

Cost of Living Working Group Report

About the Cost of Living Working Group

Members:

- Len Duvall AM, Labour, Chair
- Lord Bailey of Paddington AM, Conservative
- Zack Polanski AM, Greens,
- Hina Bokhari AM, Liberal Democrats

The London Assembly formed the Cost of Living Working Group in 2022 in response to concerns about rising living costs for Londoners and a desire to understand the situation in the capital.

The Working Group is made up of four Members – one from each political group represented on the London Assembly.

As a Group, it sought to find cross-party consensus on findings and recommendations.

Terms of Reference

Understanding the London context:

To examine and report on the cost of living in London.

To consider the activities and approaches of central, local and devolved governments, and relevant bodies in relation to the cost of living, ensuring any particular implications arising for London (or parts of London) are understood and taken into account.

Examining the role of the Mayor:

To scrutinise the impact of Mayoral strategies and policies relating to the cost of living.

Making recommendations:

To make recommendations to the Mayor, Government and any other relevant parties in relation to the cost of living in London

Bringing together:

To support and supplement the work of the London Assembly's committees in relation to the cost of living and draw together strategic conclusions arising from the Assembly's work in this area.

Activity and acknowledgements

The Cost of Living Working Group is grateful to all those who have contributed to its work through briefings, site visits and at the conference, especially those who have shared their personal experiences of the cost of living.

We would like to thank:

Briefing organisations:

- Citizens Advice
- Learning & Work Institute
- National Zakat Foundation
- The Policy Institute
- Centre for Social Justice
- GLA Universal Free School Meals team

Site visit hosts:

- The Hub, Highams Park
- Debt Free Advice

- Sacred Heart Primary School Battersea

Conference partners:

- The Policy Institute
- Thrive LDN
- Centre for London
- Citizens Advice

The Cost of Living conference

On 19 October 2023, the Cost of Living Working Group held a conference, bringing together over 80 individuals to discuss the cost of living in London, including organisations and those with lived experience.

The conference consisted of four presentation or panels followed by discussions around tables, facilitated by an Assembly Member.

Run jointly with our partners, the conference focused on:

- The Policy Institute: The cost of living crisis in London, and solutions
- Thrive LDN: Mental health inequalities
- Centre for London: Housing in London
- Citizens Advice: Advice services in London

Watch the video on YouTube to find out more about the conference:

<https://www.youtube.com/watch?v=1orCS7EU4iM&t=3s>

About this report

The purpose of this report is:

1. To share findings from the conference with attendees, as well as other learnings from the Working Group's programme.
2. To make recommendations to the Mayor and other relevant organisations.

London and the Cost of Living

How is the cost of living impacting Londoners?

- Half of GB adults (49 per cent) reported an increase in the cost of living compared to the previous month (ONS, [December 2023](#)).
- 16% of Londoners say they are struggling financially (GLA, [January 2024](#))
- 46% of Londoners reported falling behind or struggling to pay bills the last six months (GLA, [January 2024](#), excluding don't know/prefer not to say)

Research highlighted the cost of living as an ongoing issue, and the need for longer term solutions

The Policy Institute launched its latest research, which heard from residents of Lambeth Southwark and Lambeth about their experiences of the cost of living. It also explored policy solutions with residents and the public using peer researchers and deliberative methods.

The presentation highlighted a number of key issues:

64% of GB adults saw the cost of living as a longer term issue rather than a new phenomenon

People were worried for themselves and their families, and were taking additional measures to lower costs. For example, one resident reported showering at a local leisure centre instead of home.

People were aware of the need for urgent help for some, but strongly emphasised the need for long term solutions that tackled the root causes of the problem.

The Institute partnered with the Assembly for its conference following a private briefing with Members. The Institute's research sought to better understand the impact of the cost of living crisis on London residents, and how to mitigate the worst effects of it. Read the report: [*Breaking point: the cost of living crisis in London and what can be done about it.*](#)

Trust in politics was perceived as a barrier to cost of living solutions

The Policy Institute's research also highlighted distrust in both local and national government, and that this acted as a barrier to people's engagement with policy solutions for the cost of living crisis.

“To repair trust, residents wanted to see more accountability, transparency, and meaningful impactful action in their borough.”

Discussions at the conference highlighted the need for government and politicians at all levels to collaborate with communities.

The Working Group recognises the importance of politicians connecting with the communities they serve.

“Local authorities need to be in partnerships with smaller organisations and grassroots organisations.”

“The importance of collaboration between different politicians, organisations and the community.”

What’s the Mayor’s role?

The Mayor has a strategic role in London, in relation to the cost of living this has included:

The London Partnership Board was established in March 2023 It is co-chaired by the Mayor and Chair of London Councils and seeks to address London’s challenges, providing strategic advice to policy and decision makers across the capital and beyond following on from the pandemic.

In [October 2023](#) it discussed the cost of living and agreed to set up a cost of living coordination group to consider the preparedness for the winter period.

Findings and recommendations

Finding: As the voice of Londoners, the Working Group continues to recognise the importance of politicians connecting with the communities they serve. The Assembly will continue to use its role to engage with and hear from Londoners as a critical part of its work in scrutinising the Mayor.

Recommendation: Solutions to the cost of living crisis must look to the longer term rather than delivering one-off interventions. As part of this, the Government should lift the two-child benefit cap to support families in the

longer term. At a London level, the cost of living should continue to be a focus of the London Partnership board.

Recommendation: The cost of living crisis has created further need for information sharing across government agencies and councils. The Government should use this renewed impetus to seek to overcome data privacy obstacles in order to maximise data sharing and enable people to receive the full range of support to which they are entitled.

Recommendation: The Assembly should consider publishing an annual statement outlining how cost of living issues are affecting Londoners.

Support, advice and the Cost of Living

Support and advice services told us that many Londoners are struggling with the cost of living

London has a number of advice and support services that help people across the capital.

As part of its activity, the Working Group heard from organisations working to support Londoners with the cost of living, many of which have significantly expanded and adapted since 2020 to support a growing number of people with complex needs.

Matt Dronfield from Debt Free Advice highlighted the difficulties that customers face when reaching out to support services after facing financial challenges.

“When customers come to us they feel we are their last resort, they’ve already reached out to so many places

and are told 'it's your problem, it's your situation, get a third job. Tough.' Yes we are seeing that."

In a private briefing, the National Zakat Foundation told the Working Group of the growing need for direct financial support within the UK and the focus on local giving from Muslim communities in London.

"Within the UK, the history has been people have been giving their Zakat to international non-governmental organisations (NGO) and largely the Zakat goes overseas. It is over the last 10 years, and really I would say over the last five years, there has been a growing conversation of the fact that there is need in the UK and people have to start thinking about that... Because there is more awareness of local need... there is an increased focus on local giving."

The cost of living crisis has led to an increase in demand for advice services

The Working Group is grateful to have input from Citizens Advice in its work, both at the conference and at a private briefing to understand how services in London have been impacted by the cost of living.

Its data highlighted the significant impact of the cost of living on advice services.

Across regions, significantly more people were helped by Citizens Advice in 2023 than in previous years, including people seeking crisis support.

Citizens Advice also report that half of the people they help are in a negative budget, when their necessary expenditure exceeds their income.

What's the Mayor's role?

The Mayor has a number of initiatives in relation to advice and support services in London. These include:

Funding: The Mayor provides funding to support advice services in London, including Citizens Advice and Debt Free Advice. In September 2023, a [Mayoral press release](#) announced almost £3m in additional funding to advice services, including £2.5m to London Citizens Advice and the London Legal Support Trust for the next year.

London Living Wage: The [Mayor encourages employers in London to adopt the London Living Wage](#), an independently calculated hourly rate of pay to reflect the higher cost of living in the capital, through the GLA website and other campaigns.

Campaigns and information: The GLA website [provides information in relation to the cost of living in London](#) and signposting to organisations. In relation to the cost of living, the Mayor funded [a debt advice bus in 2022](#) to provide information to Londoners through Debt Free Advice, hosted a conversation with Money Saving Expert Martin Lewis in February 2023 and ran a campaign with London boroughs to inform [eligible older Londoners about Pension Credit](#).

The panel discussed collaborative initiatives from organisations to support Londoners

Panellists across the conference discussed the many types of support that organisations offer to Londoners, including housing support, legal advice, debt advice and support to immigrants and refugees.

Examples of collaborative partnerships, including with the GLA, were discussed as well as input from private sector organisations and fundraising initiatives such as London Legal Walk.

“It is important Local Authorities and boroughs work with local Citizens Advice to ensure [funding] is distributed equitably there were various policy solutions we have been advocating.”

Funding and staff challenges: Challenges emerged around funding pressures for organisations stemming from the increased demand and staffing shortages to meet the needs of Londoners.

“Funding needs to be realistic funding advisers and frontline workers tasked to see far too many clients. They will go off sick, won't see people, will leave the sectors. We need advisers and any new funding needs to be realistic, allowing for the fact cases are more complex because of the pandemic and cost of living crisis.”

Discussions saw a role for the Mayor to create an advice sector strategy...

Conference participants raised the need for a strategic lead in London in the sector:

“GLA has an important role to play in the strategy.”

“The Mayor should do this [create a strategy] but in full collaboration with advice services.”

“Provide long term multi-year funding for the projects that we know work.”

... and play a role in understanding consistency of services across London and share best practice

“Maybe the Mayor has a role in collating the demand for (advice services), to see where demand is being met and not being met.”

“GLA could facilitate a Local Authority workshop to get consensus on priorities. Then address the funding variability... Council Tax support variability around London, the Mayor could intervene here share best practice. There are pockets of good practice in London e.g. Camden. A light could be shined on good practice by the Mayor.”

Findings and recommendations

Finding: The Working Group welcomes the increase in London Living Wage announced since the conference.

Recommendation: Boroughs have taken varied measures to respond to the cost of living in London. The Mayor/Deputy Mayor for Communities and Social Justice should convene boroughs to map these different measures across London and to share learning.

Recommendation: The Mayor should create a Mayoral strategy for advice services, including an indicator of funding over multiple years to help services plan in the

longer term. This should acknowledge how the complexity of issues and the demand for support services have increased in recent years, and should look to support advice services to address staffing shortages and highlight good practice.

Food insecurity and the Cost of Living

Food insecurity is a significant issue in London

The GLA's Survey of Londoners in 2021-22 found that one in six adults was living with low or very low food security. Some groups were affected more than others – 41 per cent of single parents experienced food insecurity.

The same survey found that 3 per cent of Londoners reported using a food bank in the last 12 months.

Data from [Trussell Trust](#) suggests that the number of emergency food parcels being given out in London has increased significantly since then, rising from 284,687 in 2021-22 to 384,477 in 2022-23.

The GLA's recent cost of living poll additionally found nearly one in three Londoners (30 per cent) reported buying less food or essentials.

Hearing from Londoners about food insecurity

In June 2023, the Cost of Living Working Group visited Highams Park Food Aid in Waltham Forest.

Like many food banks in London, The Hub has received a growing number of referrals, even in an area considered less deprived than other parts of London.

As well as food packages, The Hub provides wider support, including debt advice, and building community networks and support.

The Working Group is grateful to staff and people sharing their experiences, including Londoners who would not previously have imagined being in a position to need the support of a food bank. This underlined the huge impact the cost of living is having across the capital.

Watch the video on YouTube to find out more about the Working Group's visit to Highams Park:

<https://www.youtube.com/watch?v=2-ILVkJPTduk&t=1s>

Food insecurity discussions

“There has been increases each year in demand for food services.”

“Foodbanks not having enough stock – where we have moved from so many services directly funded by local authorities to sector led (charities), the competition to continue to exist is difficult.”

What is the Mayor's role?

The Mayor has recently announced initiatives in relation to food insecurity in London. These include:

Universal Free School Meals: For the 2023-24 academic year, the Mayor announced £135m in funding to extend free school meals to all primary school aged

children in London. In the recent [2024-25 budget](#), the Mayor announced an extension of this for another academic year with £140m in funding.

Holiday hunger initiatives: Additionally, the Mayor has committed £4m in the [2024-25 budget](#) to continue to support meals for low-income families during school holidays through the Mayor's Fund for London.

Signposting: The GLA [website](#) signposts to different foodbanks that Londoners can donate to.

The Mayor's Universal Free School Meals policy

In September 2023, the Working Group visited a primary school in Battersea to understand how the policy was being implemented. We appreciate the time and experience shared by teachers, catering staff, parents and pupils.

Staff highlighted benefits of the policy for their school and a positive uptake of the policy among pupils.

The Working Group also benefitted from an informal briefing about the policy, its implementation and evaluation by the GLA Universal Free School Meals team.

Since this activity, and the Cost of Living conference, the Mayor has announced additional funding to extend this policy, which the Working Group welcomes as a way to continue to support families.

Watch the video on YouTube to find out more about the Working Group's visit to a south London primary school:
<https://www.youtube.com/watch?v=nVevofADsQA>

Universal Free School Meals at the conference

The Cost of Living Conference included discussion of the Universal Free School Meals Policy (UFSM).

The Policy Institute's research found that while this policy was perceived as costly to deliver, after deliberating, most agreed on the benefits of UFSM as a policy, for example helping with health and education.

Tom Barrett from the London Borough of Lambeth noted the potential implication of the policy on Pupil Premium funding and the steps taken in some boroughs to address this issue.

"The Mayor's policy is of course welcome for this year. My biggest concern at Local Authority level when the policy was implemented is we will see a reduction in parents applying for free school meals, therefore a reduction in the amount of Pupil Premium coming into the borough so we have been implementing an approach over the last couple of months with neighbours in Wandsworth and Lewisham as well where we utilised data we have to identify households eligible for free school meals and then we have written to them said we will auto-awarding you free school meals and asking them to opt out if they don't want to be auto-awarded...The thing for me to emphasise for everybody to focus on here today is within existing policy designs how you apply for free school meals. We are

disproportionately impacting some of our most vulnerable communities. We need to focus on how we get design right if we are talking at London level.”

The Working Group believes that, going into its second year, the Mayor should seek to share these learnings across boroughs and that the GLA’s evaluation should seek to understand any potential effect on Pupil Premium.

Findings and recommendations

Finding: The Working Group welcomes the Mayor’s decision to extend Universal Free School Meals funding for all primary school aged children as part of the 2024-25 budget.

Recommendation: The Mayor should publish the GLA’s evaluation of the programme as soon as it is able, including analysis of the impact of the policy on pupil premium.

Mental health and the Cost of Living

Mental health and debt advice

Mental health was a key theme throughout the Working Group’s programme.

In July 2023, the Working Group Members are grateful to have visited Debt Free Advice at Toynbee Hall in East London, which provides debt, housing and energy advice and support to many Londoners. The services have seen a huge increase in demand since increases to the cost of living.

We heard from staff and those using services about the impact of the rising cost of living on people's mental health, for example affecting people's confidence and ability to work.

Similarly, people we spoke to at Highams Park noted the benefits of the community-based service for their mental wellbeing, and the importance of these local support interventions before reaching a crisis point.

Watch the video on YouTube to find out more:

<https://www.youtube.com/watch?v=7ESILh-rK3c&t=1s>

The conference discussion highlighted the relationship between mental health and the cost of living...

The panel discussed a number of issues relating to the health inequalities – both physical and mental – related to the cost of living:

- The particular impacts and needs of different groups, including those from ethnic minority groups, those experiencing other health issues, women and young people.

“You can also see those incredible scenes and examples of community support we have. We, in a larger way, have lot to learn from it. There are people on the ground providing support for decades, models are there, examples of what works is there, it's trying to translate them to different audiences, to work together to combat reasons why we are all in the mental health crisis as well as the cost of living crisis.”

- The mental health of staff working in advice and support organisations, often with not enough staff to meet the growing need.
- Difficulties for frontline workers and those experiencing mental health issues in navigating London and different systems across boroughs or needing to tell their story to multiple organisations.
- Multi-agency approaches taken by organisations.

“These kiosks we have employed we are about to make them multi-agency so we can have four support services on there, if someone comes in for debt advice housing is the cause of the debt. I invite conversations between people in the room and colleagues not here today of how we can work together to support people as soon as possible.”

... including the impact on frontline workers

“The question of why there is mental health impacts resulting from the cost of living crisis, you have to just come and see one event run by any grass roots organisation and listen to one person's story of what they have had to experience and the barriers put in their way by a system that's been underfunded for a long time, is full of bureaucratic red tape. Everything is different in this borough and this borough in the funding discrepancies and the difficulties navigating those discrepancies will wear you down over time. Frontline workers, people who navigate that, create a pathway through the complications, this additional impact on

them, you have two people experiencing the same sorts of crisis, trying to support each other through it.”

What’s the Mayor’s role?

Some key roles of the Mayor in relation to mental health include:

Health Inequalities Strategy: In September 2018, the Mayor produced his Health Inequalities Strategy which included the aim of ‘Healthy Minds: all Londoners share in a city with the best mental health in the world’.

Thrive LDN is a mental health partnership set up by the Mayor of London and London Health Board in 2017.

Its work has included:

- The Right to Thrive programme to fund grassroots organisations across London working to improve their mental health and well-being through community-based interventions.
- An Economic Wellbeing Forum, bringing together organisations to recognise the impact of financial pressures on mental health. This work has included training to support individuals helping those affected by increased cost-of-living pressures in London.

Conference discussions

“People are presenting more and more complex cases and more mental health needs, advisers [are] not feeling equipped to deal with this”

“Small pots of money for local and community organisations [are needed]”

“Thrive LDN Economic Wellbeing Forum is useful. Courses for facilitators and signposting is available. Establishing who to coordinate with is a key issue.”

Findings and recommendations

Recommendation: The Working Group welcomes continued funding for Thrive LDN in the Mayor’s 2024-25 budget. The Mayor should continue to fund small allocations of money for local and community organisations as part of this.

Recommendation: The Mayor should take steps to ensure that Londoners have the same access to mental health support across different boroughs, and should provide information for frontline organisations about support and funding in each borough.

Recommendation: The Mayor should explore ways to monitor the impact of the cost of living crisis on the physical and mental health of Londoners. This monitoring could be reviewed by the London Partnership Board.

Housing and the Cost of Living

Housing less and less affordable in London...

The high cost of housing, and its wider implications, was a consistent theme from the Cost of Living Conference and briefings from organisations to the Working Group.

According to ONS analysis, London was the only UK region where the proportion of income spent on rent exceeded the affordability threshold of 30 per cent, at 34.9 per cent in 2022.

Average monthly private rent in London is almost double that of England, at £1,625 compared to £850 across England.

Alongside this, London's [average house prices](#) are the most expensive of any region in the UK, with an average price of £505,000 in November 2023.

... and impacts levels of poverty

High costs of housing in London do not impact people equally, with those on lower incomes spending a higher proportion of their income on housing.

As a result, the proportion of Londoners living in low-income households* varies significantly when housing costs are taken into account – doubling from one in seven (14 per cent) of people to one in four (25 per cent).

*Trust for London's website states that: Households are considered to be below the UK poverty line if their income is below 60% of the median household income after housing costs for that year.

Additionally, [GLA data](#) showed an increase in homelessness, with 4,389 people seen sleeping on the capital's streets between October and December 2023.

The conference panellists highlighted a number of housing issues in London...

- A lack of housing supply. This included social housing and family-sized homes, meaning some families of four or five sharing one or two rooms.
- The quality of housing and protection for renters:

“the area which feels most chronic is the question of terrible conditions and really abysmal living conditions, not just in the private rental sector, also in social housing.”

- Temporary accommodation:

“There is pressure on Local Authorities, rightly, to re-house people in housing need, however housing is not there, means we are reliant on private sector landlords to accommodate a lot of our residents coming through.”

...with significant implications for London’s communities

Many discussions around tables at the conference highlighted the challenges experienced by London’s communities, with most describing the housing situation as a ‘crisis’.

These included:

- The impact of housing on mental and physical health.
- People being unable to continue to live in their communities or near support networks.
- Older renters not being able to retire, and younger renters not being able to afford homes.
- The impact on families and being able to afford to have a family.

“If keyworkers can't afford housing, that has catastrophic impacts on how our city runs and our education, care, policing, etc.”

“There was a consensus that there is a housing crisis. This was evidenced by personal experiences of high rents, knowing people who had been forced out of the areas, and having to commute long distances to attend schools and universities.”

“The aspiration to own homes is no longer available.”

Discussions included potential solutions

Below are a selection of notes capturing some of the discussions and ideas for solutions from the conference:

“Build more social homes.”

“We have some of the worst renters' rights in Europe. We have to fix these.”

Funding for local authorities to meet housing needs, in particular Local Housing Allowance

Use of existing buildings/land, e.g. adapting empty buildings on high streets, retrofitting, TfL land

What is the Mayor's role?

The Mayor has some powers in relation to housing in London, while other areas are the responsibility of central government. Some key roles include:

Affordable Homes Programme: The Mayor is responsible for delivering the Affordable Homes Programme in London, which seeks to increase housing supply in London.

Read the Housing Committee's Monitor on this programme [here](#).

Housing Strategy: The Mayor creates a [housing strategy](#) setting out their vision for housing, and policies to achieve that vision. This includes collaboration with councils, Government, and others to improve the quality and standards of London's homes.

Lobbying: The Mayor has a role in lobbying central government, recent examples of this have included calls for the powers to [freeze rents](#) and calls to speed up renters' reform legislation, including [section 21 evictions](#).

What should Government do?

Recommendation: The Government should bring forward its renter reform legislation, including ending section 21 evictions, before the next election.

Among the panel and the discussions round tables, there was strong support for strengthening legislation to support renters.

Additionally, Citizens Advice told the Working Group about the return to pre-pandemic demand for homelessness advice since the eviction ban was lifted after the pandemic.

The Working Group believes that bringing forward legislation to renters' reforms should be a key priority for Government, given the ongoing impacts the cost of living is having on Londoners.

“Demand for homelessness advice went down significantly in the pandemic, due to the evictions ban. That gave people protection for nearly three years. That policy intervention certainly reduced the demand for

housing advice... Now it has come back to pre-pandemic levels.”

Findings and recommendations

Recommendation: The Working Group welcomes the Government’s recent change to LHA rates, but is concerned about the amount of subsidy going to local authorities and the potential for a freeze from 2024 onwards. The Government should reconsider this position at the next budget to support local authorities to meet the housing needs of London’s communities.

Recommendation: The Government should end section 21 evictions before the next election.

Recommendation: The Mayor should better advertise the GLA [rogue landlord checker](#) for Londoners to report poor quality housing standards in London.

Appendix: Conference speakers

**The Policy Institute, King’s College London:
Breaking point – the cost-of-living crisis in London,
and what can be done about it**

- Suzanne Hall, The Policy Institute
- Hannah Piggott, The Policy Institute
- Tianne Haggar, The Policy Institute
- Dr Marta Wojciechowska, The Policy Institute
- Seb Mandzak, Peer Researcher
- Tom Barrett, Lambeth Council

Thrive LDN: The widening inequality gap and impact on mental health

- Anna Brewster, The Food Chain
- Matt Dronfield, Debt Free Advice
- Marie Hanson MBE, STORM Family Centre

Centre for London: How is the housing crisis affecting Londoners?

- Antonia Jennings, Centre for London
- Kojo Sarpong, Royal Borough of Kensington and Chelsea
- Albinia Stanley, London Citizens
- Ben Twomey, Generation Rent

Citizens Advice: How and where Londoners seek support

- James Sandbach, London Citizens Advice
- Nezahat Cihan, London Legal Support Trust
- Roni Marsh, South West Legal Support Trust
- Anela Anwar, Z2K
- John Mahoney, Westway Trust

