

Breaking Point

*The cost-of-living crisis in London,
and what can be done about it*

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Executive summary

The cost of living in the UK has risen to unprecedented levels, leaving people struggling to make ends meet. As of September 2023, the number of people living in very deep poverty in the UK stood at a staggering 6 million¹. Rising costs have been driven by soaring inflation, fiscal and political instability, as well as shocks to global supply chains and labour markets due to events including the Russia-Ukraine war, the Covid-19 pandemic and Brexit. This is all taking a toll, and the public are paying the price. Not only are people experiencing greater food, employment and housing insecurity, but they are making cutbacks on things that are important for health and wellbeing (eg food, heating), all of which has implications for their mental health^{2,3}.

The Policy Institute and Department for Political Economy at King's College London has been working with residents of the London Boroughs of Lambeth, Southwark and Westminster, along with policymakers, charities and grassroots organisations, to better understand the impact of the cost-of-living crisis and how to mitigate the worst effects of it.


We conducted a creative mixed-methods study using participatory research, diaries, photography, deliberation and surveys in order to develop policies in a way that is inclusive, with citizens at its heart. By rooting this project in people's lived experience, we aimed to work with participants to develop policies which are both acceptable to the public and make a tangible difference to their lives.

People saw the crisis as a long-term underinvestment in society with deep roots in policy decisions, exacerbated by the Covid-19 pandemic and the war in Ukraine

Whilst the term 'cost-of-living crisis' first came into public consciousness in 2021, the residents of Lambeth, Southwark and Westminster that we worked with tended to understand the crisis as a more deeply rooted social problem: a chronic underinvestment in society. This was connected to years of austerity policies in the UK, as well as political and financial instability resulting from Brexit. Residents also acknowledged that extreme events, including the Covid-19 pandemic and the war in Ukraine, helped to precipitate soaring costs, but that this only laid bare the extent of poverty and precariousness that many families in the UK have been enduring for a long time.

The impacts of increasing costs have been pervasive, eroding people's resilience and pushing them to their limits

People have been adapting their behaviour and making cutbacks in every area of life, in order to cope with increasing costs. In our GB representative survey, alarming numbers of people are doing things like keeping the heating off (61 per cent) and skipping meals (14 per cent), which are harmful for health. People are also working more (18 per cent), using



savings for everyday spending (29 per cent) or borrowing money (16 per cent) in order to get by. These behaviours were echoed by the peer researchers we worked with, who tried to save every penny possible on energy in their home and were shopping around for food. However, the cognitive load required to cope with the mounting pressures of daily life was wearing down people's resilience, with all components of our research highlighting concerning consequences for mental health.

People want to see long-term structural changes that invest in people and communities

People wanted to see ambitious action that addressed the long-term erosion of resilience in society and individuals. In our survey, three in five (60 per cent) wanted the government to spend what it takes to address the rising cost of living, if it guarantees an acceptable standard of living for people who are struggling. People favoured policies to provide free school meals to all children, to build more affordable housing and to develop a nationalised energy company that could reinvest its profits in society.

But high levels of distrust in government present a challenge

Despite enthusiasm for policy action, people did not have much trust in national or local government to implement policies well. People connected distrust to previous examples of perceived incompetence and misappropriation of funds, and also mentioned a more general lack of transparency and accountability. This presents a challenging and fractious context in which to implement policies, and provokes bigger questions about what the most effective way forward is. For local and national government to repair trust, people wanted to see evidence of meaningful action in their local communities, and steps to place citizens at the centre of these.

In summary, the public went into the cost-of-living crisis reeling from the after-effects of the pandemic and worn down by over a decade of austerity politics and low wage growth. Resilience was low, the financial capacity to deal with shocks already whittled away, and the cognitive bandwidth required to cope with such challenges lacking. People cannot simply budget their way out of these challenges – significant structural reforms are needed to bring about the changes that people desperately want and need to see.

But citizens also have a good idea of the kinds of policies that would make the biggest difference to their lives. Our work has highlighted how, with time, evidence and support to discuss complex issues, citizens are capable and willing to work collaboratively in the common good. This project, as well as shining a light on the lived experience of the cost-of-living crisis, also provides a blueprint for how we can take a more inclusive and citizen-centred approach to developing solutions for change, because as we head into another winter, with people's resources already depleted from previous successive crises, it's imperative that credible and grounded policies to address the issues people are facing are taken forward.



Introduction

Context

The cost of living in the UK has risen to unprecedented levels, leaving people struggling to make ends meet. As of September 2023, the number of people living in very deep poverty in the UK has grown to 6 million¹, whilst the number of people experiencing food insecurity has risen to a staggering 11.3 million⁴. Large swathes of the population are finding it difficult to get by.

This is happening against a backdrop of market volatility following the highly criticised ‘mini-budget’ in November 2022, which sent the pound to its lowest ever value seen against the dollar². Inflation also peaked at 11.1 per cent in October 2022 – the highest in 40 years – making all areas of life more expensive⁵. This has resulted in growing numbers of people relying on savings or credit in order to get by. It has also had severe implications for those who have a mortgage, or other forms of debt. At the beginning of October 2023, the average mortgage repayment rate stood at 5.51 per cent⁶ – a rate which the Joseph Rowntree Foundation predicted would push an additional 400,000 people into poverty⁷.

Compounding this, food and energy costs increased significantly, partly driven by disruption to global supply chains due to Brexit, the Covid-19 pandemic, and the conflict in Ukraine. Meanwhile, wage growth has stagnated since the 2008 financial crisis, leading to a fall in real disposable incomes. Along with unsatisfactory working conditions, this has led to widespread and prolonged industrial action across the labour market, notably among railway workers, teachers, doctors and nurses.

Those already living on low incomes and in deprived areas have been hit the hardest, because they spend a larger proportion of their earnings on food, housing and energy⁸. The crisis therefore threatens to deepen socioeconomic inequalities in the UK, at a time when the deep social fractures and inequities exposed by the Covid-19 pandemic remain. At the same time, the government has committed to ‘levelling up’ communities, recognising the importance of reducing social disparities, but thus far falling short on achieving this. The recent cancellation of the high-speed railway HS2 to Manchester is a further indication of the government’s lack of commitment to this agenda. Ultimately, people cannot simply budget their way out of poverty – significant structural changes, in the form of policy action, are needed to help people cope with this ongoing crisis.



Aims

Since early 2022, the Policy Institute and Department for Political Economy at King's College London has been working with residents of Lambeth, Southwark and Westminster along with policymakers, charities and grassroots organisations to better understand the impact of the cost-of-living crisis and how to mitigate the worst effects of it.

Using a mixed method and creative approach, involving surveys, deliberation, participatory research, diaries and photography, we aimed to show how policymaking can be done in a more citizen-centred way.

By rooting this project in people's lived experience, we aimed to work with participants to develop policies which are both acceptable to the public and make a tangible difference to their lives. By working in this way, we also wanted to promote an evidence-based approach to policy making that is inclusive, delivering targeted and effective interventions for those most in need.

The research was carried out with residents living in Lambeth, Southwark and Westminster – the three London boroughs where King's is situated – in order to promote justice and evidence-based policy making in our home boroughs. The research was guided by the following questions:

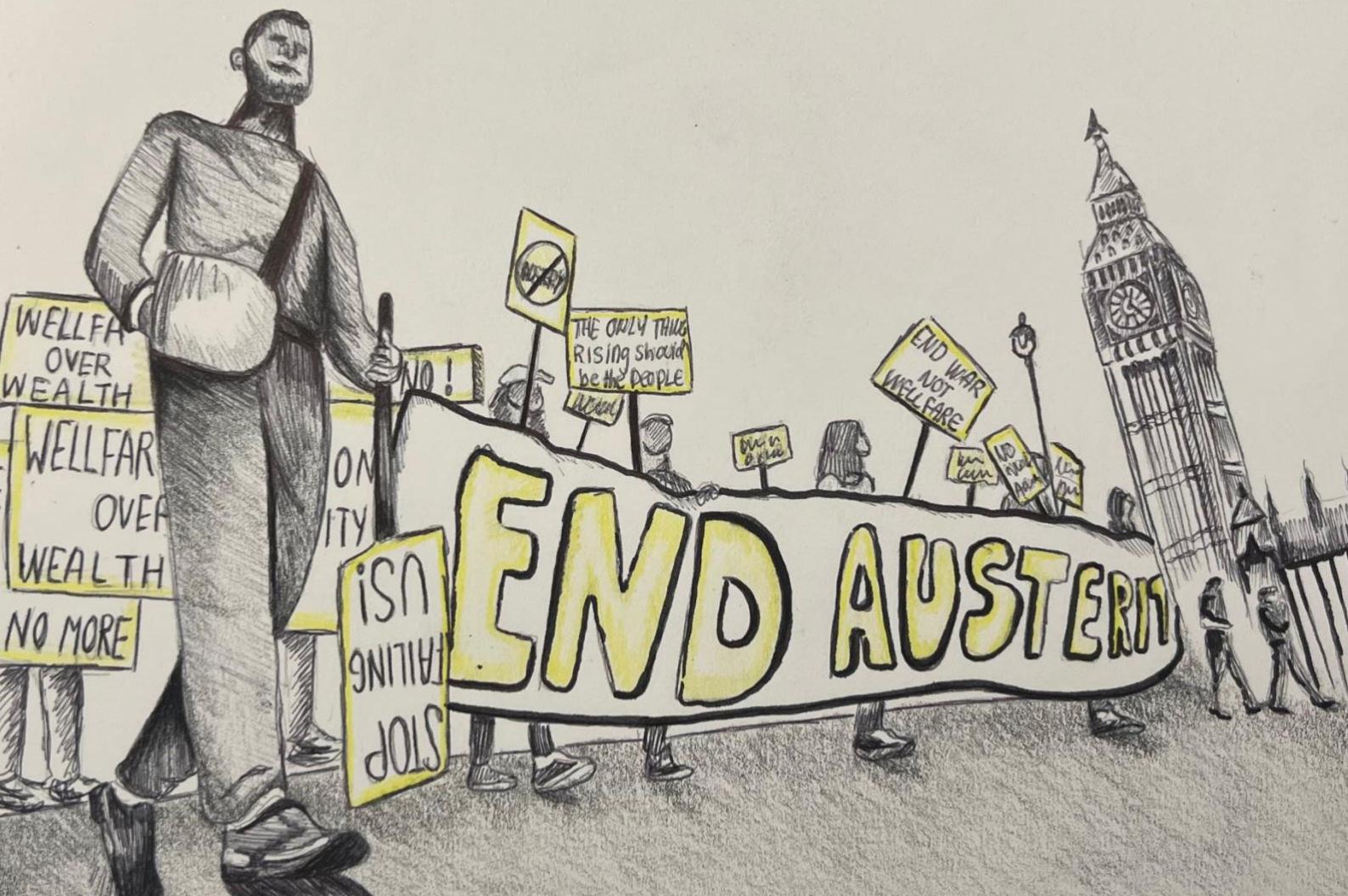
- How do people understand and define the cost-of-living crisis?
- What do people consider the causes of the cost-of-living crisis to be?
- How are people impacted by the cost-of-living crisis?
- To what extent are the experiences of Londoners similar or different to the country as a whole?
- What policy solutions do people want to mitigate the impact of the increasing cost of living?



Approach

We adopted a mixed-methods approach to this study comprising four distinct stages.

- 1) **Peer research.** We worked with five ‘peer researchers’ from Lambeth, Southwark and Westminster, selected on the basis of being more likely to be negatively affected by the cost-of-living crisis (eg they were a single parent, had a large family to support, lived in social housing, or had precarious employment). Peer researchers kept a diary for two weeks, documenting the impact of the rising cost of living on their daily lives, which incorporated photos, videos and written reflections. They also interviewed a friend or family member to understand how increasing costs affect those around us.
- 2) **Deliberative workshops.** Held over three consecutive weeks, with the same group of 32 residents from Lambeth, Southwark and Westminster, these workshops aimed to develop policy solutions to mitigate the cost-of-living crisis. To do this, participants were provided with evidence, including the evidence generated by the peer researchers, and given time to deliberate with one another.
- 3) **Longitudinal survey.** An online survey, representative of the GB adult population aged 18+, was first conducted in November 2022 (n=1,671) and then in July 2023 (n=1,001), with the same group of participants recontacted across both waves. The survey assessed concerns about increasing costs, how people were coping, attitudes towards welfare, and the impact on mental health.
- 4) **Policy roundtable.** In this online workshop, the findings from the programme were shared with stakeholders to sense check, refine and share the recommendations. Attendees included local and national policymakers, as well as academics, regulators, charities, and civil society organisations.



**How do people
define the cost-of-living
crisis?**



How people see the origins of the cost-of-living crisis

Whilst the term ‘cost-of-living crisis’ first came into public consciousness in 2021, the residents of Lambeth, Southwark and Westminster that we worked with tended to understand the crisis as a more deeply rooted social problem: a chronic underinvestment in society. For them, the term ‘crisis’ better reflects just how bad things have gotten, rather than a new phenomenon.

As we explore below, the residents we spoke to in our deliberative workshops attributed the crisis to a range of causes. While there was wide recognition that events such as the conflict in Ukraine, Covid-19 pandemic and Brexit have contributed to rising costs, many saw the crisis as having deep and enduring roots, attributing it to the result of an accumulation of political choices made over several years, particularly the austerity measures implemented by the Coalition Government after the 2010 election.

Recent extreme events are recognised as helping to precipitate the crisis

Most residents cited the Covid-19 pandemic as a contributing factor to rising costs, pushing up the price of food and other goods by disrupting the labour market and global supply chains. Residents stressed that prices did not seem to fall much even when the pandemic started to ease: “obviously the cost of things went up because things were scarce... then things changed but the prices didn’t change” (Female, Southwark).

The government’s post-Covid response was also seen to contribute to the crisis. Some emphasised the inflationary consequences of the government’s fiscal stimulus during the pandemic: “a lot of money was given out during Covid and there’s a lot of money flying around the system” (Male, Lambeth), while others highlighted what they saw to be money misspent during this time: “misappropriation of funds... spending on unnecessary things like PPE rather than on what we actually need” (Female, Lambeth).

Most residents also perceived the conflict in Ukraine as a major contributor to rising costs, recognising its impact on food and energy prices, mentioning that Ukraine was a major exporter of gas, as well as basic foodstuffs including wheat and sunflower oil. However, some participants were also sceptical about the extent to which the conflict contributed to the crisis, questioning how the UK could be so affected by a conflict in Europe’s far eastern fringes. Building on this, others struggled to understand why the cost-of-living crisis has hit the UK harder than other European countries, given they too rely on Ukraine for food and, to a greater extent, for energy.



The war in Ukraine must have really affected the EU and European countries because that's where they get their gas from, but we don't, and that's the biggest thing – the price of gas has gone up. We shouldn't be as affected as Europe, yet, economically, we're doing the worst. It's like a contradiction. (Female, Westminster)

Everyone has to deal with the Ukraine war... Germany has to do it, France has to do it, and all the nations in Europe. ... Why are we doing worse than the rest of European countries? What makes our problem worse? (Male, Lambeth)



Whilst residents supported the Ukrainian people, a small number also questioned why the UK government was spending so much money on defence rather than problems closer to home: “how much money are they spending in weapons to send to Ukraine? ... Your priorities, shouldn't it be [your own] citizens first?” (Female, Lambeth).

At least four residents further expressed the idea that the Ukraine war is being used as an excuse for the crisis in the UK, to deflect attention from other causes, including those closer to home. As evidence of this, some participants noted that prices had been rising before the war, while others identified the language of blame in the media and politics: “I think they're blaming Russia and the war a lot. ... It's used as a scapegoat.” (Female, Lambeth).

The crisis was seen by many as having deep roots in UK politics and policy decisions

Most residents located the origins of the crisis in public policy decisions made by government over the last few decades. Brexit stands out, but other policy choices, including austerity and underinvestment in social housing, were also criticised. Political instability, driven not only by these causes but also by successive changes in leadership, was also perceived to hinder the development and delivery of policies that would help foster a resilient society.

Britain's decision to leave the European Union was seen to have contributed directly to the cost-of-living crisis by causing labour shortages that have pushed up prices: “the government ruined it with Brexit, we have no one to pick the food or do the jobs” (Female, Southwark). The strength of feeling with which some residents spoke about the impact of Brexit was also notable; no one volunteered ways in which they believed it had strengthened the UK economy: “Brexit. Brexit underpins absolutely everything” (Male, Southwark).



The social policy decisions of successive governments were also cited by some as a cause of the present crisis, most specifically the underinvestment in social housing and austerity policy following the 2008 financial crash. Others pointed to privatisation and tax policy disadvantaging lower earners. All of this underpinned a sense among most residents that governments have *consciously* presided over a deepening of poverty and inequality in the UK over time – this is a crisis that has been engineered rather than one that has happened simply because of external forces. This is a theme that is explored further in the following section.

What was also clear is that most contributions to the discussion emphasised the multiplicity of factors contributing to the cost-of-living crisis, and their often interconnected nature, rather than any single cause. As one resident described it, the cost-of-living crisis is “a perfect storm because there are so many different contributing factors all playing a part” (Male, Lambeth)

The public see the rising cost of living as endemic, not a short-term crisis to weather

For many residents in the deliberative workshops, describing the cost-of-living crisis as an economic shock that started in 2021 felt inauthentic to how they had experienced the recent years or even decades.

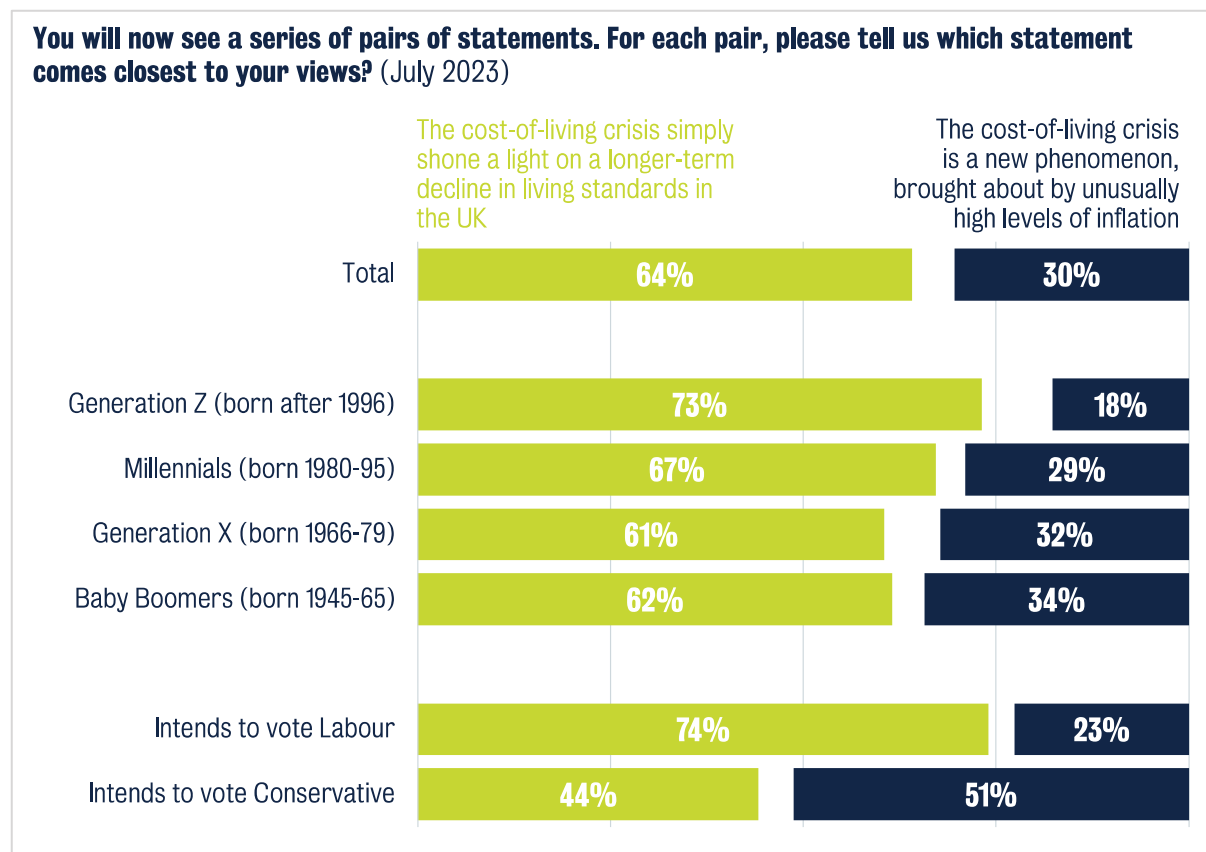
In reflecting on the evidence presented by experts during the deliberative workshops, some residents felt that experts’ assessments of the causes of the crisis were at odds with those of ordinary people, particularly in their focus on causes such as the conflict in Ukraine, the Covid-19 pandemic, and the perceived neglect of crucial infrastructure like social housing.

There is also strong support for this belief nationally. In our survey, more than twice as many respondents said that they believed “the cost-of-living crisis simply shone a light on a longer-term decline in living standards in the UK” (64 per cent), compared to those who said “the cost-of-living crisis is a new phenomenon, brought about by unusually high levels of inflation” (30 per cent) (see Figure 1).

Younger people were somewhat less likely to see the crisis as a new phenomenon than older people, with almost twice as many Baby Boomers saying that the cost-of-living crisis is a new phenomenon (34 per cent) than Gen Z (18 per cent). Yet across all generations, a comfortable majority still saw the crisis more as a longer-term decline in living standards.

The largest differences between groups can be seen along party lines: more than twice as many people who said they were intending to vote Conservative in the next General Election said they viewed the crisis as a new phenomenon (51 per cent), compared to those who intended to vote Labour (23 per cent).

FIGURE 1:
Perceptions of the cost-of-living crisis as a short-term or long-term issue (GB survey)



Source: Number Cruncher Analytics for the Policy Institute, wave 2 recontact sample conducted online from 13 June – 11 July 2023 (n=1,001 GB adults). “Don’t know” not shown. Base: Baby Boomers (born 1945-65), n=346; Gen X (born 1966-79), n=257; Millennials (born 1980-95), n=293; Gen Z (born after 1996), n=95; Labour, n=362; Conservative, n=154.



“

The percentage of people living in poverty in this country has been higher for a very long time compared with other European countries. It's not something that is new... the fact that people can't afford to rent, that they're living in insecure housing, is something that has been going on for 20 years at least in this country. It's not new. It's self-inflicted... a lot of it is self-inflicted by this government. (Male, Lambeth)

”

Similarly, several participants in the roundtable queried the accuracy of the term 'crisis', observing that, in London at least, poverty is chronic and long-standing. Members of the London Assembly highlighted the difficulties many households in the capital have faced in getting by since the series of cuts first introduced in 2010, whilst local authorities we spoke to also felt that many people have been finding coping with the cost of living difficult for the last decade. This long-standing struggle to get by has, it was generally agreed, eroded resilience among low-income households in the capital, making them particularly vulnerable to recent high price rises.

Triangulating the data from both the public and stakeholders therefore shows that the rising cost of living is not seen as a new crisis. Rather the deliberate use of the term 'crisis' emphasises just how bad things have gotten over the years.



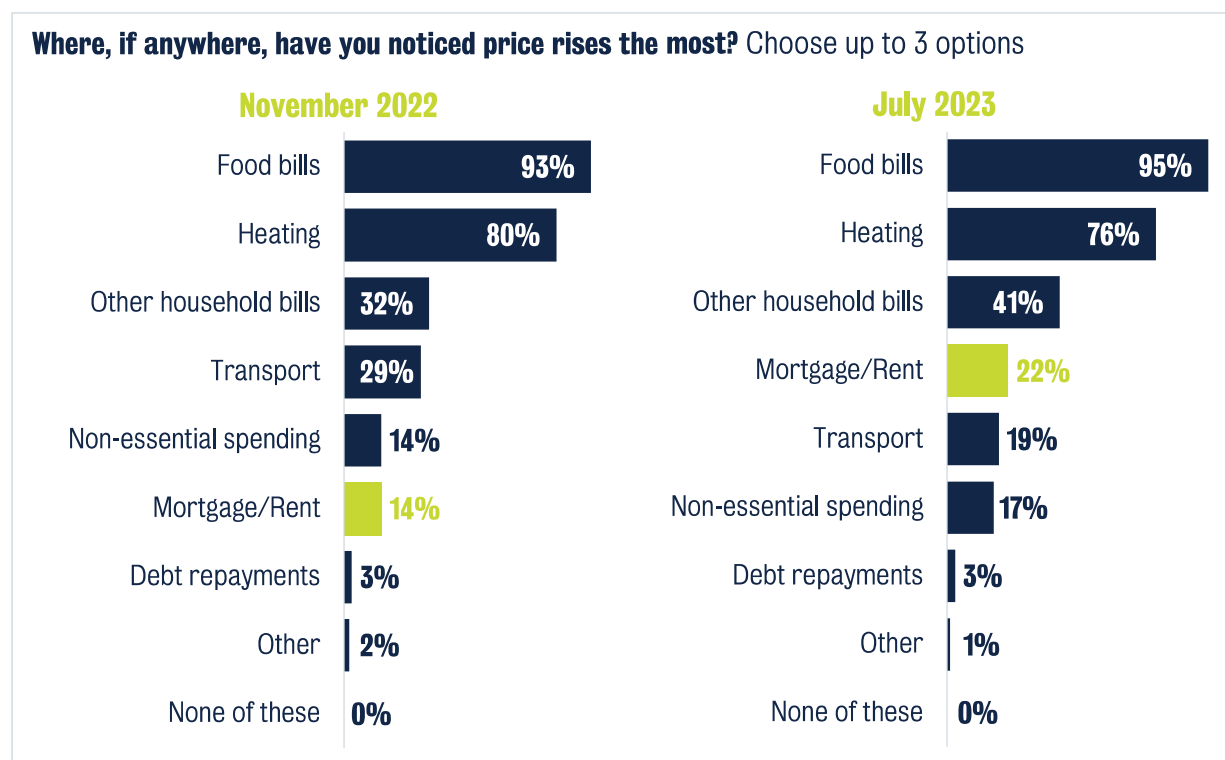
**What are people
doing to cope with the
rising cost of living?**

Where have people noticed price rises the most?

The impacts of the cost-of-living crisis have been pervasive. In July 2023, four in five people in Britain (82 per cent) said they were worried about the rising cost of living, and as many as three in five (60 per cent) said rising costs were having a negative impact on their mental health.⁹

Over the past year, food, heating and other household bills are consistently areas where people in Britain have noticed price rises the most (see Figure 2). However, it is important to recognise that during this period, housing costs (such as mortgage repayments or rent) have started to become more prominent as one of the top three areas where people in Britain are noticing price rises the most (8 percentage points higher in July 2023 than in November 2022). And in general, rising housing costs are much more salient in London than the rest of Britain, rising from 22 per cent in November 2022 to 31 per cent in July 2023.

FIGURE 2: Areas where people in Britain have noticed price rises the most (GB survey – waves 1 & 2)

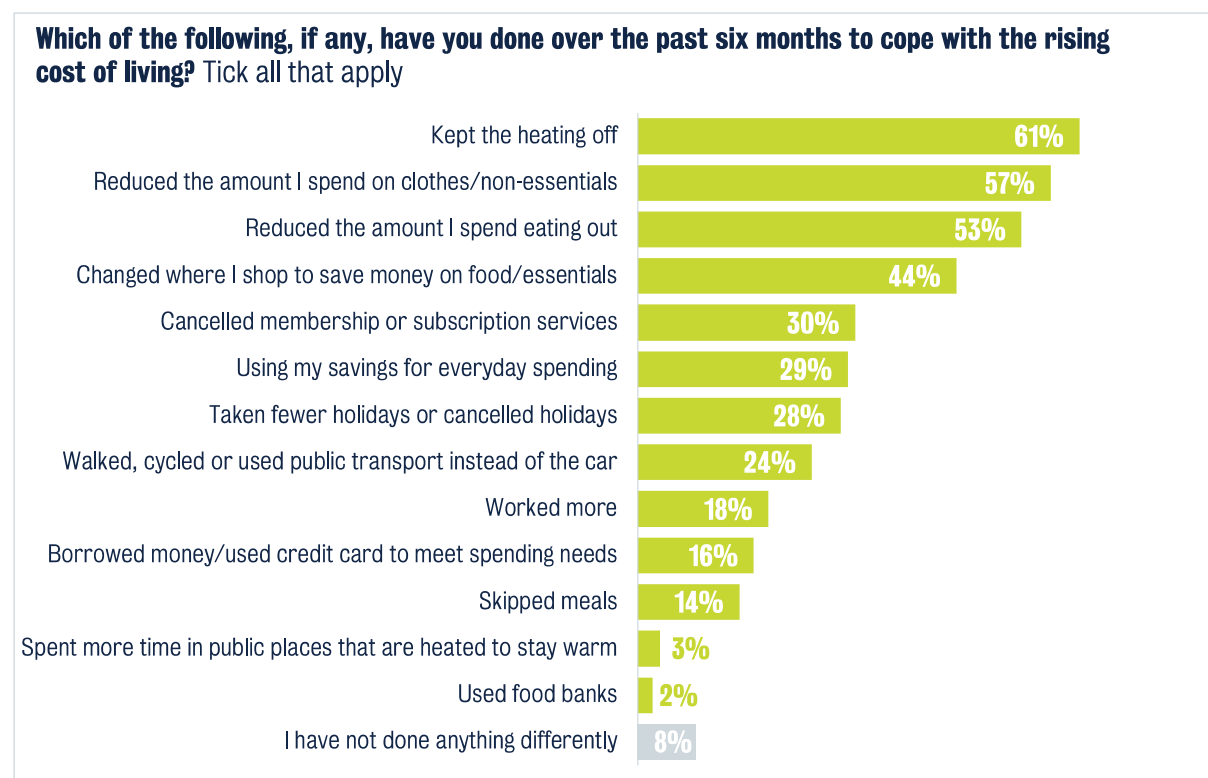


Source: Number Cruncher Analytics for The Policy Institute, wave 1 conducted online from 8-15 November 2022 (n=1,671 GB adults), wave 2 recontact sample conducted online from 13 June – 11 July 2023 (n=1,001 GB adults).

What are people doing to cope with rising costs?

A majority of adults in Britain say they have adapted their behaviour to some degree to cope with the rising cost of living (see Figure 3). However, while the impact of the crisis has been widespread, it has not been felt equally. A smaller, yet concerningly large minority has reported struggling significantly and resorting to more extreme behaviour changes to cope, with one in six saying they have borrowed money or used credit to make ends meet (16 per cent) and one in seven saying they have skipped meals (14 per cent).

FIGURE 3:
Areas where people in Britain have noticed price rises the most (GB survey – wave 2)



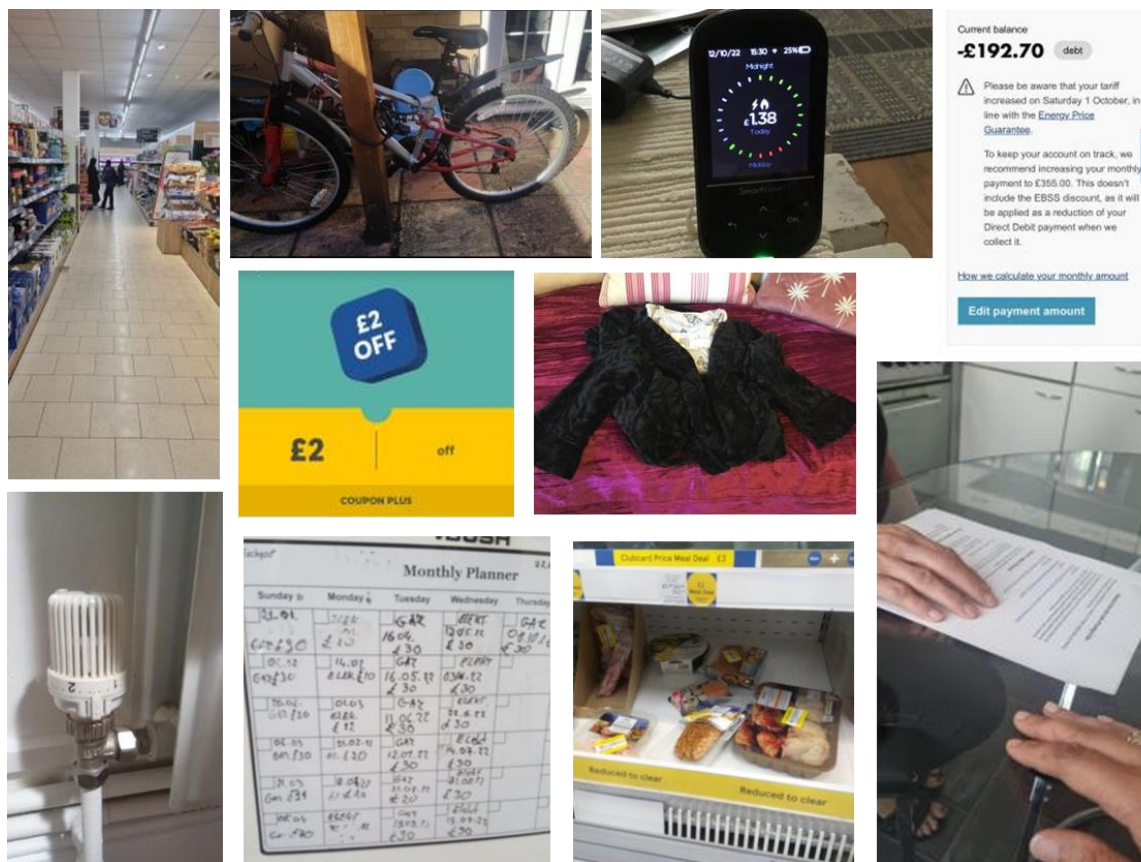
Source: Number Cruncher Analytics for The Policy Institute, wave 2 recontact sample conducted online from 13 June – 11 July 2023 (n=1,001 GB adults).

Working with peer researchers helped to make tangible how these coping strategies manifest in day-to-day life. The local residents we worked with described shopping around for deals to ensure they got the best value for their money, taking advantage of items that had reduced stickers on them, and to manage money flow: “I always look for special offers and reduced stickers and buy in bulk if available, and store the excess in the freezer or cupboard” (Peer Researcher 1).



FIGURE 4:


Images from the peer researchers' diaries where they documented the impact of the cost-of-living crisis on their daily lives



The peer researchers also described prioritising the needs of others when they had to make difficult choices, particularly children: “I needed to get more bits but couldn’t due to lack of funds. The reason I got these bits was I needed breakfast for the kids” (Peer Researcher 2).

Consistent with the national survey data, peer researchers also expressed concern for friends and family members who they knew were skipping meals, particularly in relation to the health impacts this might have. For instance, they emphasised the importance of ensuring children have food to be able to learn and develop.

Trying to reduce energy usage was also a consistent theme across all methods of data collection. Coming into winter in 2022, four in five survey respondents (80 per cent) reported noticing the increase in heating prices and a similar proportion (72 per cent) were concerned about being able to afford to heat their home. And for many of these people, these concerns translated into action: in July 2023, three in five respondents (61 per cent) told us that they had kept their heating off in the last six months to cope with the rising cost of living.



Peer researchers reported making similar changes to keep their energy costs down. This included limiting the time when the heating was on and using alternatives such as blankets and layers of clothing; turning their thermostat and boiler down; not cooking food that takes a long time to prepare or switching to a slow cooker; reducing the temperature and length of washing cycles; and unplugging electrical appliances. The descriptions of changes made at home highlighted the lengths peer researchers had gone to reduce their bills.



What surprised me is that she had not switched the heating on for the last few weeks and sometimes goes without food. This is really unhealthy as it could lead to serious health problems and mental health. [Family friend] said she had no choice but to do this. I feel sad hearing this because I know there a lot of people like [family friend] finding it difficult and struggling to survive. (Peer Researcher 2)


I have made several changes including turning the water temperature down on the boiler to 45 degrees ... using different programmes on my washing machine. ... I now use a 20-degree wash or the quick 15-minute wash ... I have also stopped buying fabric conditioner after researching laundry savings online ... I will be buying a new drying rack ...as I won't have the heating on as much. ... I also unplug my microwave... I am also planning to use my slow cooker more, especially to cook dried pulses ... as the tinned ones are getting too expensive. (Peer Researcher 1)



In addition to reducing costs in the areas where price increases had been noticed most, individuals took actions in other areas of their lives. Over half of survey respondents had cut back on spending on clothes and other non-essentials (57 per cent) or reduced the amount they spend on eating out in cafes/restaurants (53 per cent), whilst a third had cut back on socialising (35 per cent). These behaviour changes risk increasing social isolation and thus reducing levels of wellbeing.

The peer researchers also emphasised that the mounting pressures of daily life came at a time of uncertainty and stress, as people were still coping with the consequences of the Covid-19 pandemic: “after the pandemic it’s like people have gone from one crisis into another... we have gone from hoarding food in fear of not being able to get it, to doing the opposite” (Peer Researcher 3).

In the survey, people also reported using savings for everyday spending (29 per cent) and borrowing money or using credit cards to meet spending needs (16 per cent). The peer



researchers described relying on family for emergency financial support, and that they know people who are relying on ‘shop now pay later’ schemes.

The actions people are taking to cope with the rising cost of living are associated with negative impacts on wellbeing

The associations between rising costs and people’s physical and mental health are stark. In July 2023, three in five adults in Britain (60 per cent) said that the rising cost of living is having a negative impact on their mental health. More specifically, nearly a quarter of people (23 per cent) say they are having trouble sleeping due to worry about rising costs, and almost half say that they feel negatively about life over the next year, given rising costs (48 per cent).

Steps taken to cope with rising costs are also likely to affect physical wellbeing. Keeping heating turned off, and cutting meals, for instance, are likely to impact health² – a link that was recognised by the peer researchers as a source of concern.



I worry about my Aunty who is her 80s and how the effect of rising gas and electric bills will have on her health and the ability to keep warm. (Peer Researcher 3)



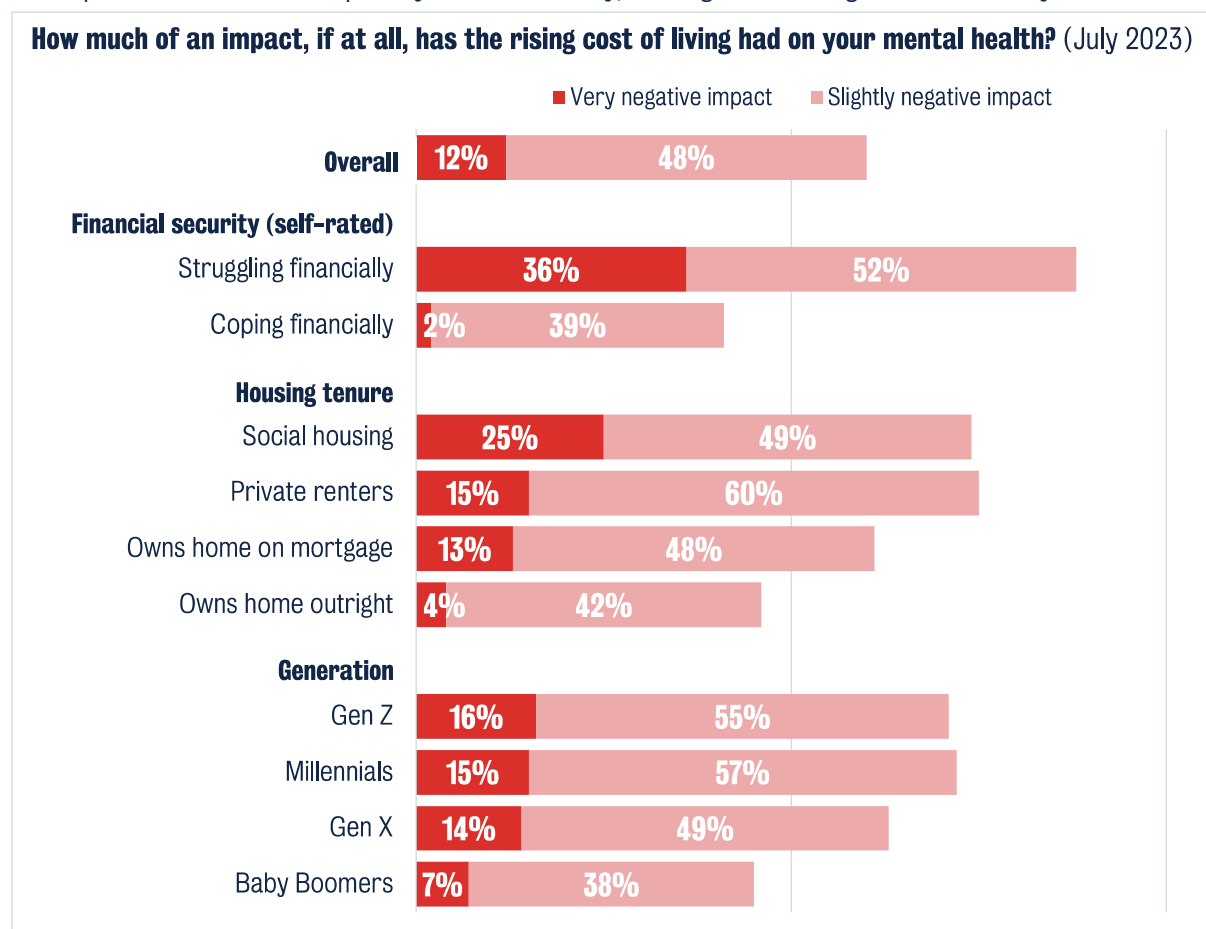
The self-reported impact of the rising cost of living on mental health is more pronounced among some groups than others, particularly among those who are struggling financially, people living in social housing and private rental accommodation, and younger generations (see Figure 5), as well as those who have a previously diagnosed mental health condition⁷.

Adding to this, the peer researchers described a lack of certainty about how they would cope going forward: “I’m coping at the moment, but let’s see what the future holds. It’s definitely a concern” (Peer Researcher 4). In particular, they felt that there was a lack of certainty about how much prices would continue to rise, what government help would be available for how long, and what the best course of action was for them to take: “I will find out at the end of the month how much my electric bill has increased too. It’s scary to know I could get in debt over gas and electricity” (Peer Researcher 2). This lack of certainty was particularly concerning to those who felt that they had done everything they could think of to adjust to the crisis: “I have made savings across the board I’m not sure how I will cope if prices rise and continue to do so for much longer” (Peer Researcher 1).



The peer researchers also highlighted the cognitive burden of managing their budget as costs rise, particularly for those with caring responsibilities. This was reflected in the peer researcher’s descriptions of changes they had made to adjust to the crisis, which gave a picture of people constantly making decisions to reduce costs across all areas of their lives. For those experiencing poverty, the increased attention and self-control required to manage finances depletes finite cognitive resources¹⁰. Hence, the increased demands placed on people to cope with increasing costs can become overwhelming and take a toll on wellbeing.

FIGURE 5:
Self-reported mental health impact by financial security, housing tenure and generation (survey wave 2)



Source: Number Cruncher Analytics for the Policy Institute, wave 2 recontact sample conducted online from 13 June – 11 July 2023 (n=1,001 GB adults). Base sizes: ‘Struggling financially’ (n=197), ‘Coping financially’ (n=510), ‘Social housing’ (n=118), ‘Private renters’ (n=187), ‘Owns home on mortgage’ (n=264), ‘Owns home outright’ (n=380), ‘Gen Z’ (n=95), ‘Millennials’ (n=292), ‘Gen X’ (n=233), ‘Baby boomers’ (n=335). “No impact”, “Slightly positive impact”, “Very positive impact”, “Don’t know” and “Prefer not to say” not shown.



It is hard to be disciplined when there are so many outgoings to juggle. As a single parent it's not only the emotional and physical hats that I am carrying alone but also the financial which makes the prior harder, being split in so many directions. (Peer Researcher 3)



Despite the severe and widespread impacts of the cost-of-living crisis, people rarely report accessing support

In our survey, just under half of respondents (48 per cent) said that they had not accessed any support at all in the last six months to help them cope, either directly or indirectly, with the rising cost of living. By comparison, less than 5 per cent of respondents said they had accessed their GP, targeted schemes offered by their local authority to help local residents with the rising cost of living, or advice from charities or local community organisations. The most frequently reported types of support were more informal mechanisms, such as speaking to friends and family, or more universal forms of support, such as government contributions to energy bills (see Figure 6).¹

Peer researchers reported having received automatic support from the government or their local authority (for instance, increases to benefits, the Energy Bill Support Scheme and discounts on their council tax). Some peer researchers also accessed help from agencies, such as Citizens Advice Bureau. However, most peer researchers, as well as the friends and family members they interviewed, did not seek out advice or support from national or local government, or from charities or community organisations. This was despite some having taken extreme measures to adapt to the crisis such as cutting down on food.

Peer researchers told us that they did not always seek support because either they weren't aware of what help was available, were uncertain about whether they would be eligible for it and were sceptical about whether it would help. Given this, peer researchers wanted improved communications about what was on offer to help people during the cost-of-living crisis.

However, another key theme that emerged from the peer researchers was reluctance and even shame associated with seeking help and support – a trend that is well-documented in

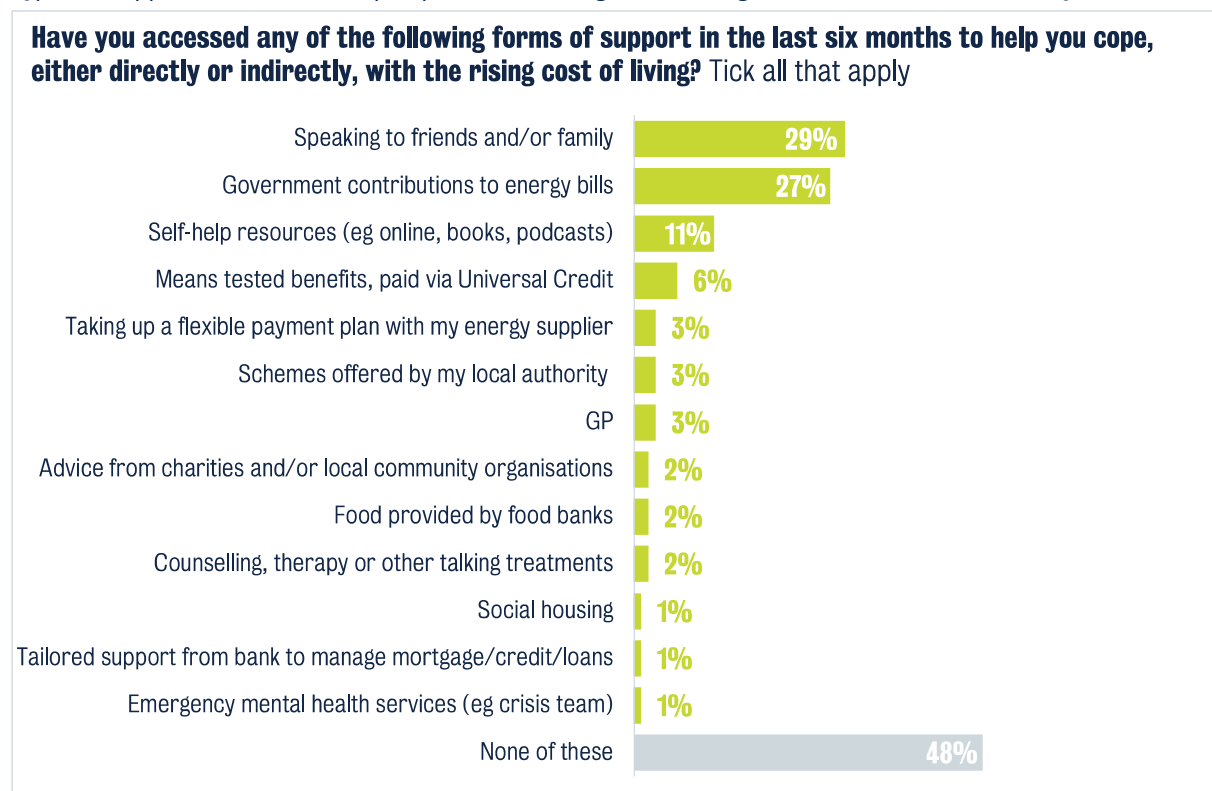
¹ The Energy Bill Support Scheme was technically provided to every household, so 27 per is a significant underreport. However, as this support was provided automatically, participants may not have been aware of what it was, or interpreted it as support which they accessed.



the UK, even prior to the crisis.¹¹ These feelings were often expressed by those who had not needed to access help before the cost-of-living crisis. Their reluctance was rooted in a sense that others might need the support more than they did, and concern with whether support was really “for them”, or whether they really “needed” or “deserved” the support. The participants contrasted this with the experiences of the Covid-19 pandemic, when it was felt that there was no blame associated with needing support and a shared understanding that people would need help to get through the crisis.


FIGURE 6:

Types of support accessed to help cope with the rising cost of living in the last six months (survey, wave 2)



Source: Number Cruncher Analytics for The Policy Institute, wave 2 recontact sample conducted online from 13th June – 11th July 2023 (n=1,001 GB adults). “Other” and “Prefer not to say” not shown.

Peer researchers’ experiences of the cost-of-living crisis and accessing support was also presented to the residents in the deliberative workshops, who sympathised with, as well as echoed, many of their struggles. Almost all residents offered examples where they saw people struggle to pay for things or be forced to make cutbacks: “now you hear of people who are in paid employment and they still need to go to foodbanks... that’s crazy” (Female, Westminster). Residents in the deliberative workshops further noted additional impacts, such as the majority of people having few prospects to get on the property ladder, worse working conditions, being pushed out of the area you live in due to housing costs or being



part of the ‘squeezed middle’ who experience greater costs but fall just over the threshold to receive support such as welfare benefits.



I have found out from doing this research, most people don't know what support and advice is available and would not know who to turn to, when they need help, like me.

(Peer Researcher 2)

I have never been to a food bank, but if my bills and food shopping keep increasing, I will be left with no choice but to go to a food bank for extra help, so that I am able to feed my children and keep them warm. I would find it really embarrassing and shameful to attend a food bank as I have always worked. (Peer Researcher 2)





**What types of
action do people
want to see?**

Weighing up trade-offs...

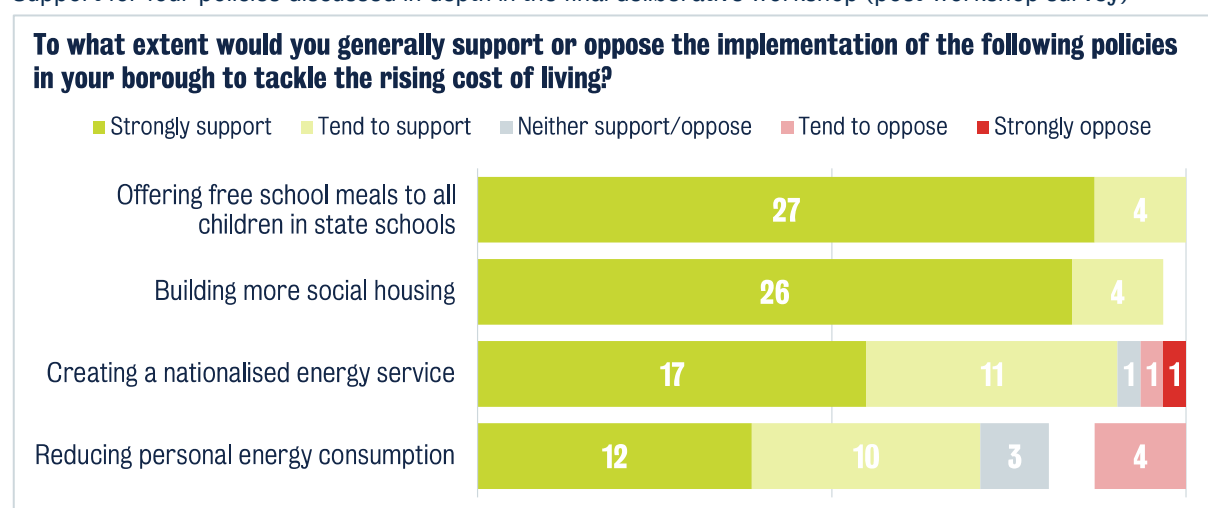
The deliberative workshops were geared towards developing policy responses to the cost-of-living crisis that were grounded in lived experiences and concerns of residents in Lambeth, Southwark, and Westminster.

In the second workshop, participants were presented with a wide range of policy ideas relating to food, energy, and housing. Participants moved around the room to different stations, where they were asked to consider a variety of live policy ideas in each area, with a range of reforms laid out on a poster. The suggested reforms were all taken either from current policy debates, policies that had already been implemented in the UK or abroad, or were set to be introduced in the near future.

We also invited participants to add their own ideas for policies they thought would make a difference in alleviating the rising cost of food, energy, and housing. They would leave their ideas on post-it notes on the poster for the next group who visited the station to consider, alongside the prepared materials.

As we will discuss in more depth in this section, in the third workshop we drilled down into four specific policy propositions that had ignited the most debate the week before: offering free school meals to all children in state schools, building more affordable housing (including social housing), creating a nationalised energy service and asking people to reduce their personal energy consumption. Overall, these ideas were received favourably by the group, yet with some resistance to the reforms around energy (Figure 7).

FIGURE 7:
Support for four policies discussed in depth in the final deliberative workshop (post-workshop survey)

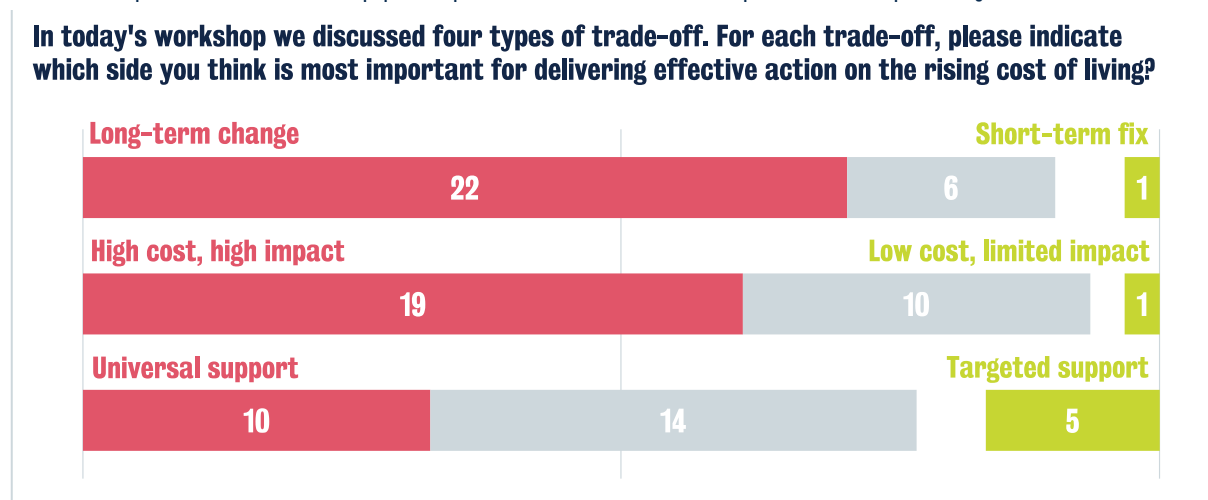


Source: Post-workshop survey (n=31), completed on paper on 24 Jan 2023. 'Don't know' and blanks not shown.



Participants generally wanted to see action that addressed the longer-term erosion of resilience that they perceived, rather than short-term fixes that helped people to weather inflationary pressures. “If you fix your immediate short-term needs, the problem is still there. It may not be in our generation, but we need to leave a legacy for younger generations, to revolutionise our mindset to our financial independence” (Male, Southwark). And on balance, they also wanted to see more ambitious spending commitments, to deliver the scale of impact that they thought the crisis warranted (see Figure 8).

FIGURE 8:
General dispositions of workshop participants towards trade-offs (post-workshop survey)



Source: Post-workshop survey (n=31), completed on paper on 24 Jan 2023. 'Don't know' and blanks not shown. 11-point response scale is reverse coded and grouped as follows: Long-term change / High cost, high impact, Universal support = 7-10, middle group = 4-6, Short-term fix / Low cost, limited impact / Targeted support = 0-3.

The disposition towards long-term, ambitious spending programmes broadly fits patterns at the national level too. When asked to choose between two statements, 55 per cent of adults in Britain say that the government should ‘prioritise making longer-term changes to address issues that have led to the cost-of-living crisis’, compared to 39 per cent who say ‘addressing the immediate effects of the cost-of-living crisis’ should be prioritised. And almost twice as many people agreed that that the government should ‘spend what it takes to address the rising cost of living, if it guarantees an acceptable standard of living for those who are now struggling to get by’ (60 per cent), compared to those who were more inclined to agree that the government ‘needs to limit what it spends on addressing the rising cost of living, as it has to balance this with other economic pressures’ (32 per cent).



“

There needs to be long term solution. At the moment we're just getting by. There's always like a pot of money that seems to appear magically, they use it for something short term, but the problem isn't solved. We need to look at the root causes of these issues. Personally, I haven't seen anything they've done. I feel like they just focus on short term.

(Female, Southwark)

”

Yet there was less agreement as to whether support to help with the rising cost of living should be targeted or universal. Some participants felt that the rising cost of living “affects everyone, just in different ways, [so] if I'm paying taxes, then I should receive it” (Female, Southwark). Yet others noted that while they support universalism in principle, with limited funds available, support should be targeted to those who need it the most. “The reality is that we don't have unlimited funding, so we must administer to the shortage. If not everybody can get something, then those that need it the most should get it: for example, disabled households, they deserve it more” (Male, Lambeth). In this way, many discussions around policy action were motivated by underlying values related to fairness, deservingness, and rights.

In the sections below, we consider how these types of trade-offs surfaced in the types of actions people supported and why, and the extent to which such trade-offs were evaluated through a different lens in different contexts.

Food

The cost of food has risen sharply since the start of the crisis, more than most other commodities. Food inflation reached a high of 19.2 per cent in March 2023, steadily falling to 13.6 per cent in August 2023¹². Prices rose the most for basics, including milk, eggs, pasta, and oils and fats. People are severely feeling the burden of rising food prices, with the Trussell Trust reporting that a staggering 11.3 million people are experiencing food insecurity in the UK⁴.

To address rising food costs, we proposed three food policy reforms in the deliberative workshops:



- **Extend free school meals to all school children**
In England, all children in reception to year 2 are currently entitled to free school meals, with means-tested entitlement for older children. In 2023-24, all primary school children in London will receive free school meals. Scotland and Wales have also committed to providing free school meals for primary schools.
- **Scrap legislation that bans multi-buy offers for unhealthy food**
The government plans to ban multi-buy deals for food and drinks that are high in fat, salt and sugar from October 2023. This will keep down the cost of these kinds of food.
- **Offer universal access to food vouchers**
In October 2022 the government gave £421m to councils across the UK as part of the Housing Support Fund to help struggling residents at local authorities' discretion. A portion of this was used to provide food vouchers.

In the deliberative workshops, all residents favoured the policy to extend free school meals as the most valuable, feasible and acceptable, and spent considerable time discussing how this could be developed. In comparison, 31 per cent of respondents to our national survey listed free school meals in their top three most impactful policy preferences.

Extend free school meals to all school children

Residents viewed extending free school meals as a fundamentally positive policy. “If children are getting a decent meal at school, then it has long-term benefits” (Male, Westminster). This included benefits for health and education, as well as family finances. There was also consensus that school meals should be healthy to be beneficial.

Cost was perceived as the greatest barrier to implementing this policy. However, residents asserted that the benefits to children and society outweighed the costs, because “it’s investing in children’s health and development” (Female, Lambeth). Aside from the costs, this policy was perceived as feasible to implement, with the necessary infrastructure already in place.

The high cost associated with delivering free school meals did, however, lead several residents to favour a means-tested targeting approach to free school meals, as is currently offered for primary and secondary pupils across England. However, stigma attached to means-testing emerged as an important issue, with many residents feeling that singling out children from poorer families might cause some children “to feel embarrassed about being on free school meals” (Male, Westminster). The point was also raised that a minority of children could go hungry despite being above the means-tested threshold, for example, many parents just above the threshold are still struggling, whilst others might experience neglect, because “regardless of what their background is, children can still suffer food poverty at home” (Female, Southwark).



Given that residents perceived food as a basic necessity that children should be entitled to, the majority favoured free school meals to be offered universally to state primary school children, extending this to secondary schools if feasible. Others suggested that it could be a blanket policy with the ability to opt-out, though it was questioned as to whether this would help free up resources or not.



I changed my mind. ... Before I thought that if you can afford it and you're above the threshold then you should pay for it... but now I think you should give food free of charge... if school is free, activities are free, books are free... then they're charging a necessity, which is a bit patronising. (Female, Lambeth)

The government could focus on corporate social responsibility and do some initiatives so that the burden is shared... supermarket chains could team up with the government, they could support the schools. (Male, Southwark)

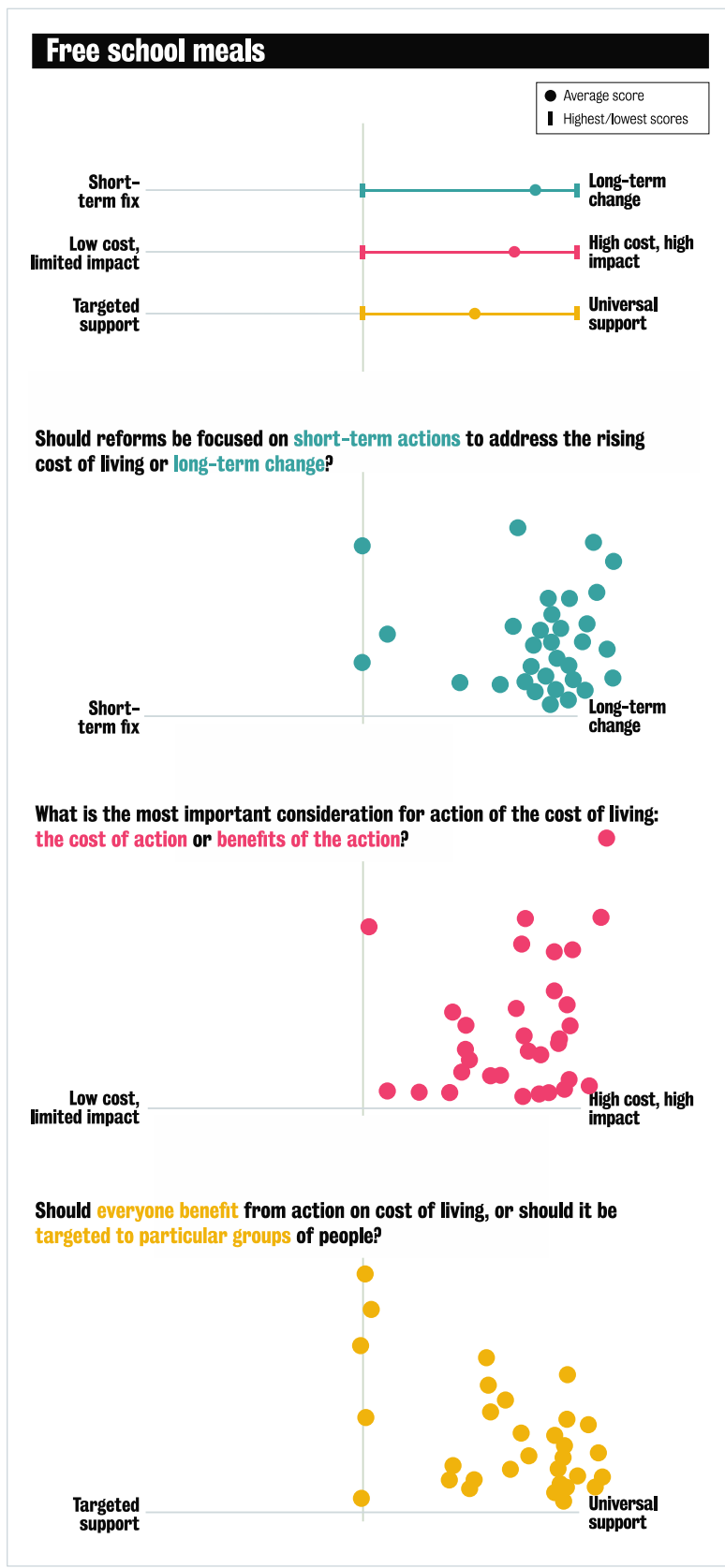


Since the deliberative workshops took place, Mayor of London, Sadiq Khan, announced the provision of free school meals for all primary school children across London. However, funding is currently only secured for the academic year 2023-24. In the workshops, residents emphasised that this should be a long-term policy to protect children, especially since “the circumstances of parents or guardians can change” (Female, Southwark). Residents also felt that national government should be responsible for this policy, rolling it out nation-wide. Nonetheless, local authorities and schools have a role to play to safeguard children, and some suggested that other actors, such as supermarkets, could also provide support, for example, by donating surplus food.

Overall, most residents thought positively of a policy for free school meals to be applied universally in the long-term, perceiving the benefits to largely outweigh the costs. See Figure 9 for how residents considered each of these trade-offs in turn.



FIGURE 9:
Evaluating free school meals as an intervention to mitigate the rising cost of living, against three key trade-offs (sticker voting exercise)





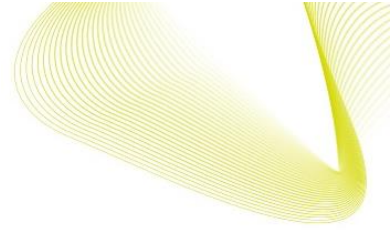
Energy

Sharp rises in energy bills were a particular concern over winter 2022/23, leaving many people struggling to heat their homes. As of July 2023, 6.6m UK households are living in fuel poverty⁴. In London, deprived areas with old housing stock are the most likely to be affected by fuel poverty, such as in Newham, Waltham Forest and Barking and Dagenham. Fuel poor households in London typically need to pay £20 more to sustain a warm home than their more affluent neighbours¹³.

To address rising energy costs, we proposed three energy policy reforms in the deliberative workshops:

- **Set up a new, nationalised energy provider**
The Trade Unions Congress have proposed that the government set up a nationalised energy provider, giving government some control over energy production and generate revenue estimates as much as £122bn over two years.
- **Help households to reduce or change energy usage patterns**
The National Grid trialled a scheme paying households not to use high-energy appliances at peak times (4pm-7pm) to ensure there is enough energy for all, and to help some households save money.
- **Remove ‘green levies’ on household bills permanently**
The green levy on energy bills (around £170 per household per year) funds schemes to promote renewable energy. The government was paying the levy as part of the Energy Price Cap (EPC) introduced to help households, but the end of the EPC in July 2023 means that green levies fall upon billpayers once again¹⁴.

The policy to set up a nationalised energy company was supported by 28 workshop attendees and 57 per cent of national survey respondents. Incentivising energy patterns was supported by 22 workshop attendees, but only favoured by 20 per cent of national survey respondents. Exploring these in the deliberative workshops revealed that whilst people supported these policies in principle, there was a lack of enthusiasm about how valuable, feasible and acceptable they actually were.



Set up a new nationalised energy provider

While residents generally perceived setting up a nationalised energy provider as a very positive, long-term policy idea, there was little faith that it would be effective in practice. If implemented well, residents highlighted that a nationalised energy provider would allow the government more control and revenue to reinvest in society and a green energy system, as well as providing greater self-sufficiency as a country. When considering the current privatised system and the large private profits of energy companies, residents indicated that “it doesn’t feel right that money goes in private hands, when it should go in the public purse” (Male, Southwark). Whilst the policy of a nationalised energy company would be applied universally, residents also suggested that any revenue generated could be used in a targeted way, for example, to insulate old homes.



It would be good if the government has its own energy company... when you leave it in the hands of private managers they’re not concerned about the citizens.

(Male, Southwark)



However, there was little faith that the government would be able to deliver it effectively. Citing previous examples of nationalisation and government shortcomings, many residents indicated that setting up a nationalised energy company could create stagnation rather than stimulating market competition: “The lessons of history when it comes to nationalisation: it looks great on paper but creates stagnation. There’s no competition” – (Male, Westminster). One resident added, “I think that the way our government is run is not particularly effective or efficient, and I could see this being an extremely cumbersome and poorly run utility” (Male, Westminster). The high cost of setting up a new nationalised provider, as well as pushback from existing energy companies, were also seen as barriers to implementation.

Overall, views were mixed, with some indicating that “it will have good impact down the line” (Male, Southwark) and others saying that setting it up “costs too much to make ends meet” (Male, Southwark). Ultimately, the perceived value of this policy depended on how well it could be implemented, with residents wanting to know how the government would “make things different” (Female, Lambeth). Residents were also uncertain on how quickly the benefits from this policy would be realised. Instead of nationalising energy provision, residents suggested that introducing windfall taxes for energy companies would be beneficial, with current profit margins being “a slap in the face” (Male, Southwark). See Figure 10 for how residents considered each of the trade-offs in turn.

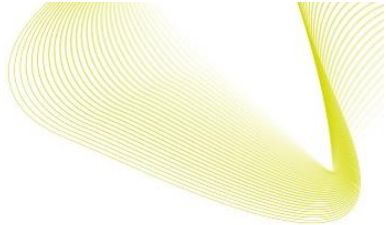
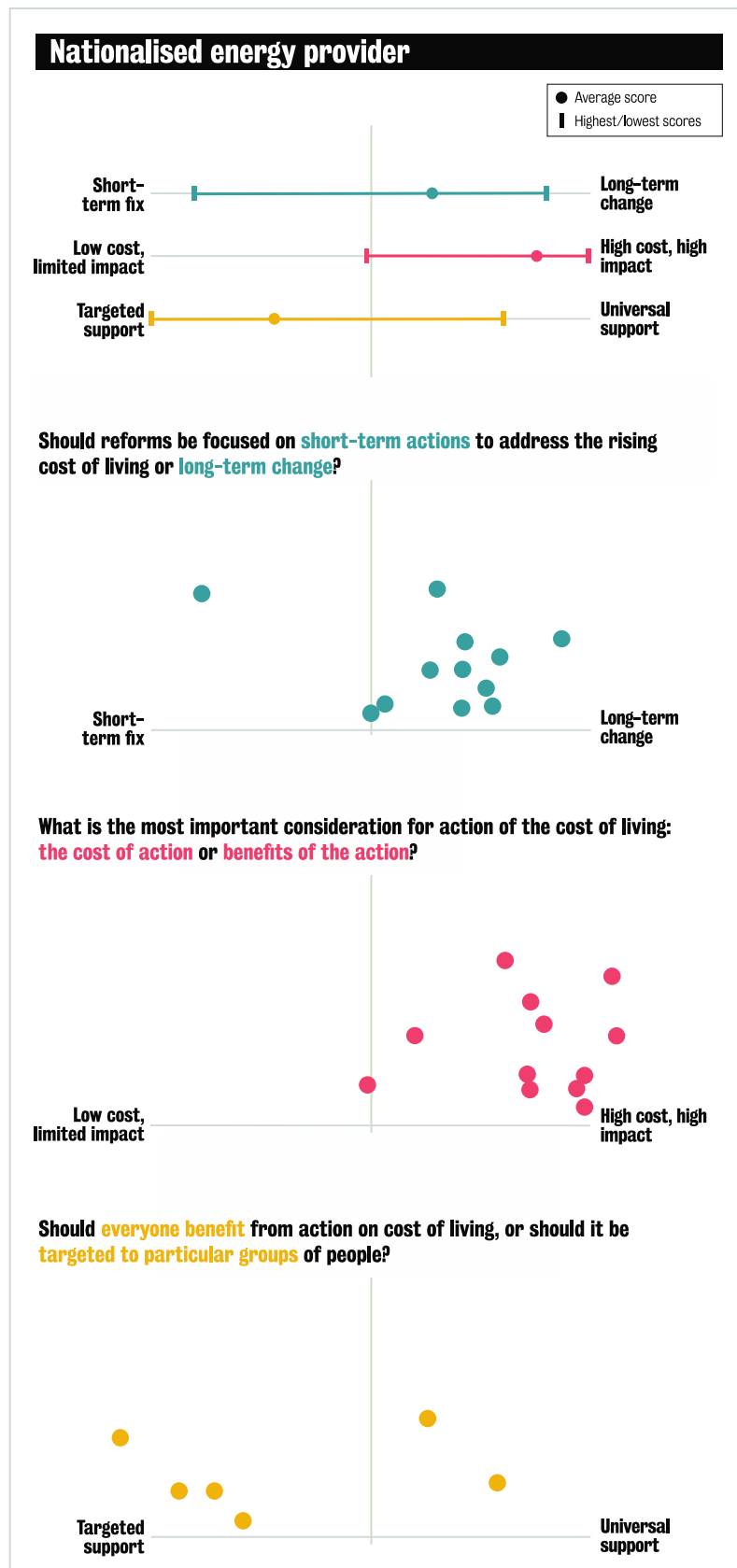


FIGURE 10:
Evaluating setting up a nationalised energy provider as an intervention to mitigate the rising cost of living, against three key trade-offs (sticker voting exercise)





Reduce patterns of household energy usage

Offering incentives to reduce or change patterns of household energy usage was perceived as a good thing to do but should not be embedded in policy. Residents acknowledged that education on how to save money by changing energy consumption, through campaigns or the media, can be helpful. However, they stressed that taking up these measures is an individual choice, albeit one which could be facilitated by government.

However, most residents argued that “not everybody is going to be able to participate” (Female, Southwark), particularly people with health conditions who needed to keep the heating on, or parents with children who often needed to use their appliances during peak times. Residents also noted that these are often the groups with the greatest need to save due to higher outgoings. It would therefore be a targeted, rather than universal, way to save.

People were also resistant to the idea that the government could influence people’s behaviour, suspicious of the policy as a “control mechanism” (Female, Westminster) or an opportunity to “pass the buck” (Male, Lambeth) and “put the blame on individuals” (Female, Southwark). Embedding this in policy was therefore seen as unfair, “patronising” (Female, Lambeth) and paternalistic. Others questioned whether the amount of money saved by people would be enough to be worthwhile, although it was also acknowledged that this would be a particularly low-cost policy to implement.



Energy poverty is different from general poverty because poorer people are more likely to live in buildings that are leaking more heat. (Male, Southwark)

This is about each household making conscious changes. It comes down to the individual, but the government needs to educate people to shift their mindset. (Female, Southwark)



Where residents saw a greater role for government responsibility was to reduce energy consumption amongst businesses and corporations, as well as investing in more sustainable energy sources. Several residents felt that it is unfair that individuals be asked to reduce energy consumption when there are “bigger evils like fracking and the way gas is sourced” (Female, Southwark), as well as large corporate carbon emissions, with several residents pointing out large office buildings that leave their lights on permanently.

Overall, residents thought that reducing household energy consumption should be a personal choice, rather than a policy. Whilst it was perceived to bring immediate benefit, residents also acknowledged that reducing energy consumption in the long-term was a positive thing. As a low-cost intervention, the benefits were perceived to outweigh costs. See Figure 11 for how residents considered each of the trade-offs in turn.



FIGURE 11:
Evaluating offering incentives to reduce energy consumption as an intervention to mitigate the rising cost of living, against three key trade-offs (sticker voting exercise)





Housing

Rising interest rates due to high inflation have pushed up housing costs significantly. Higher interest rates have increased repayments for those with mortgages, with the monthly cost of a new mortgage rising an average of 61 per cent across the UK in the year to December 2022 – a number which has continued to rise¹⁵. The average house prices in London also stand at twelve times the average annual earnings, emphasising the unaffordability of the housing market in the capital¹⁶. Landlords are passing increased costs onto renters, who are also seeing rent rises due to significant competition for rental properties. According to the Zoopla Rental Market Report, average rental prices in London increased by 13.5 per cent in the year to April 2023¹⁷.

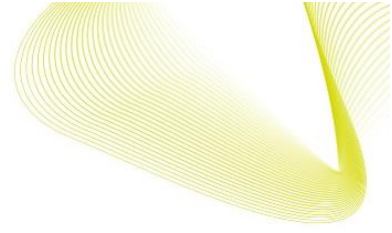
To address rising housing costs, we proposed three housing policy reforms in the deliberative workshops:

- **Freeze private and social rents**
Mayor of London, Saqid Khan, has renewed calls on the government to introduce rent controls as new evidence shows that unchecked rents could reach an average of over £2,700 across London in 2024¹⁸.
- **Increase housing benefit**
There is a large and growing gap between housing benefit levels and even the cheapest rents in London. Raising benefits could help to close this gap.
- **Build more affordable housing**
Housing and homelessness charities have called on the government to increase the supply of social housing in England by 90,000 homes per year for the next 15 years, which they say is the level of investment required to meet the housing demand.

In the deliberative workshops, 30 residents supported the policy to build more affordable housing, which they saw as helping the root cause of the problem. In contrast, only 26 per cent of respondents to our national survey favoured this as an impactful policy solution, with more people (37 per cent) preferring increased restrictions on private landlords, including rent freezes.

Build more affordable housing

Building more affordable housing, offered through a housing association, local authority or otherwise, was perceived as a valuable policy because it helped to address the root cause of the housing problem in London by boosting supply. Residents viewed this policy as beneficial to alleviating long-term poverty, rather than providing immediate relief for rising



costs. Building homes was also seen to have indirect societal benefits by “adding to the economy” and “creating jobs” (Female, Southwark).

There was consensus that more affordable housing should be allocated to people in a targeted way, due to high demand making universal provision unfeasible. However, residents suggested that it could be targeted in different ways than means testing, for example, by prioritising people who had lived in a London borough their whole life, or people employed in respected professions, particularly public service roles such as “nurses or teachers” (Female, Southwark).

The high cost associated with building was seen as a major barrier to implementing this policy. Whilst most residents viewed it as a necessary and worthwhile investment, they were concerned about where the money would come from, citing that the government had also made drastic and widespread cuts to public spending, with some local authorities even going bankrupt. In addition, residents were unenthusiastic about the government’s ability to deliver, pointing to previous examples of “mismanagement” (Male, Southwark), and the fact the councils were already building properties but at too slow a pace, making it “good in theory, but it never seems to happen” (Female, Westminster). Residents drew a comparison with the rapid rate of private construction, putting the slow pace of social developments down to incompetence and bureaucracy.


“

They’ve been saying that they are building more houses since the 70s, but that’s not happening in the manner that it should have... they are building more private properties on what was previously council land and they’ve made the shortage even worse.
(Female, Southwark)

”

Given that the need for housing is likely to continue growing, residents also suggested other policies which could be implemented alongside construction to ease the overall demand for housing. Suggestions included placing more restrictions on private developers, improving existing homes, filling empty properties, levelling up areas outside of London, reducing transport costs to commuter towns, and providing more help to buy property schemes. There was also discussion around whether people should take individual responsibility for reducing their housing costs by moving to cheaper areas. Around a third of residents felt that way, but others insisted it was unfair that people should be pushed out of the area they live in.

With regards to private developers, residents wanted to see much stricter regulation, stating that “the government needs to take control of development and put strict laws in place for private developers” (Male, Southwark). Several residents were aware of existing policies for



some private developers to make a small proportion of their construction as social housing, but indicated that this could bring challenges in practice as developers take advantage of “loopholes that create segregation” (Female, Lambeth). Residents shared examples, such as having “two playgrounds... one for the private owners and one for the social housing” (Male, Lambeth), which created social divides. Residents felt that investment in housing, people and society should be done in a way that was just and fair.

“

In my building floors 0-10 are affordable [social] housing... obviously the developer didn't really want to do it, but there must have been an obligation... we have to go into a separate door, we don't have the concierge, all our parcels are left on the floor, we have a separate bin, there was an evacuation and we received an email saying we don't have an evacuation plan. It's so unjust. I know it's affordable living, but it's not cheap.

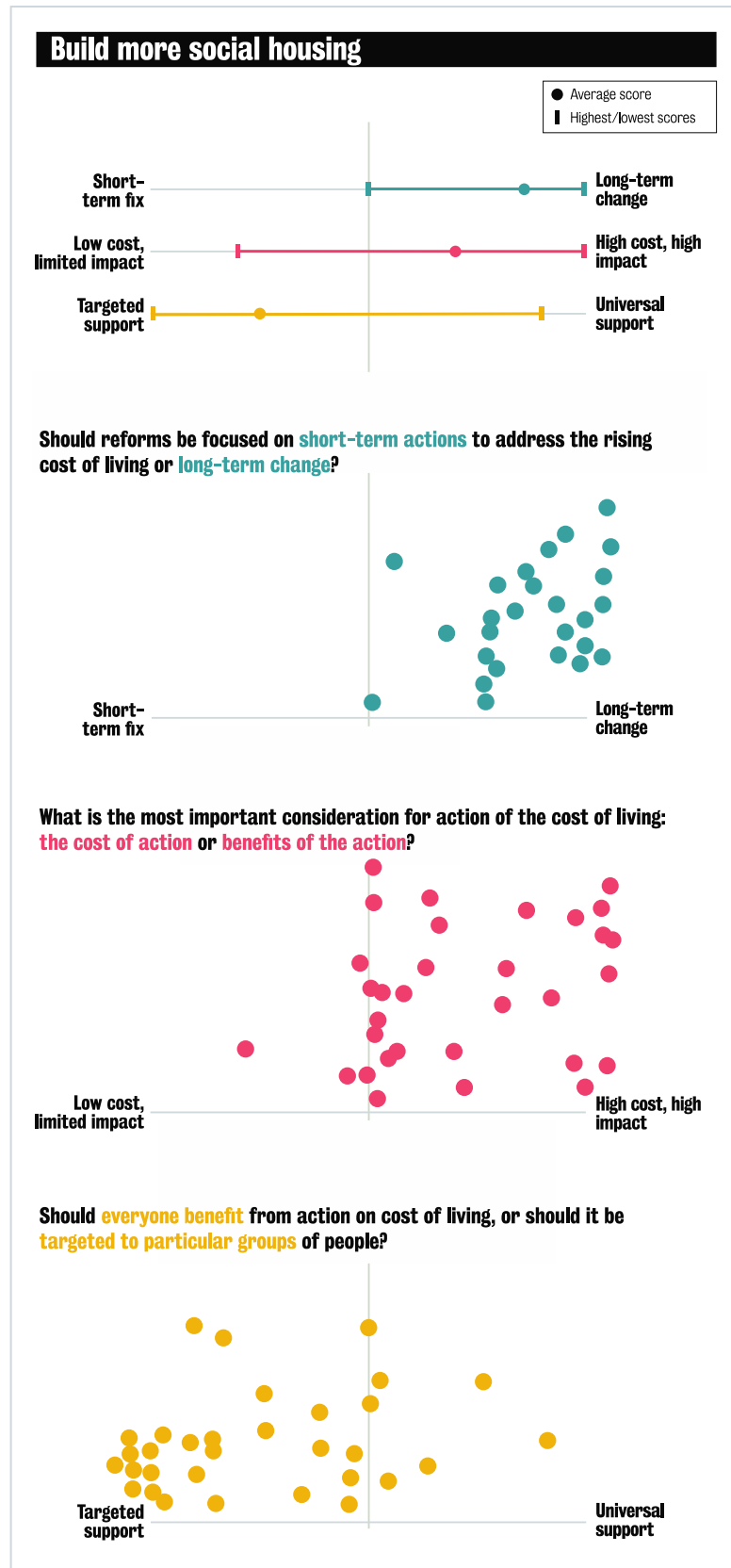
(Female, Lambeth)

”

Overall, residents thought that a policy to build more affordable housing should be a long-term commitment, with housing offered to people in a targeted way. Whilst the benefits still mostly outweighed the costs overall, some residents thought that the costs were just as important given the investment this would take. See Figure 12 for how residents considered each of the trade-offs in turn.



FIGURE 12
Evaluating building more social housing as an intervention to mitigate the rising cost of living, against three key trade-offs (sticker voting exercise)





What do people feel stands in the way of addressing the rising cost of living?



Low trust in the government makes it challenging to deliver policies


Despite enthusiasm for policy solutions, people did not have much trust in the government to implement policies well. Our survey results showed us that people across the country were feeling this way, with three in five (58 per cent) saying that they had low or very low trust in national government, and nearly half (46 per cent) saying that they had low or very low trust in local authorities. Large majorities of respondents also agreed with the statements that the political system in the UK no longer represents them (72 per cent), and that the UK government is no longer invested in people in the UK (64 per cent). This was echoed in the deliberative workshops, in which more than half of residents (16) reported low levels of trust in national government. However, trust in local authorities was more varied amongst workshop participants, with 7 residents reporting low trust and 6 participants reporting high levels of trust.

The deliberative workshops provided an insight into why people held such low levels of trust, with residents citing a lack of accountability and transparency around funding and decision making and providing specific examples of perceived incompetence or misappropriation of funds. Residents also stated that politicians can be more focused on their own short-term political gains, rather than focusing on the policies that people want and need: “it seems like it’s not a government that wants to solve problems” (Male, Southwark). Some residents told us that they felt politics was not working well for ordinary people anymore, and that they no longer felt represented by any political party. This lack of trust is likely to influence residents’ ability to engage with policy solutions by moderating ambition and contributing to a wider disengagement from politics.

Local authorities attracted more conflicting opinions. Residents saw local authorities as best placed to deliver policy solutions because “they know their areas best” (Male, Lambeth) but, simultaneously, they held low levels of trust towards them. Residents cited disparities between boroughs as well as negative experiences interacting with their local authorities, with it often feeling like a constant battle to get support, and which they connected to budget and resourcing cuts.

To repair trust, residents wanted to see more accountability, transparency, and meaningful impactful action in their borough. Residents told us that they would accept policies that did not directly affect them, provided that they could visibly see positive impact for others in their community and know that local and national government were acting in people’s best interests: “I would like to know what they’ve done in my area... if I saw changes, I would take the council more seriously” (Female, Southwark).

This precarious context may explain, in part, why some policies are favoured over others. In particular, the policy to provide free school meals was deemed a relatively uncontroversial



policy that people favoured because it supported children's development and wellbeing. In the workshops, residents felt that children ought to have access to food to give them a good start to life, regardless of their home situation. Policies directed at adults, such as access to benefits or food vouchers, were more divisive because they were wrapped up with ideas of fairness and whether a particular person was deserving of support, for example, because they had additional health needs or because they contributed to society by working and paying taxes. These attitudes towards policy preferences are not new. Previous research shows that people's preferences are grounded in a desire to support those most in need, whilst at the same time rewarding those who are seen as deserving because they have contributed to the system¹⁹. Policies that honour these attitudes are more likely to align with what citizens want and prevent further division and distrust.

What is the most effective way forward?

What residents told us in the peer research and deliberative workshops resonated with stakeholders (e.g., local government, charities) in the policy roundtable. They also saw the crisis as linked to longer-term poverty and agreed with our findings on how citizens were being impacted, having seen this in their own work. Where stakeholders' views sometimes diverged from residents, was in their views of which policies were most useful and feasible, as well as the related challenges in implementing them. Whilst residents favoured addressing root causes of issues (e.g., building homes), stakeholders gave just as much importance to policies that immediately protected people. For example, whilst stakeholders called for more affordable housing to be built, they also stressed the need for more regulation of the private renting sector, indicating that affordable renting in London has spiralled out of control. In this way, stakeholders also emphasised the need for packages of policies that provided a safety net to protect as many people as possible.

Stakeholders also offered greater insight on which policies and approaches they felt were feasible. For example, whilst we found that people have low awareness of support and wanted more knowledge of what was available, stakeholders told us that many people find their way to their services through informal community networks, regardless of their efforts to raise awareness. As such, they emphasised the importance of community as a safety net. Within these communities they were also searching for new models to deliver support, such as offering cash transfers instead of conditional vouchers.

Although the local community was identified as a major safety net where support should be located, stakeholders from local authorities also told us that their hands were often tied in terms of what they could do, which was highly dependent on the limited funds they received



from central government. Whilst they tried to act in residents' best interests, they felt that residents' expectations could sometimes be too high given the resources they had. This complements residents' views that local authorities could be difficult to engage with because they were overstretched and under resourced.

These considerations provoke bigger questions around what the most effective way forward is for national government, local authorities, and civil society organisations to mitigate the impact of increasing costs. Stakeholders must balance filling gaps in services and society to meet people's needs (eg providing cash transfers) with lobbying for more funding or for fundamental changes to address policy problems (eg welfare reform, building houses). It is also easy to defer to local authorities, but there remain questions around who should be responsible for promoting resilience in society and among individuals?

The stakeholders we worked with were also looking towards the future, considering these policies in the contexts of ambitious goals, like reaching net zero in 2050. Not only are we dealing with a long-term issue, but solutions need to focus on the long-term future, to build a resilient society over and for the coming decades. However, stakeholders also felt that their efforts were limited by short-term political cycles and distrust, emphasising the importance of *which* policies are prioritised, *how* they are implemented, and for *who*, to repair trust.

Whilst the acute framing of the 'cost-of-living crisis' has stimulated renewed commitment to alleviate poverty, future research should be embedded in the context of long-term poverty and the everyday conditions in which people live and work. By embedding lived experience in research, this project also raises questions as to what type of evidence is valuable for advancing policies to alleviate poverty, and how the evidence can be communicated convincingly.



Conclusion

The general public went into the cost-of-living crisis reeling from the after-effects of the pandemic and worn down by over a decade of austerity politics and low wage growth. Resilience was low, the financial capacity to deal with shocks already whittled away, and the cognitive bandwidth required to cope with such challenges lacking.

It's therefore no surprise that the crisis has hit residents of Lambeth, Westminster and Southwark hard. They told us of the lengths they were going to in order to simply make ends meet; going to bed early just to keep warm, not seeing friends or family to save on socialising, eating the same meal day in and day out because it is cheaper to buy in bulk. They spoke of the personal sacrifices they are making to ensure their children are still able to eat well, and participate in the activities they usually would. They described how once a simple task – like doing the weekly grocery shop – is now a convoluted exercise involving multiple trips, shopping around and sharing multibuys just to get the best deal. They told of the mental burden of all of this; the worry, the strain, the endless calculations, the trade-offs and that every single decision they make matters – because any spend in one area means cutting back somewhere else. This all adds up to a life with a lot less spontaneity, colour and joy.

But for many we spoke to, the central question remains: what happens when you simply can't make any more cuts to your already limited household spending?

And it's here that government and community intervention can make all the difference. The participants we spoke to recognise that they can't budget their way out of the cost-of-living crisis – what they need is comprehensive and targeted support to help them cope. In developing these solutions, participants reached for ones which benefit those they considered most in need. For this reason, the suggestion for universal free school meals for primary age children, at least for those in state schools, was popular. They also want interventions which deliver real and noticeable change, rather than those that just tinker with what many considered to be a failed system. Therefore, a building programme to deliver affordable homes, and the establishment of a national energy provider were just some of the solutions favoured in the workshops.

There are issues of trust to address, however. Some saw the government as architects of the difficulties they were facing, while others doubted their capability to either understand or empathise with the problems that people have been facing throughout the cost-of-living crisis. Consequently, while participants may have favoured ambitious policies they lacked any faith that the government would have the skills or motivation to deliver them.



Involving the public in policy design is one way to break down these barriers. Our work has highlighted how with time, evidence and support to discuss complex issues, they are capable and willing to work collaboratively in the common good. This project, as well as shining a light on the lived experience of the cost-of-living crisis, also provides a blueprint for how we can take a more inclusive and citizen-centred approach to developing solutions for change, because as we head into another winter, with people's resources already depleted from previous successive crises, it's imperative that credible and grounded policies to address the issues people are facing are taken forward.



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London Councils	Westminster Council
Money and Mental Health	

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