



waltoncharity
Building a thriving Elmbridge community

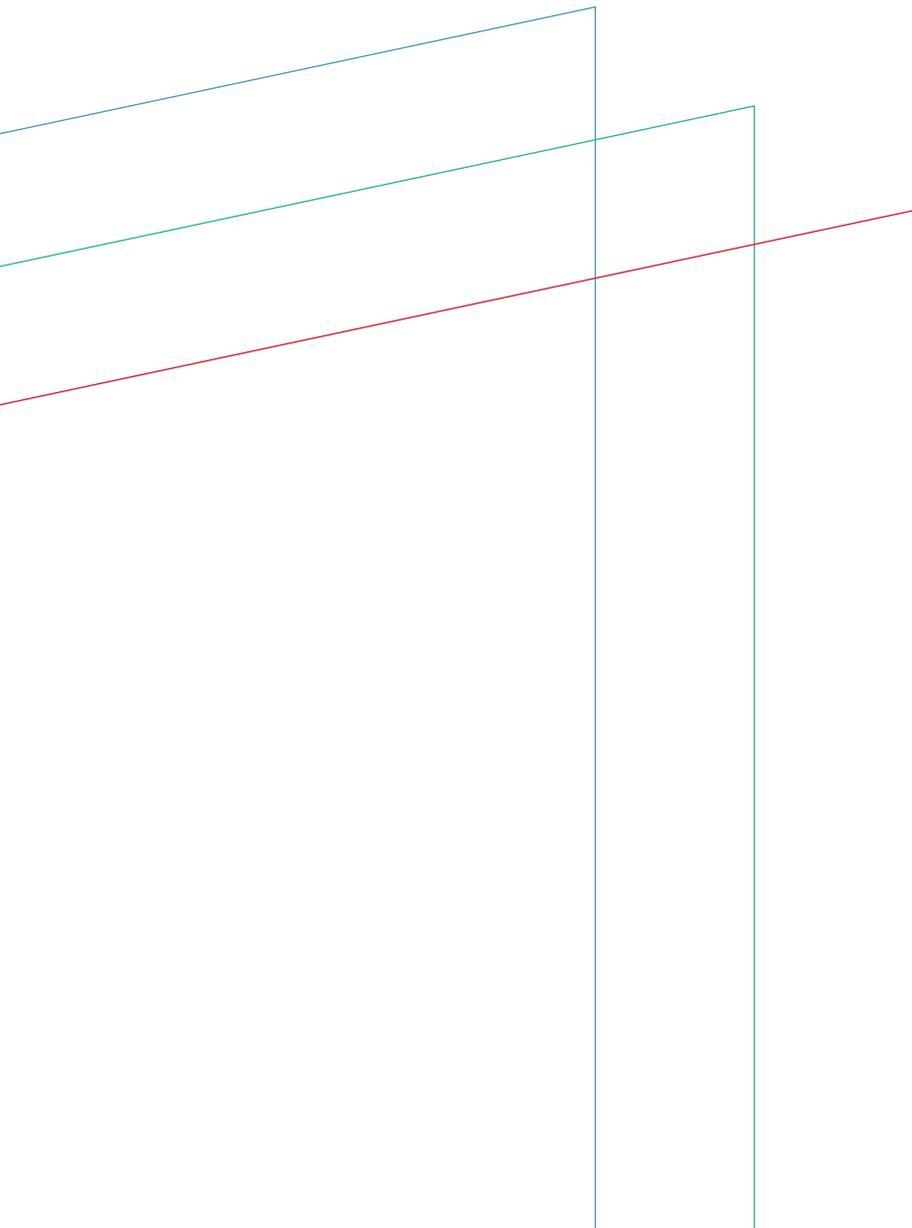
NEW
ECONOMICS
FOUNDATION

UNDER THE RADAR

EXPLORING THE CHANGING
PICTURE OF POVERTY AND
LOW INCOME IN THE SURREY
BOROUGH OF ELMBRIDGE



WRITTEN BY: DANIEL BUTTON



CONTENTS

EXECUTIVE SUMMARY	2
INTRODUCTION	4
METHODOLOGY	4
WHO EXPERIENCES POVERTY IN ELMBRIDGE?	6
CHILD POVERTY	6
WORKING-AGE ADULT AND PENSIONER POVERTY	8
THE RISING COST OF LIVING	9
HOUSING	9
ENERGY	10
FOOD	11
DEBT	12
CHILDCARE	12
IN-WORK POVERTY AND UNEMPLOYMENT	14
IN-WORK POVERTY	14
WAGES VS COSTS	16
UNEMPLOYMENT	19
PENSIONS	21
EXPERIENCES OF LIFE ON A LOW INCOME	22
FOOD POVERTY AND INSUFFICIENT HOUSING CONDITIONS	22
A LACK OF MOBILITY	23
NOTHING LEFT FOR ADDITIONAL EXPENDITURE	23
PROHIBITIVE SCHOOL COSTS AND A LACK OF ACTIVITIES FOR CHILDREN	24
TACKLING POVERTY AND LOW INCOME IN ELMBRIDGE	26
THE RISING COST OF ENERGY, FOOD, AND DEBT	26
HOUSING	27
CHILDCARE AND SCHOOL COSTS	27
IN-WORK POVERTY AND UNEMPLOYMENT	28

EXECUTIVE SUMMARY

This report uncovers pockets of rising poverty in Elmbridge. In the aggregate, the borough ranks highly on a range of indicators – from levels of employment to income. Poverty and disadvantage, however, exist under the radar. Growing numbers of children live in low-income households, and an increasing majority of these are working households. With the cost of living increasing, and wages failing to keep up, some residents are facing a range of hardships resulting from an inability to make ends meet: from inadequate housing conditions to food poverty and poor wellbeing.

Elmbridge has pockets of poverty that are growing...

Borough-wide, there are fewer low-income residents than in many other areas of England. Digging under the surface, however, reveals that Elmbridge has pockets of poverty and low income as well as signs that the situation has worsened in recent years.

Levels of child poverty, for instance, are low in the aggregate, but higher in particular wards. In 2021, 6.5% of children were in relative poverty Elmbridge-wide, compared to 15% in the Molesey West ward of Elmbridge specifically. Whatsmore, child poverty has been increasing at a faster rate in those parts of Elmbridge that were already poorer. Since 2015, relative child poverty grew by 1.7% across Elmbridge. In the same period, Molesey West saw a 4% increase in child poverty.

While Elmbridge is a pleasant place to live on several fronts, it has hidden challenges. Despite perceptions, poverty and low income sit under the radar.

...while the cost of living is rising

Elmbridge is an expensive place to live, with essentials such as housing and childcare costing more than in many other parts of the country. It is likely, therefore, that poverty statistics will not capture all of those struggling to make ends meet locally.

This is not a new issue. The borough has been expensive for some time, but matters have worsened in recent years as the price of essentials continues to outpace wages. Median house prices, for example, have grown to over 14 times median earnings, and rents are correspondingly high. The median rent on a two-bedroom property is now over 40% more than the national median.

Inflation and the rising cost of utilities and food, while not unique to Elmbridge, are placing extra pressure on already stretched household resources. Residents cite large increases in their energy bills and weekly shop and are having to decide who to pay and who not to pay in a given month. This is severely affecting the ability of both those below the official low-income threshold, and some of those above it, to stay afloat. Those who were previously just about managing are now struggling to make ends meet.

In-work poverty and unemployment are leaving some more exposed to rising costs

Trends over the last few years have left residents more exposed to these rising costs, not least the increasing rates of in-work poverty. The majority (75%) of families with children living in poverty in Elmbridge are working families.

While wages are higher on average than elsewhere, there is a problem with hours, especially for parents, due to the cost of childcare. Parents face a stark choice: sacrifice hours and earnings to avoid paying sky-high care fees or work longer hours and lose extra earnings to care costs. For single parents, in particular, this acts as a poverty trap with few routes out.

There is also a higher pay gap in Elmbridge. For those at the sharp end of this gap, earnings are insufficient to meet the high cost of living locally. A single parent with two children, for example, would need to be earning over £45,000 per annum to meet what the public think is a socially acceptable, minimum standard of living locally. They would need to be in the top 50% of earners in Elmbridge to achieve this standard.

Finally, while rates of unemployment are declining after a large spike during the pandemic, the number of Elmbridge residents claiming unemployment-related benefits is still over 27% higher than pre-pandemic levels, with those aged 20 to 34 claiming at a higher rate than any other group. For households without a wage from work, support from universal credit and other benefits falls far short of what is needed for a socially acceptable standard of living.

Low income is taking its toll, but there is much that can be done

Those without enough to make ends meet face a range of hardships. Residents are putting up with inadequate housing conditions, while the high cost of rent and utilities means there is little left for other essentials, including food. Residents are increasingly relying on food bank support, skipping meals, and going hungry. Expenditure, beyond the day-to-day, is hard to keep up with, and so trips to the dentist, optician, and hairdresser are being missed while broken household items remain unfixed. The stress of life without adequate means is taking its toll on wellbeing and mental health.

Despite the challenges of life on a low income in Elmbridge, there is much that local people and organisations can do by working together to ensure that the borough is a better place to live for everyone, from social action and service delivery to campaigns and advocacy to affect policy change. Drawing on the views of residents, we recommend spreading awareness of pre-existing support with the cost of living, extending support to cover childcare fees and taking additional measures to bring down the cost of care, developing opportunities for residents to grow their employment skills and experience, exploring the possibility of a Surrey wage weighting scheme, and advocating for action to increase the stock of truly affordable housing in Elmbridge.

INTRODUCTION

This report explores poverty and low income in the Surrey Borough of Elmbridge. In particular, it uncovers who is affected by poverty in Elmbridge and how this has changed in recent years, as well as the drivers and consequences of low income for those experiencing it locally.

This might seem like a surprising choice of location for a study of this kind since Elmbridge is generally considered to be a place of wealth. In the aggregate, it ranks highly on a range of social and economic indicators and has placed first in Halifax's Quality of Life Survey several times. The borough attracts press attention for its wealthy residents, from Andy Murray to a portion of the Chelsea football team, and has been nicknamed the 'Beverly Hills of Britain' by one tabloid newspaper.

This perception is not unfounded. There is a great deal of wealth locally, and the borough is a pleasant place to live on several fronts. However, previous research by the New Economics Foundation (NEF), conducted in 2015, uncovered an inequality gap that was wider than elsewhere. For those at the sharp end of this gap, Elmbridge was an expensive place where everyday costs were often out of reach.¹

Nationwide, a lot has changed since this research was conducted. Wages remained relatively stagnant in the following years, failing to recover and build on the levels reached before the financial crisis. The benefits system became far less generous as a result of various cuts, caps, and reforms. Public services were cut, meaning that more of life's essentials now have to be paid for, privately, out of pocket.²³ Alongside rising costs, particularly for housing, these changes meant there was a national crisis of living standards bubbling under the surface.⁴ In 2019, before anyone had heard of Covid-19, 3 in 10 people in the UK were already living in a household that did not earn enough to reach what the public think is a socially acceptable, minimum standard of living.⁵

Then the pandemic hit and accelerated the issue on several fronts. Between January and March 2021, 1.2m people were unemployed, up 0.25 million on the same period the previous year; the number of people needing to claim universal credit doubled.⁶ While we have now returned to a semblance of normality, the cost of living is rising at its fastest rate in recent history. Inflation, primarily driven by fuel and energy prices, reached 10.1% in August 2022, a 40-year high.⁷ This inflation is not impacting everyone equally. Cost rises are nine times larger as a proportion of income for the poorest half of families than for the richest 5%.⁸

Here, we set out how poverty and low income have changed in Elmbridge over this period. The hope is that this report will provide an up-to-date picture that (1) raises awareness of poverty and its impacts locally; and (2) enables organisations, including Walton Charity – who commissioned the research – to target their resources, and design and support action to tackle poverty and its causes in the borough.

METHODOLOGY

This report is the culmination of a six-month period of quantitative and qualitative research.

Quantitative methods

For the quantitative element, we analysed national and local statistics – including the Department for Work and Pension's (DWP) *Households Below Average Income Survey* and the Office for National Statistics (ONS) *Index of Multiple Deprivation* – to build up a picture of local poverty trends.

We also descriptively assessed the drivers of poverty in Elmbridge, by reviewing data on wages from employment, hours worked, benefits claimed, and the cost of living via the *Annual Population Survey*, the *Annual Survey of Hours and Earnings*, the *Census*, the *Land Registry House Prices Index*, and administrative data collated on the DWP's Stat-Xplore repository.

Once the qualitative phase was complete, we went back to the quantitative data and further probed new insights uncovered. This enabled us to place individual interviewee's experiences within a broader context.

Qualitative methods

For the qualitative phase of the research, we held two workshops with 40 representatives from the public, voluntary and community sectors to (1) collect the views of those with first-hand experience of working with those in poverty about who experiences it and what drives it, (2) gather information about what is already being done by local people and organisations to support those experiencing poverty, and (3) reflect on what else should be done.

Using the views of workshop representatives, and the findings of our initial review of local trends, we drew up a typology of different groups experiencing poverty locally and used this to inform a sample of residents to engage in one-to-one, in-depth interviews.

Our interviews explored participants’ perceptions of (1) the drivers of low income and how, if at all, these have changed in recent years; (2) the consequences of poverty from their experience;

and (3) what support they think they, and others, need to overcome the challenge of living on a low income in Elmbridge.

Rather than trying to reach all groups, we focused on those the research uncovered as the most heavily affected. A key finding from our initial stakeholder workshop was that some of those above the official low-income line are either newly at risk of falling below it or already struggling to make ends meet due to the high cost of living. Rather than focusing exclusively on those below the official definition of low income, therefore, we also included individuals living with a household income up to the national median, adjusted for household size.

Introducing the residents

Table 1 gives a short description of each resident interviewed. Residents have been given pseudonyms to safeguard their anonymity, and we have changed any identifying characteristics throughout the report.

TABLE 1: RESIDENTS INTERVIEWED

Name	Demographic	Working status	Income group
Jenny	Parent within couple household	Working	Low income
Linette	Parent within couple household	Working	Below median income
Jane	Parent within couple household	Working	Below median income
Juliet	Parent within couple household	Not working	Low income
Kelly	Single parent	Working	Low income
Alex	Single parent	Working	Below median income
Gwen	Single parent	Not working	Low income
Wes	Younger (<34) working age adult	Working	Low income
Grant	Younger (<34) working age adult	Not working	Low income
Yasmine	Younger (<34) working age adult	Not working	Low income
Zak	Younger (<34) working age adult	Working	Low income
James	Pensioner	Not working	Low income
Martha	Pensioner	Now working	Low income

WHO EXPERIENCES POVERTY IN ELMBRIDGE?

This section describes the levels of poverty in Elmbridge compared to the rest of the country. While the borough has fewer low-income residents than elsewhere, there is clear evidence of pockets of poverty throughout where low incomes cluster. The hidden challenge of poverty exists under the radar and rates of low income have risen in recent years.

Poverty can be defined in different ways, but measures based on household income are common. The main measures of poverty used by the UK and other governments define those in poverty as those living on less than 60% of median household income adjusted for household size, whether within that year – relative poverty – or compared to a fixed point in time – absolute poverty.

Unfortunately, no up-to-date household income data (except for children) is available for Elmbridge. In 2019, however, before the coronavirus pandemic, the Office for National Statistics (ONS) published findings on neighbourhood-level income deprivation based on the proportion of people in an area who are out of work or on low earnings.⁹

This shows us that the borough has fewer income-deprived individuals than most other parts of the country. At the time, 5.7% of the local population (or 7,718 residents) were classed as income deprived.¹⁰ Elmbridge was ranked as the sixteenth least income-deprived local authority in England, out of 316.

While these borough-level averages are low, there are much higher levels of deprivation in particular neighbourhoods. Income deprivation clusters in small areas throughout Elmbridge. One neighbourhood in the north of the borough, for instance, ranks among the top 20% of most

income deprived in England, where 22% of residents were income deprived at the time.ⁱ In 14 neighbourhoods, over 10% of the population was income deprived.ⁱⁱ

CHILD POVERTY

While there is a dearth of data about household income and poverty in Elmbridge as a whole, there is more information available about children and child poverty.

In 2021, 6.5% (1,992 children) and 5.3% (1,621 children) were living in relative and absolute poverty, respectively (Figure 1).ⁱⁱⁱ Since 2015, child poverty has risen by 1.7 percentage points on the relative measure and 0.7 percentage points on the absolute measure, but the rate of child poverty is still low compared to other local authorities. Elmbridge is one of the 10 local authorities with the lowest rates of child poverty nationwide.

Once again, however, these averages disguise much higher rates of poverty in particular parts of Elmbridge and there are signs that child poverty has increased at a faster rate in areas that were already experiencing higher levels of child poverty.

Molesey West and Walton North are the two wards with the highest levels of child poverty. In 2021, 15% of children in Molesey West and 14% in Walton North lived in relative poverty (Figures 2 and 3). This has increased from 11% and 10% in 2015, respectively. By comparison, Oatlands and Burwood Park and Oxshott and Stoke D'Abernon are the two wards with the lowest levels of child poverty. Levels of relative poverty in these wards, at 3%, are the same as in 2015.

In Elmbridge, most children living in poverty (63.1% and 63.6% on the relative and absolute measures, respectively) are from couple families.^{iv} However, a significant minority (37% on the relative measure and 36% on the absolute measure) have single parents. Given that there is a much smaller proportion of single-parent families than couple families overall (20.6% in the South East), poverty among this group is disproportionately high.

i NEF analysis of Office for National Statistics' (ONS) Index of Multiple Deprivation.

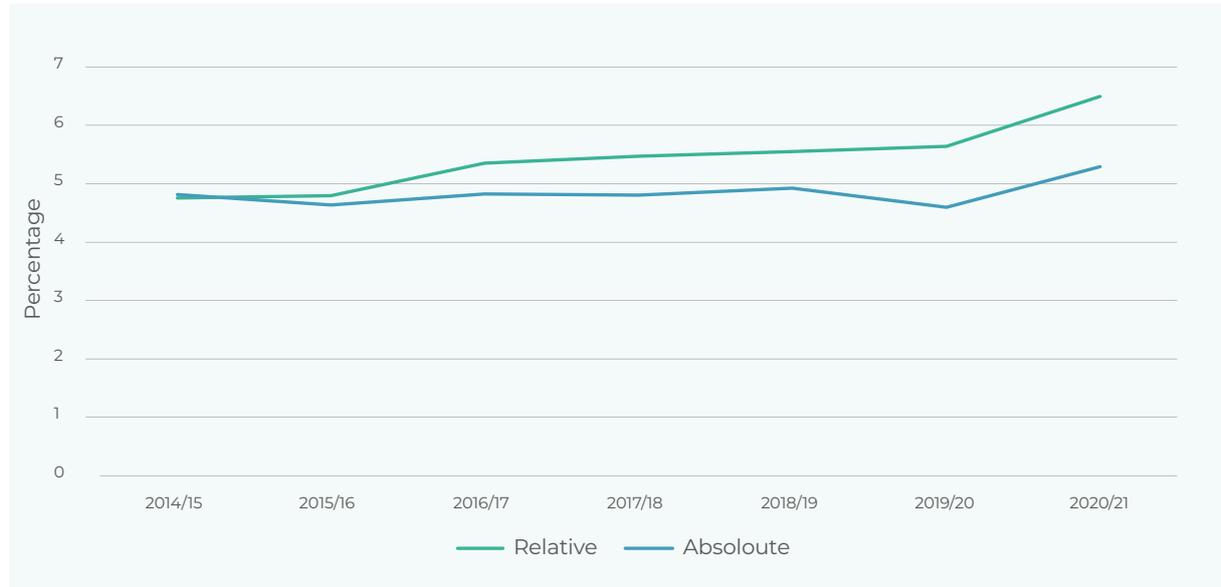
ii Ibid.

iii 20/21 data was collected during the coronavirus pandemic, and may be more volatile than other years. The DWP, which collects and publishes the data, notes that 'while the data for FYE 2021 has undergone extensive quality assurance prior to publication, we recommend that users exercise additional caution when using the data for FYE ending 2021'.

iv NEF analysis of DWP's Children in Low Income Households dataset. Note: rates are calculated for those under 16 only.

FIGURE 1: CHILDREN IN ELMBRIDGE ARE MORE LIKELY TO BE IN A LOW-INCOME HOUSEHOLD THAN THEY WERE SIX YEARS AGO

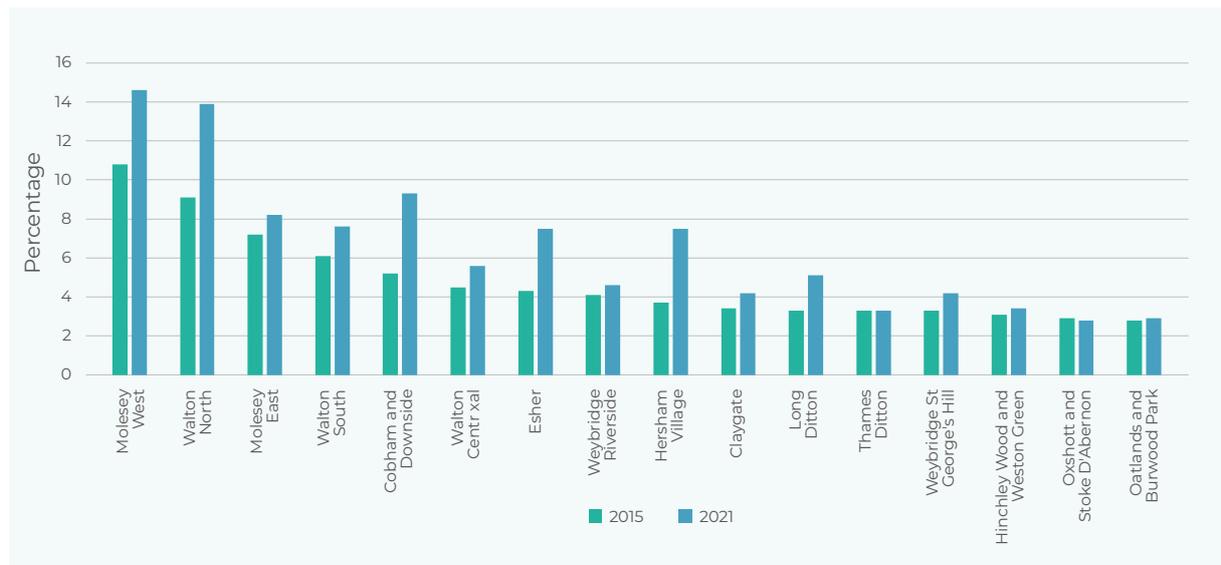
Percentage of children in Elmbridge in relative (60% of contemporary median) and absolute low income (60% of 2010/11 median held constant in real terms) households before housing costs, 2014/15 – 2020/21



Source: NEF analysis of Department for Work and Pensions Children in Low Income Households dataset. Note: Rates are calculated for those under 16 only.

FIGURE 2: LEVELS OF CHILD POVERTY HAVE GROWN AT A FASTER RATE IN AREAS THAT ALREADY HAD MORE CHILD POVERTY

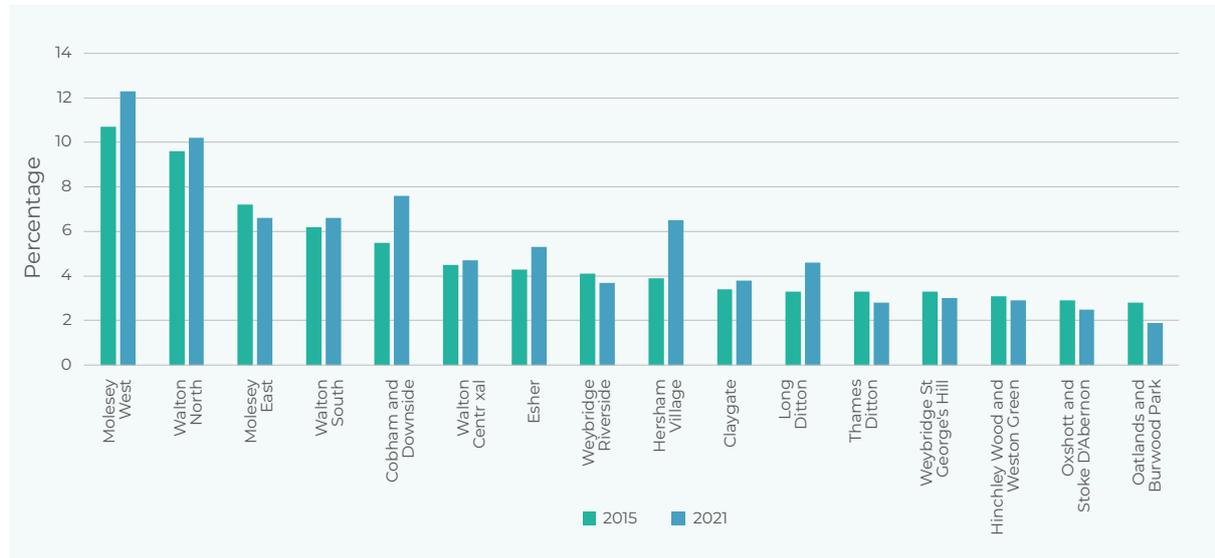
Percentage of children in Elmbridge in relative (60% of contemporary median) low-income households before housing costs, 2015 – 2021



Source: NEF analysis of DWP's Children in Low Income Households dataset. Note: Rates are calculated for those under 16 only.

FIGURE 3: LEVELS OF CHILD POVERTY HAVE GROWN AT A FASTER RATE IN AREAS THAT ALREADY HAD MORE CHILD POVERTY

Percentage of children in absolute low income (60% of 2010/11 median held constant in real terms) households before housing costs, 2015 and 2021



Source: NEF analysis of DWP’s Children in Low Income Households dataset. Note: Rates are calculated for those under 16 only.

WORKING-AGE ADULT AND PENSIONER POVERTY

Unfortunately, up-to-date data about household income for pensioners and working-age adults without children in Elmbridge is not available. Data published by the ONS in 2019, however, shows that 7.6% of pensioners in Elmbridge were income deprived at the time.^v Once again, these borough-wide averages disguise higher rates of deprivation in particular areas. One area, for instance, ranks in the highest 20% nationwide, with an income deprivation rate among pensioners at 27%. In 21 neighbourhoods, over 10% of the pensioner population was income deprived.^{vi}

We can see from information about universal credit claims that there appear to be unemployment issues, and likely, by extension, low-income issues for younger working adults between the ages of 20 and 34 in Elmbridge. This is explored further later in this report.

^v NEF analysis of Office for National Statistics’ (ONS) Index of Multiple Deprivation 2019.

^{vi} Ibid.

THE RISING COST OF LIVING

Elmbridge is an expensive place to live, with essentials such as housing and childcare costing more than in many other parts of the country and continuing to rise relative to wages. Inflation and the rising cost of utilities and food, while not unique to Elmbridge, are placing extra pressure on households' already stretched resources. This is affecting both those above and some of those below, the official low-income threshold. Poverty figures, therefore, are likely to underestimate the number of people struggling to make ends meet.

HOUSING

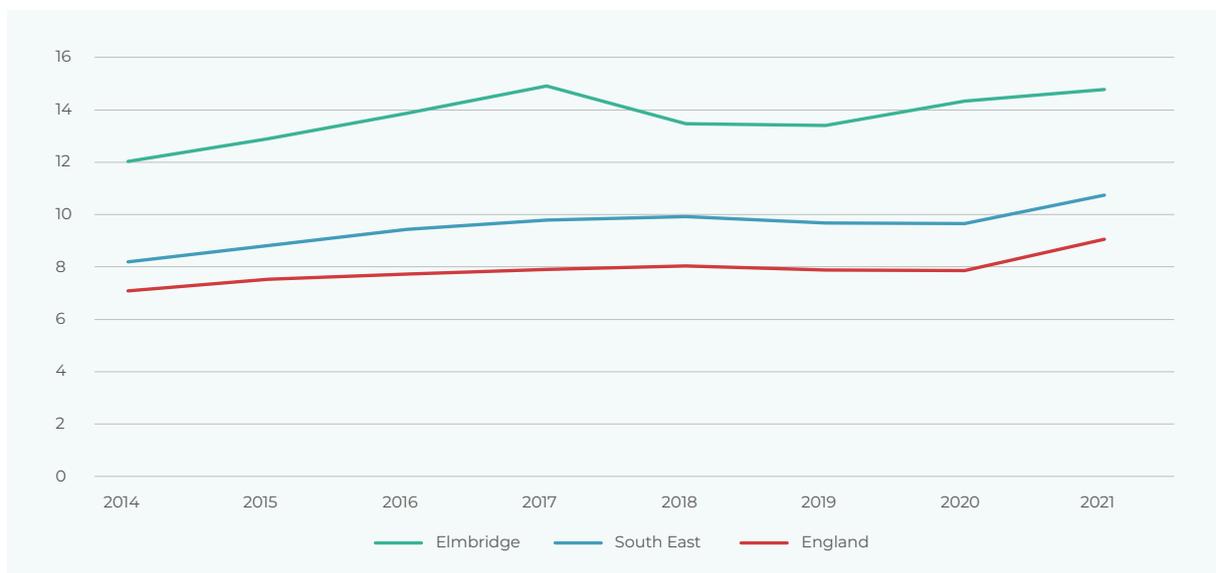
Housing costs in Elmbridge are particularly high and have been rising relative to wages over recent years.

According to the property website Zoopla, properties in Elmbridge had an overall average price of £918,567 in 2021.¹¹ England-wide, the average property price at the time was £350,193.¹² Data from the Office for National Statistics (ONS) shows that median prices have now grown to over 14 times median earnings, which is far higher than the South East region, where prices are 11 times median earnings and England as a whole, at 9 times median earnings (Figure 4).

Correspondingly, rents in Elmbridge are higher than in Surrey, the South East, and England as a whole (Figure 5). Median rent for a two-bedroom house, for example, is 41% more than the median rent for a two-bedroom house England-wide.

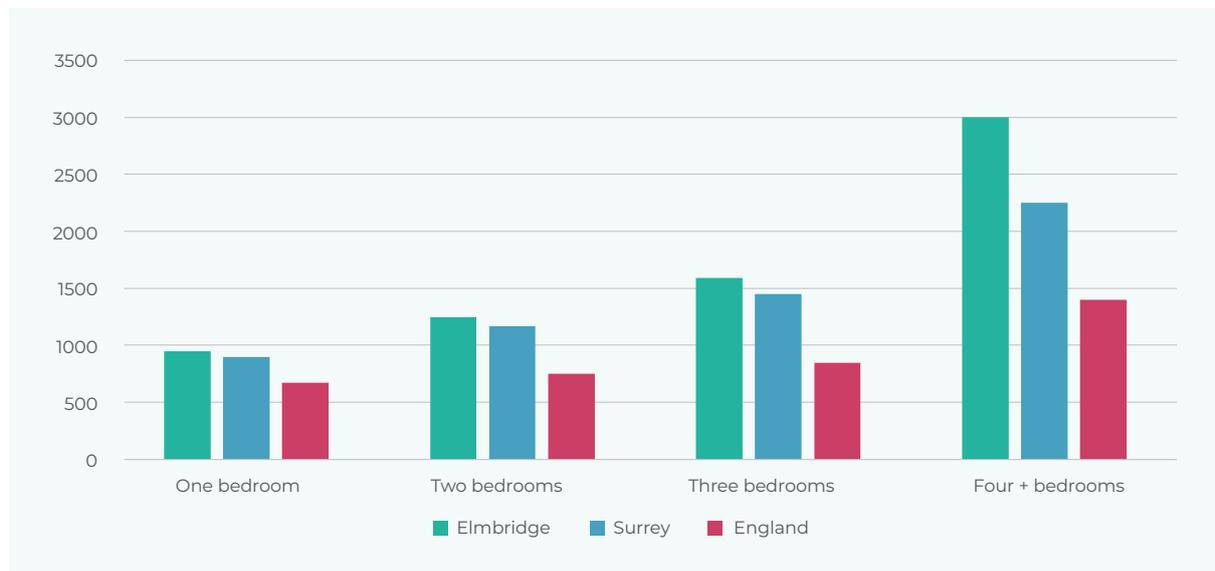
FIGURE 4: THE RATIO OF HOUSE PRICES TO WAGES REMAINS HIGHER IN ELMBRIDGE THAN IN BOTH THE SOUTH EAST AND ENGLAND

Ration of median house prices to median wages, 2014–2021



Source: ONS's house price to residence-based earnings ratio

FIGURE 5: RENT FOR A TWO-BEDROOM HOUSE IS 41% HIGHER THAN THE NATIONAL AVERAGE



Source: Valuation Office Agency’s private rental market statistics

For residents on a low and middle income, rent can take up a large proportion – sometimes a majority – of monthly income.

When you work a minimum wage job like I was, you only made like £1,100 a month [...] So you’re left with £300 a month [after rent] for everything you’ve got to pay for, travel, everything like that.

Grant

As a result of high costs, deposits for flats in the private rented sector, which are usually pegged to monthly rent, can be unobtainable for low-income residents and increase the risk of homelessness.

Obviously, that’s one of the big barriers is that if you’re trying to move you need to save up enough money for a deposit and trying to save £1,000 is next-to-impossible. It’ll take you 3 or 4 years, literally, saving £20 a month.

Grant

Ten years ago, the government changed the definition of ‘affordable rent’ to 80% of market rates. Kelly, who recently moved into a property that is ‘supposed to be affordable’, described how this was still expensive and a major drain on her income.

It’s been tough, that’s all I can say. It’s been tough. Maybe because it’s an area for rich people. The average house price here is so high. So people think ‘Oh, if you pay £1,000 a month that is affordable.’ But no, no. Not for me.

Kelly

Due to limited supply, both affordable and social housing are hard to access. Surrey County Council’s housing strategy notes: ‘Unlike other tenures, the stock of affordable housing for rent in Elmbridge is now smaller than it was in 1981.’¹³ The 1981 census recorded 7,621 social rented homes in the borough.¹⁴ This had fallen to 5,218 by 2011. In 2018, over 1,400 people applied for social housing in Elmbridge, but only 217 applicants were offered a tenancy.¹⁵ A poll by Survation for Walton Charity in 2021 found that 75% of respondents thought there wasn’t enough affordable housing locally, and 27% thought that affordable housing is the biggest social issue facing the Elmbridge community.¹⁶

ENERGY

In June 2022, inflation reached its highest recorded level in 40 years, affecting the affordability of goods and services for households. Consumer prices, as measured by the Consumer Prices Index (CPI), were 9.1% higher than a year before.¹⁷ A large part of the equation is fuel inflation. In February 2022,

Ofgem announced that the domestic energy price cap would increase from its current equivalent annual level of £1,277 per year to £1,971 in April.¹⁸ From October, the price cap is set to rise to £3,549 a year, representing an 80% increase.¹⁹

Residents – unless their utilities were covered as part of their rent or if they hadn't been billed in several months – point to large increases in their energy bills. Juliet described the jump as 'Huge. Huge!' Just a few months ago, her household gas bill was £34 a month. It's around £95 [in June 2022]. She uses a pre-payment meter, and her electricity costs have risen from around £50 to £120 a month. Alex described a similar experience:

It's almost like they've gone up by 100% ... In this two bed it's now £200. That's just gas and electric.

Alex

Jane was finding the pressure of large energy bills too much and switched to a prepayment meter with the hope that it would enable her to control what she spent in a given month. Recently, however, the meter is running down at a much faster rate than it used to.

I like to monitor what we're putting in. But it's really going down quick. I can put £20 on a week, by day two that's gone. It used to take it longer but now it's not lasting.

Jane

Residents are cutting down on energy, but bills continue to rise.

It's creeping up very, very much and it doesn't seem to matter how much we're trying not to use something, it seems to be going higher.

Martha

Those above the low-income threshold described 'just getting through', while those below it were already struggling to pay. James described his process of rotating the bills he pays each week to cope.

I'm now thinking what bill am I going to pay this week and who am I going to miss out? In other words, who's going to get missed out this week so I can pay somebody else. I'm robbing Peter to pay Paul.

James

Juliet described a similar process as a juggling act:

It was always the case of juggling, and basically one month we wouldn't pay one bill but we would pay the other. It's always a case of juggling money all the time.

Juliet

Residents described fears about the upcoming winter months. There is a great deal of anxiety about coping if prices continue to rise at a time of higher usage. Linette, for example, spoke about being 'terrified of what [she is] going to do in the winter':

Imagine it in the winter when I've got to have the lights on and I've got to heat the home. I'm not even heating the home at the moment, it's costing me £15 a week just to put my boiler on for hot water.

Linette

FOOD

For residents on a low income, rising energy bills and sky-high rent is leaving little left over for other essentials, including food and groceries. This is being compounded by rising food prices, which are affecting those on lower incomes more.

Food and non-alcoholic drink prices were 12.6% higher in the year to September 2022 on the official CPI measure of inflation.²⁰ The Institute of Grocery Distribution expects prices to hit 15% and to stay high into 2023.²¹ Residents cite acute price rises at the supermarket.

I've seen a big difference. If I go to TESCO and I just wanna get a recipe, I can just afford pasta. I get the pasta, I get the sauce, get the cooking oil and I'd turn around today I would spend £20 on just three items ... you can see the price just jumping drastically.

Zak

While this is a nationwide issue, affordable supermarket chains are few and far between in Elmbridge, making access to food, at an attainable price, even more difficult.

There is Lidl and Aldi and things like that but they're few and far between and most people get their shopping down at a Waitrose garage.

Grant

DEBT

When income doesn't stretch to meet costs, some resort to credit to pay bills or borrow from family and friends. Citizens Advice is currently reporting an 80% increase in the number of clients approaching services in Elmbridge with a financial crisis issue related to debt.^{vii}

Kelly spoke about bills bouncing 'because [she] didn't have the funds'. As a result, she has had to use an overdraft which is gaining interest and adding to the problem over time: 'I've got an overdraft and I need to lose it. It's really not helping.' Alex has been borrowing small amounts of money from her family to afford essentials. She spoke about the embarrassment of having to 'ask your mum to pay for things; you don't really want to do it, do you?'

However, debt was a cause, as well as a consequence, of poverty as some residents are paying off historical loans. Juliet's family, for instance, was still paying off debts from the pandemic, when her husband lost his job and had to borrow money to get by: 'We have debt even now from our essential bills, but they are under control and we're paying back towards them monthly.'

Zak spoke about coming 'into this inflation era with debt on [his] Halifax account and [he's] been trying to pay it back'. Paying back debt is a challenge in the current context, both because the rising cost of living makes it difficult to keep enough aside, and because the Bank of England has increased interest rates to curb inflation. For some, this is likely to mean higher rates.

I've never been able to pay more to my debt. I obviously have to keep money for the rest of the month.

Zak

CHILDCARE

The cost of childcare is a major issue for parents across the country, but costs are particularly high in the South East, at £281.61 for a weekly nursery place (Table 2).

Childcare can be prohibitively expensive in Elmbridge, even with the available government support.

No [I don't use childcare], because I know that we're going to have to pay a top-up. I can't afford to pay a top-up on anything like that.

Jane

Rather than meet this cost, parents describe going without childcare to some extent. Second earners and single parents tend to work part-time jobs, flexible jobs, or not at all to avoid paying care costs. Juliet, for instance, worked on a self-employed basis for a Beauty products brand, 'because then [she] can work it around the kids'.

A lot of it is deliveries and things like that, so if I have to do it during the days when my kids aren't at school, they can come with me.

Juliet

Due to the cost of childcare, several parents described facing a dilemma: sacrificing earnings to avoid paying sky-high childcare fees or working longer hours and losing extra earnings on care costs.

TABLE 2: THE COST OF NURSERY AND CHILDMINDERS FOR CHILDREN UNDER AND OVER TWO YEARS OF AGE

	Nursery		Childminder	
	Under two	Two and over	Under two	Two and over
Great Britain	£252.07	240.08	232.71	230.3
England	£257.75	£244.91	£234.67	£232.63
South East	£281.58	£265.22	£235.08	£233.67

Source: Coram Family and Childcare Trust Annual Survey

vii Unpublished data

I do three days a week, which was a choice I made when my other daughter was nine months old, that I was going to work part-time, 'cause childcare is way too expensive. Working more would just pay for my childcare.

Jenny

For single parents, in particular, this acted to effectively trap them into low income with no route out.

I'm a mum. I'm a head of my trade, but it's impossible with two children and a newborn, so I'm just mum. I am not able to work with the two boys 'cause I don't have any support, family or friends, I haven't got any siblings, I haven't got any family here, so it's pretty impossible.

Alex

BOX A: KELLY'S STORY

Kelly moved to Elmbridge with her partner 10 years ago and has moved around the borough during that time. When she first moved to Elmbridge, Kelly was taken by its green spaces, the quietness and sense of safety locally, and the borough's transport links with the capital. Once she became a single parent, however, she gained 'a whole different perspective on things' locally. Elmbridge became 'stressful and expensive along the way', not least due to the cost of childcare.

Government support was not enough and 'childcare was still too expensive'.

Oh my goodness. Everywhere I looked, it was like £75 a day! [...] I obviously can't put her in an the after-school club or whatever. It's expensive, it's like £15 a day. I can't afford that ...

In an attempt to juggle 'childcare and money matters', Kelly decided to train as a teacher. She always 'had a good rapport with younger children. So as a single parent this seemed like a perfect fit'. Teaching would mean time off during the school holidays, which would reduce the need to pay for expensive childcare.

My daughter is [in school now] ... that way when she's on holiday, I'm on holiday and I don't have to worry too much.'

While she managed to work on a full-time basis for a few years, the pressures of juggling work and care without enough support have taken their toll on her mental health.

It was really tough. I had a breakdown. It did not work for me. I ended up on happy pills. [...] Even though I have to work, I still have to be a parent at the end of the day I still have to function as a normal human being and that wasn't happening.

Kelly took a period of sick leave and has now started working part-time while she recovers.

IN-WORK POVERTY AND UNEMPLOYMENT

Trends over the last few years have left people more exposed to rising costs. This section outlines how rising costs combined with in-work poverty and unemployment mean that incomings are not covering outgoings for some, and money is running out before the month is through.

IN-WORK POVERTY

Earnings in Elmbridge are higher on average than elsewhere. The median gross pay for full-time employees resident in Elmbridge is £826.10 per week, compared to £660.10 in the South East and £613.10 in Great Britain.^{viii} There is also a higher pay gap in the earnings distribution, however, and for many of those towards the bottom of the distribution, earnings are insufficient to meet the cost of living. In-work poverty is a growing issue in Elmbridge.

In 2020/21 in Elmbridge, 75.1% (1,193) and 73.6% (1,495) of children in low-income households, as per relative and absolute measures respectively, were in working families. This has been the case for some time, but particularly so since 2019/20, when the rate of children in low-income working households rose by 7.3 percentage points on the relative measure and 8.3 percentage points on the absolute measure (Figure 6).

This follows an economy-wide rise of in-work poverty. Analysis by the Institute for Public Policy Research (IPPR) shows that in-work poverty has been rising nationally since 2004, hitting a high in 2020, when more than one in six working households experienced poverty in the UK.²²

For some – especially single parents and second earners – the issue is an inability to work enough hours, because of the high cost of childcare (Box B).

For others, the issue is wages. Zak described putting in long hours, including ‘on a Friday evening, till 11 o’clock and then on Saturday morning for breakfast’. Because of his hourly rate, however, he still struggles to make enough to cover costs.

FIGURE 6: THE CHANCE OF CHILDREN IN LOW-INCOME HOUSEHOLDS HAVING A PARENT IN WORK HAS RISEN IN RECENT YEARS

Percentage of children in relative and absolute low-income households before housing costs with a parent in work, 2014/15 – 2020/21



Source: NEF analysis of DWP’s Children in Low Income Households dataset. Note: Rates are calculated for those under 16 only.

viii NEF analysis of the ONS’s Annual Survey of Hours and Earnings.

In the last week, I'll have just a little bit to survive, just about enough in the fridge to get me to my next payslip. I find that last week is very difficult to digest.

Zak

Similarly, for Juliet, despite working full-time and earning above the low-income threshold, 'all of [her] money goes on the bills and it doesn't even cover it'. She finds it unfair that there is a lack of

wage weighting practices that are common in the capital, despite similarly high prices.

I wish that within this borough they would see that they need to look at our wages ... we're only on the cusp of London, we're paying high costs and we should get the same amount that London does. Because they see it as Surrey, we don't get London weighting.

Juliet

BOX B: JANE'S STORY

Jane moved to Elmbridge with her mother over 20 years ago and now lives with her partner and children ranging from 5 to 18 years old. She currently works full-time for a local charity. Her partner works in the hospitality sector.

For Jane, Elmbridge has many positives in that it's quiet, safe, and has good quality schools, especially when compared to other places she has lived. It is for these reasons, alongside her support network, that she has chosen to bring up her children locally.

Despite having a household income above the official low-income threshold, the expense of Elmbridge has always been a challenge, and the rising cost of food and utilities is piling on extra pressure. As a result, her household income is now insufficient to meet day-to-day costs in Elmbridge and she worries that she will not be eligible for government support with the cost of living.

My wages aren't stretching as far, and I'm starting to get into arrears.

There's a lot of stuff that they are putting out there, but I'm not eligible for it. So that £650 [energy bill relief payment] – I won't be eligible for it.

The situation has been made substantially worse in recent months as Jane's husband had his hours cut at short notice.

At the moment he only does 4 to 5 hours because the job, they didn't need him. So he's looking for a job that will give him more hours.

However, finding a job with a suitable schedule has been a challenge. Without this, any extra earnings would be lost to care costs.

He has to find something that suits within childcare so that he can start, finish and be there to look after the youngest and it's tough finding those specific hours that we need.

He would have more hours but then we're going to have the cost of childcare so it won't benefit us.

The drop in hours has been 'very hard' on the family's finances, and Jane's full-time wage has not been enough to prevent them from having to use a food bank for the first time.

I can't afford it all by myself. He's not bringing in anything really. I cannot afford it all by myself. It's hard.

WAGES VS COSTS

Calculated by the Centre for Research in Social Policy (CRSP) at the University of Loughborough, the Minimum Income Standard shows how much money people need to earn to afford the things that members of the public think everyone in the UK should be able to afford.

To make this calculation, CRSP asks a large number of people from different backgrounds about everything that a household would have to be able to afford to reach a socially acceptable standard of living. Based on these discussions detailed lists of necessary goods and services are drawn up, priced, and added together.

Using data specific to Elmbridge and the South East on local housing and childcare costs, we have examined what is needed to earn to meet this standard in Elmbridge for four household types: a single adult, a couple, a single parent, and a couple with children. We have compared this to the national living wage and what Elmbridge residents earn.

Figure 7 shows that a single adult would have to be earning £31,209 before tax per annum, or £17.14 per hour assuming a 35-hour working week, inclusive of the government's cost of living package to date (August 2022). This is higher than the earnings a single adult would need to reach the Minimum Income Standard nationally, which stands at £24,876 before tax. Over 30% of local earners in Elmbridge are not making enough to reach the Minimum Income Standard as a single adult in Elmbridge.

For a couple, the minimum income standard is more attainable (Figure 8). Each adult in a couple would have to be earning £19,931 before tax per annum, or £10.95 per hour assuming a 35-hour working week. Those on the national living wage, however, would still not earn enough to meet this minimum standard in Elmbridge.

For a couple with two children, both parents would need to be earning £25,279 before tax per annum, or £13.89 per hour assuming a 35-hour working week (Figure 9). Nationally, the figure would be £19,839. Local earners in the bottom 10%, and some of those in the bottom 20%, would struggle to reach the Minimum Income Standard in Elmbridge as a parent, as part of a couple, with children.

A single parent with two children, meanwhile, would have to be earning £45,646 before tax per annum, or £25 per hour assuming a 35-hour working week (Figure 10). Over 50% of local earners are not earning enough to meet the Minimum Income Standard in Elmbridge as single parents.

This analysis underlines the issue that work simply does not always pay enough to meet essential costs; a job on the national living wage will not pay enough in Elmbridge. It also shows how difficult it can be to make ends meet as a single-earner household, or as a household with children. Single parents, therefore, face a particular challenge in earning enough to pay for essentials in the borough.

FIGURE 7: THE BOTTOM 30% OF WORKERS DO NOT EARN ENOUGH TO MEET THE MIS FOR A SINGLE PERSON IN ELMBRIDGE

Minimum Income Standard for a single adult household vs earnings in Elmbridge.



Source: NEF analysis of JRF's Minimum Income Standard and ONS's Annual Survey of Hours and Earnings. Earnings data is only available up to the sixth decile and only covers employees. Earnings from self-employment, therefore, are not included.

FIGURE 8: IF BOTH MEMBERS OF A COUPLE EARN THE NATIONAL LIVING WAGE THEY DO NOT EARN ENOUGH TO REACH THEIR MIS.

Minimum Income Standard for a couple household vs earnings in Elmbridge.



Source: NEF analysis of JRF's Minimum Income Standard and ONS's Annual Survey of Hours and Earnings. Earning data is only available up to the sixth decile and only covers employees. Earnings from self-employment, therefore, are not included.

FIGURE 9: A COUPLE WITH TWO CHILDREN NEEDS TO EARN OVER £5,000 MORE THAN THE NATIONAL AVERAGE EACH YEAR TO REACH THE MIS

Minimum Income Standard for a couple with two children vs earnings in Elmbridge.



Source: NEF analysis of JRF’s Minimum Income Standard and ONS’s Annual Survey of Hours and Earnings. Earning data is only available up to the sixth decile and only covers employees. Earnings from self-employment, therefore, are not included.

FIGURE 10: ONLY THE TOP HALF OF EARNERS CAN AFFORD A DECENT STANDARD OF LIVING AS A SINGLE PARENT

Minimum Income Standard for a single parent with two children vs earnings in Elmbridge.



Source: NEF analysis of JRF’s Minimum Income Standard and ONS’s Annual Survey of Hours and Earnings. Earning data is only available up to the sixth decile and only covers employees. Earnings from self-employment, therefore, are not included.

BOX C: ASSUMPTIONS UNDERPINNING FIGURES 7–10

Single adult: A one-bedroom property rented at affordable rent (80% of market rates), £760 per month.

Couple: A one-bedroom property rented at affordable rent, £760 per month.

Couple with two children: Preschool child aged 2 and a primary-school-aged child. Fifty hours of childcare a week at the average rate for the South East (£262.22 per week) and breakfast and afterschool club costs (£88.48 per week). Three-bedroom property at affordable rent, £1271.2 per month.

Single parent with two children: Preschool child aged 2 and a primary-school-aged child. Fifty hours of childcare a week at the average rate for the South East (£262.22 per week) and breakfast and afterschool club costs (£88.48 per week). Three-bedroom property at affordable rent levels (£1271.2 per month).

UNEMPLOYMENT

Between April 2021 and March 2022, 81.7% of those aged 16–64 in Elmbridge were in employment, 71.4% as employees and 7.7% were self-employed.²³ This is 3.2 percentage points higher than employment rates in England and 0.7% percentage points higher than employment rates in the South East.²⁴

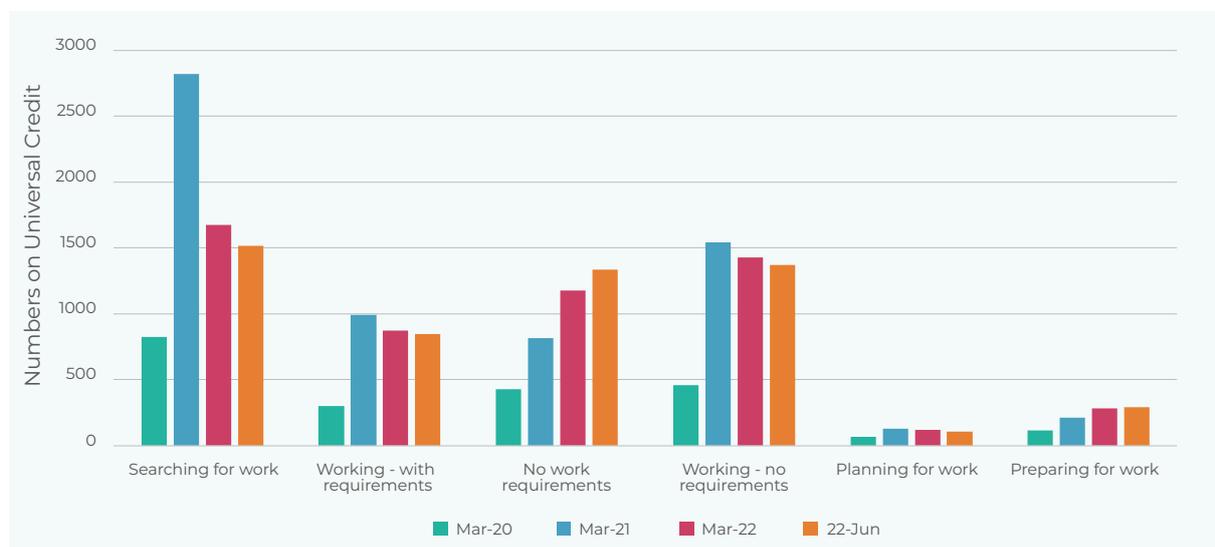
During the coronavirus pandemic, the unemployment rate in Elmbridge spiked, akin to the pattern in the rest of the country, rising from 2.3% in March 2020 to 4% in March 2021.²⁵ Correspondingly, the number of Elmbridge

residents on universal credit rose starkly from 2,199 in March 2020 to over 160% (5,759) in June 2020. Numbers peaked in February 2021 at 6,502.

All categories of universal credit claims rose in Elmbridge during this time (Figure 11). However, the biggest rise was among those searching for work, which increased by 241% from 826 to 2,820 in 2021. While the universal credit claimant rate doesn't include those on legacy benefits, such as job seekers allowance, the alternative claimant count does, and this measure shows a similar rise from 1,267 claims in March 2020 to 3,437 in March 2021.^{ix}

FIGURE 11: THE LARGEST SPIKE IN UNIVERSAL CREDIT USAGE DURING THE PANDEMIC WAS AMONG THOSE IN THE SEARCHING FOR WORK CATEGORY

Breakdown of Universal Credit work requirements in Elmbridge since the beginning of the pandemic



Source: NEF analysis of DWP administrative data on stat-xplore

ix NEF analysis of administrative data on DWP's Stat-xplore.

Nationwide, unemployment declined sharply after this and is now low by international standards. This is partly a result of the economy reopening and recovering, but there has also been an increase in economic inactivity. People are leaving the labour market at historically high rates. Those aged over 60, in professional occupations and with significant savings, are choosing to retire early.²⁶ It is also because of increasing long-term sickness, partly due to long-Covid and longer NHS waiting lists.²⁷

Modelled statistics for Elmbridge also show a decline in the unemployment rate, which now sits just 0.4% higher than pre-pandemic levels. Correspondingly, the numbers of those claiming unemployment benefits also declined, but these are still higher than before Covid. In May 2022, there were 1,615 people claiming unemployment-related benefits in Elmbridge, which is 27.5% higher than pre-pandemic levels.²⁸ This seems to be a particular problem for younger working-age adults (20–34). For those aged 20–24, for instance, claims started at 2% before the pandemic, rising to between 7% and 8% in 2021, before declining to 3.1% in April 2022 (Figure 12).

Local-level economic inactivity data is unreliable, and so we cannot see whether Elmbridge is

following patterns evident at a national level. However, high and rising rates of universal credit claims under the ‘no work requirements’ category suggest that there is a rising number of people with ill health, who are unable to work locally (Figure 11).

Residents with experience of unemployment in the 20–34 age category point to a cycle of low-paid jobs with poor conditions and unemployment, as well as the difficulty of finding a job that matches their skills and aspirations in the post-pandemic labour market.

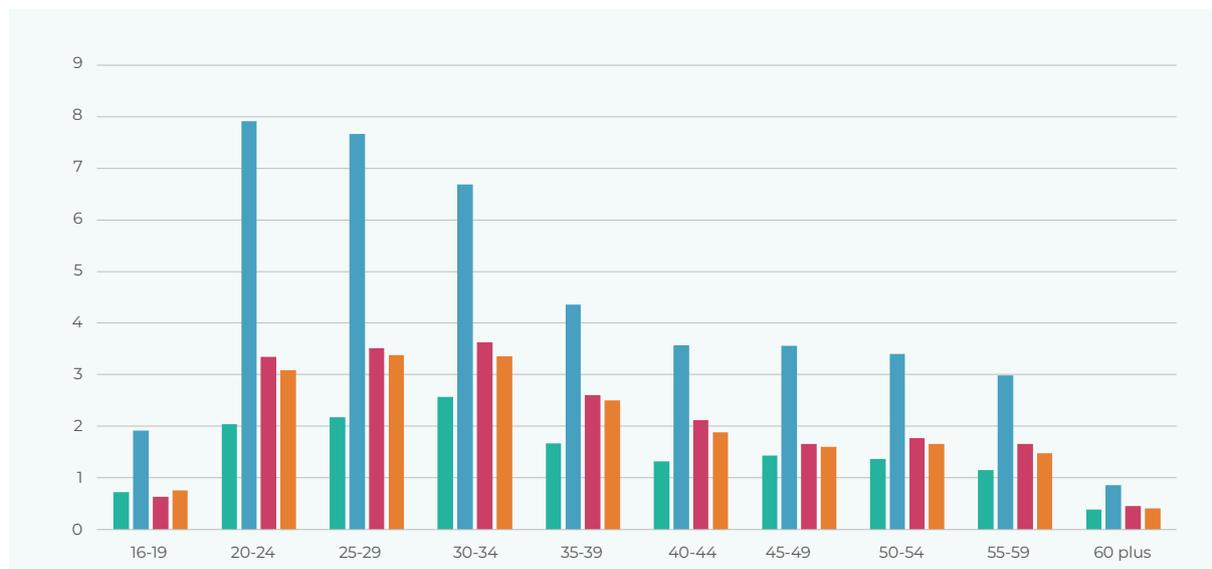
Grant lost his cleaning job during the pandemic, a job which was ‘nightmarish’ but paid him just enough to get by. He now wants to try and find a better quality, ‘meaningful’ job that pays a real living wage. Currently, he’s looking for work with local charities. Finding a good job locally, however, is ‘kind of a struggle’.

Someone with not a very bright and shiny CV is only ever going to do the most minimum jobs that are out there, and then a lot of those are zero-hour contract type jobs or ones where you can get let go for no reason.

Grant

FIGURE 12: THOSE AGED BETWEEN 20 AND 30 SAW THE HIGHEST RISE IN UNEMPLOYMENT-RELATED UNIVERSAL CREDIT CLAIMS DURING THE PANDEMIC IN ELMBRIDGE

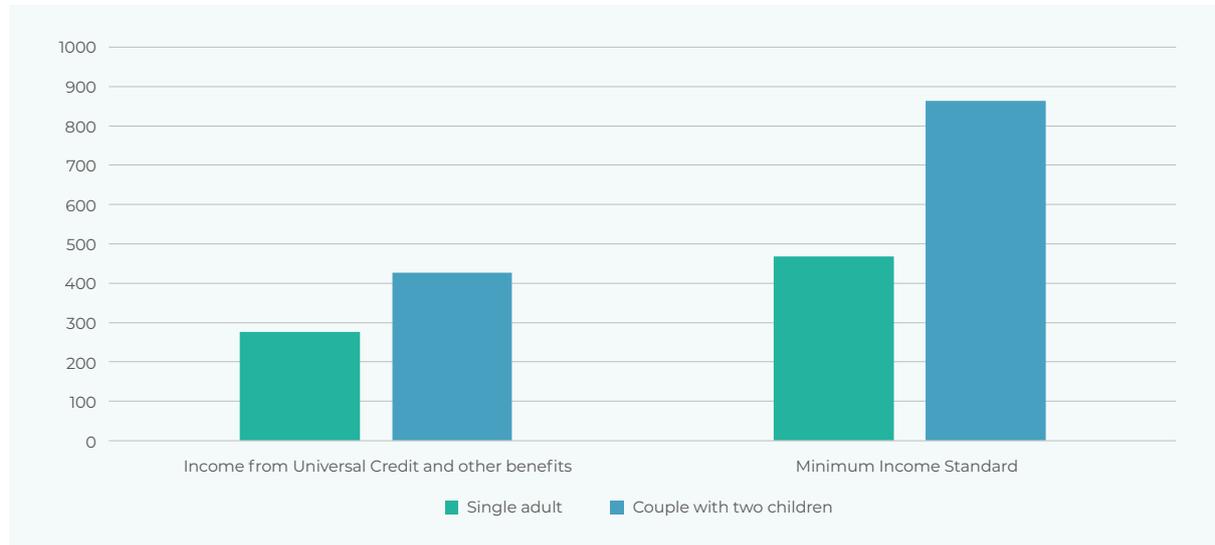
Alternative claimant count by age group, March 2019 – April 22



Source: NEF analysis of DWP administrative data on stat-xplore

FIGURE 13: UNEMPLOYED HOUSEHOLDS IN RECEIPT OF UNIVERSAL CREDIT FACE A LARGE SHORTFALL WITH THE COST OF LIVING IN ELMBRIDGE

Minimum Income Standard vs income from universal credit and other benefits (per week)



Source: NEF analysis of JRF’s Minimum Income Standard 2022. Assumptions for a single adult: a one-bedroom property rented at affordable rent (80% of market rates), £760 per month. Couple with two children: preschool child aged 2 and a primary-school-aged child; three-bedroom property at affordable rent, £1271.2 per month. For both households, it is assumed that full rent is covered by the housing element of universal credit. If not, the shortfall increases.

Wes described the difficulty of finding a skilled job locally as ‘very hard’. He had recently trained as an electrician at a local college but was struggling to find an apprenticeship in the area.

There are electrician jobs, they all want experience. There are never apprentices advertised.

Wes

For those unemployed and searching for work on universal credit, income is unlikely to be enough to meet the cost of living in Elmbridge. The UK’s social safety net is weak by both historical and international standards.²⁹ For households without a wage from work, support from universal credit and other benefits would fall short of the Minimum Income Standard in Elmbridge by £191.56 per week for a single adult, and £437.28 per week for a couple with two children (Figure 13).

PENSIONS

In terms of guaranteed income through the benefits system, pensioners fare better than working-age adults with or without children, with a greater proportion of their income relative to the Minimum Income Standard covered.³⁰

For Martha, the support received through pension credit ‘is a massive help, an absolute massive help’. A state pension alone ‘wouldn’t cover the rent, the council tax and everything else, so [she] would be really, really struggling’.

When I hear it on the television, all these people that are really, really struggling, that would be me if I didn’t have the help.

Martha

However, getting to the Minimum Income standard still requires extra income from savings or a private pension. For a couple where both have a full state pension, each would require an additional £1,100 a year in pension or savings income to reach MIS in Elmbridge.

Martha described ‘getting by now’ but was worried about what would happen if bills continue to rise. James described never having ‘any spare cash in [his] pocket’.

Come October I might have to be paying more [for gas and electricity], and that’s going to be the same with everything, isn’t it, so I might end up struggling then.

James

EXPERIENCES OF LIFE ON A LOW INCOME

Those below the poverty line described living in insufficient housing conditions and having to skip meals. It is a common experience for residents to have little to no money for expenditure beyond the day-to-day, with trips to the dentist, optician, and hairdresser being skipped and broken household items remaining unfixed. The stress of life without adequate means is taking its toll on the health and wellbeing of local people.

FOOD POVERTY AND INSUFFICIENT HOUSING CONDITIONS

The high cost of housing and the lack of social and affordable housing, leave residents having to make do with homes that do not meet their needs. This is a particular problem for parents with children beyond toddler age, or expanding families.

Kelly described how she is only able to afford a one-bedroom flat. This wasn't a problem when her daughter was young, but she is now 'in a one bed with a seven-year-old. And she's seven going on 17. [They're] on top of each other.'

Similarly, Jenny's housing situation has become less and less suitable as her two children grow up. Her two children have to share a room.

It's not ideal having a boy and a girl sharing when your daughter's going through puberty.

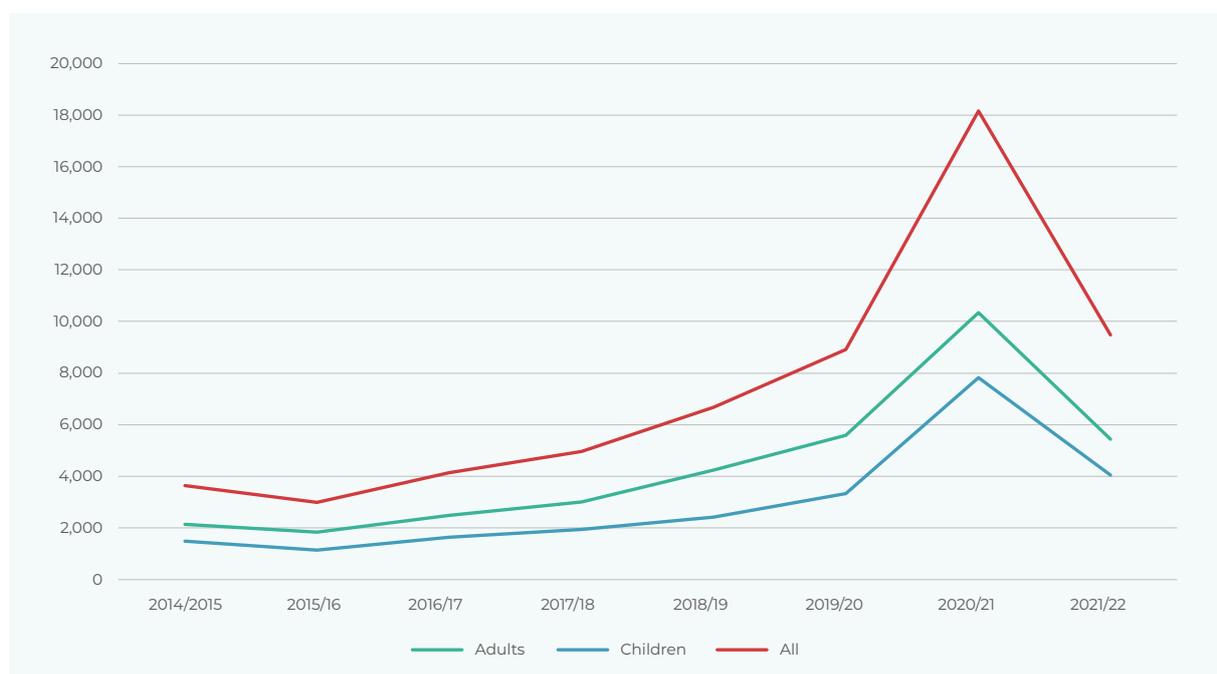
Kelly

The family rent from a housing association and have applied for the larger property that they are now entitled to, but have been waiting for a year-and-a-half because they are classed as 'band D. Most of the properties are going to band A and Bs.'

The majority of those on a low income who participated in the research described having to use a food bank in recent months, sometimes for the first time. Several described regularly skipping meals and having to go hungry.

FIGURE 14: RISING LEVELS OF FOOD BANK USAGE IN ELMBRIDGE SINCE 2015

Food bank usage in Elmbridge, 2014-2022



Source: NEF analysis of Trussell Trust Local Authority data ³¹

[My] wages obviously have to go on all the bills. So I've used a food bank twice now.

Jane

There's things I just simply can't afford anymore and I've had to cut down on how much I can eat. [...] When you're on benefits and you're not even working you end up having to go hungry fairly regularly.

Grant

There has been growing concern about the rise of food banks and food bank use nationwide over recent years. Food banks in the Trussell Trust's network distributed 61,000 emergency food parcels in 2010/11, rising to 2.5 million in 2020/21. The Trussell Trust found that 1.5 million households reported food insecurity in July 2020.³²

Trussell Trust data (Figure 14) shows that food bank usage in Elmbridge has been rising since 2015. There was a large spike during Covid. While this has reduced since the 2020 peak, rates remain higher than pre-pandemic levels.

A LACK OF MOBILITY

Car use is higher in Elmbridge than elsewhere in the country, but low-income residents cannot necessarily afford to run them. The public transport alternatives, however, are expensive and impractical. For those living near high streets, this wasn't so much of a day-to-day problem. However, on occasions where it is necessary to move around or beyond the borough, travel is a challenge. For those living away from high streets, travel is a constant issue.

Residents frequently describe the expense of the local bus service, which is said to have gone up in recent years. They also point to their infrequent and inconvenient routes. Yasmine, who is studying locally and caring for her brother, spoke about delays, with buses coming '10 minutes and 15 minutes late', which means that '[she] miss[es] [her] classes'.

I find transport very tough, really tough.

Yasmine

Her brother, also a student, has to get to Hersham for school, but the bus times do not match the school times, so he ends up walking 40 minutes in the morning to get there.

Several other respondents spoke about regularly walking long distances to avoid paying high bus fees.

Yesterday I walked to Kingston to save some money. It was about 16.5k. Then I got the bus back, which was £4. That's gone up. If I go with the boys, it's nearly £10. It's a lot! I try and do most things in Walton but there's some things you just can't. You have to go further afield.

Alex

NOTHING LEFT FOR ADDITIONAL EXPENDITURE

When income doesn't stretch far enough to meet everyday costs, meeting expenditure beyond the day-to-day is challenging. When things break, for instance, they don't get fixed. Food and bills take priority.

If your phone charger breaks, it's like £7 for a new phone charger, but that's a day's worth of food. So literally anything that happens to you, you're debating do I go hungry or do I just not fix that issue. And obviously, it starts to pile up.

Grant

Alex's washing machine had recently broken. Due to a lack of funds, she had gone a month without one. The local laundrette costs too much, so she has been relying on her neighbour to help her with some of her laundry, and washing the rest in the bath.

James needed to get new glasses because his prescription had changed. While he was able to borrow money to pay for this, he has to 'pay it back now. It's another bill'. Jenny described missing the optician altogether because of the costs, as well as trips to the dentist and the hairdressers.

I mean I'm not even registered with a dentist now because I can't afford to go. My husband doesn't go to the dentist 'cause he can't afford to go ... I had my first haircut in 2.5 years 6 weeks ago, because things like that we can't afford.

Jenny

PROHIBITIVE SCHOOL COSTS AND A LACK OF ACTIVITIES FOR CHILDREN

Parents described difficulties meeting the cost of school uniforms. Kelly's older daughter is about to move into secondary school.

[I] really doesn't know how we are going to afford the uniform ... cause you're talking 400 quids worth of uniform.

Kelly

School trips can also be a problem without support.

The residential trip ... it's £160. To some people it's nothing. To me, that's a lot.

Gwen

Some of those we spoke to were entitled to pupil premium – funding to improve education outcomes for disadvantaged pupils in schools. Schools receive an extra £2,345 for pupils who meet the threshold. This enabled some children to access activities during the summer holidays, as well as free school meals, which is said to be a big help. It also meant that those families did not have to pay for or arrange as much childcare during the holidays.

We were lucky last year because both of our children get pupil premium at school, we were lucky last year because the summer holiday camps were allowing our two spaces. So I was able to put our kids in for a couple of days a week, but only for a two-week period.

Juliet

Several parents, however, noted that eligibility criteria for the pupil premium are set too low. If they gain employment and increase their income, they lose entitlement in one go, partially offsetting the benefits of work.

We now just tip over that threshold, so we now lose our pupil premium, ... but obviously, energy bills have gone up, fuel's gone up, shopping's gone up, so we're actually worse off. There doesn't seem to be any middle ground. You're either in it or you're not.

Juliet

UNDER THE RADAR

EXPLORING THE CHANGING PICTURE OF POVERTY AND LOW INCOME IN ELMBRIDGE

Parents in work and above the official poverty threshold found this to be a general trend with support, whereby the thresholds at which that support is withdrawn are set too low, without any tapering so that support is gradually withdrawn.

The trouble is, and I get you don't want people to take the mick, I get that, but with the cost of living going up so much, I think the thresholds of what you're entitled to are too low.

Juliet

Outside of school, parents point to difficulty finding affordable activities for their children, especially in the winter months. Linette described how she 'wanted to get [her] son into a club or a football club or any sort of club really but it is quite expensive round here'. She felt that this was particular to Elmbridge, as local activities tend to target wealthy parents.

[Elsewhere] they have cheap [activities] for mums or parents or families or whatever, that need the help.

Linette

DECLINING MENTAL HEALTH AND WELLBEING

The stress of poverty is taking its toll on an individual's mental health and wellbeing. Kelly spoke about waking up at night and worrying about how she is going to afford essentials.

Oh my goodness. I don't have bread. Oh my god, oh my god. What am I gonna do? What am I gonna do?" [...] it gives me anxiety. Lots of anxiety.

Kelly

Alex, meanwhile, spoke about how her finances 'makes [her] miserable!'

It makes it really hard and really puts me down. Not being able to do your washing when you wanna do your washing is really rubbish, or having to think I can't take the boys for a haircut this week [...] it has a massive effect, not being able to afford things for them.

Alex

Residents frequently cite frustration with working full time, having no time or resources for themselves yet still struggling to pay the bills. This was particularly acute when caring responsibilities, unsupported by childcare services, were added to the mix.

I don't go out, I stay in. I can't afford to go out and do anything for myself. I don't treat myself. I work Monday to Friday, I start at 8, sometimes I don't leave till 5, after 5, and all my money goes on the bills so there is nothing left for me to have any leisure. So I don't treat myself. I don't buy anything new. There's nothing for me, it's all for the children and the bills.

Jane

Those involved were clear about the impact that this has on their mental wellbeing, which is made worse by seeing wealthier residents in the borough enjoying themselves, seemingly untouched by such challenges.

It impacts my mental wellbeing. I don't go nowhere. I'm always in the house with the doors closed. I'll try my best to motivate myself but it feels a bit depressing. Just looking at everything around you, not living a life, not being able to go out and do something for myself. Seeing other people doing it. Hearing about other people doing it, it is upsetting. And there's the fact that I'm working every day, full time and I still can't afford to do anything for myself. It is sad.

Jane

Official data shows that anxiety levels rose in Elmbridge in recent years, from 2 to 4 (out of 10) between 2018 and 2021.³³ In 2021, the Surrey Heartlands CCG noted that the mental health system is 'continuing to experience significant pressures, which have undoubtedly been exacerbated by the Covid-19 pandemic and the protracted periods of national lockdown'.³⁴ This has led to a 30% per annum increase in demand for services but in some areas, particularly inpatient and crisis services, there have been levels of activity above this.

The experience of residents cited throughout this report suggest that without action, the cost of living crisis is likely to continue this trend.

TACKLING POVERTY AND LOW INCOME IN ELMBRIDGE

Drawing on the views of residents and stakeholders in the local voluntary and community sector (VCS) and the public sector, this section sets out the role that local organisations can play in tackling poverty and low income. It focuses on the main drivers of poverty discussed throughout the paper: the rising cost of energy, food and debt; housing; childcare; and in-work poverty and unemployment. Given the broad nature of these issues, this is intended to provide examples, ideas and food for thought. It is not intended to be exhaustive.

The issues raised in this report are both wide-ranging and complex. None of the trends or challenges presented, however, are inevitable. They can be changed. Doing so will require long-term, systemic action, including at the national level. However, there is much that local actors, including Walton Charity and its partners, can do.

Most immediately and directly, Walton Charity can make a difference today through local action. Organisations already do a lot of work to alleviate the effects of poverty in the borough. Residents frequently point to the lifeline that charitable services provide, from food bank provisions to grant-funded support for emergency or unexpected costs. Of course, these initiatives alone will not address all the challenges people face in Elmbridge. Nor will they change the underlying forces that are deepening poverty. Nevertheless, they make a meaningful difference in people's everyday lives and are a key part of the solution. Given the finite nature of charity resources, there will be a need to prioritise. The findings of this report suggest that families with children – especially single-parent families – are having a particularly tough time in Elmbridge. There is a strong case for prioritising this group, alongside younger people facing unemployment locally.

Beyond local action, Walton Charity and partners can use their position as respected local organisations to advocate for change within and beyond the borough. They could use the findings of this research and work with partners to raise awareness of poverty and its causes. And they could help mobilise a broad constituency of local people, groups and businesses to take action and influence change.

THE RISING COST OF ENERGY, FOOD, AND DEBT

The rising price of fuel, food, and debt are international in scope, and require intervention from the national government. Since the data for this report was collected, the government has announced measures to alleviate the cost of energy bills, including a universal payment of £400 from October and an additional £650 payment to low-income households. However, some are warning that the support package has already been 'eclipsed' by the scale of the crisis'.³⁵

Local action is playing a crucial role in this context. Residents described drawing on a range of initiatives, most frequently food banks, designed to alleviate some of the effects of rising costs locally.

Recommendation: Improve awareness and access to support

Several of the residents we spoke to found it difficult to know where to go for support beyond visiting the food bank when their situation gets challenging. For those who were in work and above the low-income threshold, but newly experiencing hardship as a result of a change in their employment situation and/or the rising cost of living, the issue of knowing where to go and who to turn to was particularly acute.

There is a need to spread awareness of available avenues of both statutory and charitable support, and to make sure that residents – especially the newly struggling – can access the benefits and services that they are entitled to.

The food bank in Esher has been building a 'hub' of local services, advice, and support around the offer of free food. Recognising that food needs are often the tip of the iceberg, with a range of issues sitting underneath, residents can access support with benefits and debt, for

instance, while collecting a food parcel. In a similar vein, across the country, several local authorities have recently declared a cost of living emergency and subsequently set up online hubs to signpost people to local support. Importantly, local authorities have also increased funding for services and initiatives to cope with increased demand. These initiatives could be replicated within and across the borough to increase access to pre-existing support.

Other ideas raised by residents and local stakeholders include making fresh food and hygiene products, which are currently hard to get hold of, available via food banks and other mechanisms; providing funding to make free school meals available during the school holidays and breakfast clubs accessible during the school term; and ensuring that emergency grants schemes start to take account of debt, and not just income, in eligibility assessments.

HOUSING

In the context of high house prices and a lack of affordable and social housing provision, Elmbridge residents rely on the support of the VCS to access homes. Rentstart, for instance, is a local charity set up to support individuals to access housing, link residents in need with responsible landlords, and support tenants that cannot afford to pay for a deposit. Several of the residents interviewed for this research drew on their crucial support.

Recommendation: Support ongoing costs and advocate for wider housing action

As participants in our local stakeholder workshops noted, the lack of genuinely affordable housing is the ‘biggest gap and it needs recognising’ and the rate of affordable house building continues to lag behind demand. Elmbridge Council notes that 332 affordable homes are needed every year to 2035 to meet this demand, yet between 2011 and 2019 only 75 homes were delivered each year on average.³⁶ Numbers have improved since then. It is forecast that 384 affordable homes will be built between 2019 and 2022, but this is still under half of what the council says is needed. Furthermore, as frequently cited by residents, the rate at which ‘affordable rent’ is currently set is far from affordable for those on a low income.

Local organisations like Walton Charity already contribute to the level of affordable housing stock in Elmbridge. On its own, however, this is unlikely to achieve the scale of housing needed to truly tackle the issue, which residents see as the most pressing issue locally. If Walton Charity and partners were to pick one issue for wider action, advocacy to increase the stock of truly affordable housing should be high on their list of priorities.

CHILDCARE AND SCHOOL COSTS

Access to high-quality childcare has several benefits for individuals, families, and society as a whole. It can reduce inequality, by helping to close the attainment gap between children from low-income families and their more advantaged peers, creating benefits that last throughout their time in school and beyond. It can also increase opportunities and remove barriers for parents to take on and sustain employment without expecting them to juggle full-time caring responsibilities.

Recommendation: Support for childcare fees and measures to bring down the cost of care

In the absence of a quality and accessible childcare system, there is much that can be done to improve the situation for children and parents locally. A major issue with the current system is that government subsidies for childcare are paid at a rate that can be substantially less than the actual cost of provision, and parents are asked to pay additional fees. Similarly, fees for younger children, who don’t qualify for government support, are increased to cross-subsidise the low rate paid for older children.³⁷ One option to deal with this would be to open up funding for parents to support with top-ups. Another would be to take measures to bring down the cost of care. Opening up charitable properties for use by socially driven childcare providers, for instance, could bypass a significant cost – rent – and result in savings for parents. Providing funding, and space, for pre-school, afterschool, and holiday clubs for children from low-income families could also significantly bring down the need for, and therefore the cost of, private childcare support. This would provide a route out of poverty for parents, and provide a lifeline for single parents in particular.

Extra funding, via schools or charitable grants, aimed at raising the eligibility threshold and tapering the rate that pupil premium is withdrawn would support those currently cut out of support, despite struggling with the cost of living, to access preschool, afterschool, and holiday clubs, and help with the cost of uniforms, school trips, and extra tuition.

IN-WORK POVERTY AND UNEMPLOYMENT

Low hours and earnings and unemployment affect people's ability to make ends meet and are a source of much frustration. Increasing access to childcare support would enable parents – especially single parents and second earners – to take up more hours and increase their income from work, and there is a range of additional measures that could be taken to tackle both unemployment experienced by younger people and low pay at a local level.

Recommendation: Develop opportunities for residents to grow their skills and experience

While Walton Charity and its partners cannot create quality jobs in the borough, it can offer new opportunities for people to develop their skills, experience and confidence. Several participants in our workshop noted that there is a skills mismatch between the jobs available locally and those looking for work. Residents cited difficulty accessing experience after training and acquiring a base-level skillset. Employability and skills training schemes, alongside initiatives to make links between local employers and residents, could help with this.

Recommendation: Explore the possibility of a Surrey wage scheme

Local groups can also take steps to improve the pay and conditions of jobs in the borough. One way to do this would be to explore the possibility of a Surrey living wage or a Surrey weighting to pay, akin to practices in London, to account for the higher cost of living. Additional research could explore the level at which this should be set, the feasibility of accrediting employers who have good practices, and tactics to challenge those who don't.

ENDNOTES

- 1 Lyall, S. & Button, D. (2015). *Inequality in Elmbridge*. New Economics Foundation. Retrieved from https://neweconomics.org/uploads/files/294a3dd9f30d9ce84f_urm6bozrq.pdf
- 2 Arnold, S., Harper, A. & Sterling, A. (2021). *The UK's living standards crisis: The case for a living income*. London: New Economics Foundation. Retrieved from <https://neweconomics.org/2021/06/the-uks-livingstandards-crisis>
- 3 Bell, K. (2019). *A decade of public service cuts is widening the class gap*. London: Trades Union Congress. Retrieved from <https://www.tuc.org.uk/blogs/decade-public-service-cuts-widening-class-gap>
- 4 ONS. (2022). *Index of private housing rental prices*. London: Office for National Statistics. Retrieved from <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/april2022#uk-private-rental-growth-rates-by-country>
- 5 Arnold, S., Harper, A. & Sterling, A. (2021). *The UK's living standards crisis: The case for a living income*. London: New Economics Foundation. Retrieved from <https://neweconomics.org/2021/06/the-uks-livingstandards-crisis>
- 6 Ibid.
- 7 ONS. (2022). *Consumer price inflation time series*. London: Office for National Statistics. Retrieved from <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>
- 8 Tims, S. & Caddick, D. (2022). *Losing the inflation race*. London: New Economics Foundation. Retrieved from <https://neweconomics.org/2022/05/losing-the-inflation-race>
- 9 ONS. (2021). *Exploring local income deprivation*. London: Office for National Statistics. Retrieved from <https://www.ons.gov.uk/visualisations/dvc1371/#/E07000223>
- 10 ONS. (2021). *A detailed picture of disparities within English local authorities to a neighbourhood level*. London: Office for National Statistics. Retrieved from <https://www.ons.gov.uk/visualisations/dvc1371/#/E07000223>
- 11 Zoopla. (2022). House Prices in Elmbridge. Retrieved from <https://www.zoopla.co.uk/house-prices/surrey/> [accessed February 2022]
- 12 Ibid.
- 13 Elmbridge Borough Council. (2019). *Housing in Elmbridge: Facts and figures*. Retrieved from: https://www.elmbridge.gov.uk/_resources/assets/attachment/full/0/6260.pdf
- 14 Ibid.
- 15 Ibid.
- 16 Walton Charity. (no date). *Poverty profile*. Retrieved from <https://www.waltoncharity.org.uk/poverty-profile> [accessed 28 September 2022].
- 17 ONS. (2022). *Consumer Price Inflation time series*. London: Office for National Statistics. Retrieved from <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>
- 18 Ofgem. (2022). *Price cap to increase by £693 from April*. Retrieved from <https://www.ofgem.gov.uk/publications/price-cap-increase-ps693-april>
- 19 Ofgem. (2022). *Ofgem updates price cap level and tightens up rules on suppliers*. Retrieved from <https://www.ofgem.gov.uk/publications/ofgem-updates-price-cap-level-and-tightens-rules-suppliers>
- 20 The Food Foundation. (2022). *Food Price Tracking*. Retrieved from <https://foodfoundation.org.uk/initiatives/food-prices-tracking>
- 21 IGD. (2022). *Exploring the outlook for good inflation*. Watford: Institute of Grocery Distribution. Retrieved from <https://www.igd.com/social-impact/economics/viewpoint-special-exploring-the-outlook-for-food-inflation>
- 22 McNeil, C., Patrick, R., Garthwaite, K., & Parkes, H. (2021). *No longer 'managing': the rise of working poverty and fixing Britain's broken social settlement*. London: IPPR. Retrieved from <https://www.ippr.org/files/2021-05/no-longer-managing-may21.pdf>
- 23 Nomis. (2022). *Local authority Labour Market Profile – Elmbridge*. Retrieved from <https://www.nomisweb.co.uk/reports/lmp/la/1946157328/report.aspx>
- 24 Ibid.
- 25 Ibid.
- 26 ONS. (2022). *Movement out of work for those aged over 50 since the start of the coronavirus pandemic*. London: Office for National Statistics. Retrieved from <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/movementsoutofworkforthoseagedover50yearssincethestartofthecoronaviruspandemic/2022-03-14>
- 27 Haskel, J. & Martin, K. (2022). *Economic inactivity and the labour market experience of the long-term sick*. London: Bank of England. Retrieved from <https://www.imperial.ac.uk/people/j.haskel/document/9802/Haskel%20Martin%20sickness%20inactivity%20v2/?Haskel%20Martin%20sickness%20inactivity%20v2.pdf>
- 28 Ibid.
- 29 Arnold, S., Harper, A. & Sterling, A. (2021). *The UK's living standards crisis: The case for a living income*. London: New Economics Foundation. Retrieved from <https://neweconomics.org/2021/06/the-uks-living-standards-crisis>
- 30 Padley, M. & Stone, J. (2021). *Households below a Minimum Income Standards: 2008/09 – 2018/19*. York: Joseph Rowntree Foundation. Retrieved from <https://www.jrf.org.uk/report/households-below-minimum-income-standard-2018-19>
- 31 Trussell Trust. (2021). *End of year state*. Salisbury: Trussell Trust. Retrieved from <https://www.trusselltrust.org/news-and-blog/>

[latest-stats/end-year-stats/](#)

- 32 Trussell Trust. (2021). *Building the evidence on poverty, destitution and food insecurity in the UK*. Salisbury: Trussell Trust. Retrieved from https://www.trusselltrust.org/wp-content/uploads/sites/2/2021/06/State-of-Hunger_Exec-Summary.pdf
- 33 NEF analysis of ONS Measuring Wellbeing dataset.
- 34 NHS Surrey Heartlands Clinical Commissioning Group. (2021). *Priorities and Operational Planning*. Retrieved from <https://www.surreyheartlandscg.nhs.uk/documents/documents/about-us/governing-body-meetings-and-committees/governing-body-papers/06-2021-30-june-2021/609-210630-06-operating-plan-govbodymtg-syheartlandscg/file>
- 35 Business, Energy and Industrial Strategy Committee. (2022). *Government must update energy bills support as crisis outpaces help, say MPs*. Retrieved from <https://committees.parliament.uk/committee/365/business-energy-and-industrial-strategy-committee/news/172350/government-must-update-energy-bills-support-as-crisis-outpaces-help-say-mps/>
- 36 Elmbridge Borough Council. (no date). *Affordable housing in Elmbridge*. Retrieved from <https://www.elmbridge.gov.uk/housing/affordable-housing/>
- 37 Hall, M. & Stephens, L. (2019) *Quality childcare for all: Making England's childcare a universal basic service*. London: New Economics Foundation. Retrieved from https://neweconomics.org/uploads/files/Quality-childcare_NEF.pdf

WWW.NEWECONOMICS.ORG

info@neweconomics.org
+44 (0)20 7820 6300 @NEF
Registered charity number 1055254

COVER IMAGE BY:

[Maxim Fesenko \(iStock Photos\)](#)

PUBLISHED:

November 2022

NEF is a charitable think tank. We are wholly independent of political parties and committed to being transparent about how we are funded.

WRITTEN BY:

Daniel Button

THANKS TO:

All the Elmbridge organisations and residents who took part in the research; and to Walton Charity staff and trustees.

This research was commissioned by:

www.waltoncharity.org.uk

