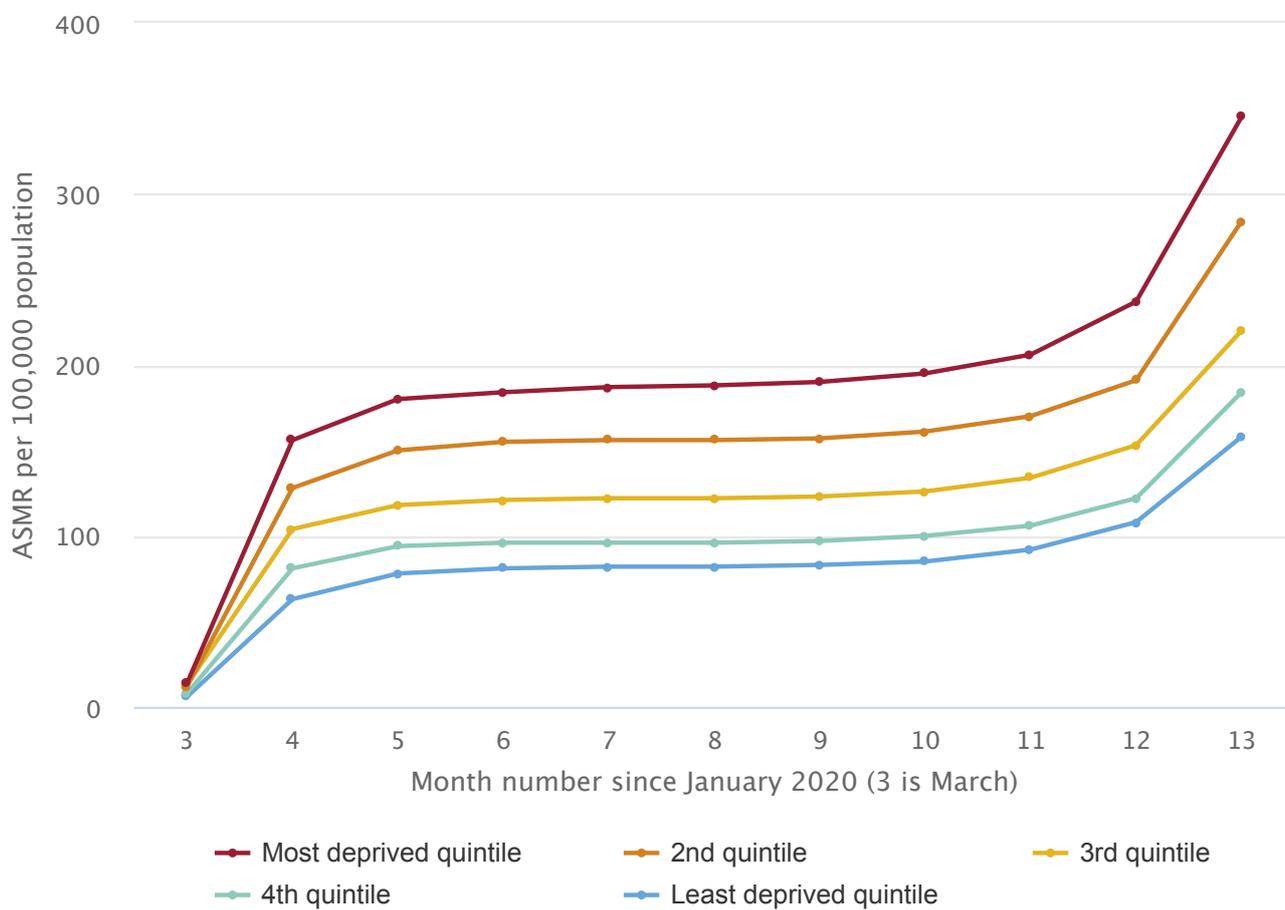


Source: Deaths due to COVID-19 by local area and deprivation, ONS

As with infections, COVID-19 mortality varies significantly between different parts and populations of the capital. By January 2021 cumulative COVID-19 mortality rates were:

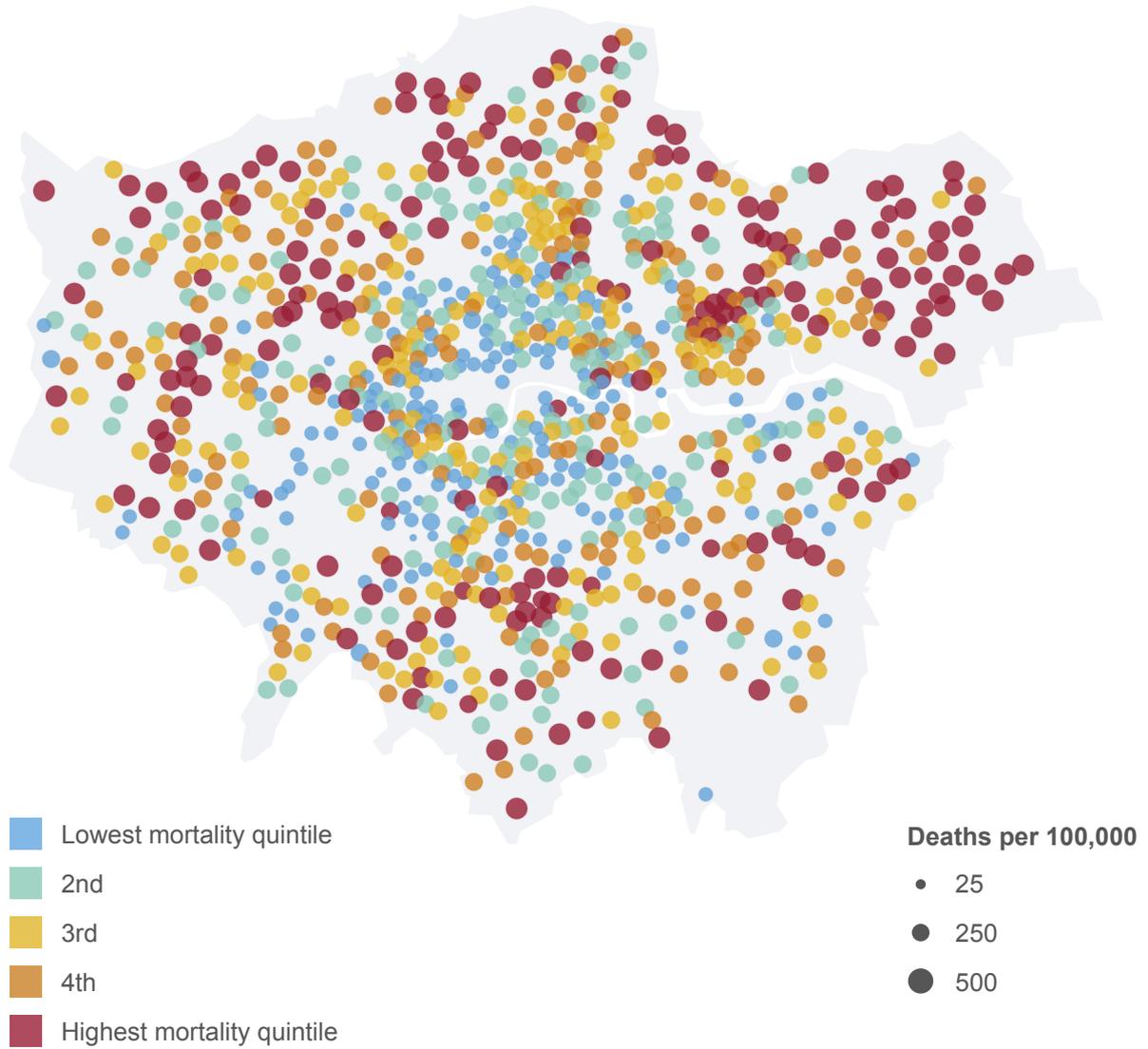
- 2.2 times higher in the most deprived 20% of London neighbourhoods than in the least deprived 20%.
- 2.94 times higher in the worst impacted London borough (Newham – 441 deaths per 100,000 people) than the least impacted borough (Camden – 150 deaths per 100,000 people).

Figure 7: Cumulative COVID-19 mortality rates per 100,000 population in London by neighbourhood deprivation quintile (March 2020 to January 2021)



Source: Deaths due to COVID-19 by local area and deprivation, ONS; IMD 2019, MHCLG

Figure 8: Crude cumulative COVID-19 mortality rates across London per 100,000 population (March 2020 to January 2021)



Source: Deaths due to COVID-19 by local area and deprivation, ONS

To understand how factors like age, deprivation and ethnicity interact with each other with regards to COVID-19 infections and mortality, we can analyse them all together. Doing so allows us to see the individual impact of each characteristic – shown in Table 1 and Figure 9.

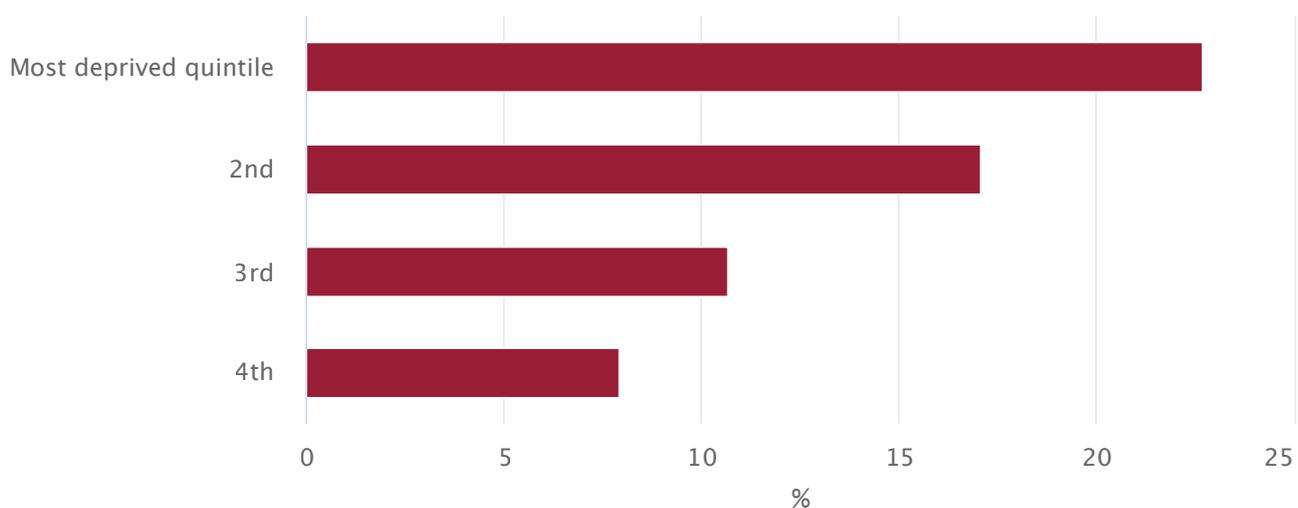
Table 1: Relationship between different neighbourhood characteristics and COVID-19 mortality rates in London

Characteristic	This change in the characteristic	Leads to this change in COVID-19 mortality per 100,000 population
Care home residents	Increasing by 100 residents	58 increase
Population aged 65+	Increasing by 100 persons	11 increase
Case rate	Increasing by 100 cases	2 increase
Black population	Increasing by 100 persons	2 increase
Population aged 0–14	Increasing by 100 persons	-2 decrease
Population in elementary occupations	Increasing by 100 persons	-6 decrease

Source: Deaths due to COVID-19 by local area and deprivation, ONS; regression inputs trustforlondon.org.uk/publications/covid19mortalitylondonlpp/

We can also see a clear impact of deprivation. Even after controlling for a range of neighbourhood characteristics, mortality rates are 23% higher in the most deprived 20% of neighbourhoods than in the least deprived 20% of neighbourhoods.

Figure 9: Percentage difference in cumulative COVID-19 deaths per 100,000 population relative to least deprived 20% of neighbourhoods (March 2020 to January 2021)



Source: Deaths due to COVID-19 by local area and deprivation, ONS; regression inputs trustforlondon.org.uk/publications/covid19mortalitylondonlpp/

Work

Restrictions to slow the spread of the virus, as well as the impact of the pandemic itself, have had a seismic impact on the UK's labour market, and London has not been immune to this.



Visits to workplaces in London reduced by as much as 73% at the start of the first national lockdown, compared to 67% for the rest of the UK.



Visits to London workplaces remain 54% lower than prior to the pandemic.

At the peak of the scheme, **over 1,000,000 Londoners were furloughed.**



As at the end of January 2021, 712,200 jobs in London were furloughed, 17% of all eligible positions.

Overall, more than three-quarters of London's boroughs had furlough rates that were above the national average, with furlough rates slightly higher for men (18%) than women (17%).

By the end of October 2020, **465,000 self-employed Londoners had made a claim to the second tranche of the government's Self-Employment Income Support Scheme, claiming a total of £1.2 billion.**



The number of payrolled jobs in London has fallen by 214,000:



February 2020:
4,150,000
February 2021:
3,950,000

27% of the total increase in London unemployment benefit claims was in the most deprived 20% of neighbourhoods. 9% of the increase was in the least deprived 20% of neighbourhoods.

There has also been a disproportionate rise in unemployment benefit claims among men, with a 5.9 percentage point rise in claims in the year to December 2020, compared to 4.4 for women.

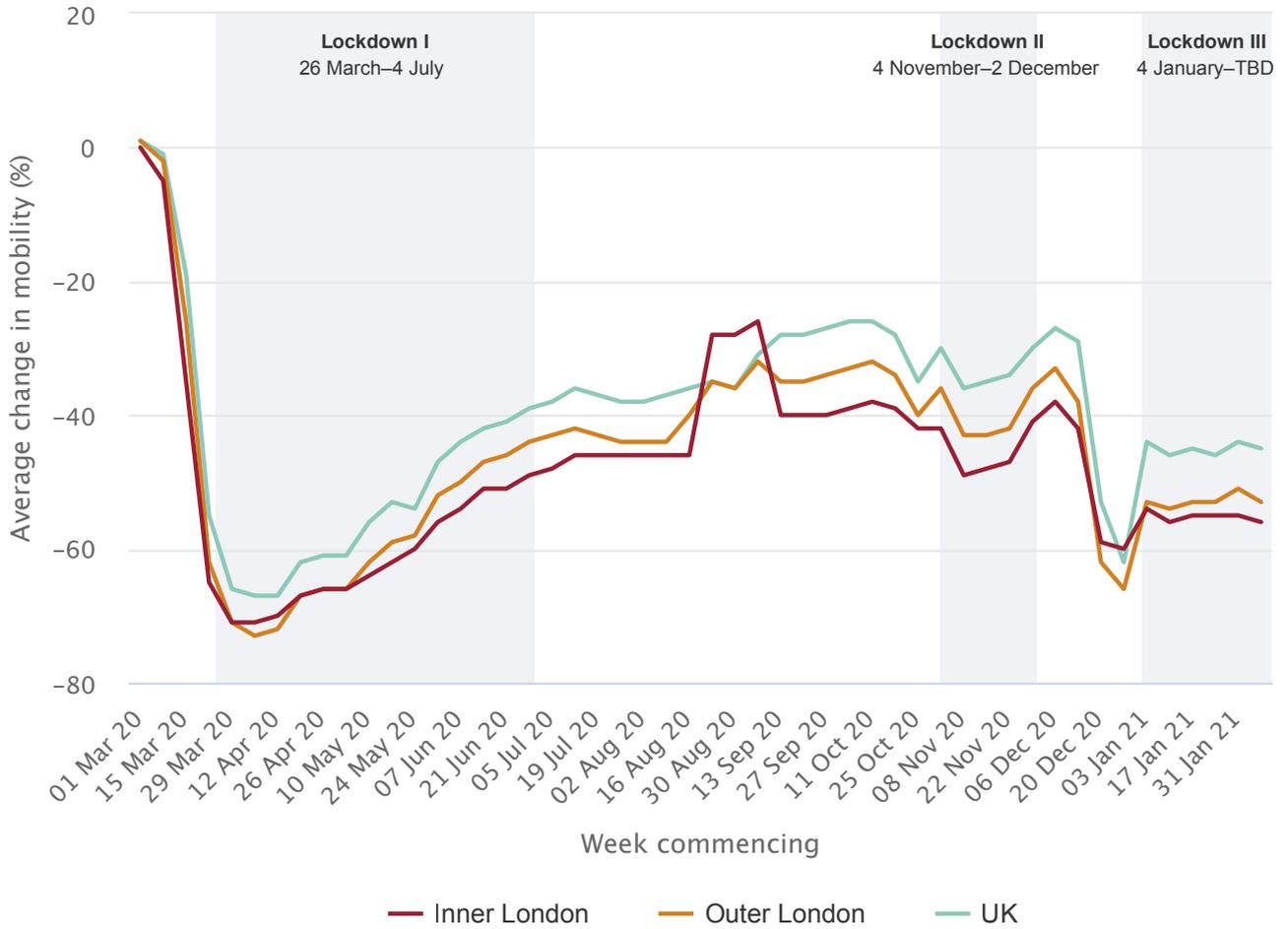
Londoners have reduced travel significantly

In response to the pandemic and the restrictions put in place by the government, Londoners and visitors to London have travelled significantly less around the capital. To understand the scale of this, we can look at mobility data produced by Google. This assesses changes in the number of people visiting different categories of places, including workplaces, compared to a pre-pandemic baseline period (3 January to 6 February 2020).

The data shows that:

- There have been very large reductions in visits to workplaces in London, and that these reductions were larger in London than for the rest of the UK overall.
- For most of the period, reductions in visits to workplaces were larger in Inner London than in Outer London.
- The reduction in visits to workplaces in London peaked at 73% at the start of the first national lockdown, compared to 67% for the rest of the UK.
- By February 2021, visits to London workplaces remain 54% below the baseline period.
- Even during the summer of 2020, when government restrictions on activity and work were comparatively light, there was at least a 25% reduction in workplace visits compared to the baseline period.
- There was a significant drop in workplace mobility in the week commencing 13 December 2020, which was due to London and many other areas of England moving into Tier 3 (on 19 December, London, the South East and the East of England moved into Tier 4).

Figure 10: Changes in workplace mobility over the pandemic, as measured by Google

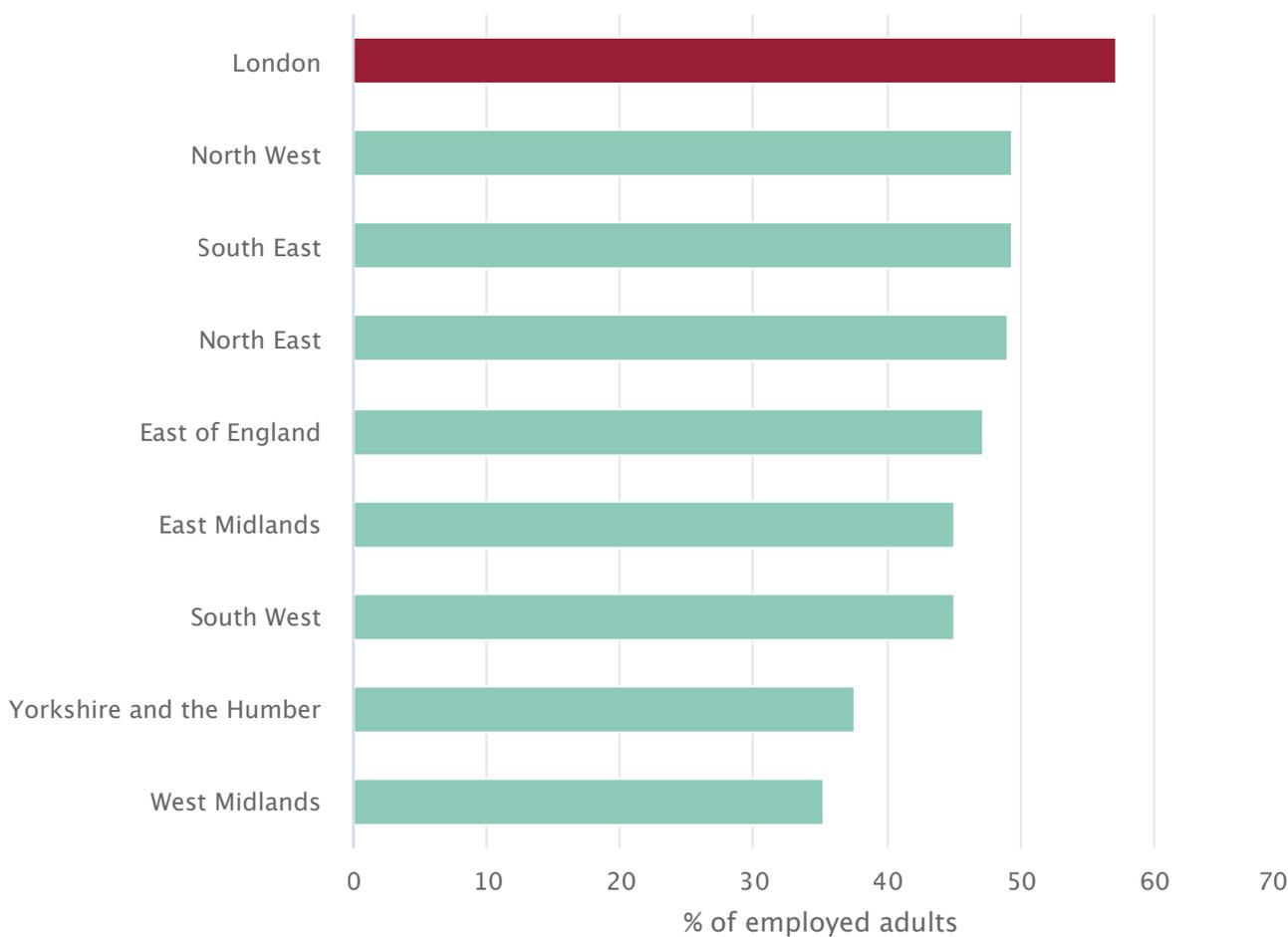


Source: COVID-19 Community Mobility Reports, Google

Many employees have been able to shift to home working

Of course, reductions in visits to workplaces do not necessarily signify reduced employment. In response to the pandemic, many businesses have been able to support their employees to work from home. Employees in London have been more able to work from home than those in any other English region, with 57% of London employees saying that they worked from home in April 2020, compared to 45% across the rest of England.

Figure 11: Proportion of employees saying they worked from home in April 2020



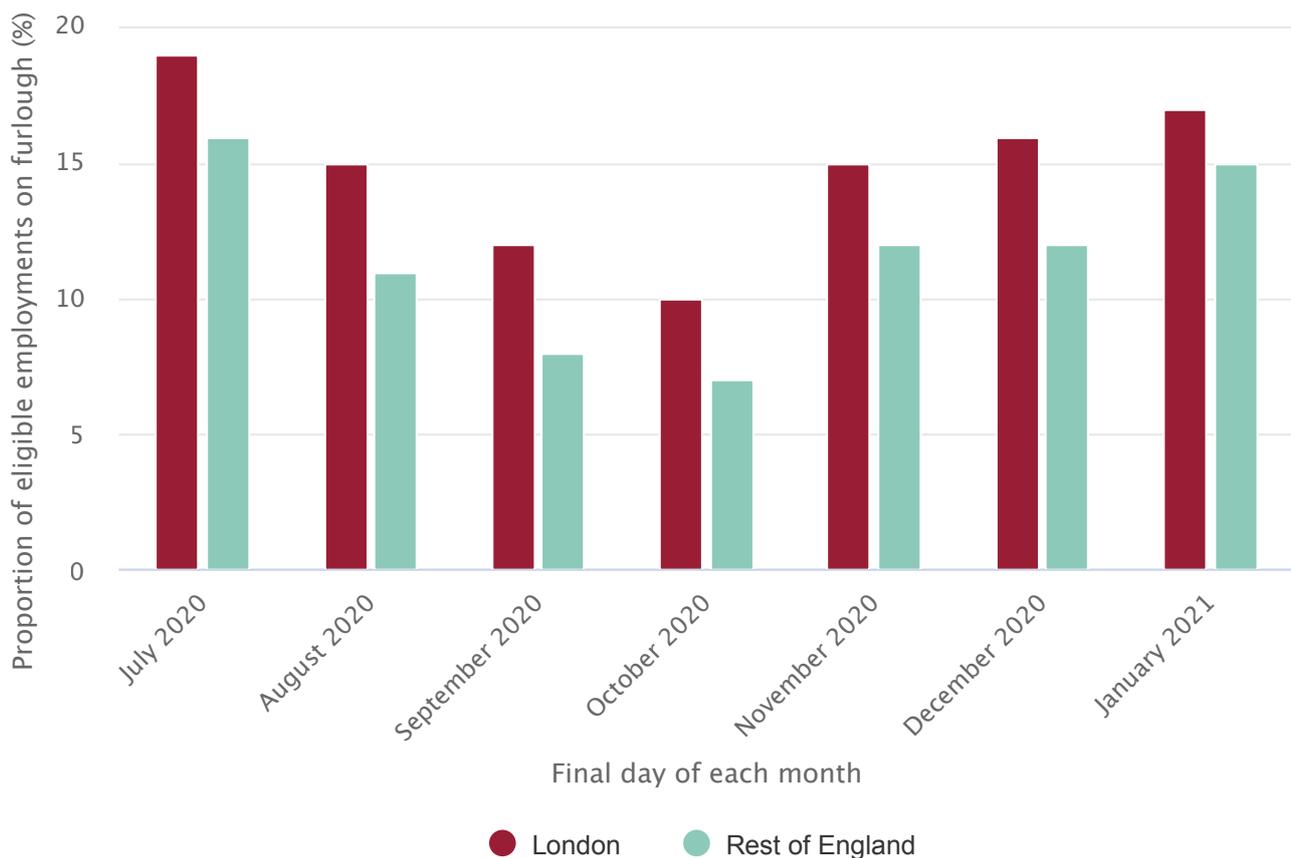
Source: Estimates of home working in the UK, Labour Force Survey, April 2020, ONS

For those unable to work from home, government support has protected many jobs, despite the fall in mobility

Where industries have had their activities restricted or working from home has not been an option, the government's furlough scheme has been used to retain employees through the pandemic. At the peak of the scheme, well over 1 million jobs in London were furloughed.⁹ As at the end of January 2021, 712,200 jobs in London were furloughed, 17% of all eligible positions.

London's furlough rate has been particularly high and consistently above those seen in the rest of England. Overall, over three-quarters of London's boroughs had furlough rates in January 2021 that were above the average for England.

Figure 12: Furlough take-up rate over time by region



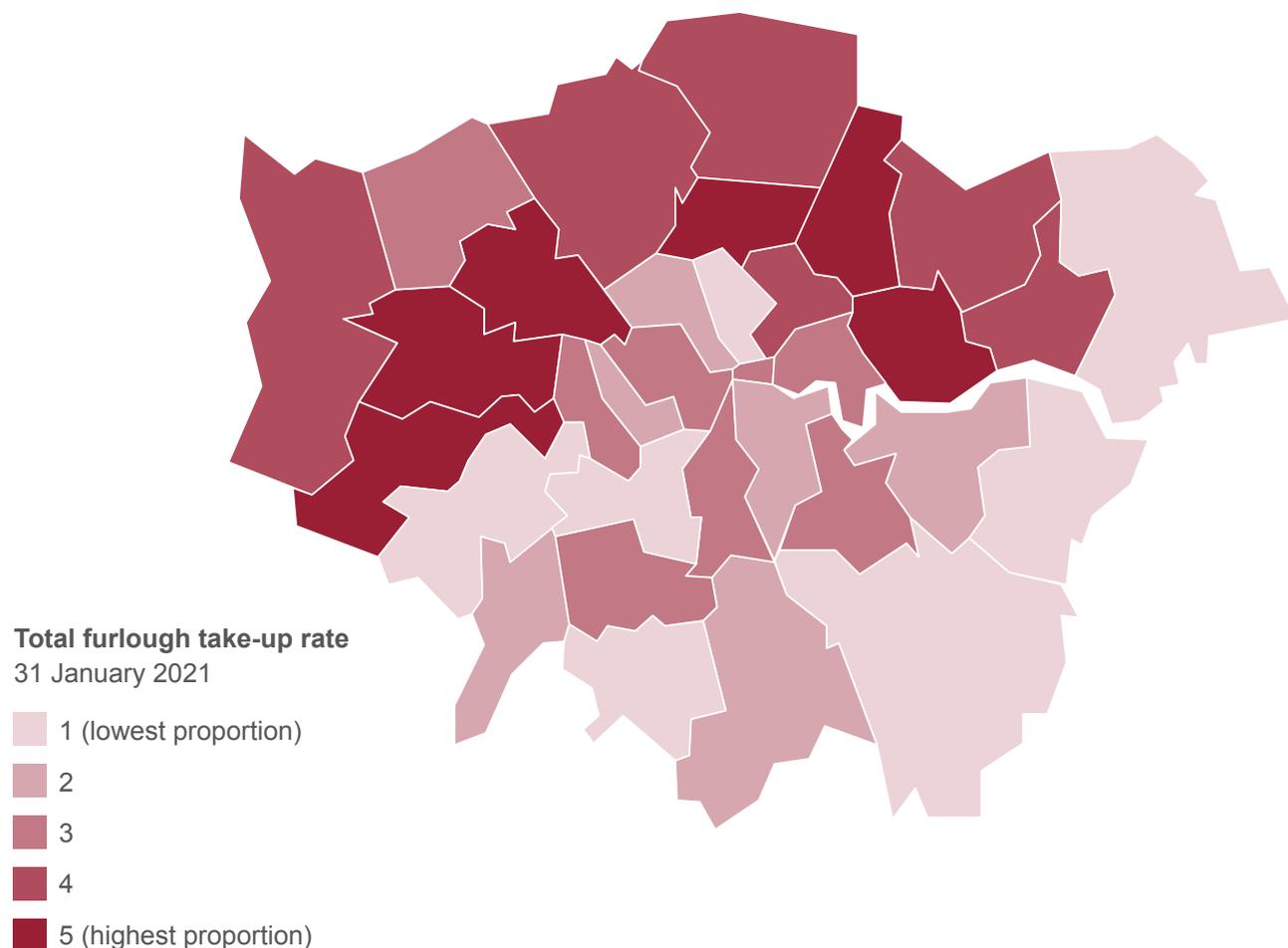
Source: Coronavirus Job Retention Scheme statistics, December 2020, HM Revenue & Customs (HMRC)

Furlough rates in London, as at 31 January 2021, are slightly higher for men (18%) than women (17%).¹⁰

Given that restrictions have had varying impacts on different sectors, there are notable differences in the furlough rate across London and for different populations. For example, those in the hospitality sector have been particularly hard hit, with more than half of jobs in accommodation and food services nationally being furloughed.¹¹

Together this has meant that different parts of London have had very different experiences of furlough. As at the end of January, the highest furlough rate was seen in Newham (22%) and the lowest in Richmond upon Thames (14%).

Figure 13: Furlough take-up rates of London boroughs



Source: Coronavirus Job Retention Scheme statistics, February 2020, HMRC

While there have been some well-documented gaps in coverage – with up to 500,000 self-employed people who were not working across the country receiving no support¹² – many self-employed Londoners have also been protected by the government’s Self-Employment Income Support Scheme. For example, by the end of October 2020, 465,000 self-employed Londoners had made a claim to the second tranche of the scheme, claiming a total of £1.2 billion.¹³

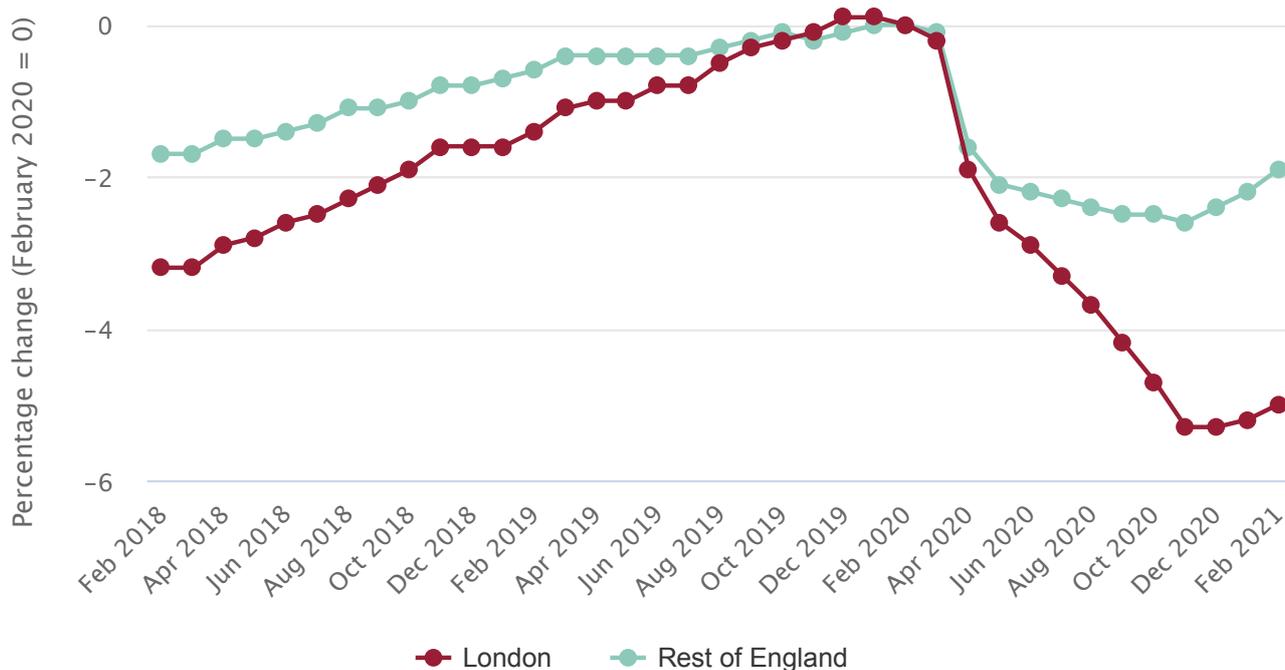
But not all jobs have been protected by home working and the furlough scheme

While the government's schemes have protected many jobs, the scale of the economic impact of the pandemic has still had a significant effect on employment in the capital. In February 2021, the number of jobs – as measured by Pay As You Earn (PAYE) data – had fallen by 5% in London since February 2020. This equates to just over 209,000 fewer jobs and takes the number of payrolled jobs in the capital back to a level last seen in October 2016.

The fall in payrolled jobs has also been larger in London compared to the rest of England, which saw a 1.9% fall between February 2020 and February 2021. While detailed breakdowns of the data in London are not available, the national picture is informative on the groups most impacted by this fall. For example, across the UK:

- Under-18s have seen a 35% fall, 18–24-year-olds an 8% fall and those aged 25–34 just a 3% fall.
- There was a 18% fall in jobs in the accommodation and food services sector and a 18% fall in the arts, entertainment and recreation sector.

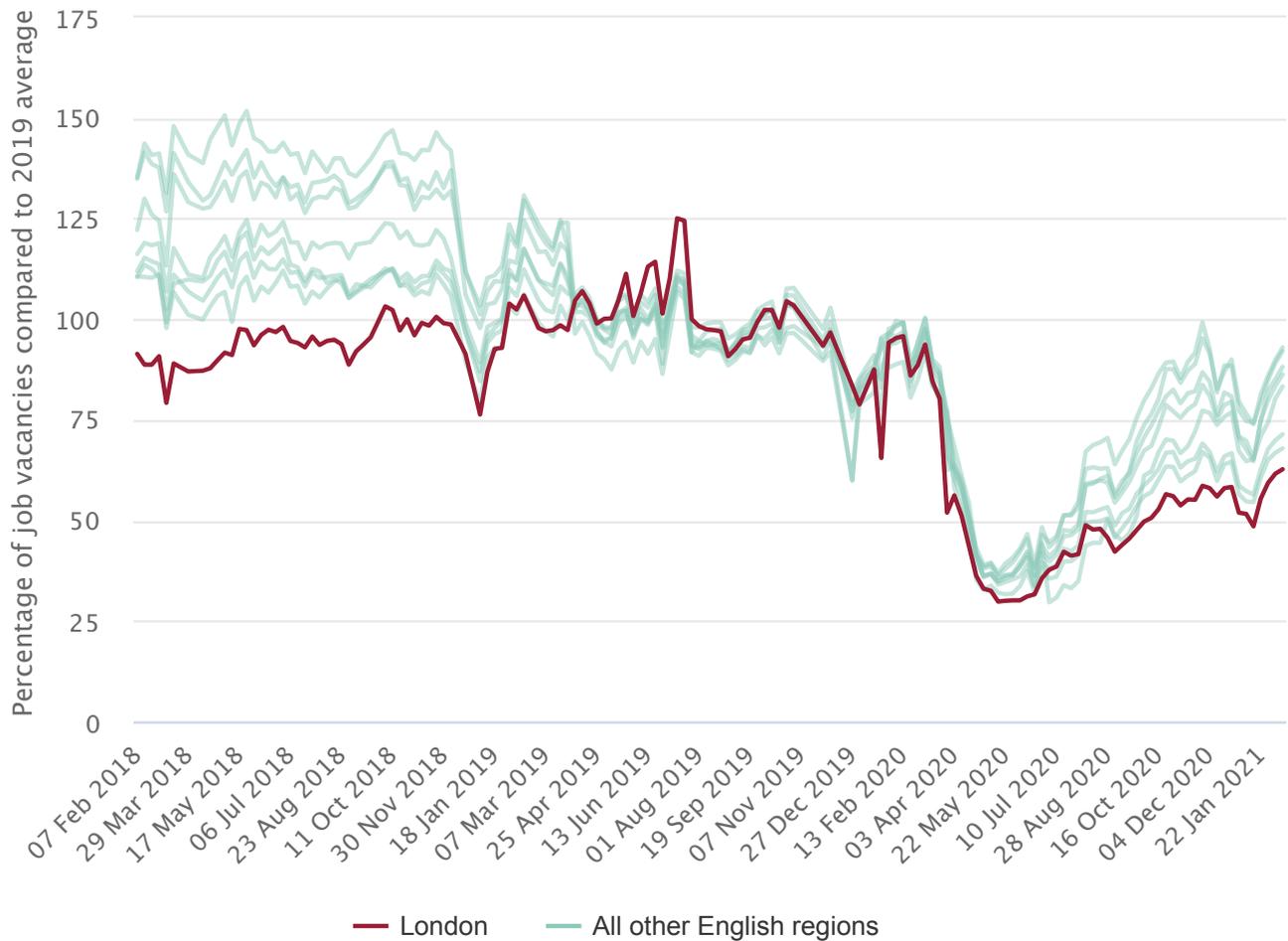
Figure 14: Percentage change in PAYE jobs compared to February 2020



Source: Earnings and employment from 'Pay As You Earn Real Time Information', ONS

The immediate prospects for the capital also look precarious. Though estimates of vacancies based on online job adverts have started to improve from the 70% slump they saw to May 2020, they are still nearly 40% below their pre-pandemic levels.

Figure 15: Index of the number of vacancies (2019 average = 100)



Source: 'Online Job Advert Estimates', ONS

While not available at a London level, statistics show nationally the sectors where recruitment has fallen most. For example, at the end of the second week of February 2021, online job adverts in the 'Catering and hospitality' category were at just 23% of the level they were during the same week the previous year, while 'Graduate' roles were at 46% and 'Wholesale and retail' jobs at 54%.¹⁴

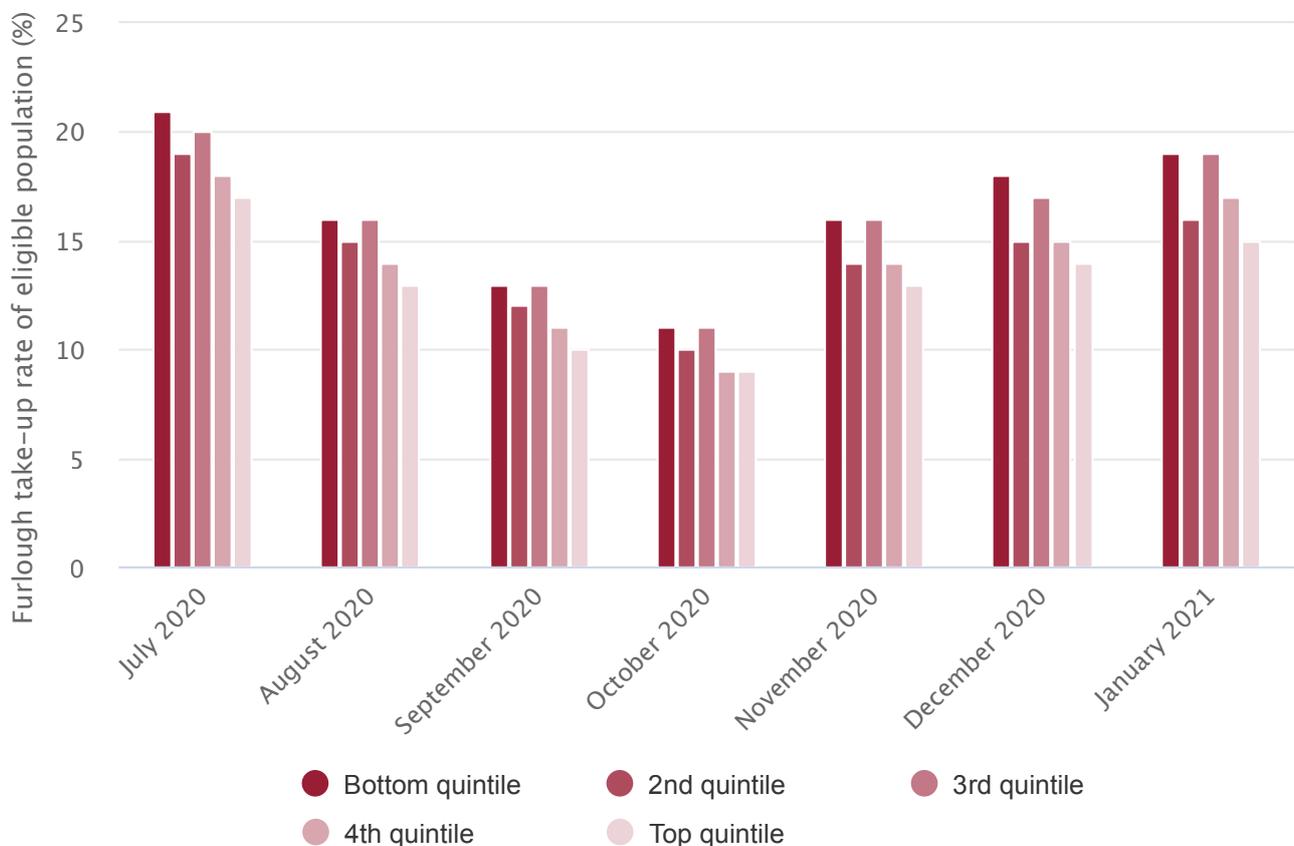
And it is those least able to shoulder the burden who have been impacted the most

The data available suggests that the people most affected by the economic impacts of the pandemic are those who were already living in the most deprived areas. In part, this is due to the fact that many roles in relatively poorly paid sectors are not constructed to be flexible or do not lend themselves to allow for working from home. For example, while 70% of people in professional occupations nationally said that they were able to work from home in April 2020, the figure for those in caring, leisure and other service occupations was 15% and for process, plant and machine operatives just 5%.

With this in mind, it is perhaps unsurprising that more deprived neighbourhoods have fared worse economically during the pandemic.

For example, more deprived areas have consistently had higher furlough rates than less deprived areas. The most deprived 20% of constituencies in London had an average furlough rate of 19% in January 2021, compared to a 15% average for the least deprived 20% of constituencies.

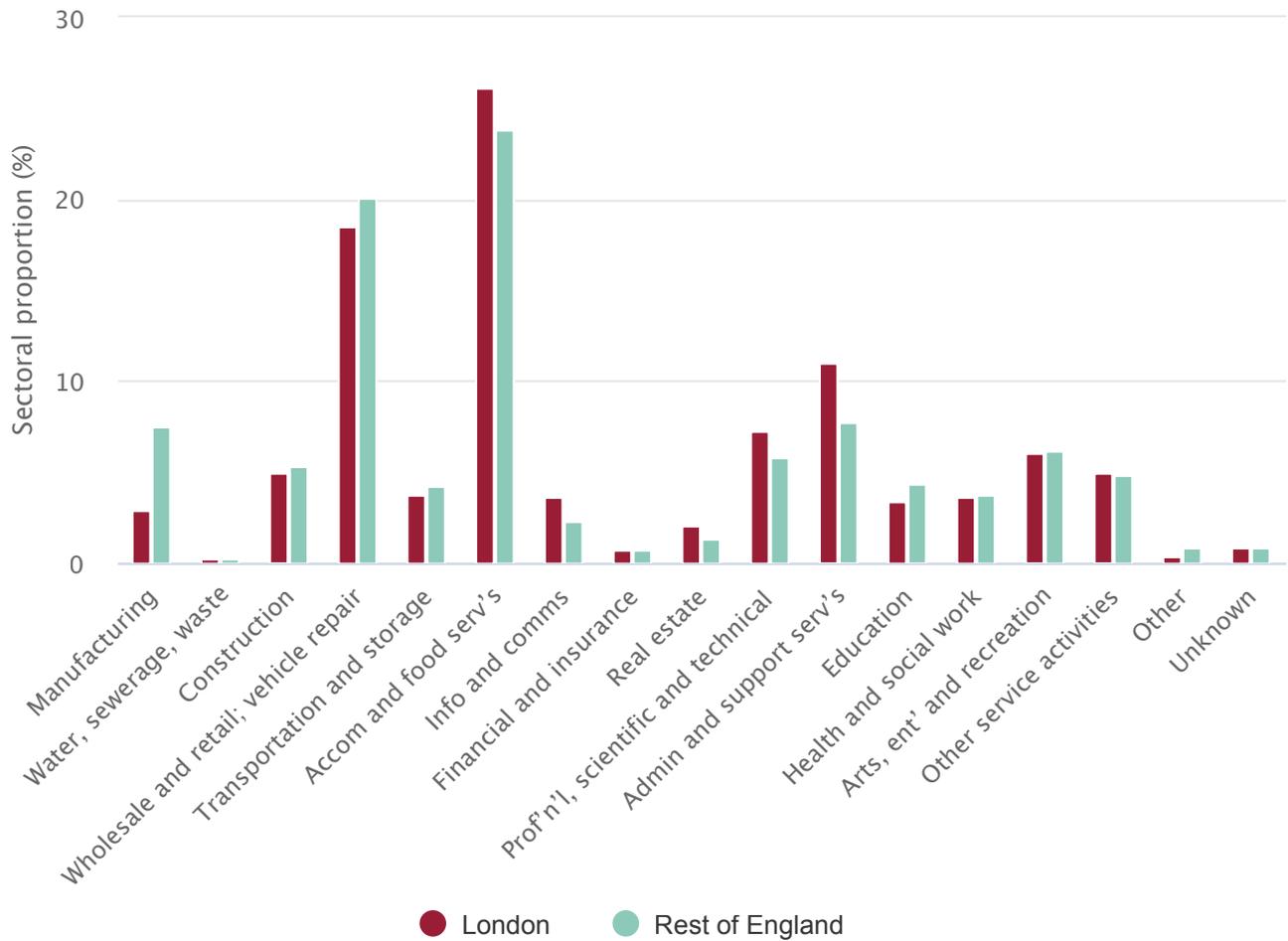
Figure 16: Average furlough take-up rate by constituency deprivation quintile in London



Source: Coronavirus Job Retention Scheme statistics, February 2021, HMRC; 'Constituency Data: Indices of deprivation', 2019, House of Commons Library

Again, certain sectors have been hit harder. For example in London, more than one in four (26%) of those furloughed work in the accommodation and food services sector and one in five (19%) in the wholesale and retail sector.

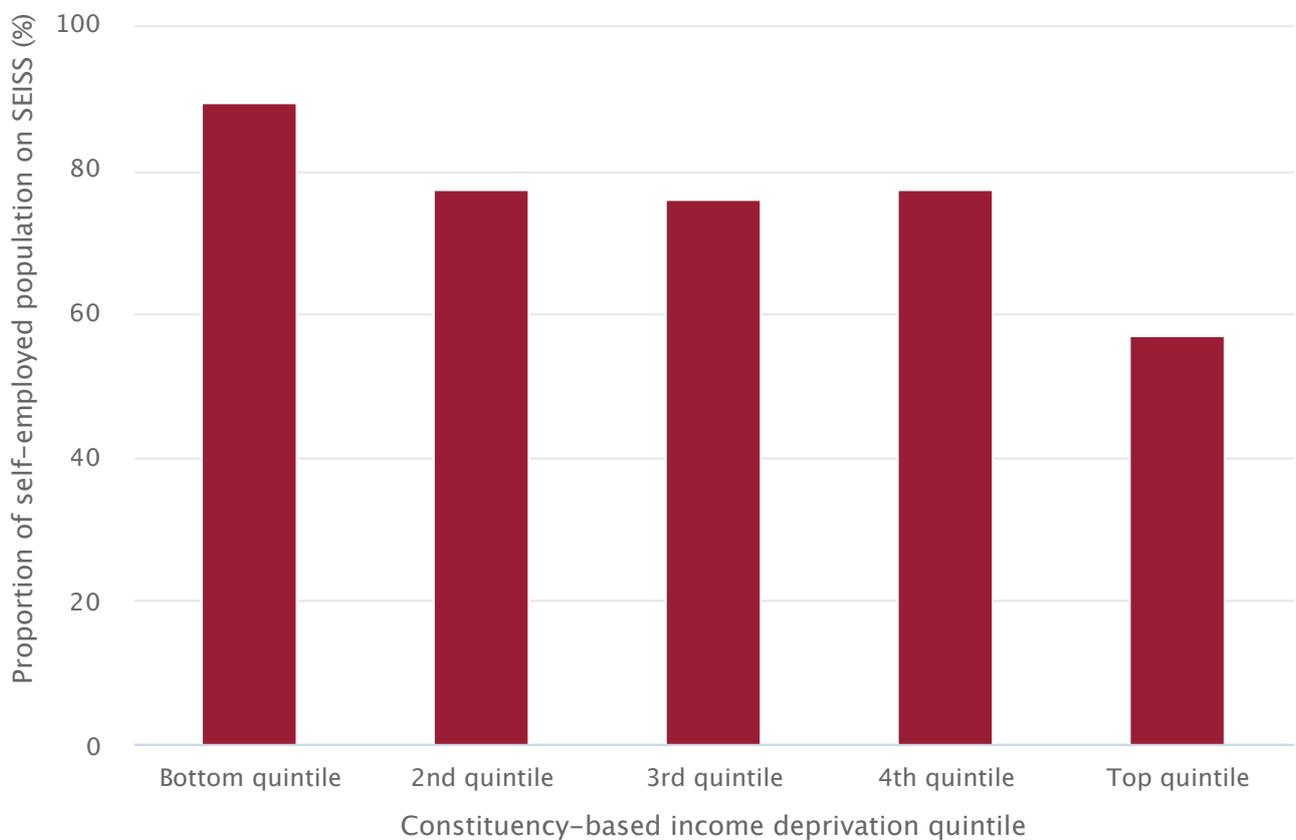
Figure 17: Breakdown of total furloughed jobs in London by sector, 31 January 2021



Source: Coronavirus Job Retention Scheme statistics, February 2020, HMRC

The picture is similar for self-employed people, where claims for the government’s Self-Employment Income Support Scheme (SEISS) are significantly higher in more deprived areas. Nine in ten (89%) self-employed people in the most deprived 20% of London constituencies took up the scheme – showing that their trading incomes had taken a hit. This compares to less than six in ten (57%) doing so in the least deprived 20% of London constituencies.

Figure 18: Take-up of SEISS in London by constituency income deprivation quintile (second tranche of scheme – as at 31 October 2020)



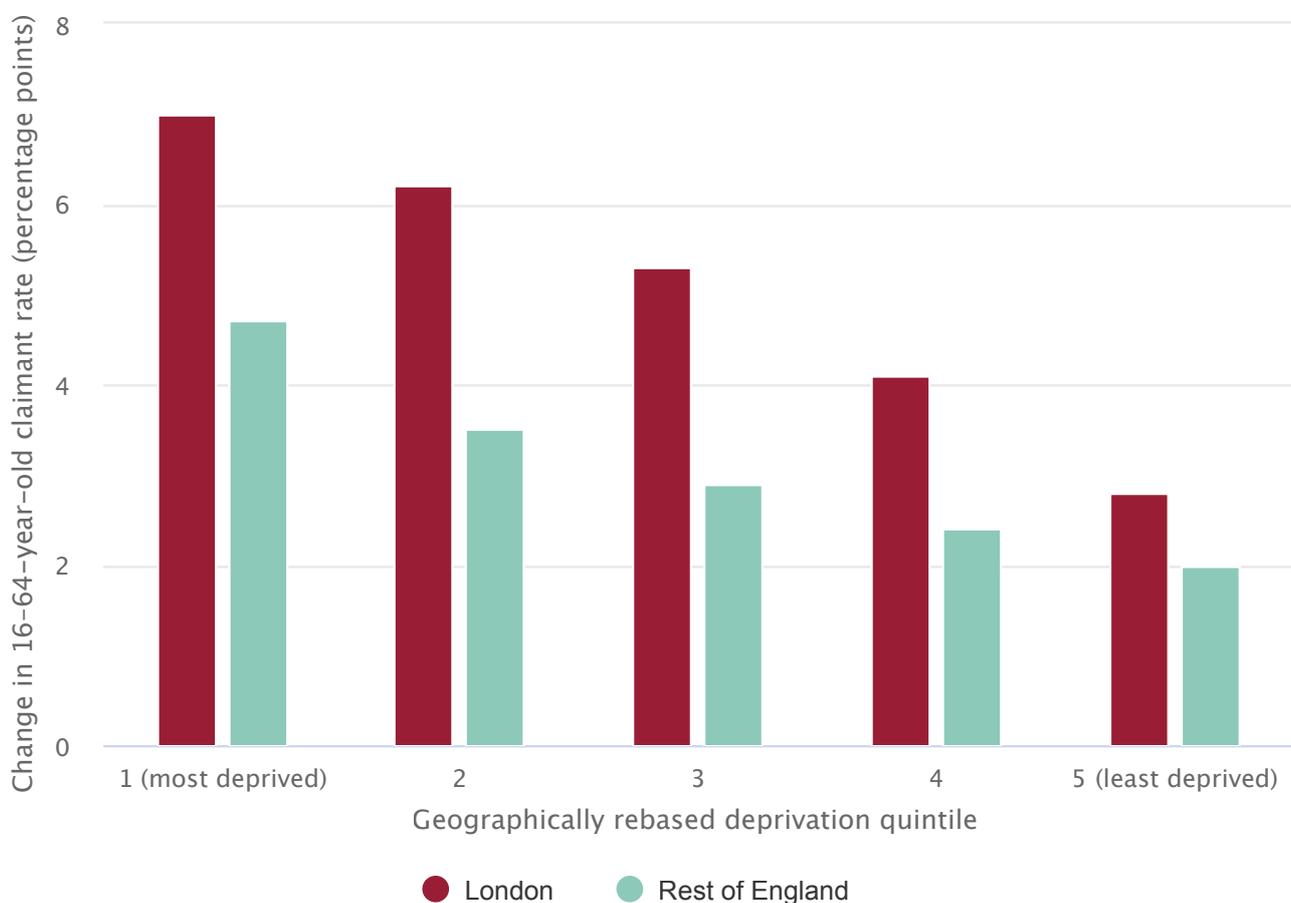
Source: SEISS, November 2020, and income tax, 2017/18, HMRC; ‘Constituency Data: Indices of deprivation’, House of Commons Library

It has been difficult to measure the impact that the pandemic has had on unemployment.¹⁵ A useful but imperfect alternative is to look at how many people are claiming unemployment-related benefits, such as Jobseeker's Allowance, or are claiming Universal Credit while being unemployed. According to this measure, the most deprived 20% of neighbourhoods in London have seen a 7 percentage point increase in the proportion of working-age adults claiming unemployment benefit over the year to December 2020, compared to a 2.9 percentage point increase in the least deprived 20% of neighbourhoods.

Overall, this means that 27% of the total increase in unemployment benefit claims seen in the capital have been in the most deprived 20% of neighbourhoods. There has also been a disproportionate rise in claims among men, with a 5.9 percentage point rise in claims in the year to December 2020, compared to a 4.4 percentage point rise for women.

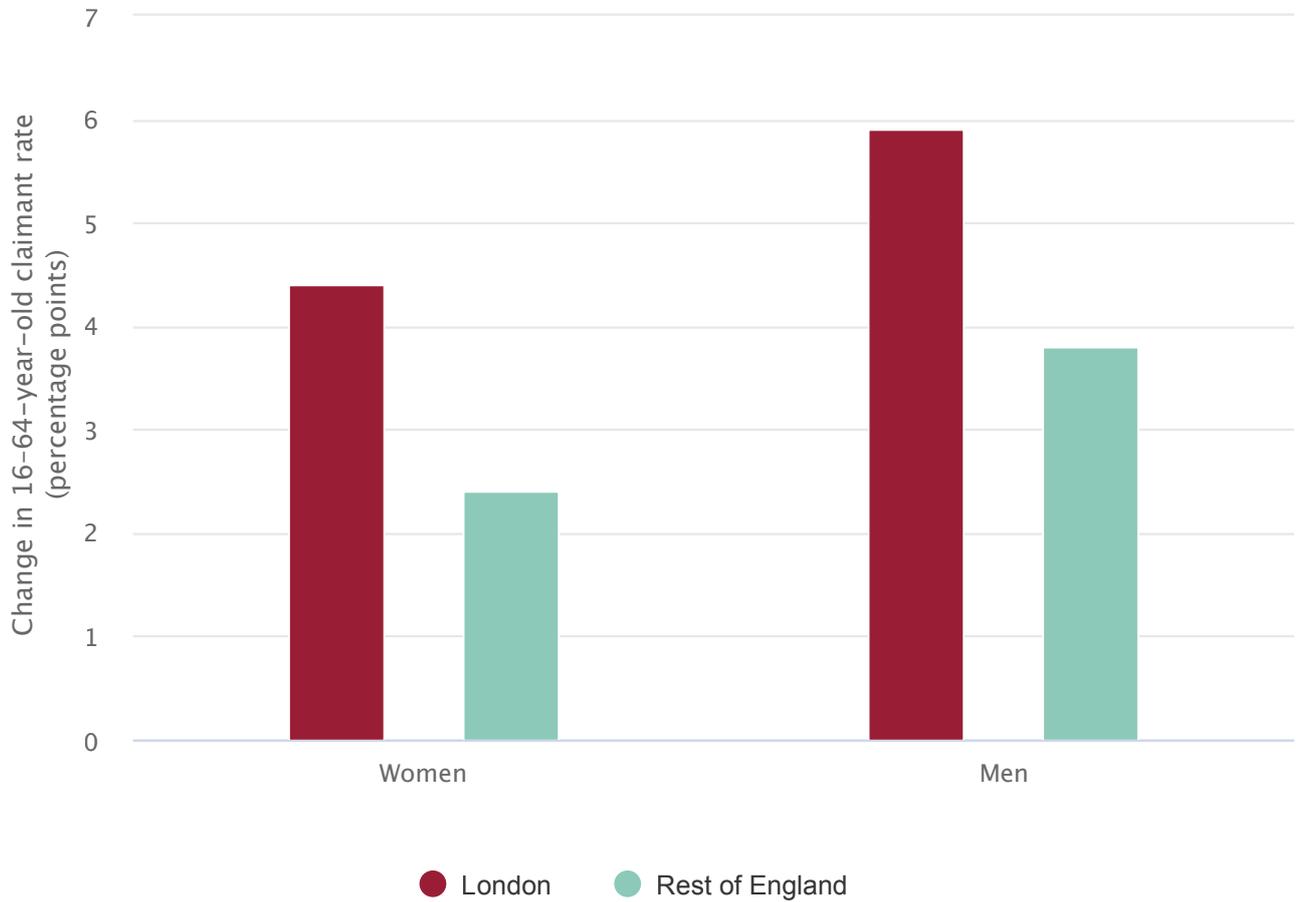
There is also a clear trend of younger workers being hit hardest, with the proportion of 18–24-year-olds in London claiming unemployment benefits increasing by 7.2 percentage points over the course of the pandemic, compared to a 3.6 percentage point rise among people aged 60–64.

Figure 19: Change in unemployment benefit claim rate in the year to December 2020 by neighbourhood deprivation quintile (December 2019 to December 2020)



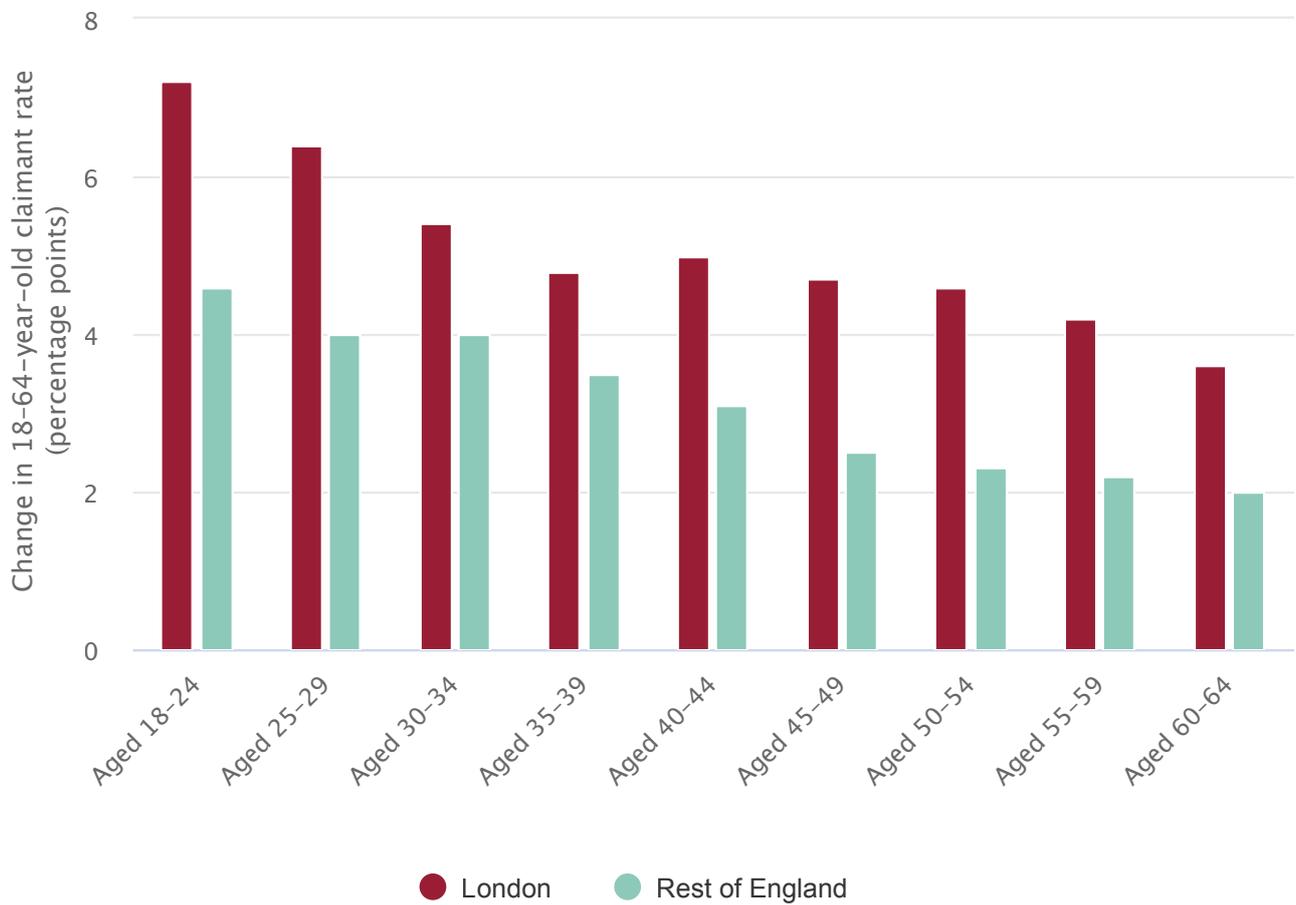
Source: Claimant count ONS via Nomis; English Indices of Multiple Deprivation, MHCLG

Figure 20: Change in unemployment benefit claim rate in the year to December 2020 by gender (December 2019 to December 2020)



Source: Claimant count ONS via Nomis

Figure 21: Change in unemployment benefit claim rate in the year to December 2020 by age (December 2020 to December 2021)



Source: Claimant count ONS via Nomis

Living Standards



The combined health, economic and social impacts of the pandemic have taken a significant toll on the living standards of Londoners. Tracking these impacts will take time, as data is released with a significant lag, but all the indicators point to these impacts being greatest for Londoners with the lowest incomes.

What we already know is that **overall, more than 1.54 million working-age Londoners were claiming benefits in August 2020, a rise of 44% compared to August 2019.**

In August 2019, 19,395 people were subject to a cap on their benefits, growing to 53,048 people a year later.



The pandemic has increased pressures on Londoners:

overall, Londoners with children spent 15.6 hours a week on homeschooling and childcare in April 2020.

Women spent more time than men on homeschooling and childcare, spending an average of 19.1 hours a week on these activities.



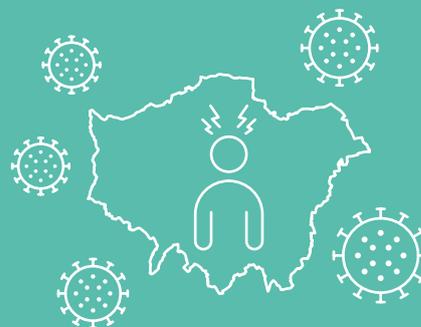
In the six months to September 2020,

London food banks distributed 210,000 food packages, a 128% increase

compared to the same period in 2019.



Levels of happiness, feeling worthwhile and life satisfaction have fallen across the capital.



Government policy has protected many people.

In 2019, 1,136 people were seen sleeping rough on a single night in London.

By autumn 2020, as a result of the government's action, that had fallen by 59% to 714.

In winter 2020/21, anxiety scores were 44% higher than pre-pandemic levels.

Poverty was a serious issue in London prior to the pandemic

Prior to the pandemic, 27% of Londoners were living in poverty, significantly more than any other part of the UK. Poverty rates in Inner London were even higher (30%), and at least five percentage points higher than in many parts of the North of England.¹⁶ Among some groups the poverty rate was even higher still; for example, in 2018/19, the BME poverty rate in London was 39% and for single parents it was 54%.¹⁷ Poverty rates also varied significantly across London's boroughs.

Londoners, and particularly Londoners on lower incomes, were also more likely to have lower life satisfaction, suffer from higher levels of anxiety,¹⁸ be materially deprived, and lack the savings and assets they need to protect them against income shocks.

Before the pandemic:



27%
of Londoners
were living
in poverty,

significantly more
than any other part
of the UK.



39%
of BME
Londoners
were in
poverty,

nearly twice the
rate of white groups
(21%).



22%
of Londoners
reported
high levels of
anxiety,

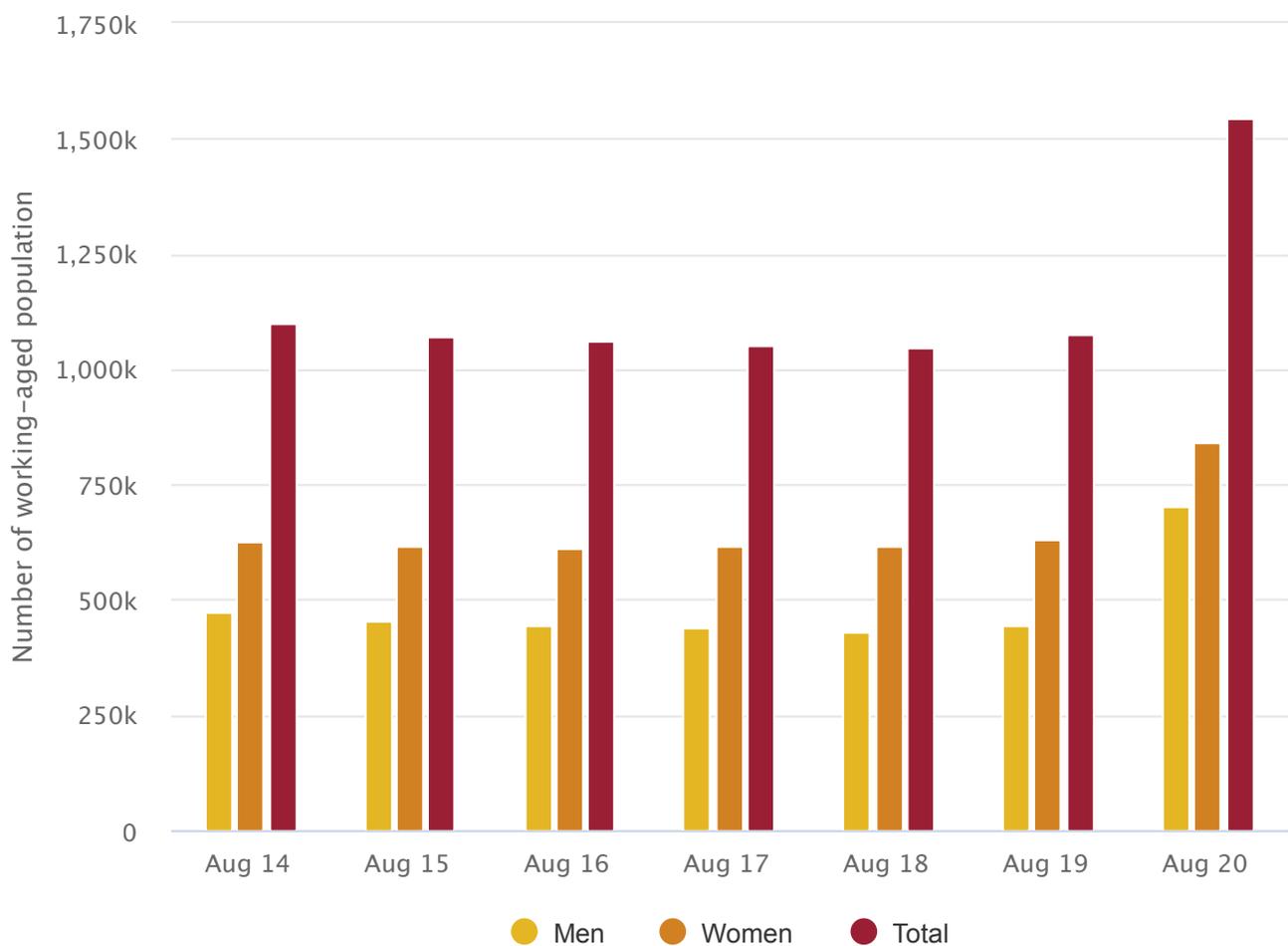
while 26% said they
have only low or
medium happiness.

The previous sections have shown that the impacts of the pandemic are likely to have made all of these issues worse – and by a greater extent – for those Londoners with the lowest incomes.

More Londoners are now relying on benefits to make ends meet – but the benefit cap is starting to bite

Overall, more than 1.54 million working-age Londoners were claiming benefits in August 2020 (a rise of 44% compared to August 2019). There were 840,927 working-age women claiming some form of working-age benefit (an increase over the year of 33%), compared to 702,862 working-age men (a 58% increase).

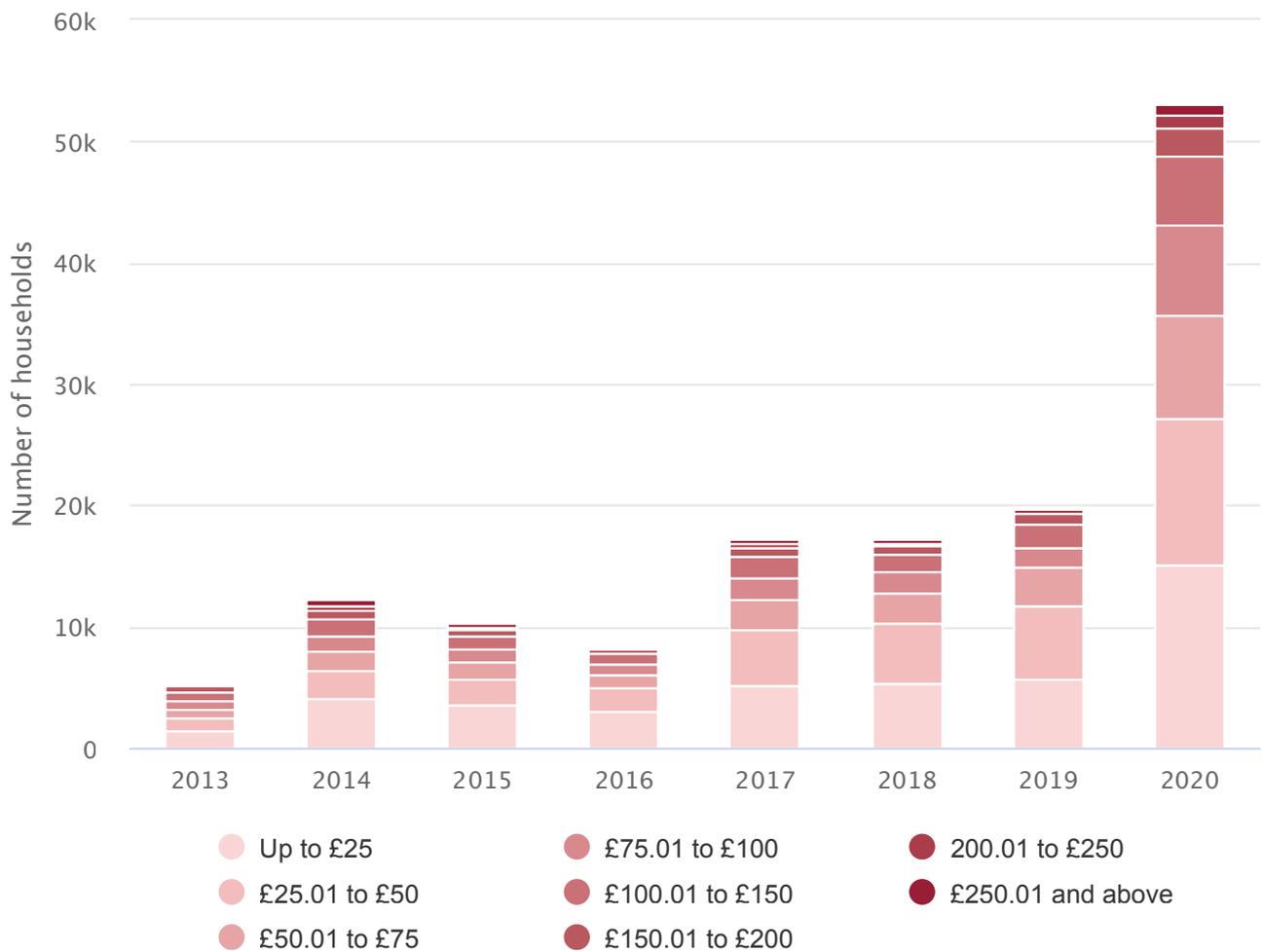
Figure 22: Number of Londoners aged 16–64 on benefits



Source: Benefit combination via Stat-Xplore, Department for Work and Pensions (DWP); mid-year population estimates via Nomis, ONS
Note: Excludes tax credits data, which is not available on a basis that is consistent with DWP data; includes claimants of Universal Credit with a £0 award

In part a result of the significant increase in the number of people on out-of-work benefits, but also a reflection of the government's decision to increase the value of Universal Credit by £20, the number of people subject to the benefit cap has more than doubled over the same period. In August 2019, 19,935 people were subject to a cap on their benefits within London, and this had grown to 53,048 people a year later.

Figure 23: London households affected by the benefit cap



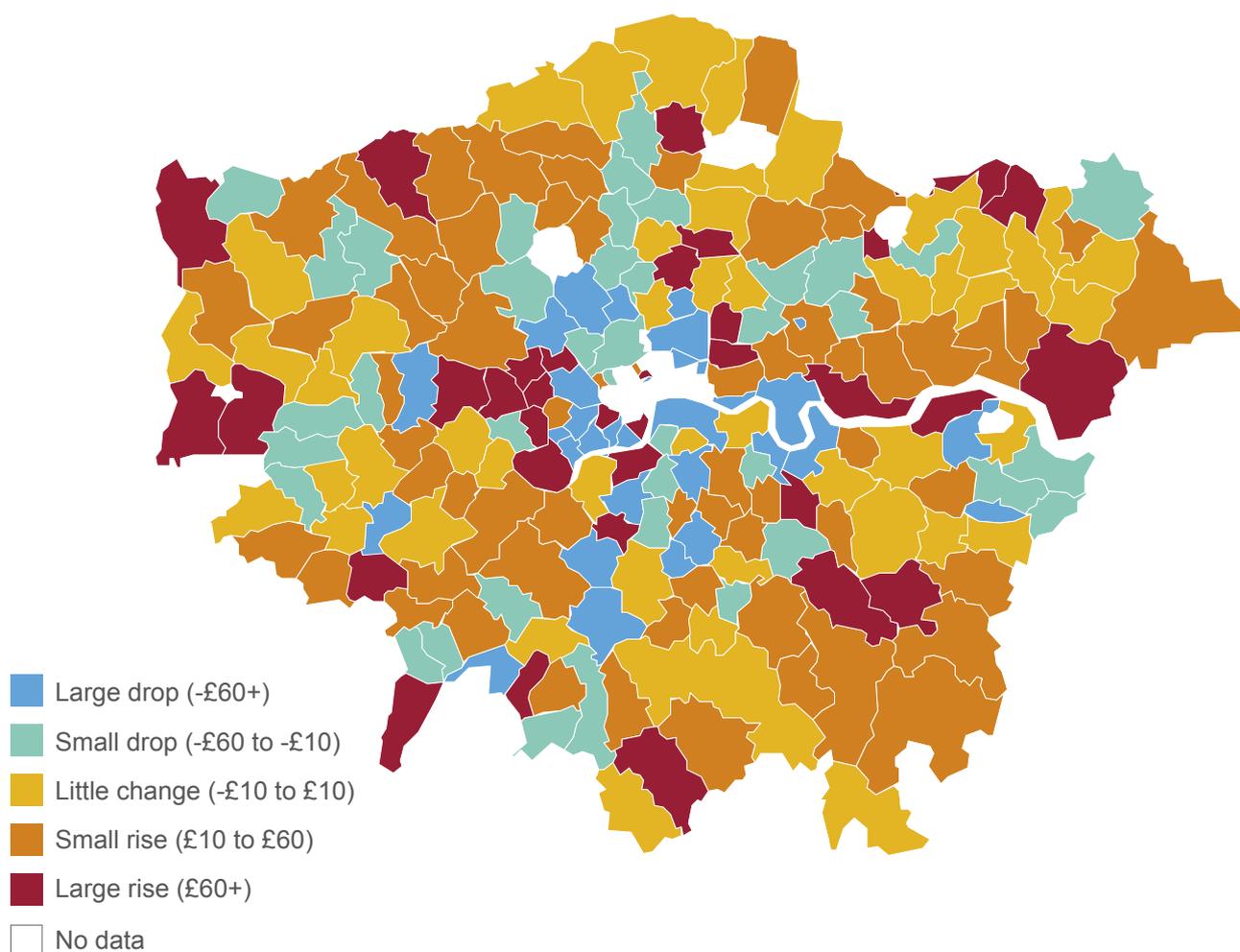
Source: Benefit cap – point in time caseload via Stat-Xplore, DWP

Pressures of housing costs have eased for some

LPP data from before the pandemic shows the significant impacts that housing costs have on poverty in London. On average, households that were not in poverty in London spent 13% of their net income on housing costs, compared to 9% in the rest of England. The situation is even worse for London households in poverty, who on average spent 56% of their net income meeting housing costs.¹⁹ At the most extreme end of this housing challenge, 10,726 people were seen sleeping rough in the capital prior to the pandemic.²⁰

In each of these areas, the pandemic and associated government responses have provided at least a little respite. For example, recent analysis for the LPP has shown that in many parts of Inner London, typical rents for two-bed properties in the private rented sector fell over the course of 2020. However, in Outer London, despite the significant economic impacts of the pandemic, many areas have seen significant rises in rental costs, putting further pressure on already squeezed incomes.

Figure 24: Change in median monthly rent for two-bed private properties (2019–2020)



Source: 'Private Rental Market in London: January 2019 to December 2019', ONS; map originally produced by the Consumer Data Research Centre for the LPP

The government has also legislated to ensure that in most cases, landlords cannot serve eviction notices to tenants who are behind with their rent. This led to a large reduction in repossessions in 2020 (falling from 8,639 in 2019 to 1,919 in 2020).

Figure 25: Types of court repossession in London



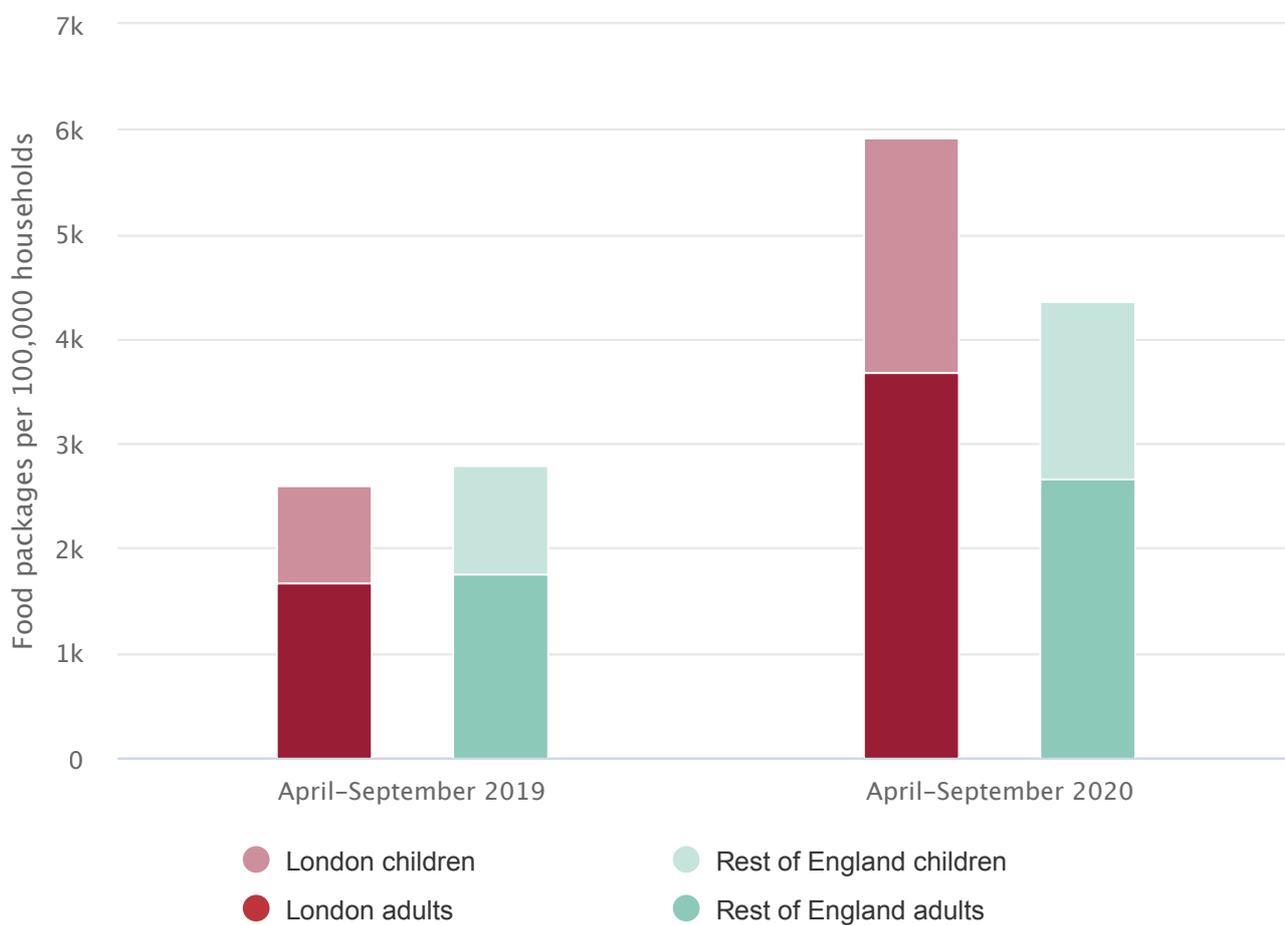
Source: Mortgage and landlord possession statistics, Ministry of Justice

In March 2020, the government also launched the Everyone In programme, working with councils, homelessness charities and hotel chains to accommodate people who were sleeping rough or at risk of sleeping rough during the pandemic. The effect of that is likely to be reflected in the fall seen in the annual count of rough sleepers that takes place every autumn. In 2019, 1,136 people were seen sleeping rough on a single night in London. By autumn 2020, that had fallen by 59% to 714.²¹ A similar proportional fall was seen in the rest of England.

More Londoners are now relying on food banks

Despite respite for some Londoners from the pressures of housing costs, another clear sign of the financial pressures that the pandemic has placed on families is the number of people having to rely on food banks to put food on the table. In the six months to September 2020, food banks in London distributed 210,000 food packages to people in the capital, a 128% increase compared to the same period in 2019. The increase in the rest of England was 56%, demonstrating the severe financial pressures being placed on families in the capital.

Figure 26: Food packages distributed by food banks to adults and children

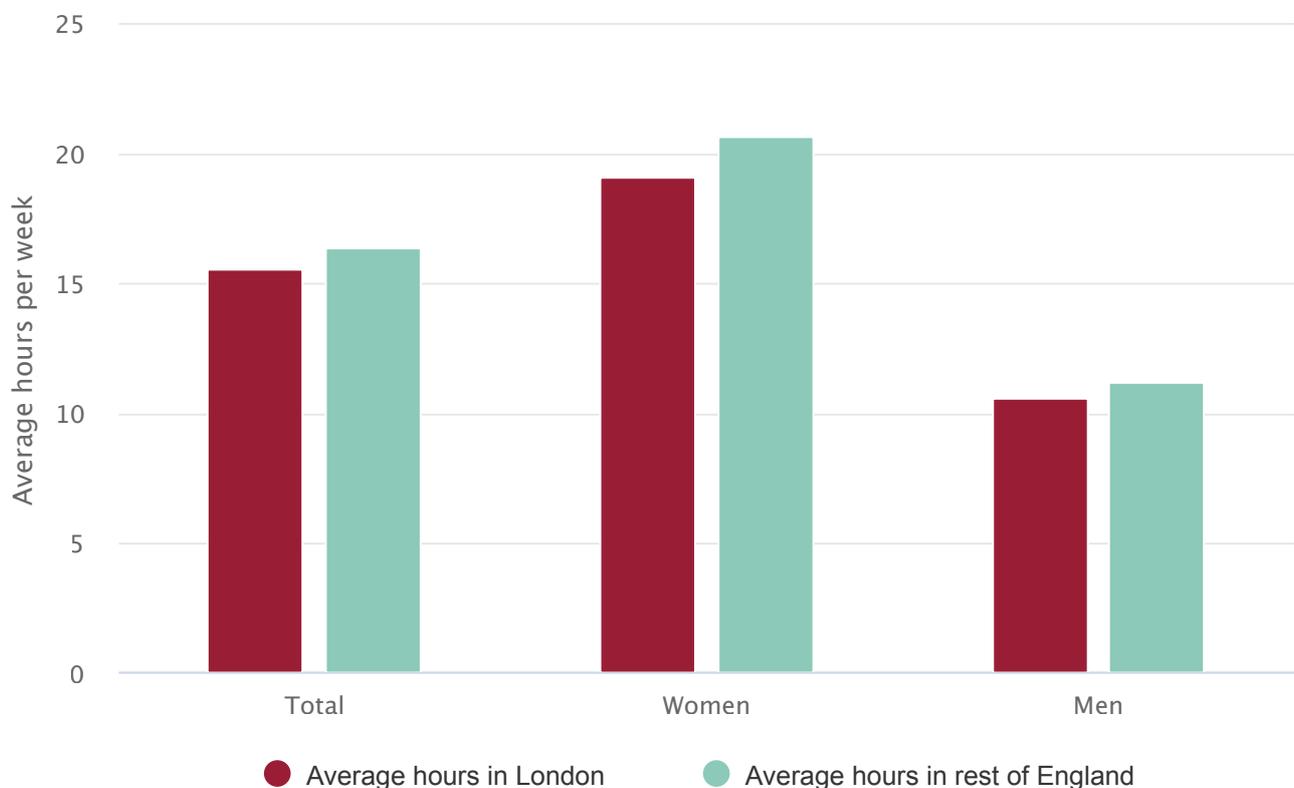


Source: Trussell Trust and ONS household population projections

The pandemic has also increased pressures on many people

As well as significant financial pressures, the pandemic has also placed other pressures on families. For example, during the periods of the year when schools were forced to close, many Londoners had to juggle homeschooling, childcare and work. Overall, Londoners with children spent 15.6 hours a week on homeschooling and childcare in April 2020. Women spent more time than men on homeschooling and childcare, spending an average of 19.1 hours a week on these activities.

Figure 27: Average hours spent on homeschooling and childcare (April 2020)



Source: COVID-19 Study, 2020, Understanding Society

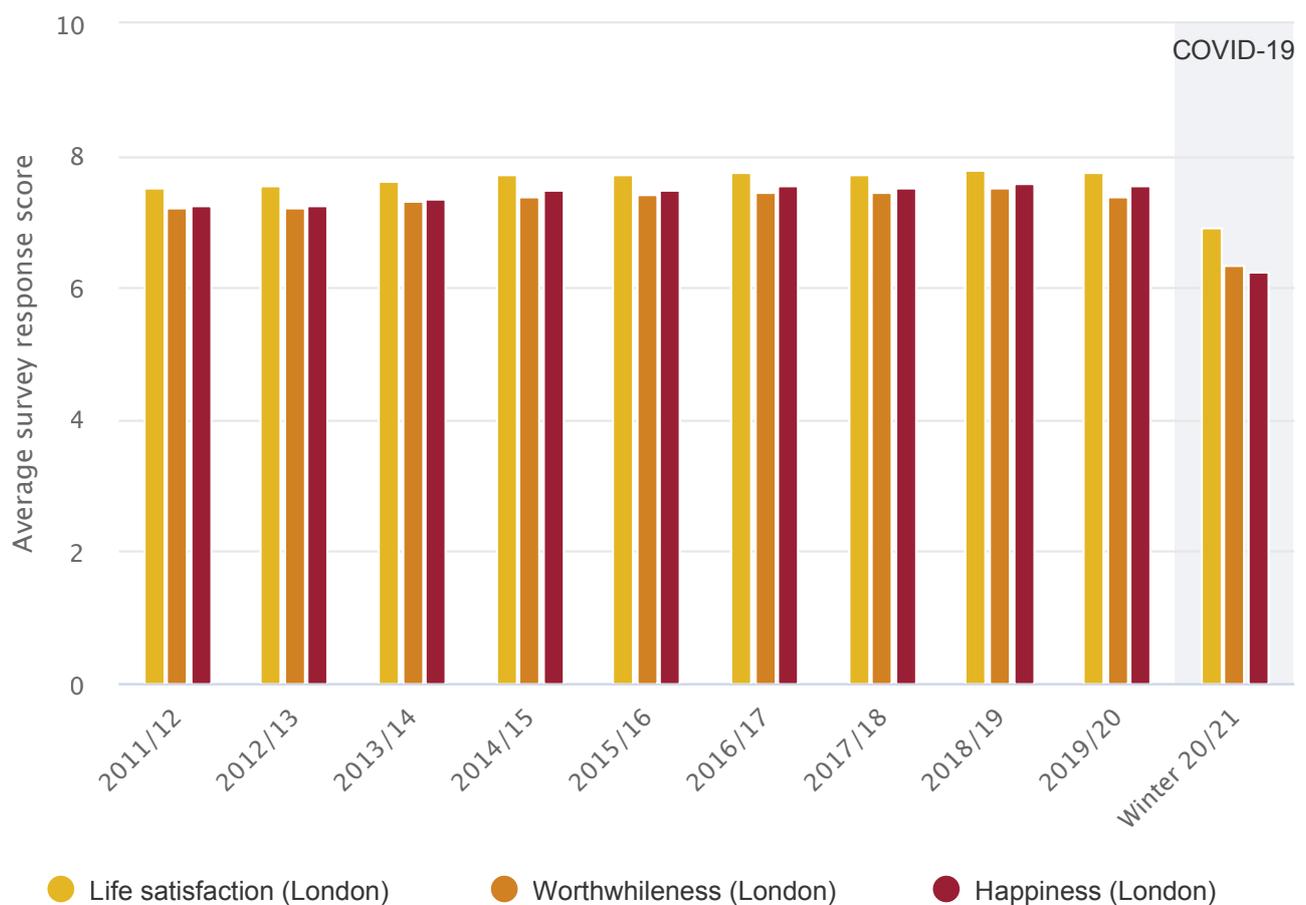
More broadly, the pandemic has put further pressures on those already struggling with insecure and low-paid work. Before the pandemic, 8.9% of workers in London were in insecure employment (eg working through an agency, on a temporary contract or in an insecure profession), 0.5 percentage points higher than the UK as a whole.²² These workers have been hit hardest by the pandemic, being 1.5 times more likely to have been made redundant and seven times more likely to be threatened with redundancy than workers who aren't in insecure employment.²³ At the same time, insecure workers are at greater risk of infection from COVID-19, with 34% shielding or at heightened risk of the disease.²⁴ These figures are particularly concerning given 52% of people in insecure work are key workers.²⁵

The pandemic has significantly impacted on the wellbeing of Londoners

Given the range of other impacts the pandemic has had, it is no surprise that Londoners' wellbeing has been negatively impacted too. Levels of life satisfaction, feeling worthwhile and happiness have all fallen, and levels of reported anxiety shot to a record high in 2020. Across the country, those who were in a worse situation before the pandemic were hit hardest by COVID-19. Between April and May 2020, people whose household finances were negatively affected by the pandemic were over two times as likely to be experiencing high anxiety.²⁶ Disabled people and women have both been over 1.5 times as likely to report high anxiety during the pandemic.²⁷

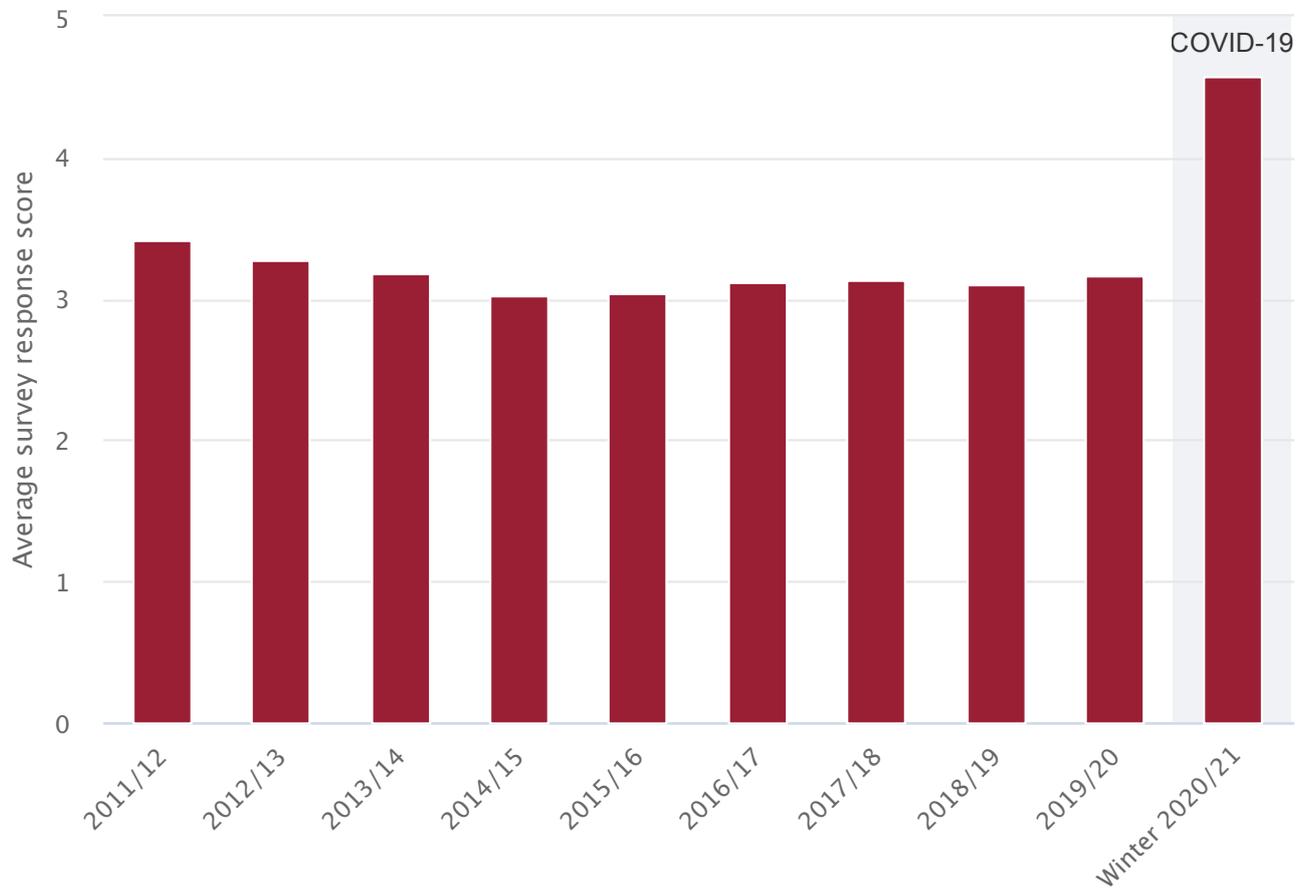
While these effects have been seen across the whole of the UK, in London they come alongside the fact that, in both 2018/19 and 2019/20, the capital already had lower levels of happiness, life satisfaction and feeling worthwhile and higher levels of anxiety than the rest of the country.²⁸

Figure 28: Levels of happiness, life satisfaction and feeling worthwhile in London



Source: Wellbeing estimates by local authority and Opinions and Lifestyle Survey (COVID-19 module), ONS

Figure 29: Anxiety levels in London



Source: Wellbeing estimates by local authority and Opinions and Lifestyle Survey (COVID-19 module), ONS
Note: The winter 2020/21 data has been taken from a different series that has not been seasonally adjusted

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