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Trust for London

Tackling poverty and inequality

LONDON CALLING: “STRETCHED TOO FAR”

The experiences of families living on a low income in London during the COVID-19 pandemic

October 2021





“I have a very real concern that we have survived COVID, we have survived lockdown, but we will not survive the recovery”

London Calling panellist

Introduction

CPAG’s London Calling project aims to understand the challenges faced by Black and minority ethnic parents on low-incomes bringing up children in the capital. We want to amplify these parents’ voices, and together develop local and national solutions to deliver meaningful change. This project draws on our London Calling family panel (explained below), and evidence from practitioners working with families across London via CPAG’s Early Warning System.¹



“For me, it’s not about money management, it’s about survival”

London Calling panellist

This report pulls together the views and experiences shared by parents and young people in the capital during the first year of the London Calling project. It looks at the key barriers to a good quality of life for children and families living on a low income in London in 2021, examines the effect of the pandemic on these barriers, and sets out what our panel of low-income parents in London want the future to look like for themselves and their families. This briefing also profiles the panel’s experience of participating in consultations with policy makers in London, and explores the extent to which these parents feel their identities are understood and represented by people in positions of power.

Why London

London is home to more than nine million people.² It is the UK’s biggest and most diverse city, representing more than 13 per cent of the total population.³ A huge proportion of the UK’s prosperity is concentrated in its capital, but many Londoners struggle to make ends meet and achieve an acceptable standard of living. London is home to some of the country’s poorest neighbourhoods, and it’s a city in which vast inequalities are increasingly stark.⁴ For too many Londoners and their children, proximity to the city’s affluence does not mean sharing in this wealth and adequate employment, affordable housing and fit-for-purpose childcare are often out of reach. In fact, levels of after-housing poverty and inequality are higher in some parts of London than anywhere else in the UK. As the government’s ‘levelling up’ agenda begins regenerating parts of the UK that have been economically struggling, attention turns away from London. Yet London is the only region in the UK where the number of food bank parcels distributed during the pandemic more than doubled (a 106 per cent increase).⁵



“I always wanted to bring my daughter up here, where I grew up, this is our home”

London Calling panellist

¹ The [Early Warning System](#) helps us get a better understanding of how changes to the social security system are affecting the lives of children and families. We gather information from advisers about the experience of children and families. This intelligence informs much of our policy, research and campaigning work, and also feeds into the advice we give frontline advisers.

² [London’s Population](#), Greater London Authority, 2021

³ [London’s Poverty Profile: 2020](#), Trust for London, 2020

⁴ [London Food Strategy: Healthy and Sustainable Food for London](#), Mayor of London, 2018

⁵ [Trussell Trust data briefing on end-of-year statistics relating to the use of food banks: April 2020-March 2021](#), Trussell Trust, 2021. Other regions in England have seen smaller percentage increases, between 13 per cent and 52 per cent, while overall England has on average seen a 41 per cent increase.

Poverty in London:

- 28 per cent of people in London live in poverty, compared with 22 per cent nationally⁶
- 38 per cent of children in London live in poverty, compared with 31 per cent nationally⁷
- Parents in London face significantly higher housing and childcare costs than most families in other parts of the UK⁸
- Four in 10 Londoners do not meet what is deemed to be an acceptable standard of living⁹
- Those in the bottom half of London’s wealth distribution hold just 6.8 per cent of the capital’s total wealth, compared with those in the top 10 per cent, who hold 42.5 per cent¹⁰

London is also home to groups who are at increased risk of poverty.

Black and minority ethnic groups. Across the UK, people from Black and minority ethnic groups are more likely to live in poverty: 46 per cent of children from Black and minority ethnic groups are living in poverty, compared with 31 per cent of all children.¹¹ Forty-one per cent of Londoners are from Black and minority ethnic groups. Thirty-nine per cent of Black and minority ethnic Londoners live in poverty, compared with 21 per cent of white groups.¹²

Migrant populations, including EU nationals and migrants with No Recourse to Public Funds. One in three Londoners (36 per cent) were born outside the UK (in the rest of England, 11 per cent of people were born outside the UK).¹³ Not all new Londoners need financial support, but barriers to securing legal status, the changes that our departure from the EU has brought, and the government’s continued emphasis on restricting migration, previously referred to as the ‘hostile environment’ policy, can make many migrants feel vulnerable. Migrants who are subject to immigration control and have ‘No Recourse to Public Funds’ (NRPF) status have no entitlement to the vast majority of welfare benefits, making them especially vulnerable to financial hardship and destitution.¹⁴

Young people. Compared with the rest of the UK, London’s population is young. The median age in London is 35, compared with 40 in the UK overall.¹⁵ Unemployment rates in London are highest among 16-24-year-olds: 17.6 per cent of this group were

Note on language

In this report we have avoided using ‘BME’ or ‘BAME’ in order to reflect panellists’ views that these acronyms can be problematic for some. We have referred to ‘Black and minority ethnic groups’, recognising that this term can be helpful for capturing a collective experience and including all groups. We have also identified specific ethnicities where appropriate to draw out any differences in experiences and needs between groups.

⁶ See note 3

⁷ *Households Below Average Income, Statistics on the number and percentage of people living in low income households for financial years 1994/95 to 2019/20*, Table 4_5db, Department for Work and Pensions, 2021

⁸ D Hirsch, *The Cost of a Child in London*, CPAG, 2021

⁹ See note 3

¹⁰ See note 3

¹¹ See note 7

¹² *London’s Poverty Profile: 2021*, Trust for London, 2020

¹³ See note 3

¹⁴ Individuals with NRPF status can, however, be eligible for assistance from their local authorities: London Councils reports that in 2016/17, London boroughs spent £53.7 million on supporting NRPF households with essential education and social care services ([No Recourse to Public Funds](#), London Councils)

¹⁵ *The age distribution of the population*, Trust for London

unemployed in 2020 compared with just 4.7 per cent of those aged 25-64,¹⁶ and young Black men in London are up to three times more likely to be unemployed as young white men.¹⁷

Who did we speak to and why?

London Calling panel

In November 2020, we convened a panel of Londoners aged 21-54 to hear about the challenges faced by low-income families and Black and minority ethnic groups in the city. We wanted the panel to represent communities in London whose voices have been overlooked, or whose views have not been actively sought by policy-makers.

Each panellist is from a Black and minority ethnic background. The panellists self-defined their ethnicity, and the panel reflects London’s overall Black and minority ethnic population, including:

- Mixed ethnicity
- Black Caribbean
- Black African
- Bangladeshi¹⁸
- Pakistani¹⁹
- Asian
- Indian

We recruited people from Black and minority ethnic groups because they are more likely to live in poverty.²⁰ Policy changes such as the benefit cap²¹ and the two-child limit²² have also led to a disproportionate increase in child poverty among Black and minority ethnic children.²³ This is in part due to the concentration of Black and minority ethnic groups in London where living costs are higher (making it more likely that families will hit the benefit cap), and due to demographic characteristics – for example some Black and minority ethnic groups having larger families. The two-child limit, which limits social security support to the first two children in the family, disproportionately affects London communities with higher-than-average numbers of larger families and low-income families, in particular Jewish and Muslim communities and Black, Bangladeshi and Pakistani communities.^{24 25}

¹⁶ See note 15

¹⁷ [Unemployment](#), ONS, 2021

¹⁸ There is additional representation on the panel to reflect the high rates of child poverty experienced by Bangladeshi communities in London.

¹⁹ There is additional representation on the panel to reflect the high rates of child poverty experienced by Pakistani communities in London.

²⁰ Furthermore, 68 per cent of Bangladeshi children, 53 per cent of Pakistani children and 48 per cent of Black children in the UK are living in poverty, see note 7.

²¹ The benefit cap is a limit to the amount of money certain families can receive in benefits. The cap is £20,000 a year for a family and £13,400 for a single adult, except in London where it is £23,000 for families and £15,410 for single adults.

²² The two-child policy restricts child allowances in universal credit and tax credits (worth £237.08 per month) to the first two children in a family, unless the children were born before April 2017, when the policy was introduced.

²³ O Kahn, '[Understanding and responding to ethnic minority child poverty](#)', in J Tucker (ed), *2020 Vision – ending child poverty for good*, CPAG, 2020

²⁴ Since 6 April 2017, families having a third or subsequent child are not entitled to support for that child through child tax credit or universal credit. This support is worth up to £2,845 per child per year. There are some exemptions to the policy: families where the third child was the result of a multiple birth, families where the third child is adopted, children whose main carer is not the child’s parents, and children born as a result of non-consensual sex.

²⁵ See note 23

At the time of recruitment, panellists were on low incomes, in work and claiming benefits. Seventy-four per cent of adults in poverty in London are in working families.²⁶ Even working full time, lone parents on the minimum wage are 21 per cent short of what they need to support their families each week, and couple parents on the minimum wage are 10 per cent short.²⁷ Working full time on the minimum wage is no longer a route out of poverty for families with children – nationally, or in London.²⁸

Each panellist has at least one child of primary school age. Panellists include single parents, married or co-habiting parents, and parents in blended and extended families. Families with children face a higher risk of poverty due to the extra costs children bring and because of the effect children have on parents’ working hours.²⁹ In London, parents face even greater costs: childcare costs are on average over a quarter higher than in Britain as a whole, and housing is often far more expensive than the equivalent elsewhere, whether purchasing a home, renting privately or paying a social rent.³⁰ Fifty-four per cent of Londoners in single-parent families are living in poverty.³¹

Each panellist lives in and represents one of the 32 London boroughs. The contrast between poverty rates in inner and outer London is changing over time. Although child and adult poverty rates remain higher in inner London, the gap between inner and outer London is closing fast, with comparative levels narrowing from a 12 percentage point difference 15 years ago to seven percentage points in 2016/17.³²

Reflecting the risk burden of the pandemic, half of the panellists are key workers. Prior to and during the pandemic, regardless of location or income, we have all depended on key workers for the critical services they provide. Yet the low pay and insecure hours that often coincide in roles such as care workers, delivery drivers and supermarket staff mean that over a million children of key workers are living in poverty in the UK.³³ Key worker families in the North East have the highest rate of child poverty (29 per cent), followed by London (27 per cent). Fifty-eight per cent of keyworkers are women.³⁴

Children and young people

In addition to our work with the London Calling panel, we consulted with children and young people to inform this report. In July 2021, we spoke to a small group of young Londoners in year 10 to year 13 from across the city, and asked them how they felt about the concerns raised by the London Calling panel. Students from Greenwich, Hillingdon, Islington, Newham, Lambeth and Tower Hamlets put forward their views on the challenges presented by living in their city on a low income, and shared their vision for a future in which every child in London has the same chance to develop and thrive. The reflections of young people are included in the findings of this report, alongside findings from the family panel.

²⁶ See note 3

²⁷ Lone parents working full time on the minimum wage are 21 per cent short (£80 a week) of what they need, and lone parents working full time on the median income are 16 per cent short (£60 a week). For parents in a couple who both work full time on the minimum wage, the shortfall is 10 per cent (£46 a week). See note 39.

²⁸ S Howes, *Secure Futures for Children and Families*, CPAG, 2019

²⁹ Lone parents are more likely to experience poverty than those in a couple, with 49 per cent of children in lone-parent families in poverty. See note 8.

³⁰ See note 8

³¹ See note 3

³² P Hunter, *The unspoken decline of outer London*, The Smith Institute, 2019




³³ *One million children in key worker households live in poverty*, TUC, 2021

³⁴ *Coronavirus and key workers in the UK*, ONS, 2020

What were the key challenges identified by the panellists?

The London Calling panellists have identified major challenges in three key areas, which were present pre-COVID and have been impacted or worsened by the pandemic.

- Childcare and after-school provision
 - A decline in the provision of safe, stimulating after-school spaces for children and young people
 - The absence of adequate, affordable and flexible childcare
- Living costs
 - Unmanageable expenses required to raise children, including housing, childcare, groceries, utilities, travel and cultural participation
- Social security
 - A system which does not adequately support people who are trying to improve their financial situation
 - A system which is overly complex and difficult to navigate, making it hard to understand and access entitlements
 - Overly strict eligibility criteria which mean families are denied much-needed support
 - Insufficient help for single parents

| | WHAT'S THE PROBLEM? | WHAT'S THE COVID IMPACT? | HOW SHOULD THE FUTURE LOOK? |
|---|---|--|--|
| CHILDCARE AND AFTER-SCHOOL PROVISION | <p>A decline in the provision of safe, stimulating after-school spaces for children and young people</p> <p>The absence of adequate, affordable and flexible childcare</p>  | <p>The absence of after-school childcare provision was especially challenging for key workers during the pandemic</p> <p>Reduced working hours, and therefore income, as a result of COVID meant paying in advance for childcare post-lockdown was challenging</p> | <p>Youth services should be better funded, staffed and advertised</p> <p>There is a need for subsidised, wraparound school-based childcare – delivered as part of an extended schools programme</p> <p>Childcare should support the value of working and create space for professional/career development for parents</p> |
| LIVING COSTS | <p>Unmanageable expenses required to raise children, including housing, childcare, groceries, utilities, travel and cultural participation</p> | <p>Limited availability of budget goods meant increased grocery costs</p>  | <p>Council tax should be frozen</p> <p>TfL fares should be frozen</p> |
| SOCIAL SECURITY | <p>A system which does not adequately support people who are trying to improve their financial situation</p> <p>A system which is overly complex and difficult to navigate, making it hard to understand and access entitlements</p> <p>Overly strict eligibility criteria which mean families are denied much-needed support</p> <p>Insufficient help for single parents</p> | <p>The universal credit £20 increase helped but has now been cut</p>  | <p>The system should be made fit for purpose with greater government investment to increase entitlements, and make sure the available support is adequate to lift people out of poverty</p> <p>Restore the universal credit £20 increase</p> <p>Expand eligibility (eg, increase income threshold for free school meals), and extend social security access to migrants who are denied financial support</p> |

Childcare and after-school provision

What problems did the London Calling panel identify?

Reduced and dwindling provision of safe after-school activities for young people

Last year, nearly a third (31 per cent) of London’s community groups and charities providing services for young Londoners said they were facing closure in the next six months due to financial difficulties and struggling to cover running costs.³⁵

Nearly three quarters of these organisations said that the lack of access to education or opportunities provided by young people’s services because of lockdown meant the mental health of their young people had been affected.³⁶

London Calling panellists feel that safe, after-school activities for young people are a critical resource for their family’s wellbeing.

Having a library open after school allowed one mother to foster a love of independent learning in her children, and provided free internet access which meant her children could do their homework.

Venues that hosted children’s groups/activity clubs at the weekends and in school holidays proved crucial in supporting children’s wellbeing, and were sorely missed by panellists during the various lockdowns.

“They just seem like little things but to us, the activities were so important. When the kids couldn’t go to them, they missed their friends, they got bored, they got sad.”

And yet, these services are felt to be increasingly unavailable or inaccessible in London. Panellists feel there is nowhere safe for their children to develop independence and social skills with their peers after school. In the absence of more constructive options, some young people have become involved in crime and antisocial behaviour.

The closure of sports, activities or more general youth clubs puts more pressure on the already crowded outdoor spaces panellists value so much. As a result, older children are taking up space in playgrounds intended for primary school aged children, who then feel intimidated and excluded.

“So many [youth centres] have shut down, there’s no funding available and that comes down to the government.”

“[The kids are] bored, they’re crowded, they’re out on the street.”

³⁵ [Running on Reserves](#), London Youth, 2020

³⁶ See note 35

What did young Londoners say?

“I feel like I haven’t really heard about any youth clubs in my area, and I’m not really aware of any, and I feel like even though there are maybe things to do after school within the school community so after school clubs in school, I think in the wider community outside school I don’t really know what there is to do, so I do think that could end up leading to young people not really having a place to develop in the community and socialise on a wider scale.”

“Generally after school the most popular place to go to is local parks, since before COVID-19 the youth club was open and has now closed due to lack of staff that can run it. I have younger siblings who have complained due to not being able to going to the park after school.”

“I think the government should invest in youth clubs so they don't end up getting shut down.”

“Youth clubs should increase staff, because one problem I have is that when we arrive there, there’s no one to open the door for us even after we ring the buzzer.”

“Youth clubs should make young people feel safe and comfortable. Maybe they could provide ways to get creative, for example painting, and allow for group games and discussion.”

Lack of affordable childcare

The UK has one of the most expensive childcare systems in the world.³⁷ Seventy-five per cent of children living in poverty are in working households,³⁸ with childcare costs accounting for 56 per cent of the overall cost of a child for working couples.³⁹ As a result, childcare costs present a significant barrier for many parents trying to work.

Expensive childcare can also force parents, particularly women (who often take on the majority of caring responsibilities), to take jobs closer to home even if they are low paid and poorly matched to their skills.⁴⁰

Childcare costs are on average over 10 per cent higher in outer London and over 30 per cent higher in inner London than in Britain as a whole. In inner London, childcare costs are over 50 per cent more than in parts of the country where childcare costs are lowest.⁴¹

Many panellists feel unable to work the hours they want to because they cannot afford the associated childcare costs.

“The little I am doing, I am doing it so they have a work ethic. Financially, it’s not making any sense – childcare is so expensive.”

³⁷ [Is childcare affordable?](#), OECD, 2020

³⁸ *Households Below Average Income, Statistics on the number and percentage of people living in low income households for financial years 1994/95 to 2019/20*, Table 4.3db. Department for Work and Pensions, 2021

³⁹ D Hirsch, *The Cost of a Child in 2020*, CPAG, 2020

⁴⁰ [The 'gender commuting gap' widens considerably in the first decade after childbirth](#), Institute for Fiscal Studies, 2018

⁴¹ See note 8

“The cost of childcare is extraordinarily high. You want to better yourself but they are pulling you back.”

“For me it’s working hours, you find that you’re just working to pay the nursery fees.”

“£200 for childcare a week – I had to cut down my hours because I couldn’t afford it. I can’t get any help with it, so my income dropped by £500 a month because I had to cut my hours.”

Parents feel that they are sacrificing pay rises and career progression because they do not have the right kind of childcare support – this had clear implications for their financial stability, now and in the future.

“It’s virtually impossible so I ended up changing careers, taking a step down in my career so I could accommodate childcare and be available to pick her up.”

“I would work more hours, I want to progress, I want to earn more, not just now but if I progress now, I can earn more in the future.”

Juggling work and childcare is a source of stress for the panel. The financial benefit of working is constantly threatened by unplanned issues at work, or delays on public transport, which means they incur late-pick-up fines which wipe out any net income for the week. This is particularly challenging for single parents who have nobody who could step in to help at short notice.

“I live in Hammersmith, but I was travelling to Lambeth. I would drop her at breakfast club at 7 so I could get to work by 8.30. And then leaving at 5.30, I would have to cross the whole of central London, but her after school club finishes at 6 o’clock and I would never make it in time.”

Parents feel disempowered, caught between inflexible, expensive childcare and the pressures of working in London with inevitable transport delays and last-minute demands on their time. This contributes to a feeling that it is almost impossible to get out of the trap of needing to progress at work in order to earn enough to pay for more reliable childcare, but not being able to afford the childcare which would enable them to do this. This dilemma is felt most acutely by working mothers.

“Whatever you make is snatched away from you – there is a saying in my language that you can’t hold water, it just washes down, you can’t grip it. Like when you make your money, it’s taken with the blink of an eye.”

“It feels that women have to make that sacrifice, to make that choice between a really high up position or being there for their child. It feels that women end up making that ultimate sacrifice.”

Shortcomings in formal childcare options available have led panellists to rely on informal childcare such as asking friends and family for help, which they feel should be reserved for emergencies and isn’t available to everyone regularly.

“I have friends and family who would be willing to have her for a few hours a week, but I don’t have anyone to physically get her from school and take her to where they are.”

“My mum is more than happy to have my daughter but... she’s now in a wheelchair and she’d have to travel as well so I can’t expect her to. There’s no one to get her from schools or clubs to take her home.”

“They need to be free, but they have their own lives to get on with – they need to make themselves available which can be tricky, maybe they’re doing their own job or looking after their own kids.”

What should the future look like?

School-based childcare

The panel feel strongly that wrap-around childcare should be provided at school, ideally as part of a subsidised extended schools programme. This would be more convenient, with no need to transport children between school and care locations; and would also provide reassurance that the children were in one familiar place.

“[Childcare should be provided in] schools – then I know straight from school she’s there and I don’t have to rely on someone else to get her to a different facility.”

“Keeping it all close together, knowing the places and the building I trust.”

“If they had an afterschool division that was employed by the school, that would be reassuring.”

“They know the kids, the kids know them. It cuts out stress and means everyone will feel happier.”

Longer hours

Panellists want hours to reflect the reality of the working day. They think that the ability to access childcare from 7am to 6.30 or 7pm would help with working standard office hours, including a twice-a-day commute. Picking up children earlier if possible would be better, but longer hours of childcare provision would deliver enough support to prevent parents feeling they are perpetually caught between choosing whether to compromise their role as a parent or an employee.

“It’s a long day and I’d hate to leave her there all that time but if I don’t have anyone else to pick her up and there’s traffic, it gives you an extra bit of leeway.”

More flexible hours to reflect insecure work patterns

Panellists think that, ideally, services would be flexible to reflect contemporary working patterns. Having to book childcare up to a month, or even a term, in advance is difficult when some parents only know what their work schedule would be a few days or a week in advance. This is frustrating and means they worry constantly about sacrificing money to pay in advance for childcare they might not need, or leaving themselves without adequate childcare.

“A lot of clubs, you have to book in advance, two weeks or even a month. But sometimes my work schedule hasn’t even come out yet.”

Cost

Reduced costs would help significantly. Panellists consider the potential impact of suitable and affordable childcare to be transformational for stress reduction, career progression, confidence in financial stability and planning, and enhanced wellbeing for the whole family.

“I’m just a single mum trying to make it. [Free childcare would mean] I would work more hours, I want to progress, I want to earn more.”

“It would alleviate stress straight away – you know your child is safe and doing activities that will awaken interests in them. Amazing.”

“That would be like the biggest weight has been taken off me.”

“I would do more hours and put myself forward to be promoted – I know I can do that job myself but right now I can’t because I can’t stay after 5pm”

“I just want to be paid for what I can do, not judged on when I can get childcare.”

Living costs

Bringing up a child is not cheap. It is estimated that it costs about £150,000 to cover the minimum cost of a child between birth and the age of 18.⁴² In London, parents face even greater costs. In addition to childcare costs discussed above, housing is far more expensive than the equivalent elsewhere, whether purchasing a home, renting privately or even paying a social rent.⁴³

Although a pint of milk or a tube of toothpaste bought at a national chain store costs much the same throughout the UK, in London there are stark differences in the cost of other items that make up a significant portion of household spending, for example, social and cultural participation.⁴⁴

Living costs are projected to rise for families over the coming months, with increasing inflation and energy bills particular concerns. When combined with the planned increase in national insurance, which will hit low-income workers hard,⁴⁵ and reduced levels of social security support following the £20 cut to universal credit, it is clear that pressures on family budgets are set to worsen.

What problems did the London Calling panel identify?

The panel told us they feel caught between the rising cost of living and stagnant or falling incomes, which became increasingly problematic during the pandemic. The cost of living is a daily challenge for all the panellists, and significantly restricts what they are able to do with their families day to day. For most panellists, wages have either stagnated, been reduced, or lost entirely as a result of the pandemic.

Meanwhile panellists were aware that:

- Housing has stayed very expensive, and the planned 5 per cent rise in council tax was expected to put even more pressure on families trying to recover from the effects of lockdown⁴⁶
- Childcare is prohibitively expensive
- Transport has stayed costly and Transport for London fares increased by 2.6 per cent in March 2021⁴⁷

⁴² See note 8

⁴³ See note 8

⁴⁴ See note 8

⁴⁵ [Nationally Insured?](#), Resolution Foundation, 2021

⁴⁶ [Council tax levels set by local authorities: England 2021-2022](#), ONS and MHCLG, 2021

⁴⁷ [New fares](#), Transport for London, 2021

- Groceries seem more expensive and parents were worried that the UK’s departure from the EU would lead to higher prices
- Utilities cost more over the winter because of an increased need for heating, and during lockdown there was a requirement to accommodate more people being at home in the day.

The cumulative effect of ongoing costs combined with the pressures of the pandemic undermined panellists’ quality of life, and that of their family, on both a practical and emotional level. Panellists reported acute financial hardship which restricted any non-essential activities/purchases – with “essential,” meaning “necessary for survival.”

“Having to juggle the basic necessities – it makes a huge impact on our lives.”

“For me, it’s not about money management, it’s about survival.”

Panellists report a growing sense of inequality between low-income working families and those in more privileged financial situations, and a sense of being trapped. Lack of effective action to address the hardships faced by many families across London led the panellists to believe that policy makers either do not understand, or do not care about, the situation that low-income Londoners find themselves in. Some panellists describe feeling trapped – they could not see the external pressures on their budgets easing, nor could they see how they could make additional cutbacks or take on more work to improve their financial situation.

“I don’t understand because we have the least, we struggle every month to keep going, but we’re the ones who have been hit hardest. If you have a steady income, if you have savings, if you have paid off your mortgage, you’re okay but it’s those of us who don’t know week to week if they can get by that are being hit.”

“People leading the country don’t know exactly what it’s like grass roots – they’ve never lived this life.”

After childcare costs, housing is the source of greatest financial stress. Getting on the property ladder was deemed “nigh on impossible”, and rent is perceived to be unsustainably expensive.

“The majority of [our income] goes on housing.”

“60 to 70 per cent of my income goes on rent and then I have to think about my children’s fees, my children’s clothing, and myself as well, what about us?”

“I can’t see how we will be able to afford a garden. We have three kids who need to be outside but there’s no way. We work so many hours between us but I can’t see how we can ever give our kids their own room or some outside space.”

“As a grown woman, a working parent, I should not have to rely on my parents but I do not have a choice. It’s that or we lose the roof over our heads. I don’t feel great about it, I feel like a failure, but my kids need a home.”

Decline in social housing support

One mother is facing a significant increase in the rent charged by her social housing landlord. She has rented in the same area for many years but her borough had received a lot of investment in property development and transport infrastructure. This has inflated her rent (because it is benchmarked against local property prices) meaning she is unlikely to be able to stay and raise her children in the area she loves.

“On the one hand, investment in the area is good because it makes it a better place to live, but now the council is saying that their rent increases have to match the average cost of property, but my income doesn’t match the average cost of property so now I’m going to have to move. I don’t want to, but I think I’m an example of people being priced out.”

As a fixed cost with no discount for low-income workers, travel costs add to the cost of working. Low-income workers feel particularly hard hit as they are often unable to work flexible hours and so have to pay peak fares.

“You’re looking at £350 for a travel card for a month just so he can go to work.”

“It’s depressing to see what you’re earning and know how much you’ll be paying just to get to work. It’s okay if you can turn up at 10, or be flexible so you can pay the lower fares, but not many of us have jobs that let us do that so the biggest costs hit us again.”

Travel costs often cancel out any potential gain of moving further from the centre of town in order to find more affordable housing.

“We looked at moving out of London but all the jobs are in London and if you look at a travel card from outside zone 6, that wipes out anything you save on moving to a cheaper area. We’re stuck, you can lower one cost but another one bounces up.”

The parents feel that the residual pressures from the pandemic and the UK’s departure from the EU were likely to increase the costs of essentials, despite the fact that they are already economising as much as possible: they have changed their shopping habits, found meal plans that stretched their budgets, and researched the lowest cost utility suppliers. There was no “slack in the system” left for them to accommodate price increases.

“I hear people say we should just cook better, buy cheaper cuts of meat, pick seasonal vegetables, change energy suppliers, get the insulation but they don’t realise we’ve been doing that for years just to get by. We can’t find that extra stretch, we’re already stretched too far.”

What should the future look like?

Local and national policy makers should help raise families’ income by supporting parents to work and increase earnings (in part by helping to deliver suitable childcare provision – see above), and by supplementing household income with increased social security support (see below)

In addition, panellists thought rising housing and travel costs could be curbed by freezing council tax rates and Transport for London fares.

Social security

- Higher living costs and child poverty rates in London mean social security is an important source of income for many Londoners.
- Higher rents in London also make it more likely that families accessing social security will hit the benefit cap, limiting the amount of financial support they can receive.⁴⁸
- In the wake of COVID-19, families with children have been hit particularly hard. The £20 cut to universal credit will place further pressure on household incomes, with analysis showing that the cut alone will push 300,000 children into poverty.^{49 50}

What problems did the London Calling panel identify?

The London Calling panel welcomes help from the social security system but, even before the pandemic, found that levels of support were insufficient to meet the high cost of living in London. In the context of what they expected to be long-term financial pressures caused by the pandemic, panellists are frustrated that the very real shortfall between support and costs is neither acknowledged nor addressed.

Panellists identify four main problems with the social security system:

1. Opacity and complexity of the benefits system

The lack of transparency and pro-active help from people working within the system make support inaccessible.

“When you apply for something like universal credit, you get a yes or no answer. Nobody points you in the direction of other benefits that you might be entitled to.”

“If you don’t know someone who can help you through it, you’ve got no chance.”

2. Overly strict eligibility criteria felt to be out of step with the reality of costs in London

The pandemic has meant many panellists are relying more heavily on benefits than ever before, giving them a deeper insight into the system and a new awareness of the burden placed on proving need.

“I had never believed that my income would not be reliable. I thought my job would be enough to support my family but here I am, having been forced to take a pay cut, this is not enough to pay our bills. I can’t feel positive about anything right now.”

The parents supported the public debate around free school meals during the pandemic and the attention it has shone on the support required by lower-income families. However, they feel that the current support provided through the social security system, and particularly the eligibility criteria for some benefits is “*setting the bar so low*” and does not reflect a decent standard of living in the capital.

⁴⁸ See note 8

⁴⁹ CPAG’s calculations using UKMOD, Family Resource Survey 2018-19 and Understanding Society - May 2020, see [CPAG 2021 Budget Representation](#), CPAG, 2021

⁵⁰ The London Calling panel sessions captured in this briefing were held prior to the £20 cut to universal credit on 6 October 2021.

“Right now, the way they determine who gets it and who doesn’t is really blunt. It’s too blunt and it’s too low.”

“It doesn’t work, the thresholds aren’t drawn up by people who understand what it’s like to have to choose between basic essentials. We’re not choosing between having a luxury or not, we’re choosing which essential we have to go without.”

“Then at the end, it’s the children that suffer... and [affording enough food] can make a huge difference to a child concentrating in class.”

3. Social security does not adequately support people who are trying to improve their own financial situation through paid employment

London Calling parents say they feel trapped in a system which works against those who try to increase their household income; which is dispiriting and counterproductive.

“Should I give up my career just to get extra financial help? But I don’t want to because my children see me working hard and that’s their mind set for the rest of their life. But it’s hard. Every day is hard.”

“We all know people who aren’t able to work because it will cost them more than staying on benefits – that can’t make sense financially.”

4. Support for single parents is particularly inadequate

The current approach does not seem to recognise the significantly greater pressure on working single parents in terms of childcare and housing.

“For single parents as well, there is literally no additional help.”

“If you’re a working parent, you’re expected to pay for childcare and you’re a single parent and it’s hard, it’s really hard and unless you’ve been through that, there is a lot of people who haven’t experienced the hardship that comes with that.”

What should the future look like?

Panellists believe that if the government strengthened the social security system to allow families to pay their bills and not feel the constant stress of financial instability they currently experience, that would be a huge help. Better social security would enhance families’ wellbeing, and contribute to empowering them to increase their own incomes.

“If they could just help us a bit, we could get on our feet. That would make our lives better, stop us taking money from benefits and we’d pay more in taxes because we’d be earning more. It doesn’t make sense not to do this.”

“Give us just a bit more help please - our children are the future generation and if we’re not looking after them now, they will come out with mental health issues and they will see how their parents have lived and we are their role models.”

Panellists also believe that eligibility for benefits should be reviewed.

“The threshold needs to be looked at – fairer testing based on an understanding what it’s really like to be a working parent trying to do better for you and your family.”

“There needs to be a realistic assessment that takes place on whether you’re a one-parent or a two-parent family, your income and also how many children you have as well.”

In terms of COVID-related support, panellists are keen for the government not to “take the stabilisers off too early” in the recovery by withdrawing support before personal finances have recovered. This would risk tipping households who are already struggling into a financial crisis, increasing the support they need from the state.

Representation and lived experience in policy making

Parents in London told us that their identities and experiences are underrepresented by people in positions of power.

“You’re not represented by your equals... you’re represented by people who have no concept of what life is like for the average person so therefore the decisions that they make are largely based around money, around politics and not around experience of your life.”

The London Calling panellists do not feel that policy makers understand the day-to-day reality of raising children in London on low incomes.

“It feels like they’re predominantly white, middle aged, privileged background, not representative of the area, affluent.”

“They’re from a different world.”

Working-class families feel they have been “deprioritised” over the past 10 to 15 years. Local spending decisions serve as evidence that facilities and services designed to help families have been undermined.

“The Sure Start centres that were really for families, like working tax credit, that allowed so many people to get back to work.”

Contributing to policy making is challenging for working parents. Consultation meetings are held at times and in places that are challenging for working parents to attend. The language used to discuss, for example, planning issues felt unnecessarily impenetrable – to the point that it seems to exclude working class parents by design.

“My tutor, she’s a professor and she went to a local consultation and she said she felt really self-conscious and she understands the jargon but it was very middle-class, white male and they were talking in this language that the next person wouldn’t understand. She did understand it but even she felt intimidated, if she is a professor in that field and she feels self-conscious, how does the regular person who doesn’t understand the language feel?”

“It would be nice just to have the opportunity as a lay person to speak to someone at a government level, just to see if you can engage them at an emotional level and they can understand your struggle as opposed to seeing it on a piece of paper.”

What did young Londoners say?

“I feel as though the lack of representation means it will be harder for policy makers to implement the change their communities need and want.”

“My personal view on the system in general is, if I was to think, could I be someone who was part of a local council or something, it doesn’t feel like I actually would be able to, simply because I’m not from a super privileged background. I haven’t been to a private school, I haven’t had any form of special education, nothing like that. So it doesn’t feel like, you know, someone like me, a normal person in my local area, it doesn’t feel like I could actually be one of those people, and I think that kind of shows how the system is, that I feel that way.”

What should the future look like?

Diversity – London Calling panellists want to see policy makers who were representative of London’s rich range of ethnicities, religious beliefs, experiences, backgrounds and social classes.

Transparency – the panellists are calling for greater transparency around the decision-making process and easily accessible explanations of individual decisions, which would help to foster more trust and confidence in the system (and in turn, encourage greater participation).

Meaningful support for low-income, working parents to participate in policy making – convenient consultation venues and timings and appropriate remuneration would help remove some of the barriers to participation for parents from low-income households.

“Do it at the school and get the school to let the kids into clubs for an hour, then we could do it.”

“If it’s anything more than turning up at a consultation, it’s hard for us. It illustrates how important it is to the government – if it was important, they would pay.”

“It’s not paid and we can’t afford to volunteer.”

Demystified policy making – citizens and children from all backgrounds should be empowered to feel their opinions will be valued in the future. Policy makers should work with schools to build an understanding of how the UK is governed, from national policies to local decisions. This would make policy making seem more accessible to the majority of people and, ideally, encourage more people from low-income families to choose politics either as a career or as a community service.

“Children should be given the opportunity to make informed decisions and be properly proactive in the community.”

What next for London Calling?

The London panellists feel strongly that they want to be able to raise their children in London where they have connections to neighbourhoods, communities, friends and family. The way things currently stand, however, this is increasingly difficult. The high (and rising) costs faced by parents in London, combined with the increasing shortfall of social security support, has led many London Calling panellists to consider leaving London. It's clear the situation needs to change: if current trends are sustained, it will be impossible for families on low incomes to live in the capital.

Over the next year, the London Calling project will seek to bring attention to these issues. The panel will continue to meet, share their experiences of raising children in low-income households, and identify the key barriers to improving their families' quality of life in the wake of COVID-19. As the panel's vision for the future of their city takes shape, London Calling will provide recommendations and resources for local and national policy makers. Parents in London want the opportunity to engage with policy makers in a direct way, 'as people', and to help build their understanding of the lives of low-income working parents. Through London Calling, the panel will put forward the challenges they face, and the measures that would make a meaningful difference to their lives.

About CPAG

Child Poverty Action Group (CPAG) works on behalf of the more than one in four children in the UK growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. We provide training, advice and information to make sure hard-up families get the financial support they need. We also carry out high profile legal work to establish and protect families' rights.

CPAG is grateful to Trust for London for funding the London Calling project.

About Trust for London

Trust for London is an independent charitable foundation. The Trust aims to tackle poverty and inequality in London and do this by funding voluntary and charity groups. Currently they make grants totalling around £12 million a year and at any one time they are supporting up to 300 organisations; funding independent research; and providing knowledge and expertise on London's social issues to policy makers and journalists.

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