

Cost of Living Crisis Impact on our Residents

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22nd September 2023

Summary

- Inflation rose by 6.3% in the year to August 2023, easing from a high of 9.6% in October 2022 – recent easing driven by the lowering of the Ofgem energy price cap last month and food and accommodation prices rising less rapidly in August. Despite this, energy and food prices are still above pre-pandemic levels.
- Inflationary pressures in August 2023 were largely attributed to **higher housing and food prices**.
- Compared to other areas in London and England, Richmond residents are relatively better placed to face Cost of Living challenges. But many residents are facing considerable financial hardship.
- Cost of Living pressures have maintained **large numbers of Citizens Advice referrals for foodbanks and charitable support** in Richmond into 2023.
- Rental prices across the capital are increasing at a higher rate than the national average and **asking rents for properties new to the market are increasing at the highest rate in Outer London** (+13.9% in the year to June 2023).
- **Richmond has an unusually high proportion of households owned with a mortgage** for a London borough. Mortgages approaching renewal, particularly those fixed below 2% during the pandemic housing boom could struggle with the new higher interest rates and repayments – especially with some of the least affordable homes nationally. Rising interest rates have seen **average mortgage repayments increase by over 50% in London** between December 2021 and December 2022.
- Those on low or fixed incomes are particularly impacted by rises in the Cost of Living - this includes **pensioners and disabled people**. Government Cost of Living support has been bolstered with additional payments to low-income households, disabled people and pensioners in 2023 and 2024. Despite this, approximately 1,600 low-income households will not be eligible for the Government payments based on the criteria used.

Details of support available in the borough be found on [Richmond Cost of Living Hub](#)

Outline

- Summary
- Drivers & Impacts
- Local Context:
 - Local Economic Context
 - Food
 - Housing
 - Energy
 - Transport
- Who is impacted most?

Data and Interpretation Notes

- This presentation is intended as an overview to deliver higher level context for the cost of living situation and focuses on residents.
- The situation is complex and constantly evolving with new data and updates being released all the time, and changing policies. We have listed sources to allow users to obtain up to date information.
- The presentation provides an overview and given the complexity of the issues does not provide a comprehensive view of all cost of living impacts and groups at risk.
- This presentation includes baseline figures – it should not be used for monitoring.
- Most up to date available data has been used. In some cases the data may be several years old.
- Please note that not all data is available at sub-borough level e.g. ward or LSOA.

Cost of Living

1. Drivers & Impacts

Inflation

Goods and energy prices have been increasing at a higher rate since early 2021 due to an imbalance in global demand and supply as economies recover from the impact of COVID-19. The Russian invasion of Ukraine has added further economic uncertainty and cost pressures.

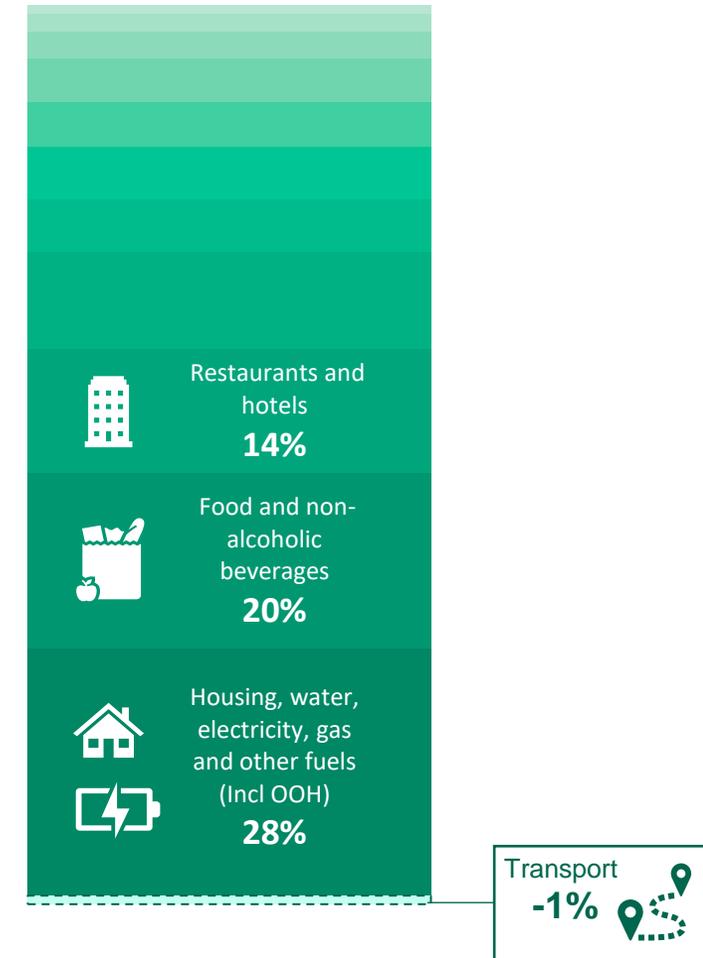
The Consumer Price Index (CPIH) rose by **6.3%** in the 12 months to August 2023, easing across consecutive months from its 40-year peak of 9.6% in October 2022.

The **largest contributions** to the annual CPIH inflation rate in August 2023 came from **housing and household services** and **food and non-alcoholic beverages**.

Recent easing has been driven by the **lowering of the Ofgem energy price cap** resulting in lower prices for gas and electricity. Also, August data shows that food and accommodation prices are not rising as rapidly. Rising motor fuel prices between July and August prevented further easing of inflation.

**ONS reports that CPIH is the most comprehensive measure of inflation as it includes owner occupiers' housing costs and Council Tax.*

Contribution to CPIH percentage change over
12 months to August 2023 (ONS, 2023)



Key Drivers of Inflation



Food

In addition to increased energy and transport costs involved in food production and logistics, reduced cereal exports from Russia and Ukraine, as well as reduced rice exports from India, have seen **food prices rise by 13.6%** in the 12 months to August 2023 following a high of 19.2% in March 2023. Since the food foundation began tracking prices in April 2022, a weekly basket of food for an individual has increased by between £9.80 and £11.97.



Housing

Landlords leaving the market to sell their properties during the post-pandemic housing sale boom and renters re-entering as London recovers from the pandemic has pushed up private rental prices. In London, private rents increased by 5.9% in the 12 months to August 2023, its highest annual rate since the London data series began in January 2006. The asking **rent for properties new to the market has increased at a faster rate (13.9% in Outer London in Q2 of 2023)**. Interest rate hikes are leading to higher mortgage rates – the costs of which could further impact stretched homeowners, and private renters as landlords pass on costs. A YouGov survey conducted on behalf of the Mayor of London in July 2023 reported that 34% of Londoners may struggle to meet mortgage payments.



Energy

Attributed largely to supply/demand issues and the impact of the Russian invasion of Ukraine, wholesale energy prices increased rapidly from the second half of 2021. The lowering of the Ofgem price cap in July 2023 will help bring the typical annual energy bill down from £2,500 under the Energy Price Guarantee to around £2,074 – this means for every £100 previously spent on energy bills, consumers will now pay £83. Households on prepayment energy meters will no longer face higher costs than direct debit customers as the Government announces scrapping the prepayment premium.



Transport

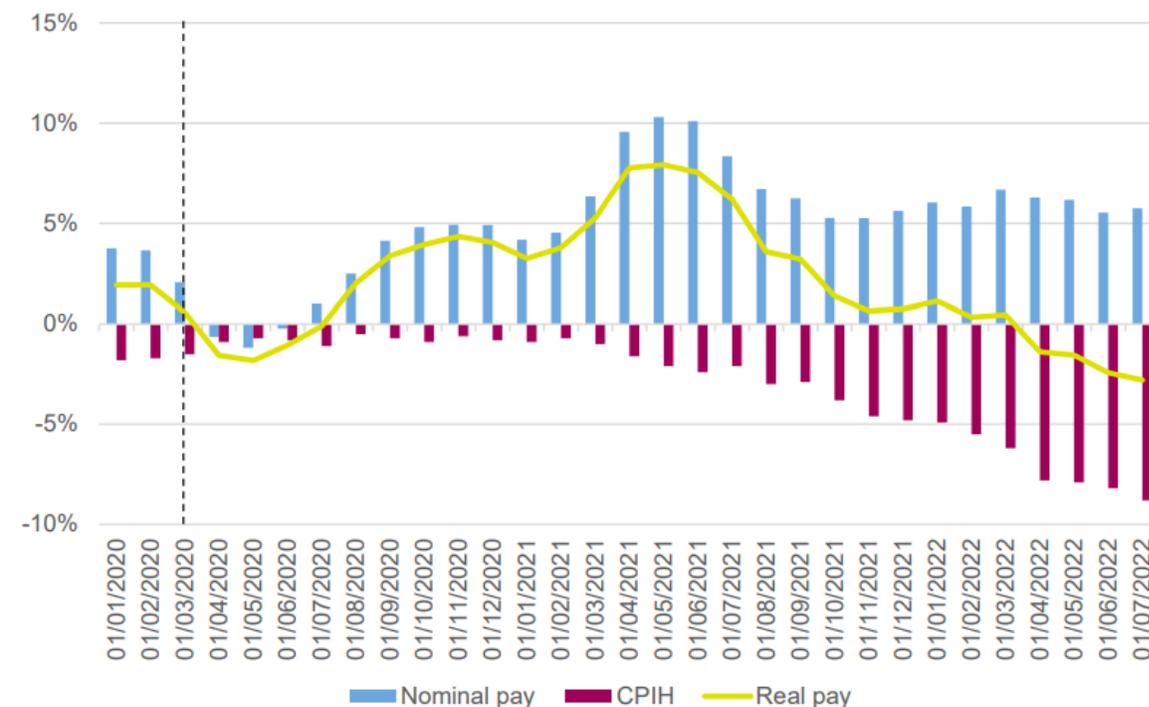
Motor fuel prices fell 24.9% in the year to July 2023. But the average price of petrol rose again by 5.3 pence per litre between July and August 2023 to 148.5 pence per litre. The average price of diesel rose 5.9 pence per litre to 151.1 pence per litre in the same period. This increase in fuel prices reduced the easing of inflation in August 2023.

The London Picture

- **Food** is one of the largest pressures **pushing London's inflation above the national average.**
- **Londoners** continue to **spend a larger share of their income on housing** compared to UK – on average, rent for a one-bedroom dwelling accounts for 44% of gross pay in London compared to 25% in England.
- Across the UK and in London **real wages have decreased** as inflation increases.
- Pay growth in London has tended to be strongest in the best-paid sectors (e.g. Finance, Media, IT) and lower-paying sectors have seen slower growth, **reinforcing income inequalities.**

Real median pay growth in London, broken down into nominal pay and inflation

Decomposition of real median pay in London, % annual change
Effect from nominal pay change and CPIH inflation, to July 2022



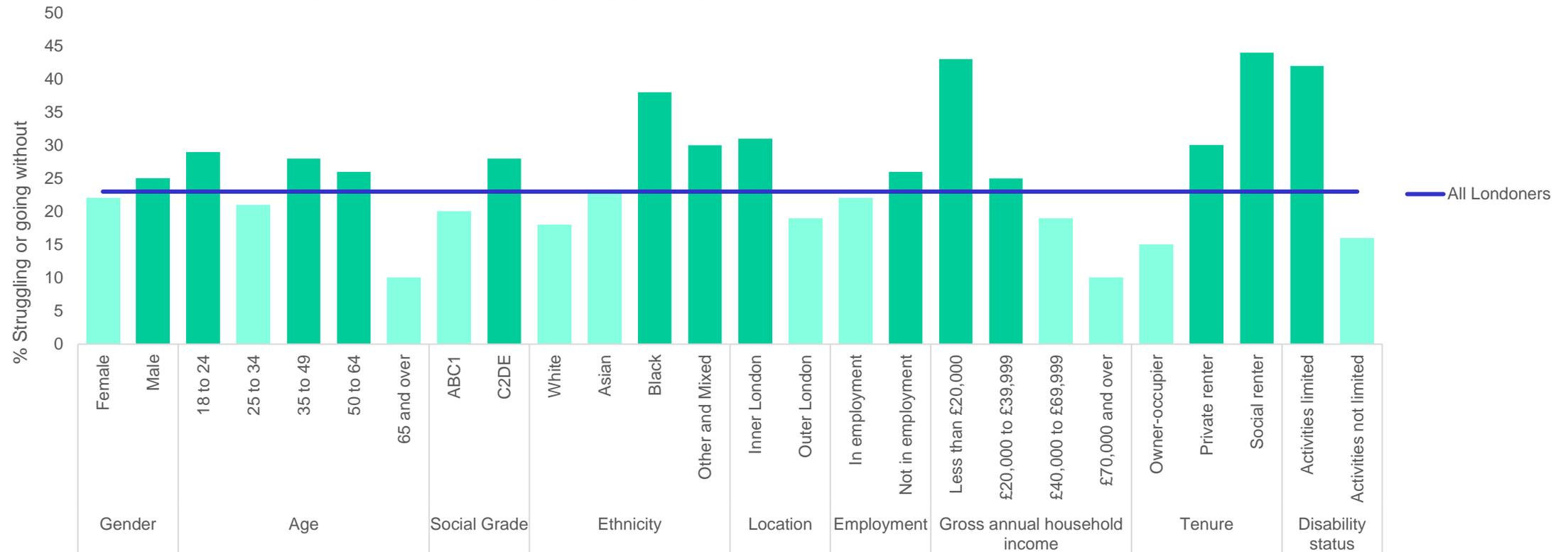
Source: HM Revenue and Customs - Pay As You Earn Real Time Information, ONS.

Note: March 2020 indicated by dotted line. Inflation measure does not account for region-specific housing costs. Sign of inflation rates has been reversed (higher inflation rates are associated with lower real pay growth).

Source: GLA, August 2022

Impact on Londoners

When asked to describe their financial situation, **lower-income, renting, disabled, unemployed** and Londoners from some **ethnic minorities** were more likely to report that they were struggling or going without* in June 2023. There has been a large increase in the proportion of 18-24 year olds surveyed reporting they are struggling going from 8% in Dec 2022 to 29% in June 2023.



*going without their basic needs and/or relying on debt to pay for basic needs or struggling to make ends meet

Source: [YouGov, June 2023 \(poll commissioned by GLA\)](#)

Impact on Health & Wellbeing



- The life expectancy of Richmond residents is among the highest in England, smoking rates are lower and physical activity rates are higher than England.
- Worry about the Cost of Living has the potential to negatively impact the mental health of many residents, particularly on the heels of the COVID pandemic with ongoing NHS challenges.
- Financial pressures and strains have the potential to increase the instance of domestic abuse and economic abuse (whereby a victim is restricted from accessing finances, goods and services).
- Food insecurity, consumption of less nutritious food and hunger could have a detrimental impact, particularly in children.
- Living in a cold home is associated with poor health outcomes and an increased risk of morbidity and mortality for all age groups – certain groups are more vulnerable including those with respiratory and cardiovascular conditions, disabled people, older people and children.
- Not all who are vulnerable will be in contact with health and care services - older people living alone are at particular risk of being isolated – a third (34%) of those aged 66+ in Richmond live alone.

Impact on Children

- Estimates of **children living in low-income families in Richmond** range from **2,700 before housing costs to 6,100 when housing costs are taken into account** (2021/22).
- Local data indicates there are 4,400 children living in households in receipt of Council Tax Reduction and/or Housing Benefit - these households have higher average arrears than households without children*
- Food insecurity, consumption of less nutritious food and hunger could have a detrimental impact on child growth and development – in June 2023, 23.4% of households in the UK with children reported experiencing food insecurity compared with 14.8% of households without children.
- Lack of sufficient nutrition (quantity or quality) during critical parts of early life may cause immediate effects such as lack of concentration which has a knock-on effect on education but also lasting changes to a child's development which affect later life such as obesity, dental decay and stunted growth.
- Children can emotionally harbour the stress and anxiety of their parents in the face of the Cost of Living crisis affecting mental health.
- Financial pressures have the potential to increase the exposure of children to domestic abuse in family settings and there are concerns that the Cost of Living could draw more children and young people into criminal activity. City Hall analysis shows a strong link between serious youth violence and Londoners affected by deprivation, poor mental health and poverty.

Of those households in receipt of CTR and/or HB; Source: **Low Income Family Tracker (Policy in Practice), July 2023; Figures rounded to the nearest 100*

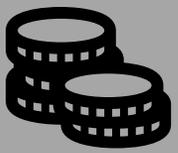
Impact on Disabled People

- Comparatively low incomes, combined with significant ‘extra costs’ leave disabled individuals and households particularly vulnerable to the rising cost of living. They have a much smaller ‘buffer’ to absorb any unexpected increase in prices of goods and services.
- The financial challenges faced by disabled households due to the rising Cost of Living are particularly acute as two of the key commodities which have been driving the increase in inflation—energy and food—make up a disproportionate share of the disabled household consumption.
- With respect to energy, disabled people with limited mobility often require greater levels of household heating to stay warm. Warmer homes might also be required to cope with the side effects of certain treatments.
- Disabled people who rely on assistive technologies use comparatively more electricity.
- Some disabled people have difficulties preparing food, leading to increased reliance on convenience food, which is comparatively more expensive than preparing meals from raw ingredients. Condition-specific specialist diets are also more costly.

Source: House of Lords Library, December 2022

Cost of Living

2. Local Context



Local Economic Context



The median earnings of Richmond residents ranks within the top three local authority districts nationally and is within the top two in London.

Compared to London and England, Richmond also has a lower economic inactivity rate, unemployment rate, claimant rate, and proportion of the population on universal credit.

	Richmond	London	England
<u>Median Annual Gross Pay (2022)</u>	£45,448	£39,391	£33,208
<u>Economic Inactivity (16-64) (Apr 22 - Mar 23)</u>	20.5%	20.8%	21.6%
<u>Unemployment Rate (16+) (Apr 22 - Mar 23)*</u>	2.7%	4.3%	3.7%
<u>Claimant Rate (16+) (Jul 23)*</u>	2.9%	5.9%	4.7%
<u>People on Universal Credit (16-65) (Jun 23)</u>	7.9%	15.7%	14.6%

*numbers are as a proportion of the economically active population
See [DataRich](#) for further local economic context

Cost of Living Vulnerability Index

Richmond Relatively Less Vulnerable than other London Boroughs



For Richmond upon Thames, the Cost of Living Vulnerability Index score has **improved** from 581 in April 2022 to **531** in September 2022.

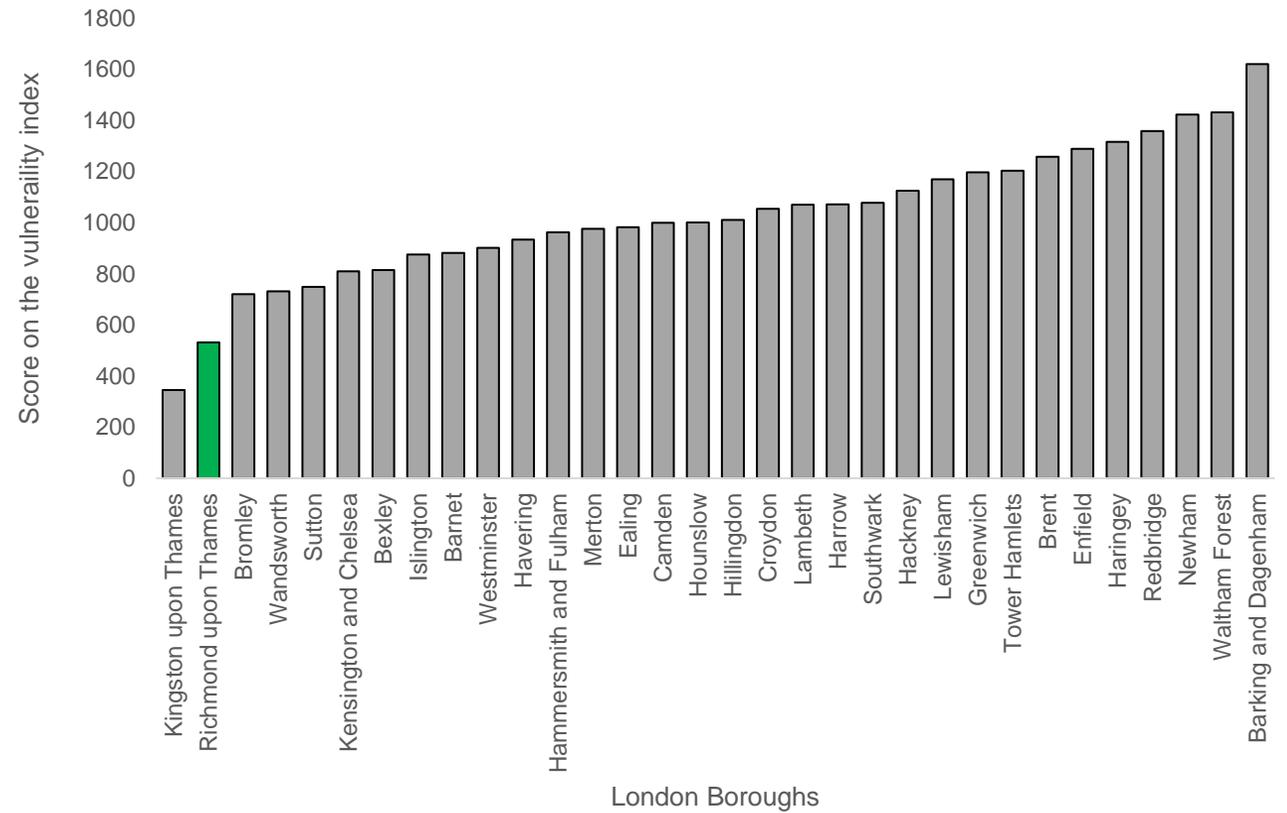
2nd lowest vulnerability score in London (same as April 2022) and a ranking of **44th out of 307** in England (improved from 69th in April 2022).

This Index is based on multiple poverty-based and work-based vulnerability indicator rankings (fuel poverty, claimant count, food insecurity, low pay, child poverty, economic inactivity) for each local authority. Created by the Centre for Progressive Policy.

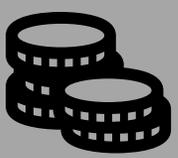
Higher scores indicate an area's relative risk of more people being pulled into poverty, and relative risk of those already hard up being pushed into destitution. This is a relative measure.

Despite this, many Richmond residents are facing great financial hardships due to increased costs.

The updated Cost of Living Vulnerability Index (September 2022) for London Boroughs



Source: Centre for Progressive Policy - Cost of Living Vulnerability Index



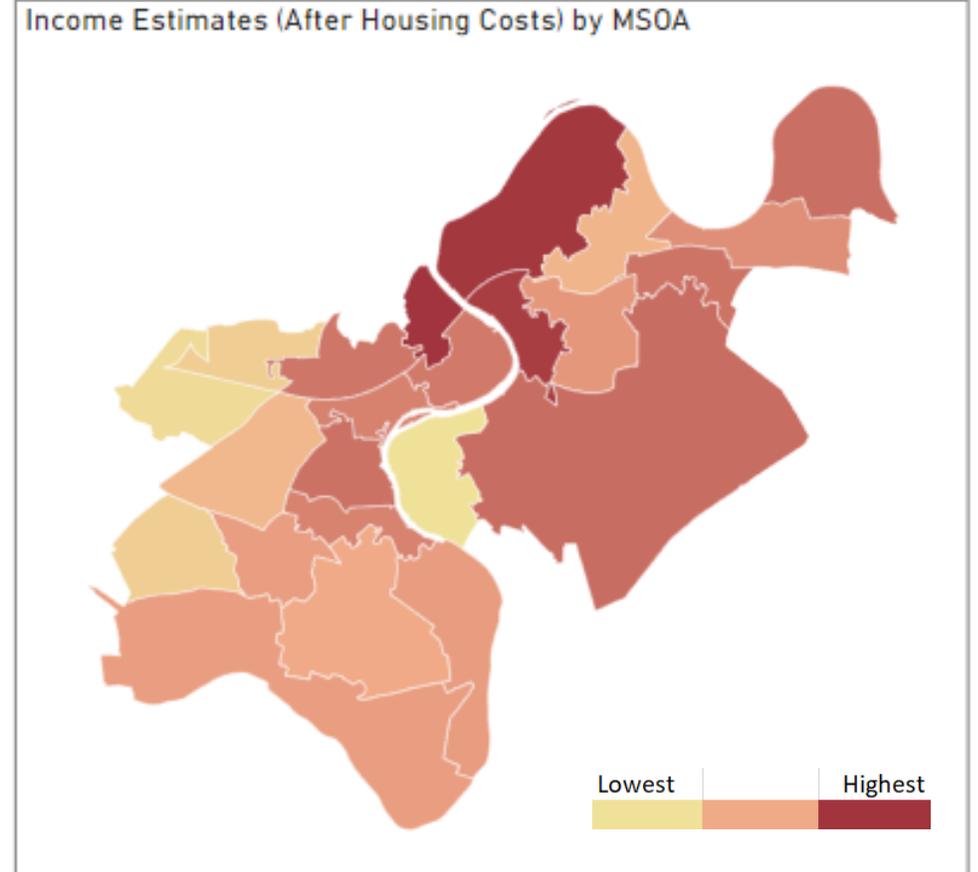
Model-based Income Estimates for Households after housing costs

£44,391

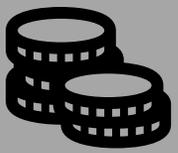
The **average estimated net annual income after housing costs (AHC)** for small areas (MSOAs) across Richmond in 2020

These income estimates are equivalised which considers the household size and composition and makes it easier to compare income across households. It acknowledges that, for example, two people do not need double the income of one person to have the same living standards.

- MSOAs with the **HIGHEST** estimated income (AHC) are:
 - St Margarets – £53,500
 - Kew Gardens – £53,100
 - Richmond Central – £52,600
- MSOAs with the **LOWEST** estimated income (AHC) are:
 - Ham – £32,500
 - Heathfield – £33,800
 - Whitton – £35,900

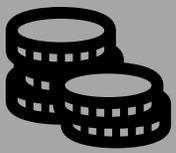


*Data published for 2011 Middle Super Output Areas (MSOAs) only - not available at Ward level.
Source: [Office for National Statistics, 2020](#)



Low Income Households

- **Lower incomes households** will continue to **spend a greater proportion** of their household income **on essentials** such as energy, food and housing.
- In London, housing costs push the proportion of people living in low-income households up from 14% to 25%.
- Lower paying sectors have experienced slower pay growth that has not kept up with inflation.
- Some low income households are concentrated in parts of the borough with low public transport accessibility so might be spending more on motoring costs.
- Low income households are often subject to a “poverty premium” - the extra costs people on low incomes and in poverty pay for essential products and services.
- Poverty premiums exist on non-standard billing arrangements, higher insurance premiums, paying to access cash and high cost credit.
- The pattern of income deprivation can also be found in the pattern of those claiming Universal Credit, Housing Benefit and Unemployment Benefits.



Income Deprivation

12,600

affected by **income deprivation**
in Richmond, 2021*

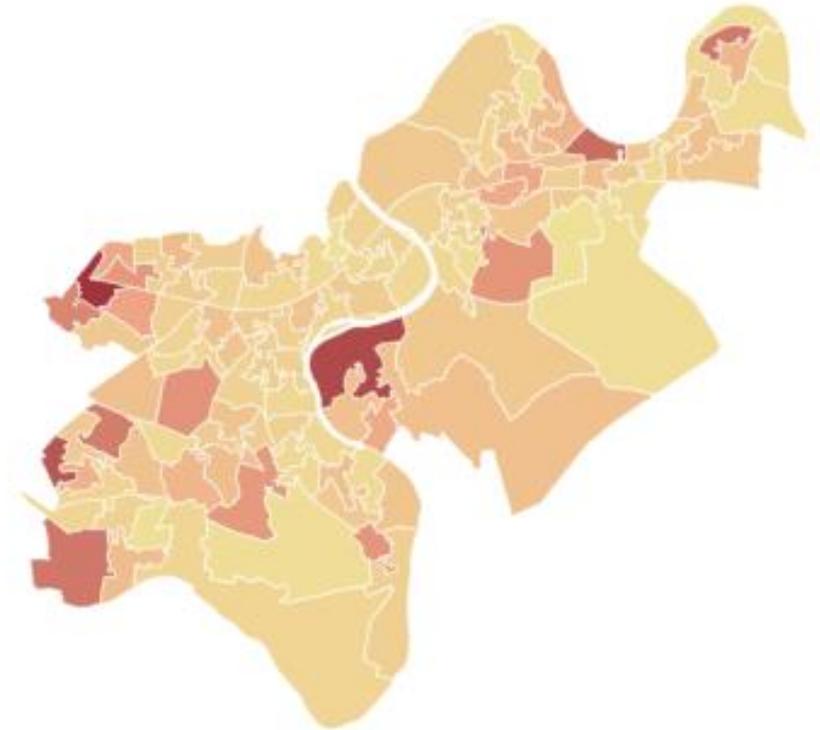
Income deprivation is estimated to affect 6% of the borough's population. Overall, Richmond is among the 20% least income deprived local authorities nationally and is the **second least income deprived in London**.

More income deprived areas include Heathfield, Ham, Hampton North and Ham, Petersham & Richmond Riverside.

Without taking housing costs into account, income deprivation affects approximately 3,900 older people (60+) and 2,800 children (0-15) in the borough*.

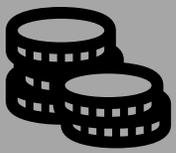
*Percentages from the English Indices of Deprivation 2019 were applied to the local population (Census, 2021) to estimate the number affected – rounding to nearest 100.

Estimated Income-Deprived Population by LSOA



Source: MHCLG, 2019

Additional information: [Richmond Deprivation Report and Dashboard](#)



Universal Credit

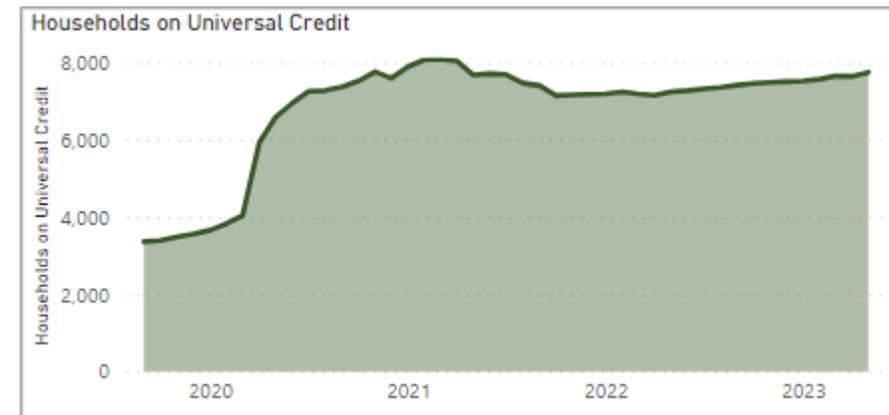
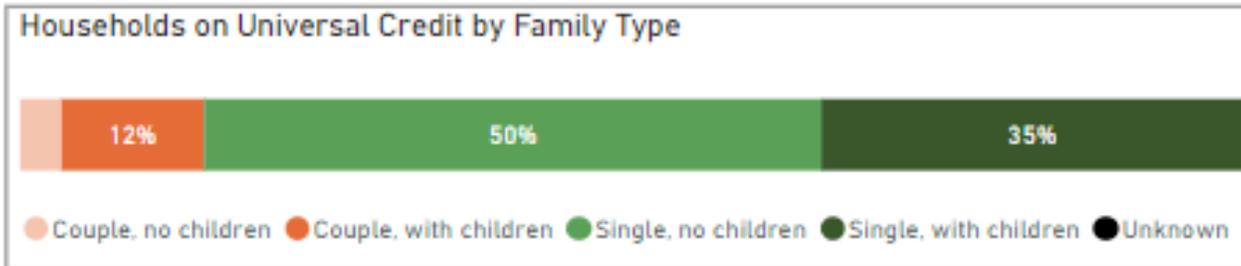
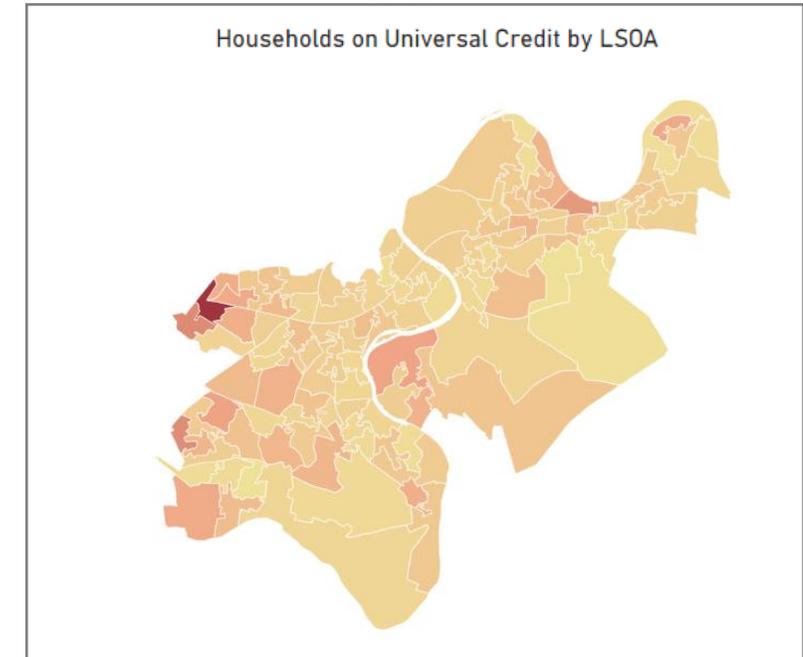
7,760

households in receipt of Universal Credit, May 2023

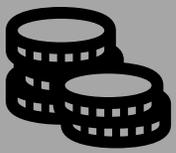
Approximately 9% of households in Richmond.

Most working age people have to apply for Universal Credit (UC) if they need help with rent rather than making a new claim for Housing Benefit – the migration of housing benefit and other ‘legacy’ benefits could be a factor affecting the continued higher number of UC claimants.

Areas with higher numbers of households receiving UC are generally **more income deprived** with more households in **Heathfield, Hampton North, Mortlake & Barnes Common and Whitton.**



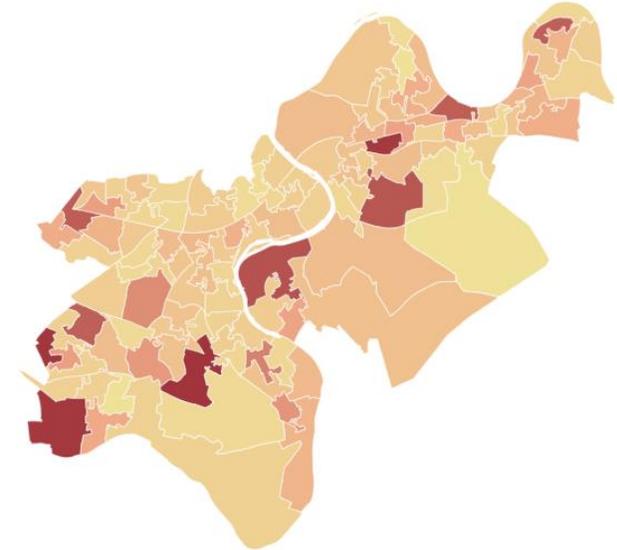
Source: DWP, May 2023 (via Stat-Xplore) - [interact with the data via the DataRich Cost of Living dashboard](#)



Housing Benefit



Housing Benefit Claimants by LSOA

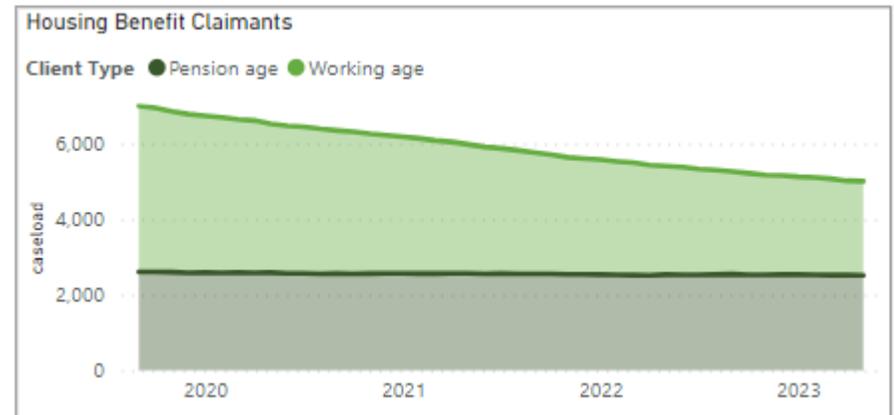
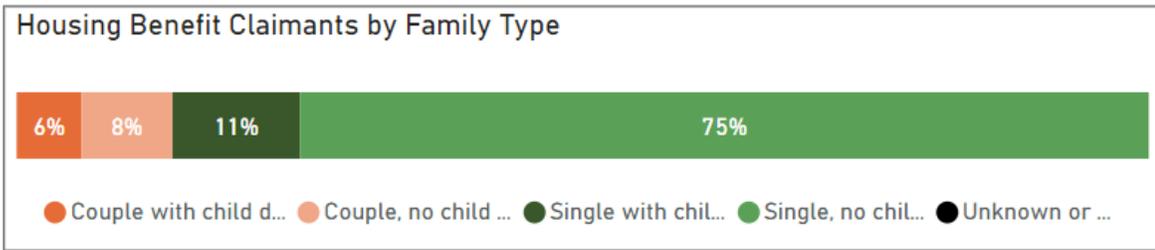


5,009

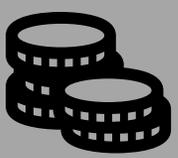
Housing Benefit claimants, May 2023

Approximately 6% of households in Richmond.

Areas with higher numbers of claimants receiving Housing Benefit include **Mortlake & Barnes Common, Hampton North, North Richmond, Hampton Wick & South Teddington and Barnes**. The pattern reflects that of income deprivation affecting older people – explained by the changing eligibility requirements and consequent change in demographic.



Source: DWP, May 20223 (via Stat-Xplore) - [interact with the data via the DataRich Cost of Living dashboard](#)



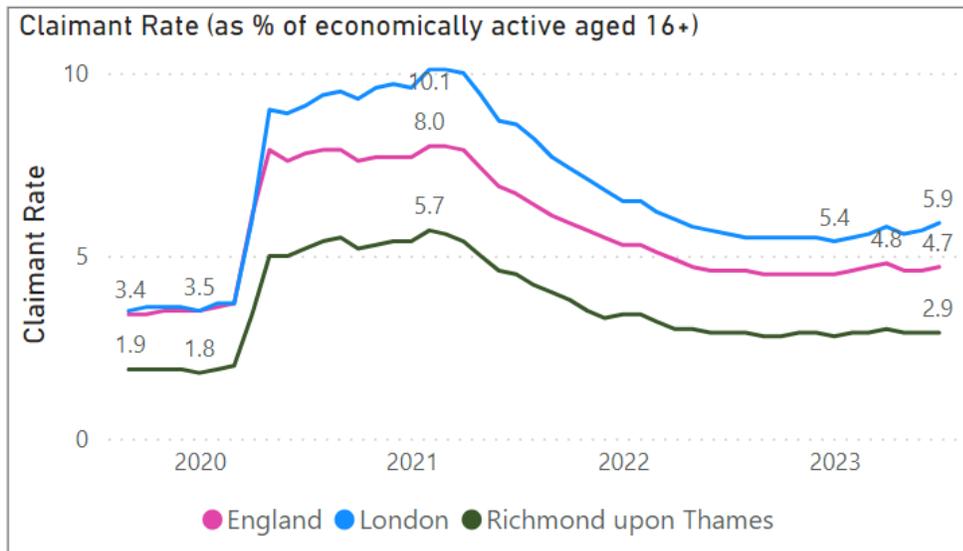
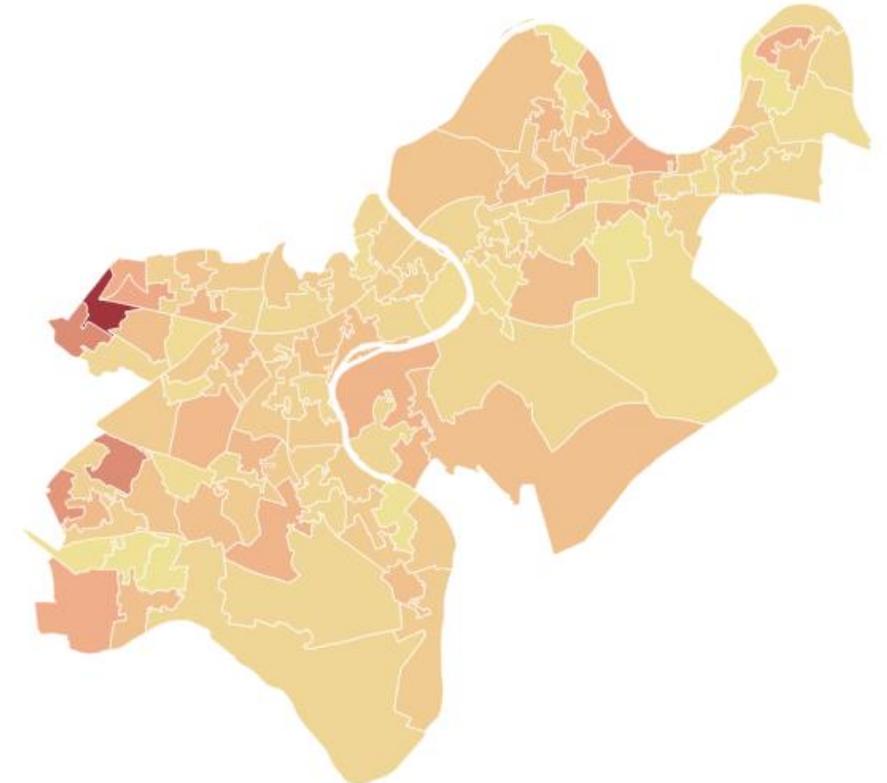
Unemployment Related Benefits

2,940

Claimant Count (people in receipt of unemployment related benefits)*, July 2023

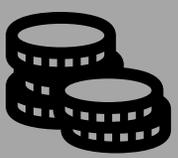
More income deprived areas generally have higher numbers claiming unemployment related benefits with more claimants in parts of **Heathfield, Hampton North, Mortlake & Barnes Common and Whitton.**

Claimant Count by LSOA



Source: DWP, July 2023 (via NOMIS) - [interact with the data via the DataRich Cost of Living dashboard](#)

*Claimant count includes all Universal Credit claimants who are required to seek work and be available for work, as well as all JSA claimants.



Based on those low-income families **claiming Housing Benefit or Council Tax Reduction** from Richmond Council:



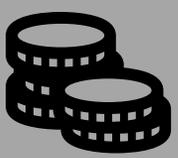
700 households have a monthly cash shortfall once all outgoings are considered – 100 of these already have arrears with the council



Overall, 1,504 households have arrears with the council:

- **Couples with children are more likely to have arrears** than other household types and have **higher average arrears**
- **A fifth of private tenants are in arrears** with the council, with the **highest average arrears of any tenure**
- **Working households are more likely to have arrears** – 39% of working households are in arrears compared to 17% of all households

Source: Low Income Family Tracker (Policy in Practice), July 2023; Figures rounded to the nearest 100



LIFT: Low Income Family Tracker National Cost of Living Payments

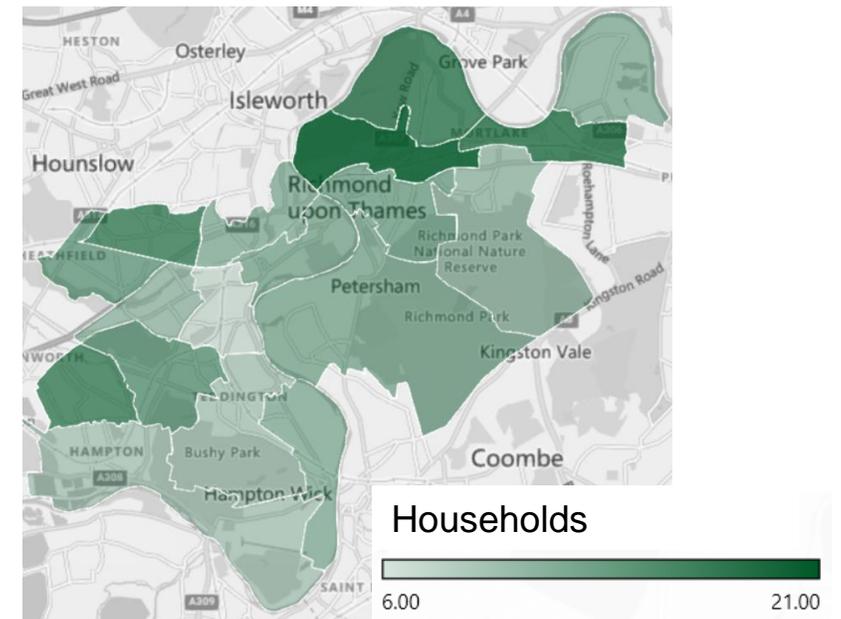
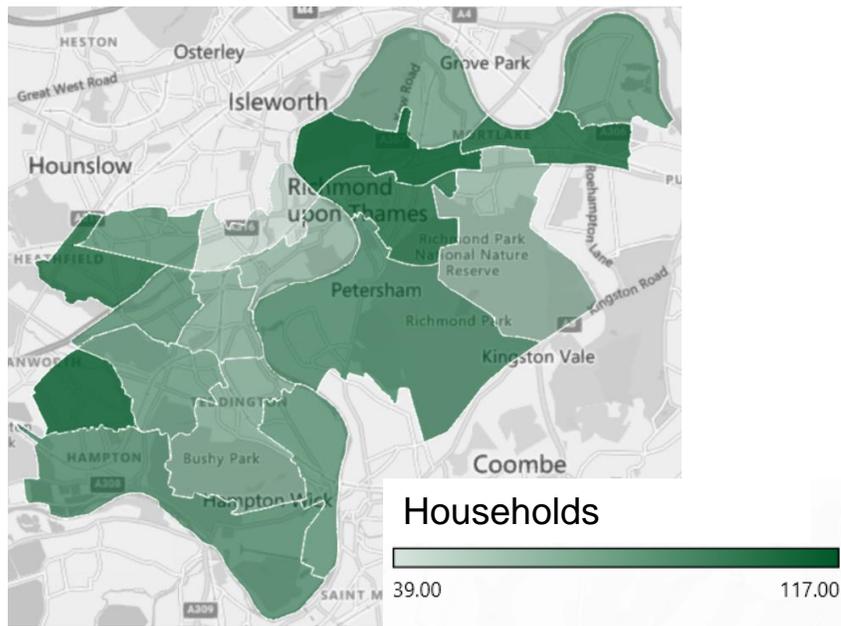


Since 2022, the Government has made various Cost of Living payments to households in receipt of certain benefits. However, due to eligibility criteria there are **low-income households that will have missed out on this support**.

Based on those low-income families **claiming Housing Benefit or Council Tax Reduction** from Richmond Council:

An estimated **1,644*** households may not have been eligible for the £900 Cost of Living Payment

An estimated **410*** households may not have been eligible for any Cost of Living Support Payment (including the £150 Cost of Living Disability Payment)



Source: *Low Income Family Tracker (Policy in Practice)*, July 2023

* Includes some out of borough properties

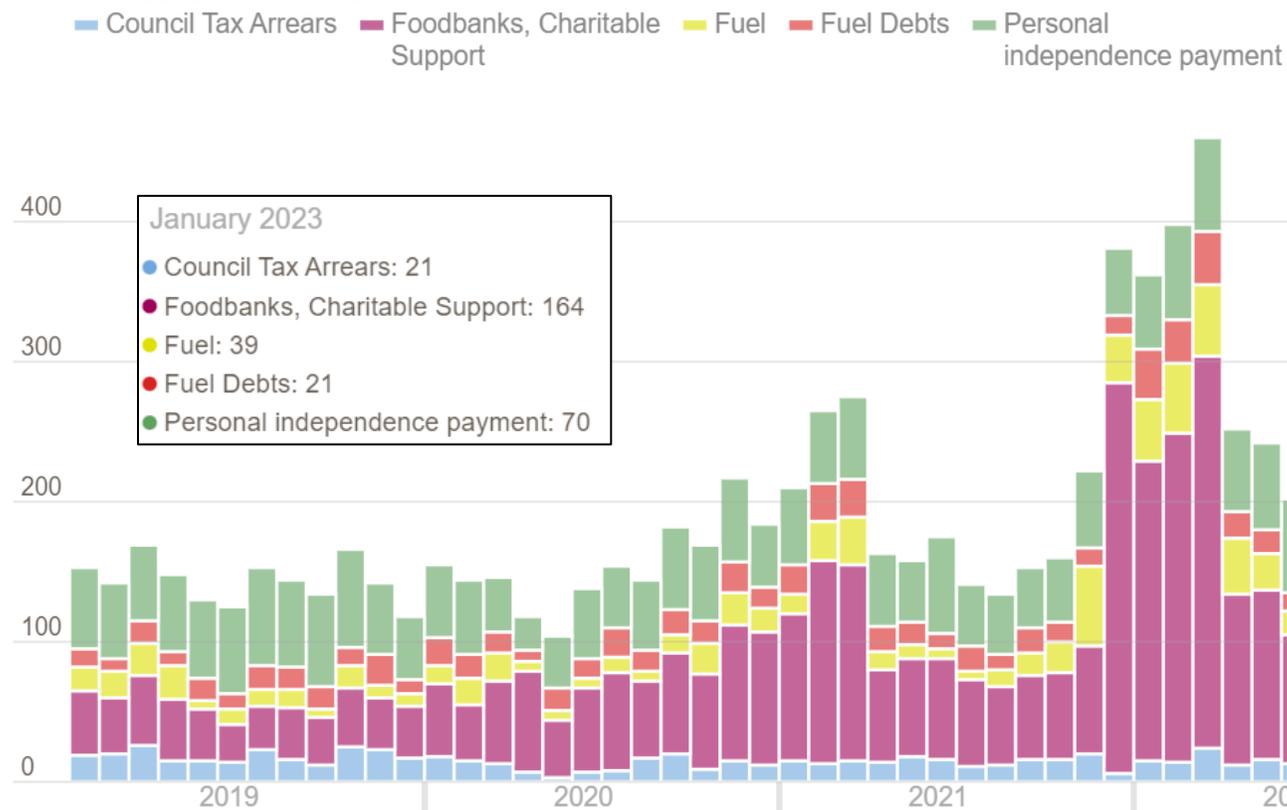
Citizens Advice Data

Cost of Living pressures keeping foodbank and charitable support referrals above pre-pandemic levels

- In Q1 of 2019-20 the proportion of people that were referred to crisis support was 4.34 in 10,000, this rate has **more than tripled** to 16 in 10,000 in Q1 of 2023/24.
- There has been a **215%** increase in the 'Foodbanks, Charitable support' category between Jan 2020 (pre-pandemic) and Jan 2023, with this issue seeing its largest increase in December 2021.
- Personal Independence payments were the largest issue pre-pandemic.

Top five cost of living issues

Time series for Richmond



Citizens Advice

Source: Citizens Advice (via London Councils, LOTI & GLA), May 2023



Food – Local Food bank data

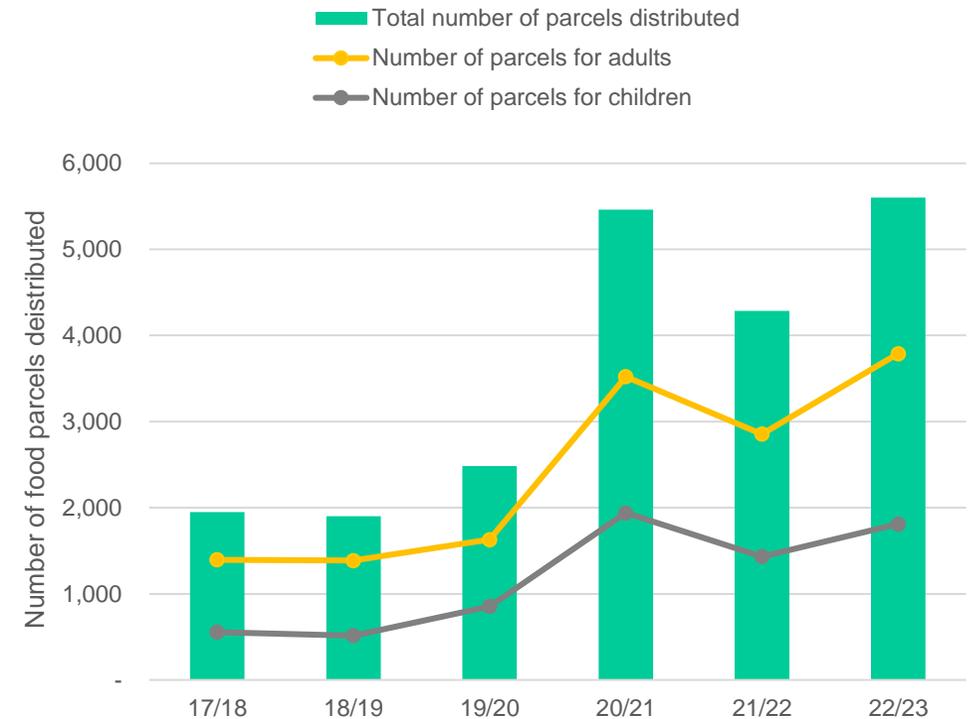


5,599

Number of Trussell Trust food parcels distributed from Richmond centres in 2022/23

- The number of distribution centres operating in Richmond has risen from 3 in 2018/19 to 5 in 2022/23.
 - Note: Linked to distribution centre location rather than recipients' residence, so if a Sutton resident receives a parcel from Richmond, the parcel is recorded in these statistics under Richmond.
- The number of parcels distributed from Richmond centres has increased by +126% in 2022/23 in comparison to pre-pandemic (2019/20).
- Over two thirds of the parcels (68%) are for adults.

Food parcels distributed by the Trussell Trust from Richmond centres over the last six years



* The Trussell Trust statistics are a measure of volume rather than unique users. For example, if a family of three were referred to a food bank twice in one year, this would count as six supplies on the system because it would reflect six instances of a supply going to someone in the household.

Source: Trussell Trust end of year statistics



Food – Food Insecurity



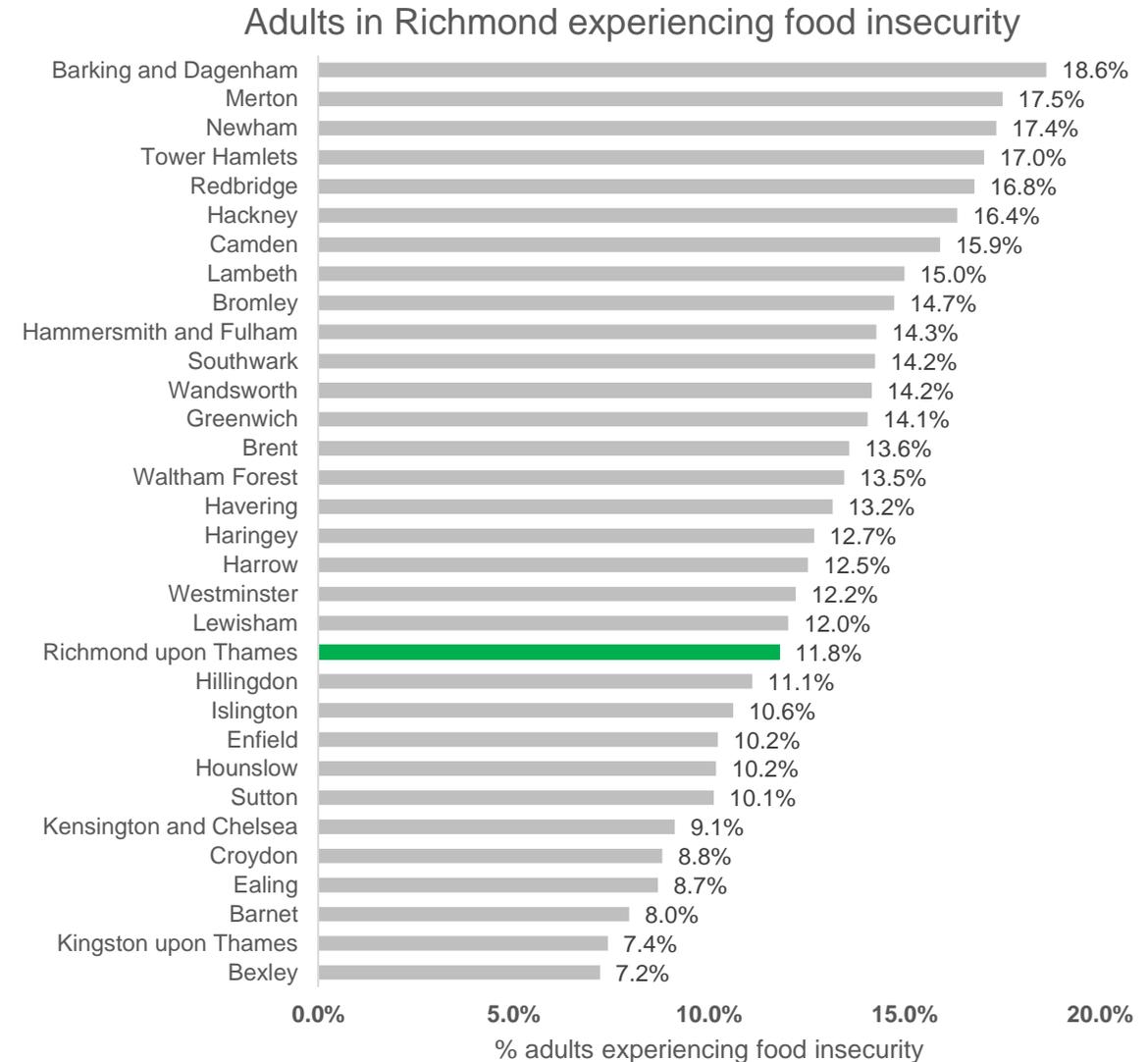
17,930

Number of adults who could be experiencing **food insecurity***

An estimated 11.8% of adults experience food insecurity in Richmond - the **12th lowest** ranking across London.

According to survey data from a Food Foundation survey that was conducted by YouGov in Jan 2021, in Richmond:

- 5.0% (7,550) adults suffered from **hunger – in the top half of London boroughs**
- 11.8% (17,930) **struggled** to access food
- 12.4% (18,860) **worried** about not having enough food



*Percentages from the survey were applied to the 18+ population (GLA projections, 2021) to estimate the number of adults affected – rounding to nearest 10.



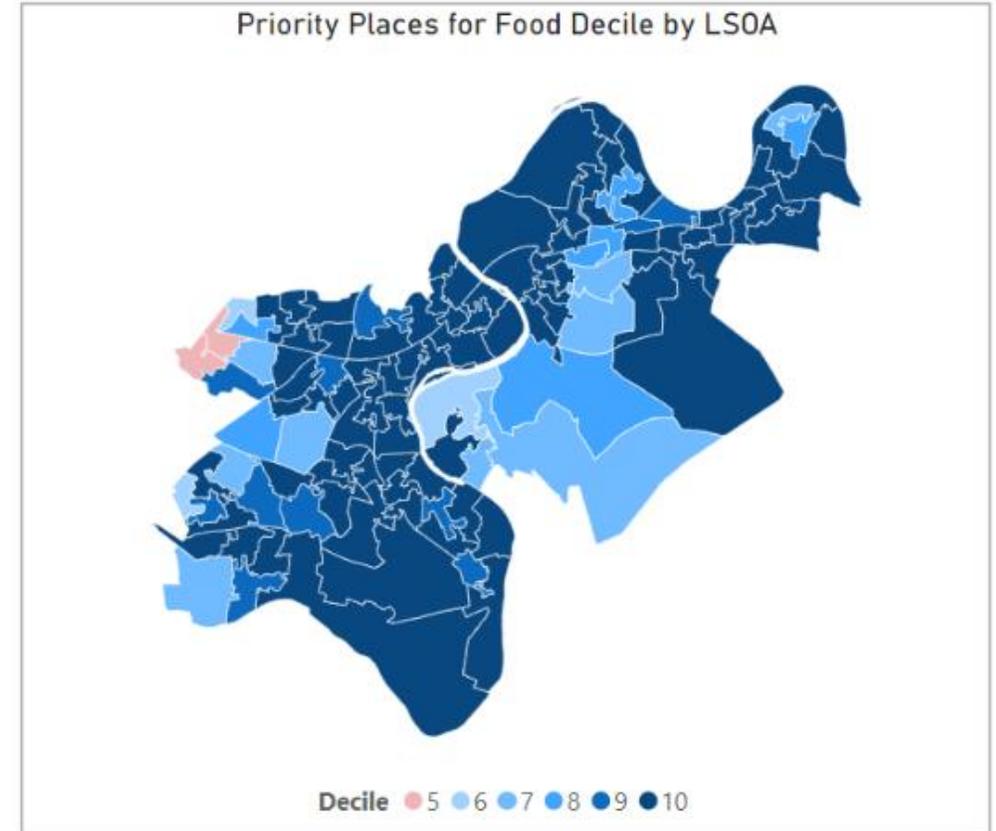
Food – Priority Places for Food Index

4,376

People potentially without access to cheap, healthy and sustainable sources of food.

The **Priority Places** for Food Index aims to identify neighbourhoods across the UK that are most vulnerable to increases in the Cost of Living through **lack of accessibility to cheap, healthy, and sustainable sources of food**. It combines data on proximity and accessibility of food shops, availability of online deliveries, socio-demographic characteristics and other factors to produce the overall index.

The lowest deciles are most at risk and the highest deciles least at risk. The only areas in the five lowest deciles across **Richmond upon Thames** are in Heathfield.



The data for this research have been provided by the Consumer Data Research Centre (CDRC), an ESRC Data Investment. Funding references ES/L011840/1; ES/L011891/1. The Priority Places for Food Index was developed by the CDRC at the University of Leeds in collaboration with Which? See the link below for more information.

Source: Priority Places for Food Index, 2022 (via CDRC)
- interact with the data via the DataRich Cost of Living dashboard



Food – Free School Meals

3,785

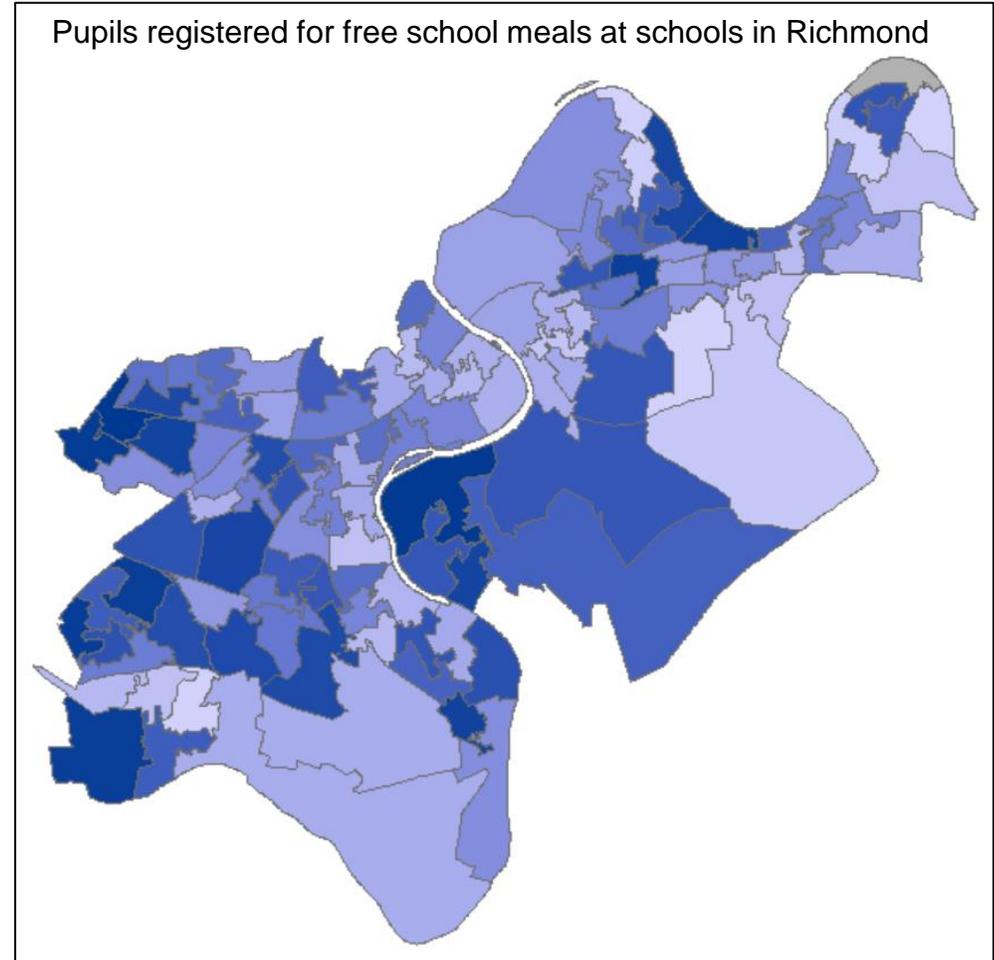
Pupils known to be eligible for **Free School Meals 2022/2023***

Source: *DfE, January 2023*

Richmond has the **lowest** percentage of pupils **known to be eligible for Free School Meals (FSM)** in London. Though, the **proportion eligible has increased** from 9.6% in 2019/20 to 13% in 2022/23.

There is an estimated **635 pupils who are known to be eligible (registered) for FSM but not taking them.**

Of those that go to school in *and* live in the borough, there is a **positive correlation between higher deprivation levels and the number of pupils registered for FSM** with a higher proportion of the students living in deprived areas receiving Free school meals.



Source: *AfC, August 2023*

Dually registered pupils have been equally apportioned to both addresses.

*AfC data suggests that this number now stands at approximately 3,850 in August 2023.



Food – Healthy Start Vouchers



726

Beneficiaries eligible for **Healthy Start Vouchers**, Jan 2023 – July 2023

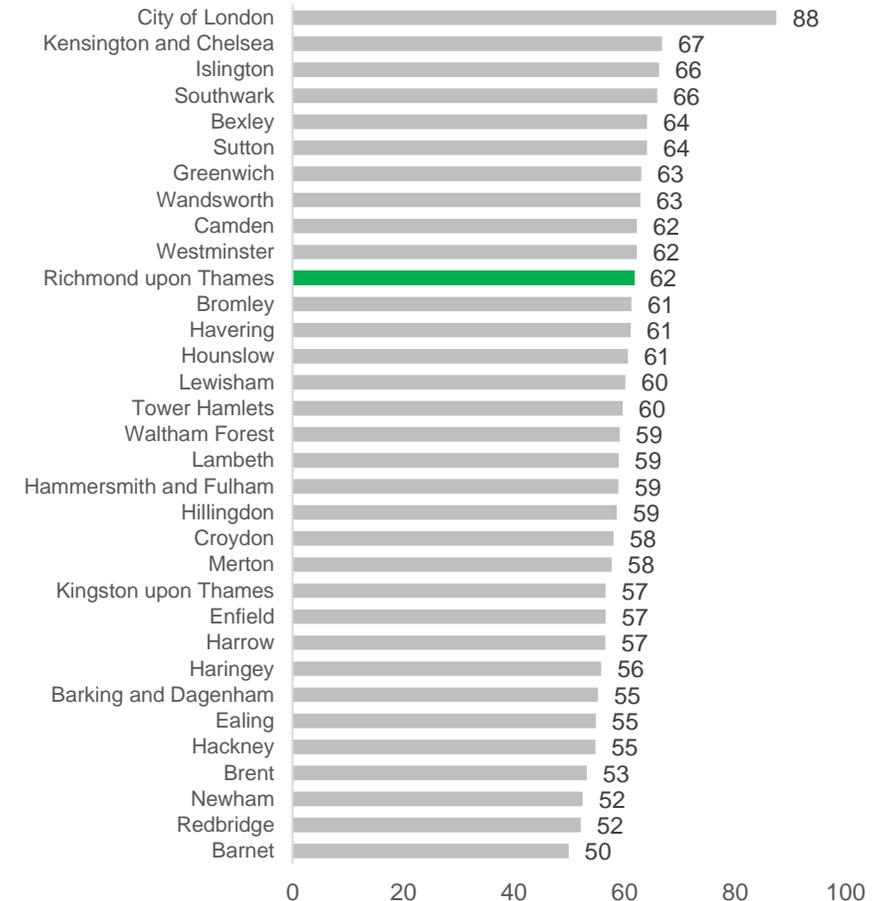
The Healthy Start scheme is for pregnant women or those with children under 4 and receiving a qualifying benefit to buy healthy food and milk.

Uptake in Richmond is 62% - ranking 11th out of London boroughs.

There were **278 eligible for the scheme that were not taking vouchers** between January 2023 and July 2023.

Uptake of Healthy Start Vouchers Jan 2023 – Jul 2023

Uptake of Healthy Start Vouchers (%)



Source: NHS, 2022



Housing – Mortgages



25,826

Number of **Households owned with a mortgage** (March 2021 Census)*

*Source: *Census 2021* TS054 - Tenure

Richmond ranks the sixth highest in London for the proportion of dwellings that have been bought with a mortgage (32%).

House prices in Richmond are higher than the London median for all housing types, but especially for detached and semi-detached homes. Homes in Richmond are some of the least affordable in London and nationally when compared to resident-based salaries.

More than half of mortgages coming up for renewal in 2023 were fixed at a rate below 2%. Due to rising interest rates, average mortgage repayments increased by over 50% between December 2021 and December 2022 in London. The bank of England has said that Mortgage payments will rise by at least £500 a month for nearly one million households across the UK by the end of 2026.

Tenure of Households in Richmond (2021)



Source: *Census 2021* TS054 - Tenure

Housing type	Richmond median sales price	London median sales price	% above London median
Detached house	£1,550,000	£950,000	63.2%
Semi-detached house	£1,100,000	£635,000	73.3%
Terraced house	£890,000	£600,000	48.3%
Flat or maisonette	£475,000	£431,750	10%

Source: ONS, data for Jan 2022 - Dec 2022 (via [DataRich](#))



Housing – Private Renting



19,970

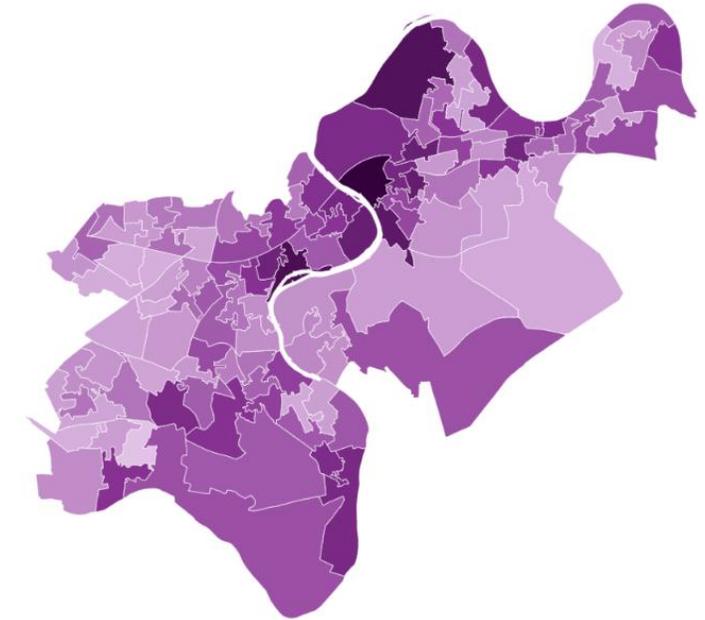
Number of **Households rented from private landlords** (March 2021 Census)*

*Source: *Census 2021 TS054* - Tenure

An estimated 25% of properties are privately rented in Richmond (London 30%) - which puts Richmond in the **bottom third** of London boroughs for the proportion of properties privately rented.

Despite this, rental costs are generally in the **top third** of London prices and outstrip some Inner London boroughs (especially for larger properties with four or more bedrooms).

Areas with highest concentrations of private renters are along the major transport corridors through **Twickenham, Richmond, Kew, and Mortlake & Barnes Common.**



Source: *Private Rented Households, Census 2021* - [interact with the data via the DataRich Cost of Living dashboard](#)

Rental Type	Median cost per month for Richmond*	Median cost per month for London
Room	£850	£695
Studio	£1,040	£1,000
1 Bed	£1,275	£1,276
2 Bed	£1,673	£1,500
3 Bed	£2,200	£1,800
4 or more Bed	£3,640	£2,500

Source: *ONS* - [Private rental market summary statistics](#) (Apr 22 – Mar 23)



Housing – Private Renting Affordability



Even with relatively higher incomes, local tenants are spending a large proportion of their income on rent.

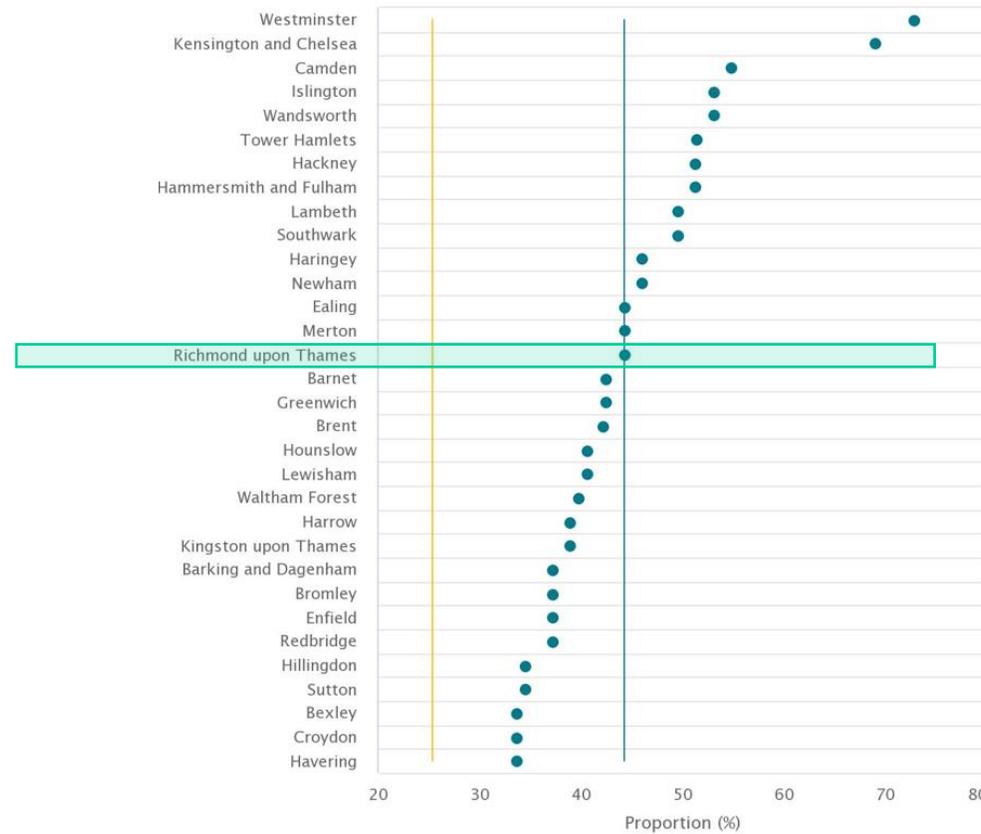
Private rental for a one bed dwelling as a percentage of gross pay for Richmond is 15th highest in London, around the London median.

ONS report that private rents in London increased by 5.9% in the 12 months to August 2023, above the England average and its highest annual rate since September 2012. London traditionally experiences larger peaks and troughs than other regions.

Rightmove statistics indicate that the average asking rent for properties new to the market increased by 13.9% in Outer London (13.6% Inner London) between Apr-Jun 2022 and April-Jun 2023.

Rent for a one bedroom dwelling as a percentage of gross pay* (Oct 2021 – Sept 2022)

Data source: Private rental market statistics (October 2021 to September 2022), ONS and Annual Survey of Hours and Earnings (2022), ONS via NOMIS



*Gross monthly pay is calculated as 1/12 annual pay in 2022. Please note, these figures do not show what proportion of income actual individuals or households spend on rent.

- London boroughs – median
- London – median
- England – median
- London boroughs – lower quartile
- London – lower quartile
- England – lower quartile

Source: Trust for London

London's Poverty Profile 2023



Housing – Social Renting

9,752

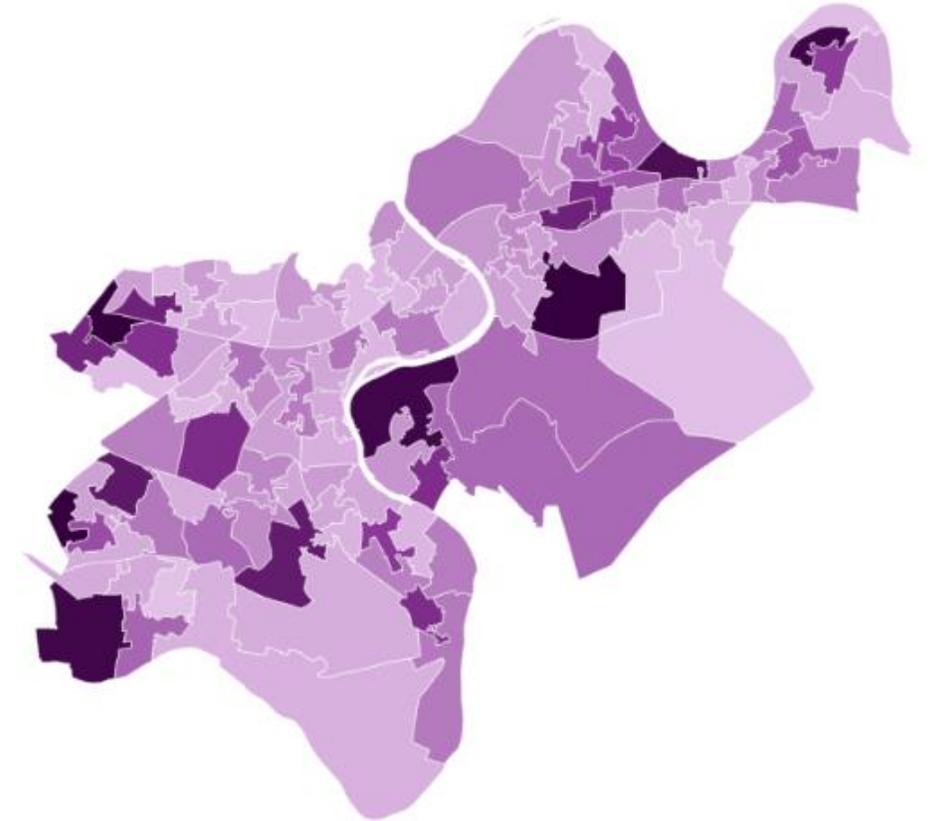
Number of **Households rented from the Local Authority / Housing Associations**
(March 2021 Census)

*Source: *Census 2021 TS054* - Tenure

The total estimated social rented dwellings has remained steady over the last 8 years. An estimated 12% of dwellings are socially rented in Richmond (London 23%).

As Richmond Council transferred their housing stock to Richmond Housing Partnership in 2000, the largest private registered providers in the borough are Richmond Housing Partnership followed by Paragon Asra Housing.

Areas with higher concentrations of social renting properties are **Hampton North, Heathfield, Mortlake & Barnes Common and Ham.**



Source: Social Rented Households, Census 2021 - interact with the data via the [DataRich Cost of Living dashboard](#)



Housing – Possessions



56

All claims registered in Richmond in Q2 of 2023

10

All repossessions (inc. mortgages) in Richmond in Q2 of 2023

Source: Mortgage and Landlord Possession Statistics: data visualisation tool

Claims: created when a claimant begins legal action for an order for possession.
Possessions: Once a warrant has been issued bailiffs can repossess the property.

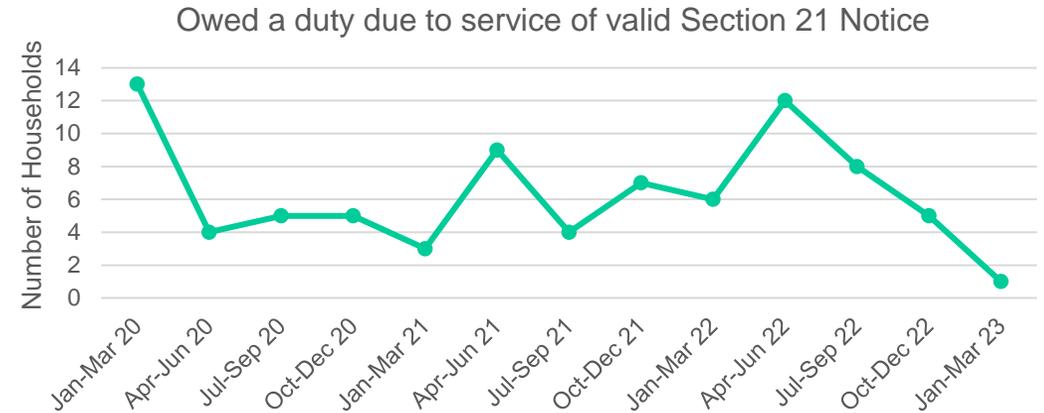
The data indicates that repossessions were paused during the pandemic, but the number of overall repossessions have seen a large increase over the last quarter and climbed above pre-pandemic levels.

For the last five quarters more repossessions have come from accelerated private landlords (i.e. from a Section 2021 notice).

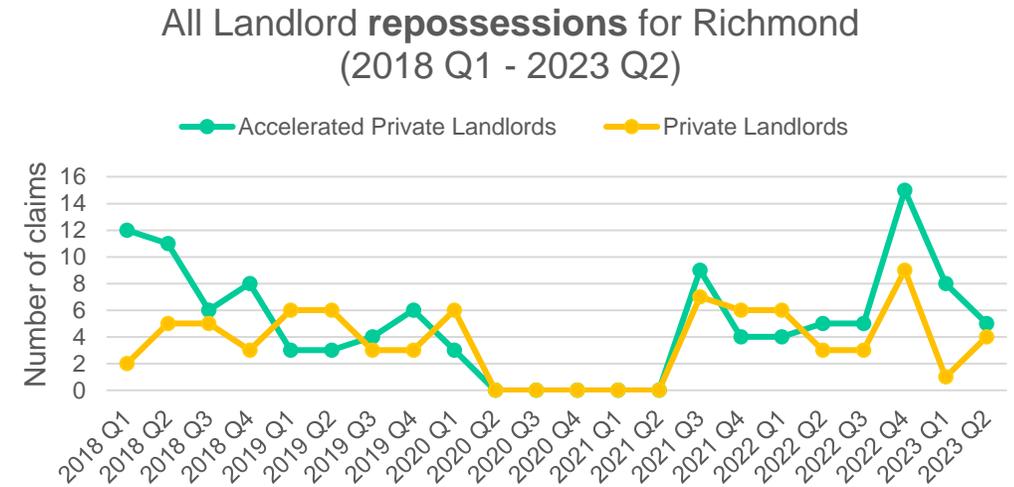
19

people seen rough sleeping by outreach services Jan-Mar 23

Source: London Datastore Rough sleeping in London (CHAIN reports)



Source: Tables on homelessness - GOV.UK (www.gov.uk)



* You can apply for an accelerated possession order if your tenants have not left by the date specified in your Section 21 notice and are not claiming rent arrears.



Energy – Fuel Poverty

8,271

households in **fuel poverty**
across Richmond in 2021*

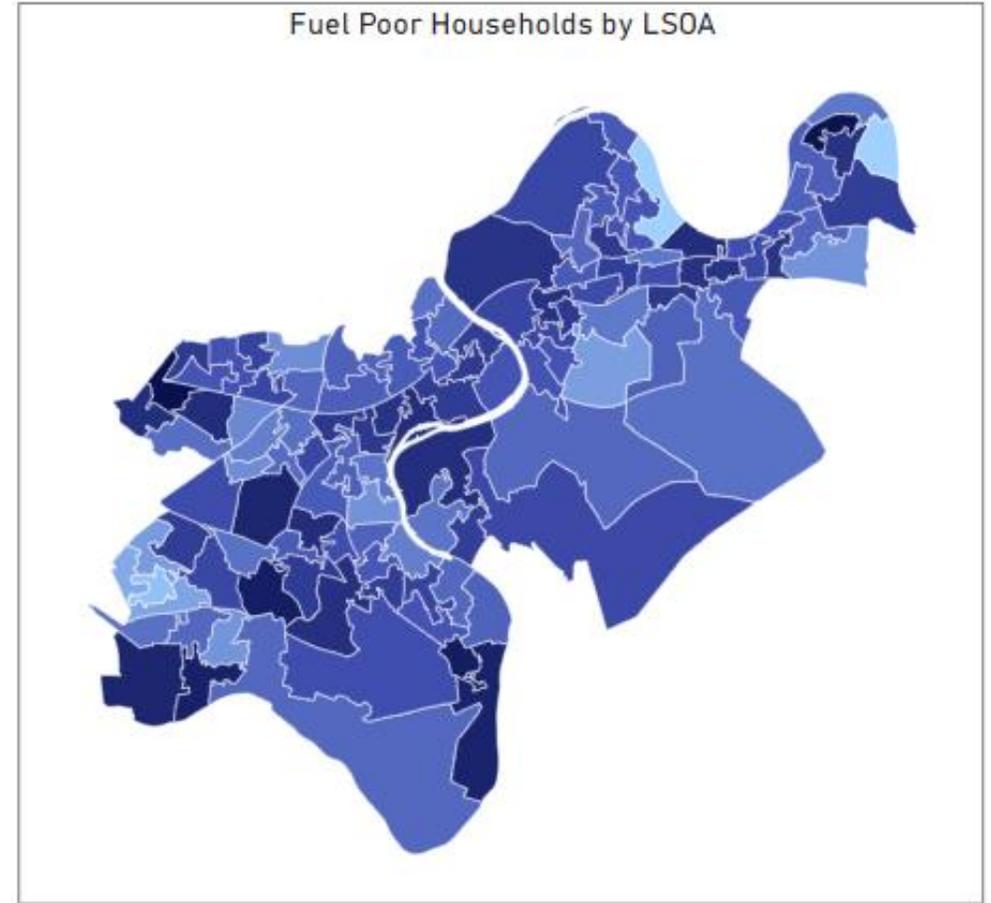
According to the department for Business, Energy & Industrial Strategy (BEIS), Richmond has the **lowest** percentage of fuel poor households in London (excluding City of London).

Though there are **parts of the borough** where up to **17% of households** are fuel poor.

Areas with higher concentrations of fuel-poor households: **Mortlake & Barnes Common, South Richmond, Barnes and Twickenham Riverside.**

*BEIS calculate fuel poverty using the Low Income Low Energy Efficiency (LILEE) indicator. Under this indicator, a household is considered to be fuel poor if they are living in a property with a fuel poverty energy efficiency rating of band D or below and when they spend the required amount to heat their home, they are left with a residual income below the official poverty line.

Fuel Poor Households by LSOA



Source: [BEIS, 2023](#) (Data: 2021) - [interact with the data via the DataRich Cost of Living dashboard](#)

Energy – Pre-payment Meters

Richmond has the **lowest percentage of pre-payment electric meters in London** – present in 4% of properties compared to 14% across London. Though there are **parts of the borough** where up to **18% of households** have pre-payment meters.

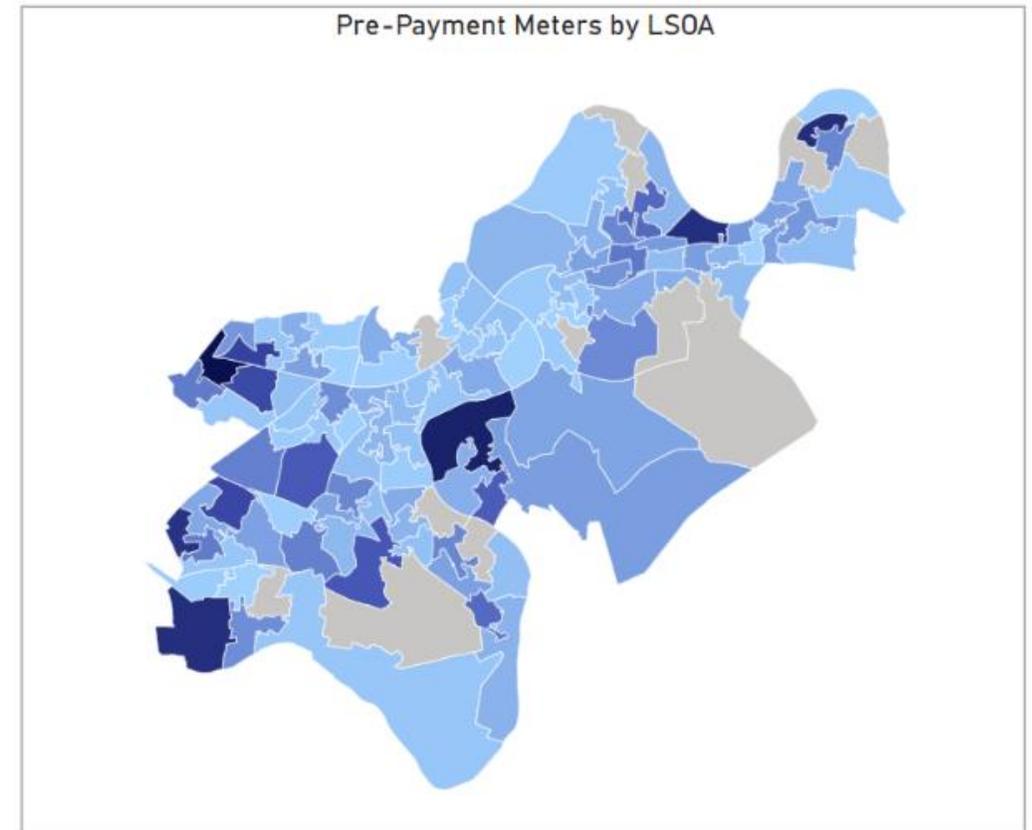
In July 2023, the government scrapped the charge on prepayment meters so these households will no longer pay more for their energy than direct debit customers. This change will help save on average £21 a year.

Still, prepayment meter customers are generally some of the poorest households that need to find the money to pay for their energy in advance and could be without electricity if they cannot afford to top up meters.

Also, energy costs for those on pre-payment meters are not evened out by paying throughout the year so energy will consume a large proportion of their incomes in Winter.

3,442

Electric pre-payment meters
across Richmond in 2017



Source: [BEIS, 2019](#) (Data: 2017) - [interact with the data via the DataRich Cost of Living dashboard](#)



Energy – EPC Ratings



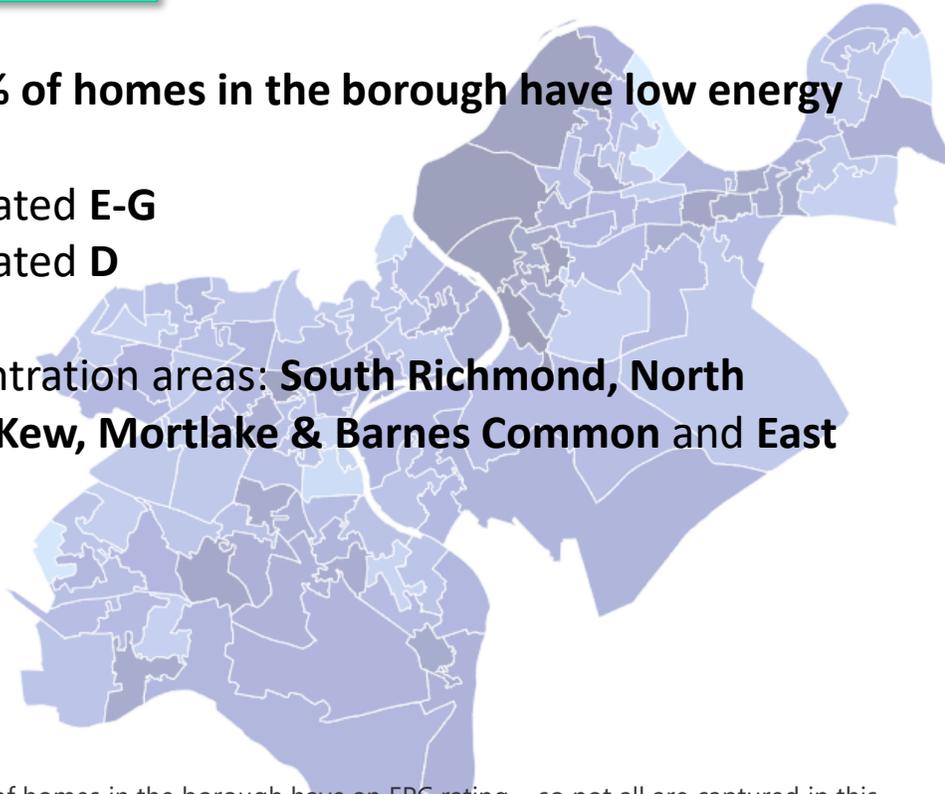
39,200

Low energy efficiency homes across Richmond

At least **46% of homes in the borough have low energy efficiency:**

- **13,000** rated E-G
- **26,200** rated D

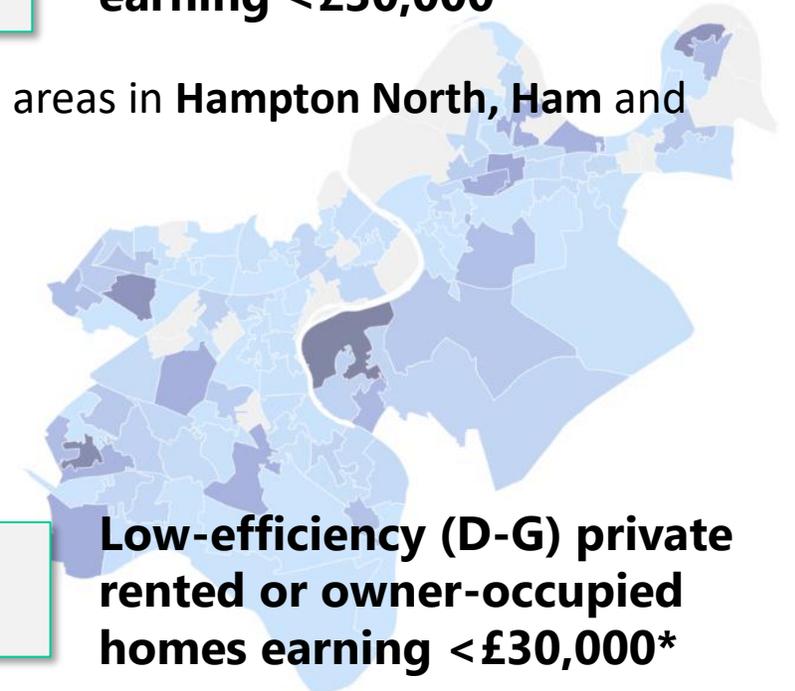
High concentration areas: **South Richmond, North Richmond, Kew, Mortlake & Barnes Common and East Sheen.**



2,800

Low-efficiency (D-G) homes earning <£30,000*

High concentration areas in **Hampton North, Ham and Heathfield.**



1,200

Low-efficiency (D-G) private rented or owner-occupied homes earning <£30,000*

Low income, energy inefficient households might have the additional burden of increasing private rents and mortgage repayments – the distribution of these households is similar to the above.

*Approximately 74% of homes in the borough have an EPC rating – so not all are captured in this data. EPC rating and tenure have been taken from the EPC data, June 2023. Households with <£30,000 annual income have been estimated using indicators from CACI Acorn, 2022. Households with <£30,000 are considered low-income and eligible for the Green Homes Grant.

- [interact with the data via the DataRich Cost of Living dashboard](#)



Transport – Public Transport Accessibility



2015 Public Transport Accessibility Levels (PTALs) **place most (approx. 93%) of the borough in the least accessible half of PTAL categories.** All residential areas of **Ham, Heathfield and Hampton North** – some of the most deprived areas - fall within the two lowest PTAL ratings.

PTALs are likely to impact access to employment options, essential goods (e.g. grocery options) and services – especially for households without access to a vehicle.

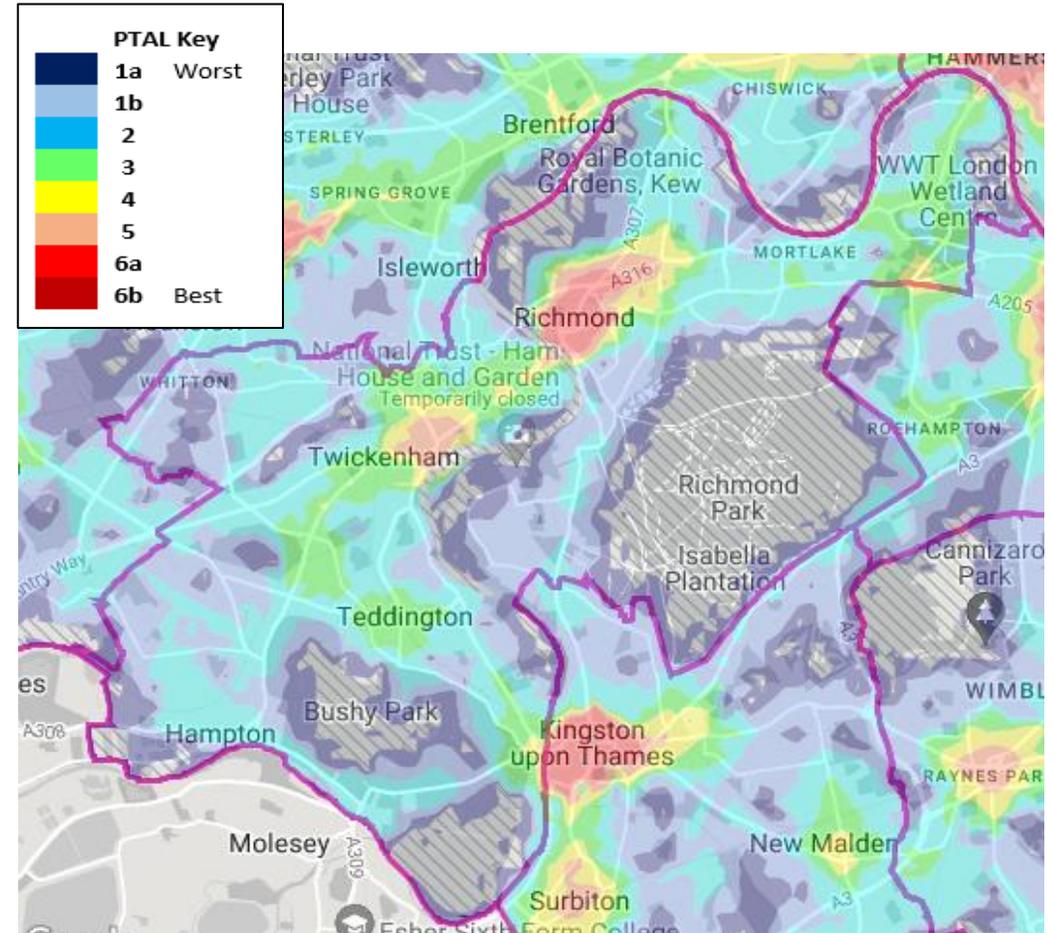
TFL fares increased by an overall average of 5.9% on 5th March 2023; Bus fares +10p to £1.75, daily cap on multiple bus trips +30p to £5.25, Underground services Zone 1-6 cap for contactless £14.90 per day (+80p) and £74.40 per week (+£4).

1 in 4 (25%) of Richmond residents do not have access to a car/van, which is lower than Outer London (31%) and London (42%).



Source: ONS, Census 2021 TS045 - Car or van availability

31/08/2023



Source: tfl.gov.uk - WebCAT 2021 (Forecast)

Cost of Living

3. Who is impacted?

Who is impacted most?

- Those already struggling on low or fixed incomes will be hardest hit by the increases in the Cost of Living - the following profiles focus on groups within the borough that have low household incomes and few savings to fall back on.
- The groups are intended to contextualise the pressures captured earlier in this presentation – increasing housing costs (for private renters and mortgagors), rising energy costs, the additional pressures of feeding a family or being isolated and elderly.
- The groups have been generated by combining population segments that share the same characteristics from CACI Household Acorn data – using what is known about these segments nationally and combining that with the volume and distribution of these segments within the borough, we have estimated the total size of the group and pulled out their likely key features.
- The two lowest income categories from CACI Household Acorn data were used to generate the groups – the maximum net household income of any population segment included was £28,322.
- The groups are mutually exclusive

Group 1: Low income private renters

2,600

Approx. number of households for private renters with low income and low savings from CACI household 2023 profile data*.

£25,146

UK average **Net household income** for households of this type

Avg. Property type

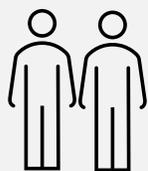


2 bed private rented flat/maisonette

Largest age group

25 - 34

2 person Household



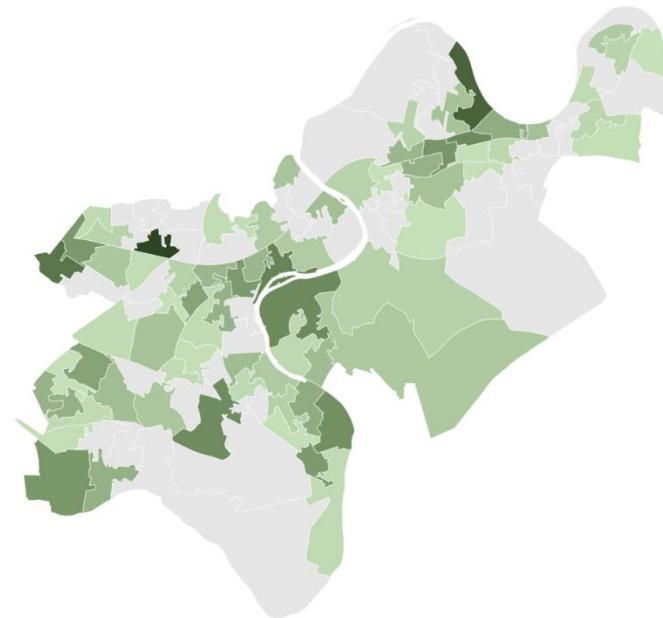
Couples without children/
Some families

NO Savings



56%

118 (5%) Estimated single parent families



Concentrations of low income private renters are expected in:

North Sheen
Twickenham
Hampton Wick
Heathfield
Whitton

Main cost of living pressure point(s):

- Private rental costs (especially if they move to new rental accommodation). Housing insecurity.
- Energy costs (especially for those working from home).
- Public transport costs for travelling to work.

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Group 2: Low income social renting families

4,300

Approx. number of households in the low income social renting families category from CACI household 2023 profile data*.

£21,850

UK average **Net household income** for households of this type

Avg. Property type

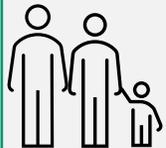


3 bed flat/
maisonette

Largest age
group

35 - 49

3-4 person Household



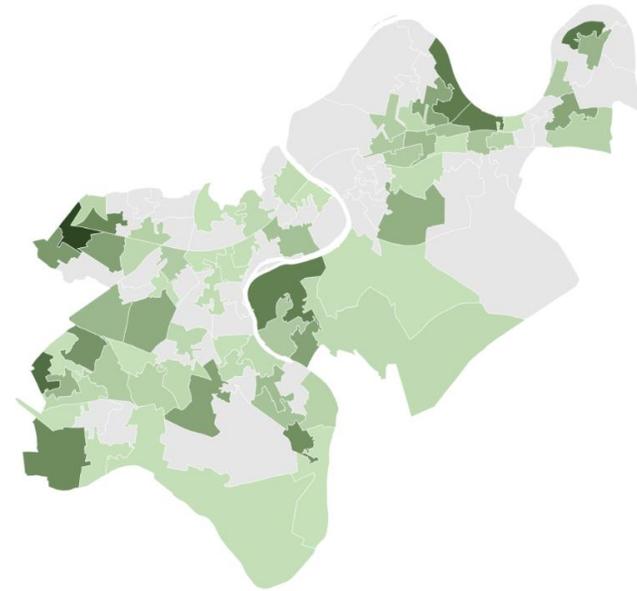
Families/
Couples with
1-2 Children

NO Savings



65%

367 (9%) Estimated single parent families



Concentrations of low income social renting families are expected in:

Heathfield
North Sheen
Hampton North
Ham
Barnes

Main cost of living pressure point(s):

- Energy costs (possibly prepayment meters or payments not made by direct debit).
- Food costs (with dependants to feed).
- Costs associated with child care.

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Group 3 – Low income older residents

3,300

Approx. number of households in the low income older residents category from CACI household 2023 profile data*.

£19,935

UK average **Net household income** for households of this type

Avg. Property type

 **2** bed social rented flat/maisonette

Largest age group

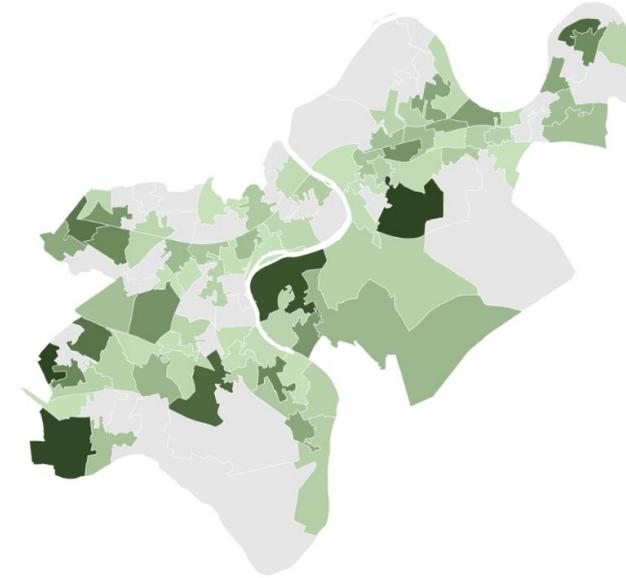
50+

1 person Household

 Singles and some couples, no children

NO Savings

 62%



Concentrations of low income older residents are expected in:

Heathfield
Hampton North
Hampton
Barnes
Ham
North Sheen

Main cost of living pressure point(s):

- Energy costs – require more heating to keep warm due to age related health and wellbeing.
- High proportion of this group will already have health conditions and many affected by isolation.

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Group 4: Low income families with mortgages

1,000

Approx. number of households for families with mortgages with low income and low savings from CACI household 2023 profile data*.

£25,306

UK average **Net household income** for households of this type

Avg. Property type

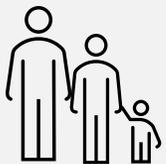


3 bed terraced House

Largest age group

35 - 49

3-4 person Household



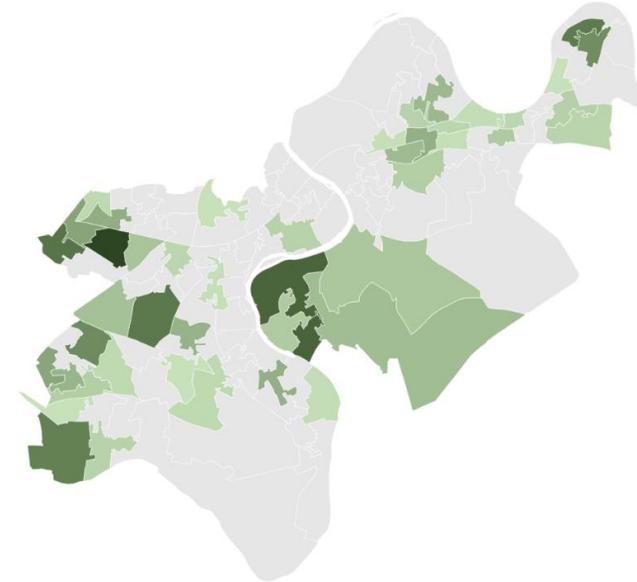
Families/
Couples with
1-2 Children

NO Savings



42%

30 (3%) Estimated single parent families



Concentrations of low income families with mortgages are expected in:

Heathfield
Ham
Hampton
Hampton North
Twickenham West

Main cost of living pressure point(s):

- Fixed term mortgages ending and rates have risen or another fixed term mortgage cannot be secured.
- Costs associated with child care.
- Energy costs (especially for those working from home).
- Cost of maintaining a vehicle / driving to work.

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Additional Data & Information Sources



- [Financial Hardship and Economic Vulnerability \(LG Inform\)](#)
- [Richmond upon Thames Overview \(Trust for London\)](#)
- [Local income, employment and jobs data \(DataRich\)](#)
- [The rising cost of living and its effects on Londoners \(GLA\)](#)
- [The cost of living, current and upcoming work \(ONS\)](#)
 - [ONS Cost of Living Latest Insights](#)
 - [Calculator - How is inflation affecting your household costs](#)
- [Local Authority Food Insecurity Tool \(The ODI\)](#)
- [Food Insecurity Tracking | Food Foundation](#)
- [Food Prices Tracking | Food Foundation](#)
- [Citizens Advice Cost of Living Data Dashboard](#)