



Socio-economic impact of Covid-19

City Intelligence Unit, GLA
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Contents

1. [Introduction](#)
2. [Household finances](#)
3. [Well-being](#)
4. [Health](#)
5. [Families and community](#)
6. [Contact details](#)

[ANNEX – Universal Credit conditionality regime](#)

1. Introduction

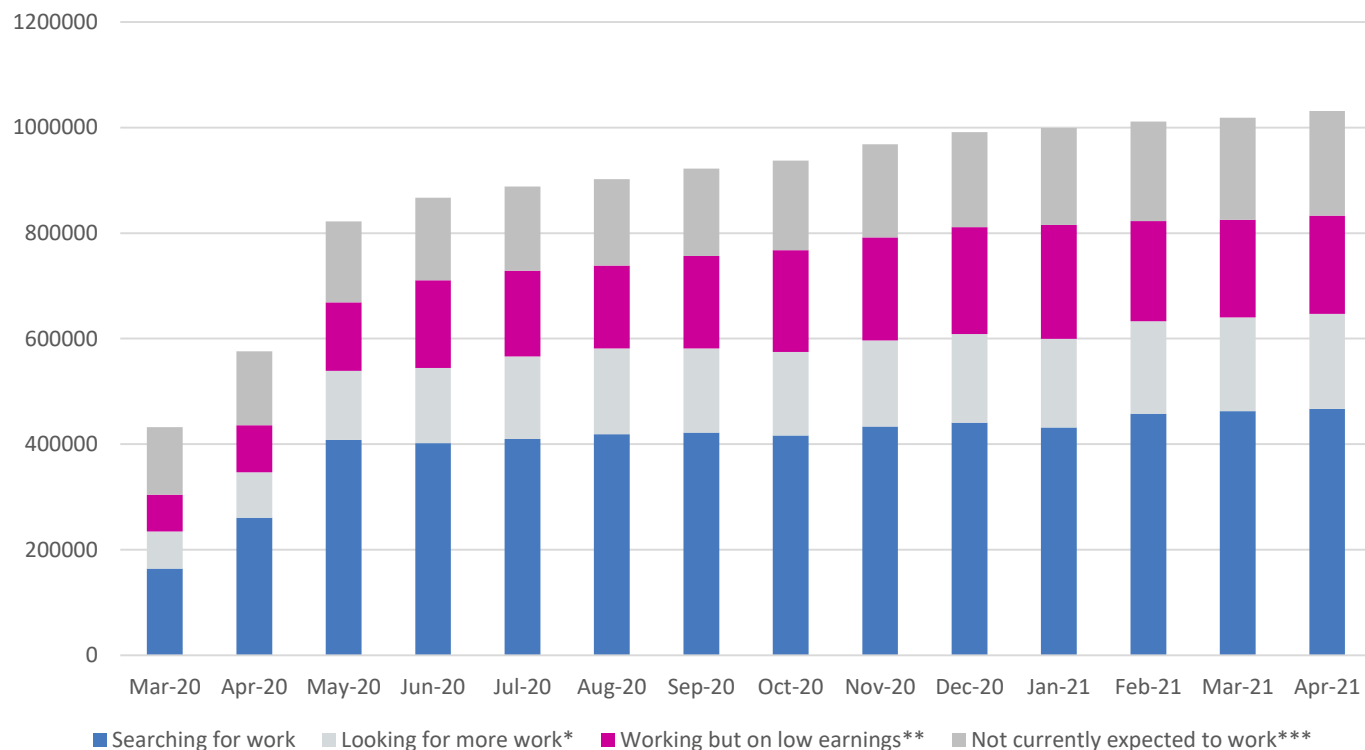
- This briefing presents evidence on the socio-economic impact of Covid-19 on London and Londoners.
- It presents a number of findings on Londoners' financial position, their well-being and health, as well as data about their family lives and education.
- Topics included in the briefing focus on recent data releases that tell us how social policy issues are evolving in London since the start of the Covid-19 pandemic.
- If you would like to know more about any of the findings or datasets featured, or would like to suggest a topic for inclusion in a future briefing, please email SocialEvidence@London.gov.uk.

2. Household finances

- The effects of the pandemic continue to be felt on household finances, but not everyone is affected equally. Many of these impacts are translating to different aspects of life and are expected to have lasting consequences. The implications for many aspects of social policy are being considered by a range of non-governmental organisations.
- A [report by the Resolution Foundation](#) into the living standards-related factors that contributed to the **financial resilience** of households both before and during Covid-19 concludes that in the UK, as well as other countries, including France and Germany, the impact of the crisis will last via its effects on savings and debt.
- Many **key workers** in the capital are economically insecure. A [report from the RSA](#) has found that as well as facing increased strains and pressures at work, the housing costs for many have increased, against a backdrop of general rental market decreases in London. London key workers are more likely to cite money worries than those elsewhere in the country.
- A [study from LSE London](#) highlights the costs already faced by the GLA and London boroughs in accommodating **rough sleepers and homeless households** and the expectation that the situation is expected to get worse as the ban on evictions ends, along with the furlough scheme and the expected rise in unemployment.
- The **future of the social security system** in the UK is the subject of a [report from the Resolution Foundation](#) that investigates how well the system, including the new schemes, has supported those whose earnings have been negatively impacted by the pandemic. Some aspects have fallen short of need, such as sick pay, other aspects have fallen short of expectation, such as earnings replacement rather than poverty alleviation for those becoming unemployed. Self-employed and employees have been treated very differently, while measures such as the job retention scheme have worked well to maintain workers' incomes. The report offers suggestions to provide a more generous and fairer system, building on the successes and looking to the longer-term needs particularly for those impacted by long Covid.

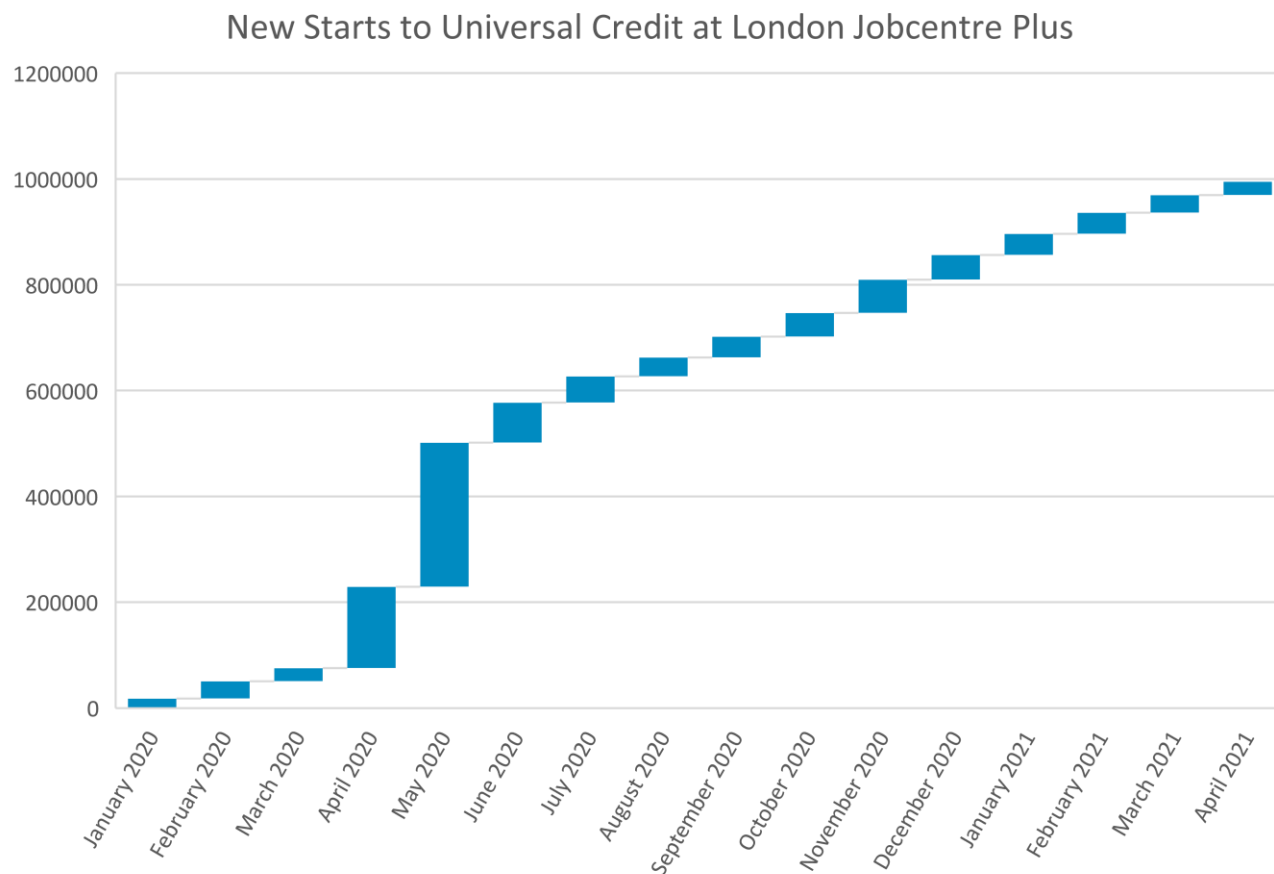
The number of Londoners claiming Universal Credit continues to grow

Work status and conditionality of UC claimants in London



- There were more than one million Londoners claiming Universal Credit (UC) in April 2021.
- 35 per cent of claimants were in employment at least some of the time in March. This has fallen slightly from a peak of 37 per cent in December 2020.
- 467,000 Londoners on UC were searching for work, with a further 180,000 doing some work but expected to look for more or better paid work. Most of these would be classed as unemployed.
- For 186,000 working Londoners, their earnings from work were insufficient, so UC supplemented their earnings. This would include some people on reduced pay through the furlough scheme.
- Almost 200,000 Londoners were not expected to work due to their own health or caring responsibilities. This group had increased the least since March 2020.

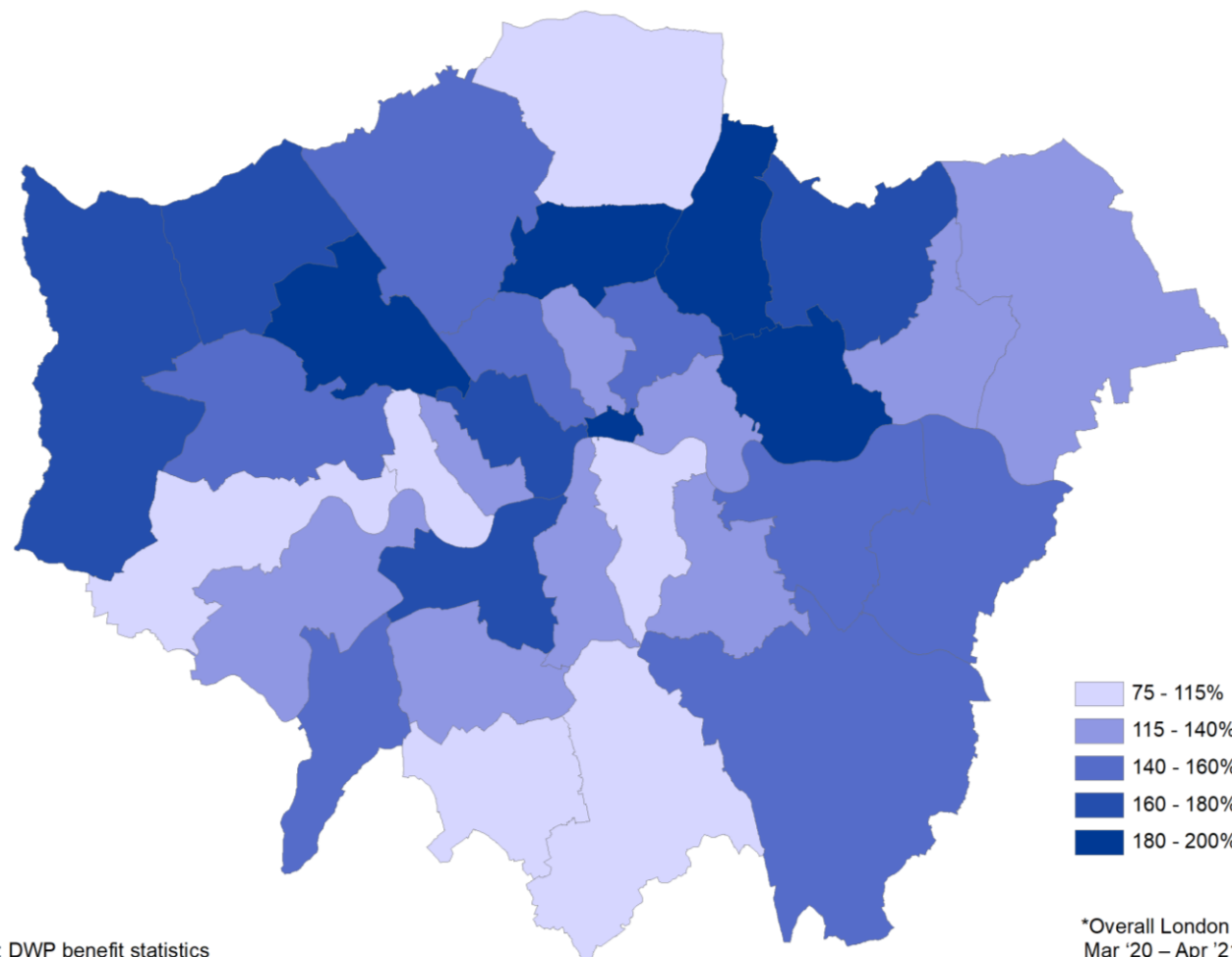
New starts to Universal Credit in London were back to pre-pandemic levels in April



- The total number of UC claimants has doubled since March across Great Britain as a whole, but has increased further and more rapidly in London than in any other region.
- London started the pandemic with a relatively low proportion of its working age residents claiming UC, but this has risen to around 17.5 per cent of the total working age population, matching the proportion in the North East, which has had the highest proportion since before the pandemic began.
- There have been approaching 950,000 new starts (successful claims) to UC at Jobcentre Plus sites in London since the pandemic began. There were 25,000 in March 2020, but this rose to more than 270,000 in May 2020. New starts have been at more moderate levels since then, decreasing to 25,000 in April 2021. The total number of Londoners claiming UC was nevertheless higher in April than in March.

Newham is now the borough with the largest number of Universal Credit claimants in London

Percentage increase in number of people claiming Universal Credit March 2020 - April 2021

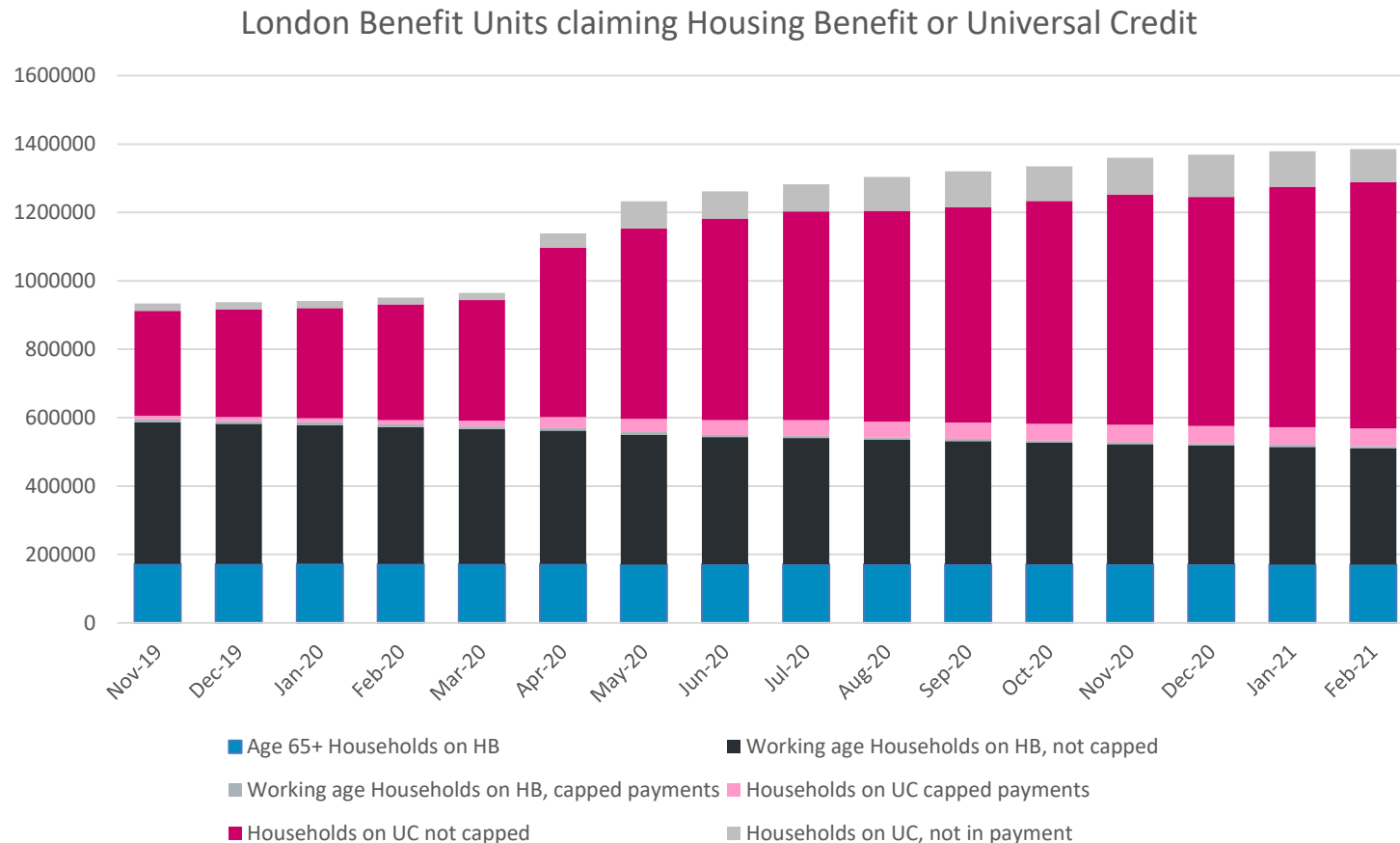


Source: DWP benefit statistics

*Overall London increase
Mar '20 – Apr '21 138.4%

- The number of UC claimants increased by nearly 140% between March 2020 and April 2021 across London as a whole, but the picture varies between boroughs.
- Croydon and Sutton had increases below 80%, while the number in Brent was nearly three times as high as in March 2020 (almost 200% increase).
- Barking and Dagenham, Hounslow and Croydon were among nine boroughs with more than one in five working age residents claiming UC, but with relatively modest increases, as they had higher rates before the pandemic (over 10 per cent in February 2020).
- Newham and Brent saw the largest increases in both the proportion of UC claimants and the numbers, with both boroughs seeing increases in excess of 30,000 claimants.

More than a million London households are claiming for help towards housing costs



Source: DWP

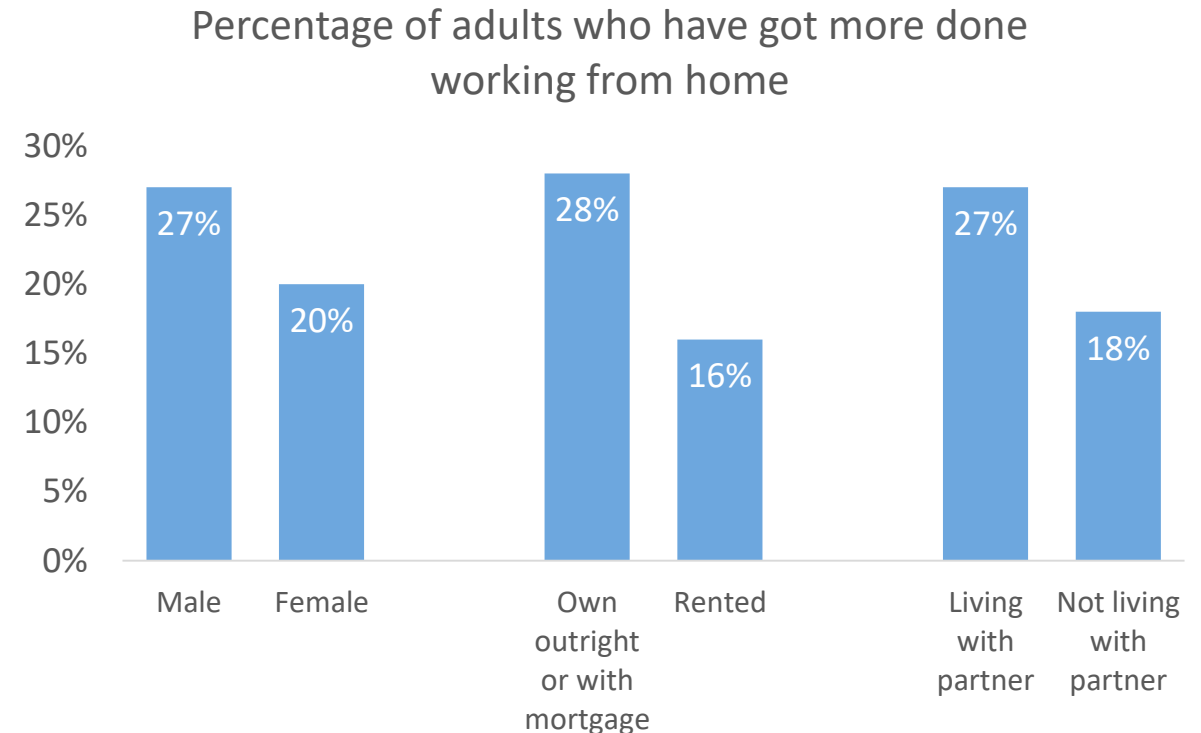
Note: A 'benefit unit' is a specific term for a 'family', consisting of a single person or a couple living together along with any co-resident dependent children. Older, non-dependent, children would form separate benefit units.

*Benefit cap statistics in the chart are estimated for December 2020 onwards as the data are not yet published.

- In February 2021, 530,000 benefit units were paid a housing element of UC in addition to 517,000 claiming Housing Benefit.
- The number of working age households claiming Housing Benefit was still decreasing at a steady rate, but is more than made up by the increase in those claiming UC.
- A third of the remaining benefit units claiming Housing Benefit are over state pensionable age.
- The benefit cap was applied to more than 57,000 London households in November 2020*. These were most likely to be lone parent families.

A similar proportion of workers (around a quarter) report being more productive than back in January/February 2020, as those who report being less productive

- In January 2021, a similar proportion of London workers aged 16+ report getting more work done per hour than back in January/February 2020 (23 per cent) as those who report getting less work done (24 per cent). Around half (52 per cent) report getting the same amount done per hour.
- Male workers are more likely to report higher productivity compared with January/February 2020 compared with female workers (27 and 20 per cent respectively).
- London workers who own their own accommodation are more likely to report higher productivity (28 per cent) compared with renters (16 per cent).
- London workers living with a partner are also more likely to report higher productivity (27 per cent) compared with those not living with a partner (18 per cent).



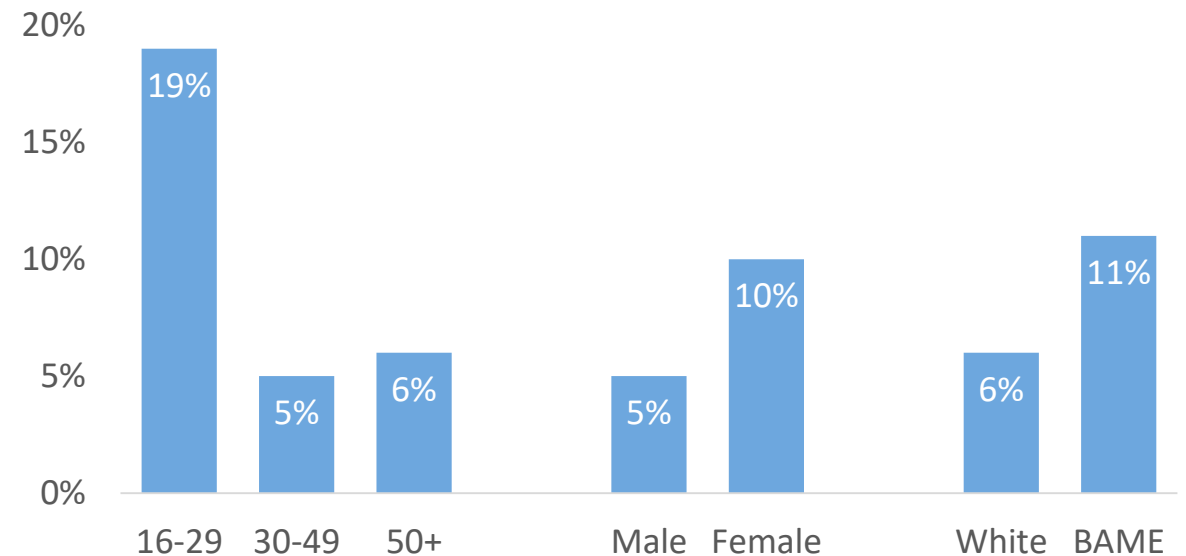
Base: Jan-21 London workers aged 16+ Male: 269; Female: 382; Own outright or with mortgage: 477; Rented: 155; Living with partner: 427; Not living with partner: 225

Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

Younger workers aged under 30 currently working at home are more likely to report never wanting to work at home in future compared with older workers

- Eight per cent of London workers who are currently working at home reported never wanting to work at home in the future once social distancing measures are fully relaxed and workplaces fully go back to normal.
- Around one in five (19 per cent) of younger workers currently working at home reported this compared with older workers aged 30-49 (5 per cent) and older workers aged 50+ (6 per cent).
- Female workers currently working at home are around twice as likely not to want to work at home ever in the future compared with male workers working at home (10 per cent and 5 per cent respectively).
- Similarly BAME workers currently working at home are around twice as likely not to want to work at home ever in the future compared with White workers working at home (11 per cent and 6 per cent respectively).

Percentage of workers currently working at home who would never like to work from home in the future, once measures are fully relaxed



Base: Jan-21 London workers aged 16+ currently working at home 16-29: 50; 30-49: 185; 50+: 217; Male: 189; Female: 262; White: 279; BAME: 164

Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

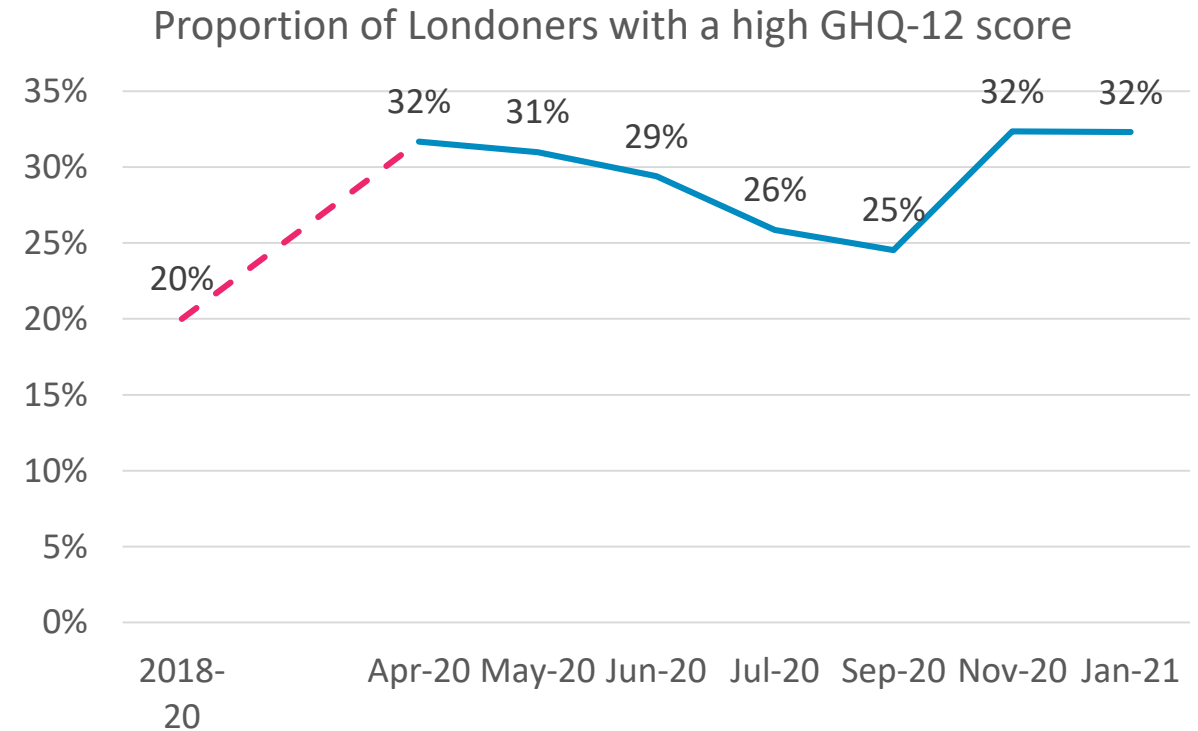
3. Wellbeing

- The mental health effects of the Covid-19 crisis and the response to it, with physical and social distancing and isolation, is one of the most important challenges arising from the pandemic. A [paper from the IFS](#) looks at the evidence, particularly around the negative consequences, which focuses on the adult population in wealthy industrialised countries, most notably the UK and US. It finds that while there were improvements following the rise in mental ill-health during the initial outbreak and lockdowns, it remains unclear what the impacts of subsequent waves and associated responses will be on mental health. There is evidence, however, of increased inequalities in the mental health impacts for different population groups.
- YoungMinds have run [regular surveys of young people](#) throughout the pandemic and their latest survey from January 2021 has highlighted that a large majority have found the current lockdown harder to cope with than previous ones; many believe that the pandemic will have a long-term negative effect on their mental health; while around eight in ten (79 per cent) agreed that their mental health would start to improve when most restrictions were lifted.
- Since the beginning of lockdown in March 2020, the [Co-SPACE study](#) has been tracking parents, children, and young people's mental health. One of its latest findings has been that parents/carers reported the highest level of behavioural, emotional and attentional difficulties in June 2020 and February 2021, when restrictions were highest.
- Turning back to adults' wellbeing, a report published last year by Simetrica-Jacobs and the London School of Economics and Political Science sought to quantify the [wellbeing costs of Covid-19 and social distancing measures](#). They calculated an indicative monetary value for the total wellbeing cost to adults in the UK to be around £2.25bn per day, or around £43 per adult per day.
- The updates to the data in this section mainly cover experiences during the third national lockdown (end of January/beginning of February).

In January 2021, around a third of adults in London are experiencing poorer mental health; the same as at the start of the pandemic

- The General Health Questionnaire (GHQ-12) helps to identify minor psychiatric disorders in the general population. Higher scores are indicative of poorer mental health.
- **In January 2021, around a third (32 per cent) of Londoners aged 16+ reported characteristics of poor mental health, remaining at this higher level since November 2020.**
- **Female Londoners (36 per cent) are more likely to display features of poorer mental health than male Londoners (28 per cent).**
- **White Londoners are more likely than BAME Londoners to show a GHQ-12 score of 4 or more** (in January 2021: 38 per cent and 19 per cent respectively).
- **Fewer Londoners living with a partner had aspects of poor mental health** in November 2020 (29 per cent compared with 37 per cent not living with a partner).

Note: The General Health Questionnaire focuses on two major areas: the inability to carry out normal functions; and the appearance of new and distressing phenomena, with each of the 12 items rated on a four-point response scale. A coding method was used whereby the maximum score for any respondent is 12, with higher values indicating poorer mental health. A threshold of 4 or more was set as the difference between 'no or few mental health problems' and 'poorer mental health'.

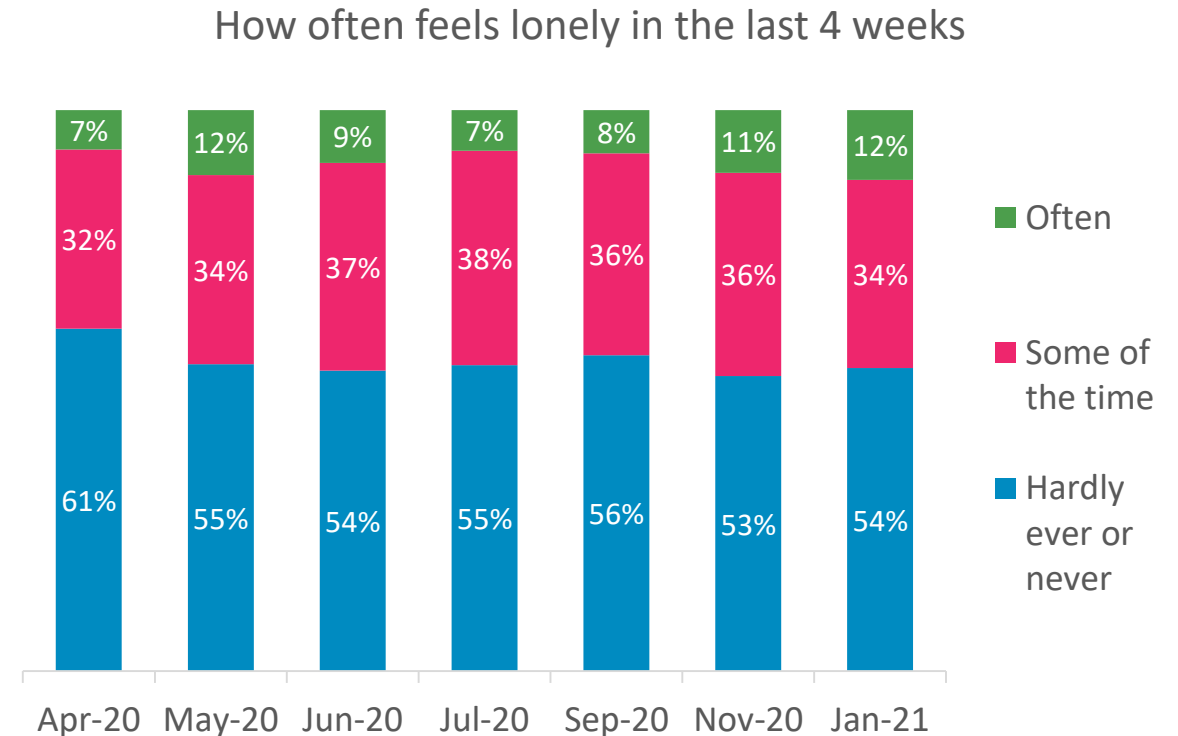


Base: Londoners aged 16+ 2018-20: 3,607; April-20: 1,617; May-20: 1,419; June-20: 1,295; July-20: 1,297; Sep-20: 1,129; Nov-20: 1,031; Jan-21: 1,042

Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

The proportion of Londoners reporting that they felt lonely often in the last 4 weeks has increased in recent months, which has coincided with new national lockdowns

- In January 2021, 12 per cent of Londoners aged 16+ reported that they felt lonely 'often' in the last 4 weeks. A further 34 per cent reported feeling lonely 'some of the time' in the last 4 weeks.
- Younger Londoners continue to be more likely to cite chronic loneliness (lonely often in the last 4 weeks): 18 per cent of Londoners aged 16-29 in January 2021 reported this, compared with 10 per cent of Londoners aged 50+.
- Fewer Londoners living with a partner experienced chronic loneliness in January 2021 (6 per cent compared with 21 per cent not living with a partner).

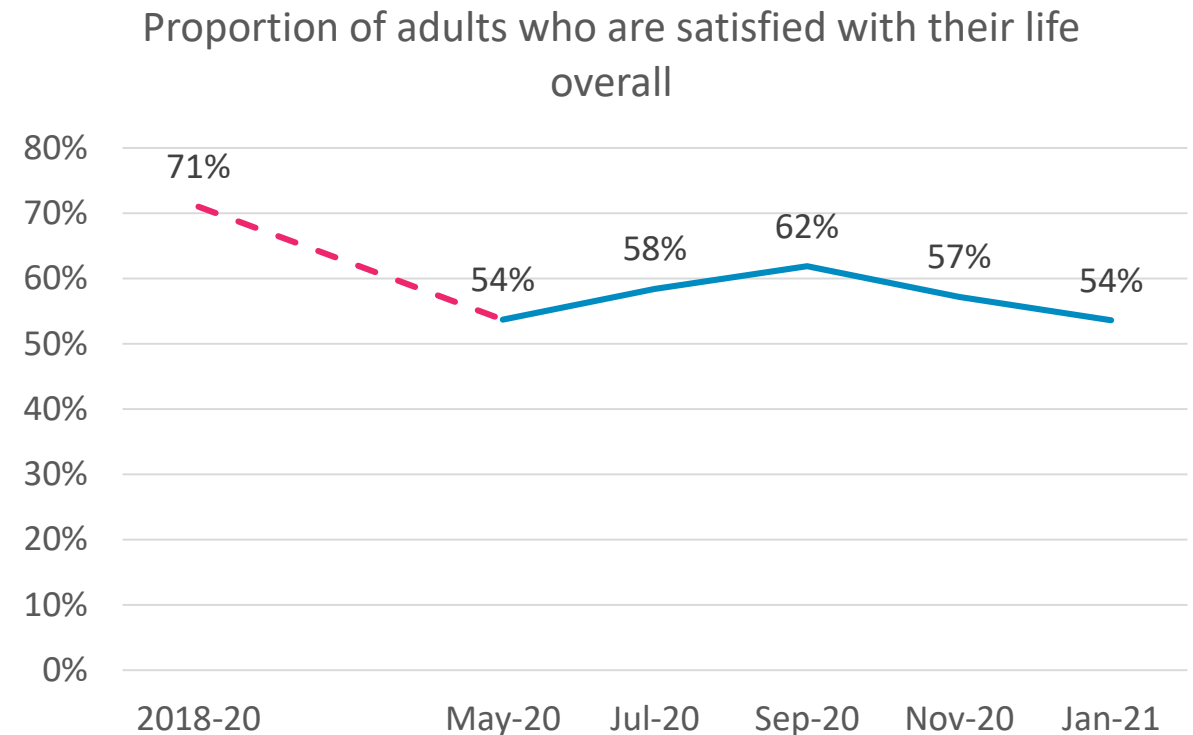


Base: Londoners aged 16+ April-20: 1,813; May-20: 1,475; June-20: 1,341; July-20: 1,349; Sept-20: 1,194; Nov-20: 1,067; Jan-21: 1,087

Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

In January 2021 life satisfaction among Londoners has depressed to the same proportion as at the start of the pandemic in May 2020

- In January 2021, 54 per cent of Londoners aged 16+ reported that they were satisfied with their life overall. It has reached the same low level experienced at the start of the pandemic in May 2020. The pre-pandemic estimate from this survey in 2018-20 was 71 per cent, so remains below.
- Around six in ten (59 per cent) Londoners who are owner-occupiers are satisfied with their life currently compared with around four in ten (44 per cent) Londoners who rent.
- Londoners not living with a partner are less likely than those living with a partner to be satisfied with their life currently (43 per cent and 62 per cent respectively).



Base: Londoners aged 16+ 2018-20: 3,661; May-20: 1,426; July-20: 1,308; Sep-20: 1,138; Nov-20: 1,037; Jan-21: 1,049

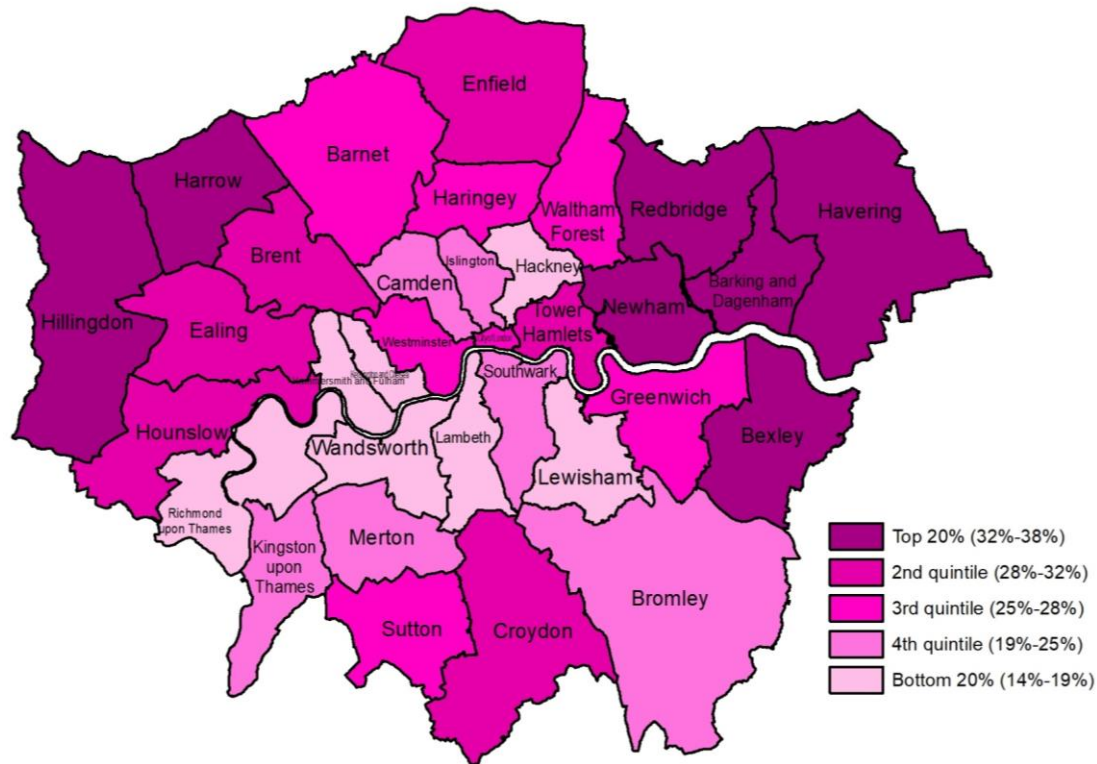
Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

4. Health

- The coronavirus pandemic is a public health crisis, but it has also had a profound effect on the healthcare system in this country.
- The Institute for Fiscal Studies (IFS) has highlighted recently how there has been a [sharp reduction in hospital activity in 2020](#), relative to the same period in 2019, due to changes in the care needs and care-seeking behaviour of patients. London experienced the largest fall in emergency admissions (24.4 per cent), compared with a fall of 15.6 per cent in the South West.
- Meanwhile, the [latest statistics from the Trussell Trust](#), which operates about two thirds of the food banks in the UK, has shown that London saw the largest percentage increase in the recorded change in the number of parcels distributed compared to the previous financial year. London is the only region of the UK where the number of parcels distributed has more than doubled (a 106 per cent increase).
- This section will go onto examine Londoners' physical activity levels during the pandemic, and then present data on one aspect of food insecurity.

Adult Londoners in outer east and west London boroughs are more likely to be physically inactive compared with adult Londoners in inner London

Proportion of adults who are inactive by borough (do less than 30 mins of exercise a week)



- During November 2019 to November 2020 (covering the first eight months of coronavirus restrictions, from mid-March to mid-November 2020), around a quarter (26 per cent) of Londoners aged 16+ were classed as 'inactive' i.e. doing less than 30 minutes a week of moderate intensity equivalent (MIE) physical activity.
- Londoners living in outer London boroughs both east and west are more likely to be inactive (Newham, Barking and Dagenham, Havering, Bexley, Redbridge, Hillingdon and Harrow all have 'inactive' rates between 32-37 per cent).

Base: City of London: 273; Barking and Dagenham: 488; Barnet: 493; Bexley: 495; Brent: 532; Bromley: 488; Camden: 492; Croydon: 486; Ealing: 507; Enfield: 493; Greenwich: 503; Hackney: 533; Hammersmith and Fulham: 497; Haringey: 502; Harrow: 499; Havering: 478; Hillingdon: 490; Hounslow: 503; Islington: 517; Kensington and Chelsea: 503; Kingston upon Thames: 502; Lambeth: 486; Lewisham: 539; Merton: 520; Newham: 508; Redbridge: 523; Richmond upon Thames: 517; Southwark: 528; Sutton: 486; Tower Hamlets: 504; Waltham Forest: 505; Wandsworth: 498; Westminster: 476

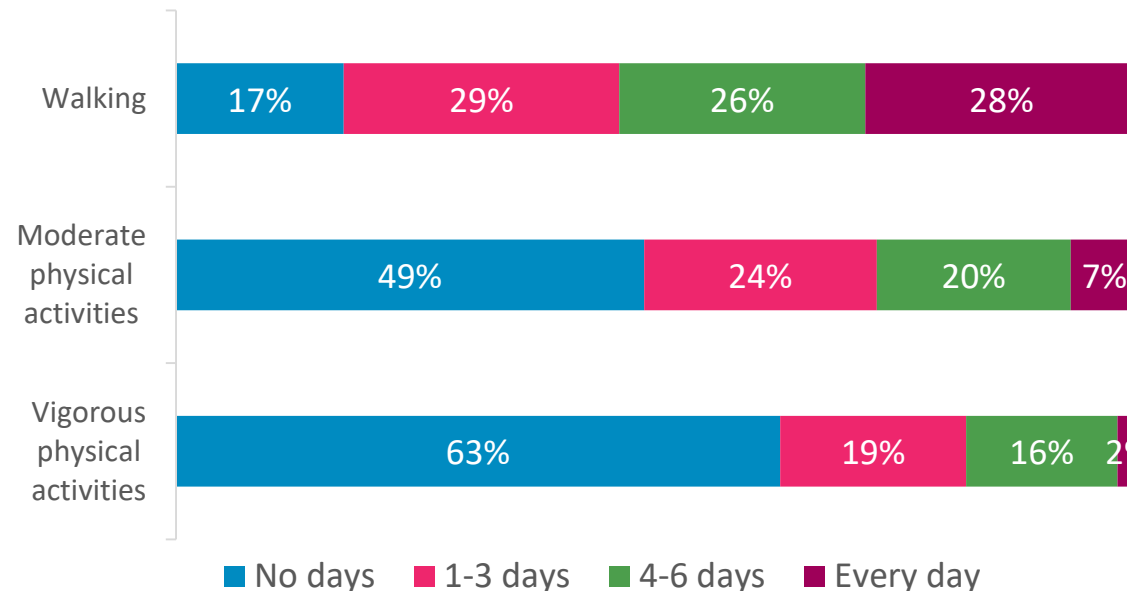
Source: Sport England. (2021). Active Lives Adult Survey November 2019-20.

In January 2021, around a half of Londoners reported not doing any moderate physical activities in the last 7 days

- In January 2021, around three in ten (28 per cent) Londoners aged 16+ reported that, during the last 7 days, they had walked for at least 10 minutes at a time every day. Conversely 17 per cent had reported not walking on any days in the last 7 days.
- White Londoners were more likely to report that, during the last 7 days, they had walked for at least 10 minutes at a time every day compared with BAME Londoners (35 per cent and 16 per cent respectively).
- When asked about moderate physical activities e.g. carrying light loads, bicycling at a regular pace, or doubles tennis, 49 per cent of Londoners aged 16+ reported not having done any in the last 7 days.
- When asked about vigorous physical activities e.g. heavy lifting, digging, aerobics, or fast bicycling, 63 per cent of Londoners aged 16+ reported not having done any in the last 7 days.

Note: These questions were also asked in the September 2020 survey. However, the response options were presented in a different way in that survey compared with the January 2021 survey, so the markedly different results obtained in this wave could be due to this change.

How many days in the last 7 days have done different types of physical activity



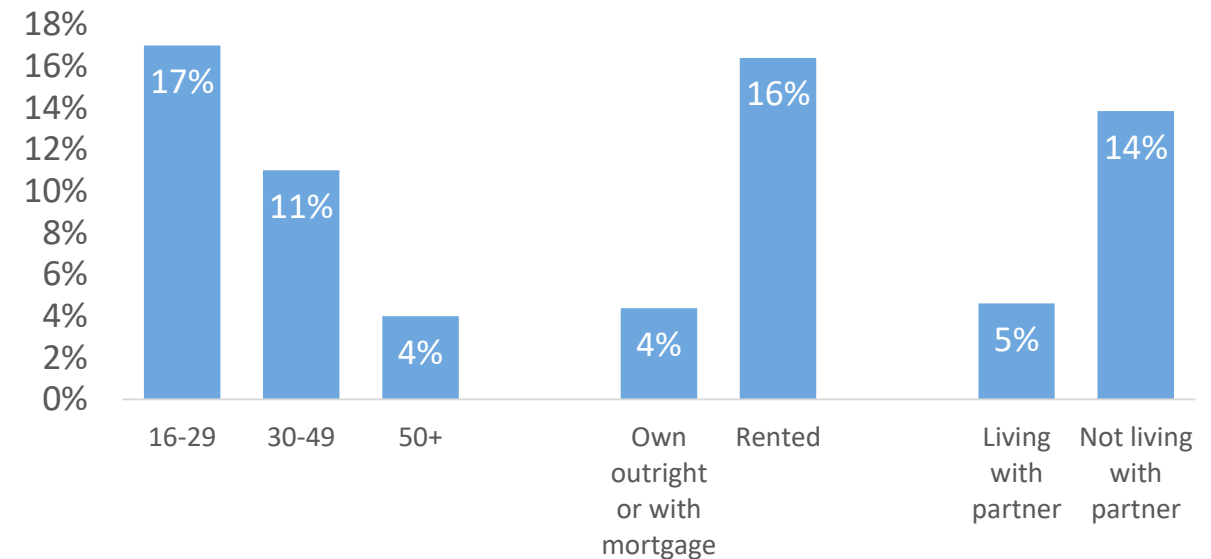
Base: Jan-21 Walking: 1,038; Moderate physical activities: 1,036; Vigorous physical activities: 1,046

Source: University of Essex, Institute for Social and Economic Research. (2020). Understanding Society: COVID-19 Study, 2020.

Younger Londoners, those living in rented accommodation and single Londoners are more likely to report having been hungry in the last week but not eating

- In January 2021, 9 per cent of Londoners aged 16+ said that, in the last week, there were times when they or others in their household were hungry but did not eat.
- Younger Londoners aged 16-29 are more likely to report not eating when hungry (17 per cent) compared with Londoners aged 30-49 (11 per cent) and Londoners aged 50+ (4 per cent).
- Londoners living in rented accommodation are much more likely than Londoners living in accommodation that they own to report this behaviour (16 per cent and 4 per cent respectively).
- Londoners not living with a partner are also more likely (14 per cent) to say they have not eaten when hungry compared with Londoners living with a partner (5 per cent).

Proportion of adults who said that, in the last week, there were times when they or others in their household were hungry but did not eat



Base: Jan-21 16-29: 128; 30-49: 309; 50+: 615; Own outright or with mortgage: 772; Rented: 248; Living with partner: 645; Not living with partner: 407

Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

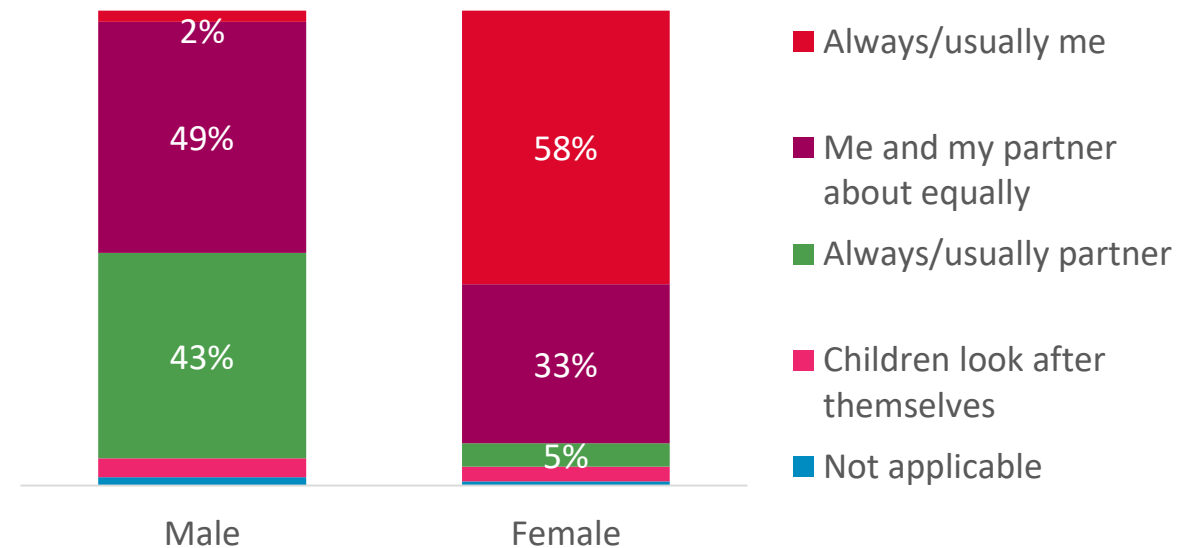
5. Families and community

- The [GLA's Community Response Survey](#) continues to provide a temperature check as to the effect that the pandemic is having on London's civil society and its diverse population.
- An illustration of this effect can be seen in a [recent report by Dads House](#), looking into how it has been affected by the Covid-19 pandemic. Dads House was originally founded to help single fathers raise their children alone but, during the Covid-19 pandemic, it has changed the breadth of their operations substantially and supported families, primarily via its foodbanks, from all over London. They also provide practical and emotional support to families, single parents, and carers.
- The Partnership for Young London has also recently [mapped the impact that Covid-19 has had on young Londoners](#), and the support or changes that they want to see. Housing, employment, and mental health are the most important issues for young Londoners now, with Covid-19 and lockdown having a huge impact on these issues.
- This briefing concludes by looking at the impacts the pandemic is having on Londoners' domestic lives, as well as families' experiences of schooling at this time.

In couples with children, females are much more likely to have the main responsibility for childcare than males

- In January 2021, around six in ten (58 per cent) female Londoners aged 16+ living with a partner with children in the household reported that they always or usually are responsible for looking after the children these days (not their partner). This compares with 2 per cent of male Londoners living with a partner with children in the household.
- There is a disparity in perceptions of equality, with around half (49 per cent) of these male Londoners claiming that the responsibilities are equally shared. This compares with around a third (33 per cent) of these female Londoners citing equal responsibilities.
- Female parents with a child in the household are much more likely to say they have a very close relationship with their children these days (60 per cent) compared with male parents (35 per cent).

Of Londoners living with a partner with children in the household, who is responsible for looking after the children these days



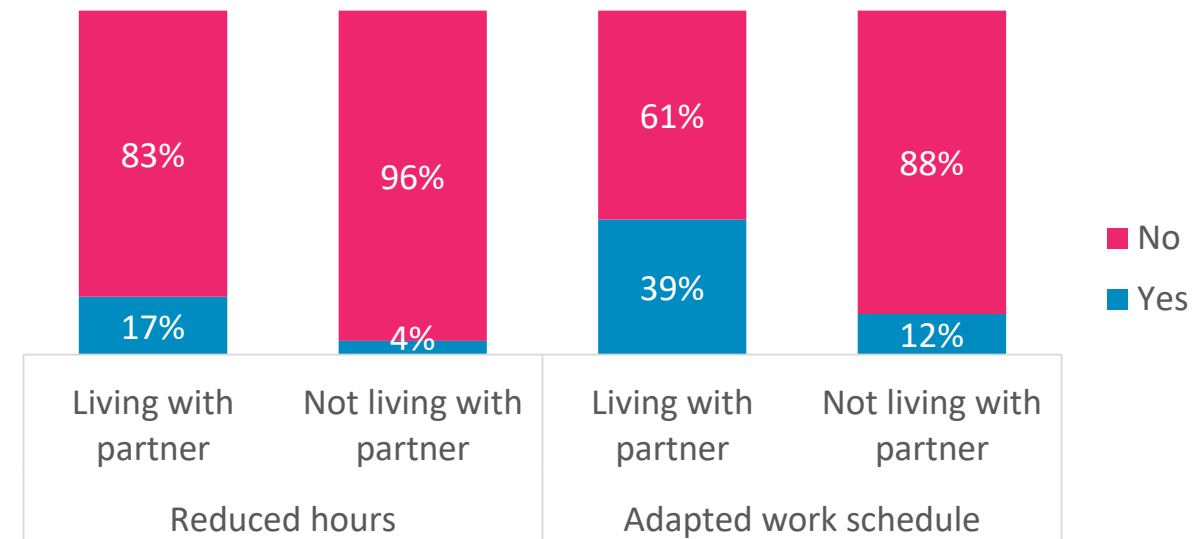
Base: Jan-21 Londoners aged 16+ living with a partner with children in the household Male: 85; Female: 125

Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

Working Londoners with children who live with a partner are more likely to have altered their work patterns because of the time they spend doing childcare or home schooling, compared with those who do not live with a partner

- In January 2021, 13 per cent of working Londoners with children in the household said, in the last 4 weeks, they had reduced the hours they spend in their paid job because of the time they spend doing childcare or home schooling.
- A larger proportion (31 per cent) of this same group of Londoners said they had adapted the work schedule of their paid job because of childcare or home schooling.
- Working Londoners with children living with a partner are more likely to have said they reduced their hours (17 per cent) or adapted their work schedule (39 per cent) compared with working Londoners with children not living with a partner (reduced hours: 4 per cent; adapted work schedule: 12 per cent).

Of working Londoners with children in the household, whether have made alterations to work patterns because of childcare or home schooling



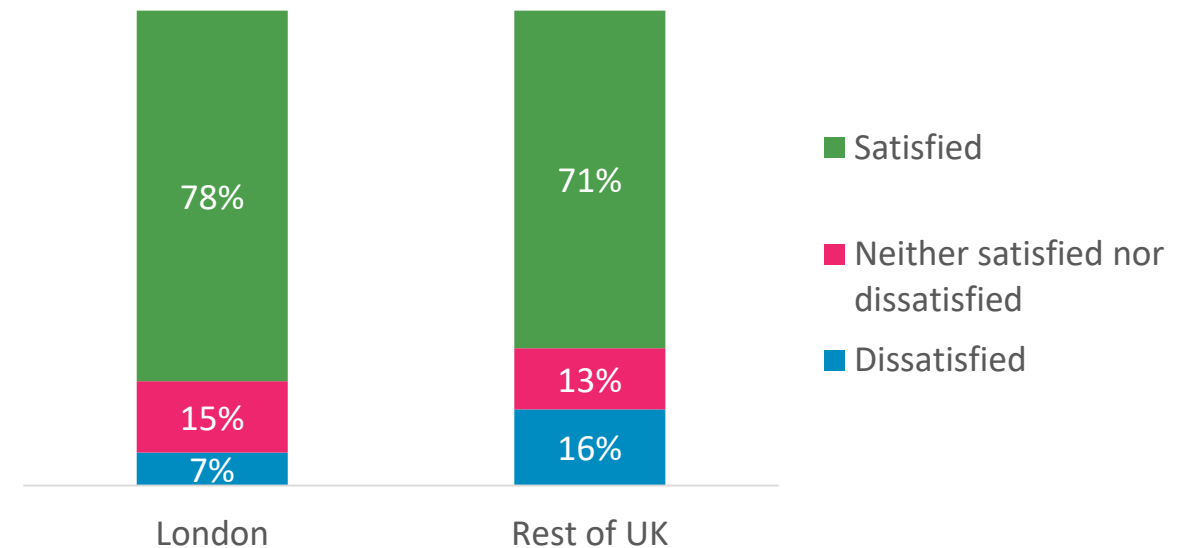
Base: Jan-21 Working Londoners aged 16+ with children in the household Reduced hours: Living with partner: 205; Not living with partner: 52; Adapted work schedule: Living with partner: 204; Not living with partner: 52

Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

In January 2021, the majority of parents in London are satisfied with the quality of academic support offered to their child by their school, but parents of older children are more likely to be dissatisfied compared with parents of younger children

- In January 2021, the majority of parents in London are satisfied with the quality of academic support offered to their child by their school (78 per cent).
- A small proportion of parents in London are dissatisfied with the quality of this academic support (7 per cent). Parents from the rest of the UK are more likely to be dissatisfied (16 per cent).
- In London, parents of children aged 11-17 are more likely to be dissatisfied with this support (9 per cent) compared with parents of children aged 4-10 (3 per cent).

Parents' views of the quality of academic support offered to their child by their school in London and the rest of the UK

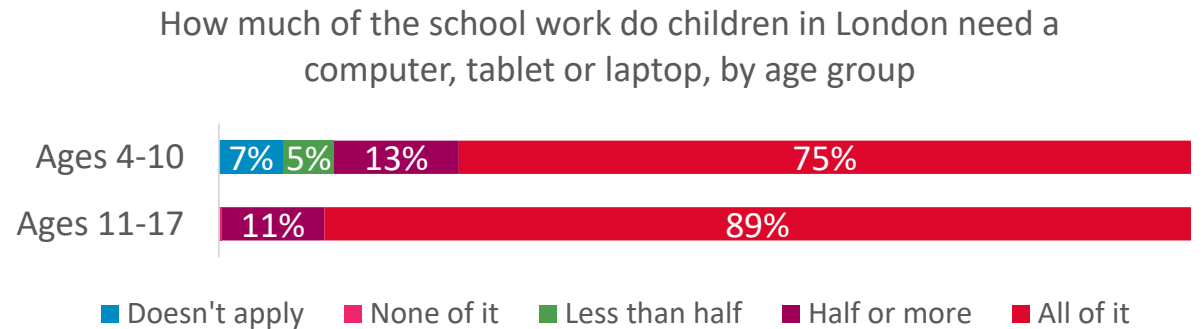


Base: Jan-21 Parents aged 16+ London: 260; Rest of the UK: 2,111

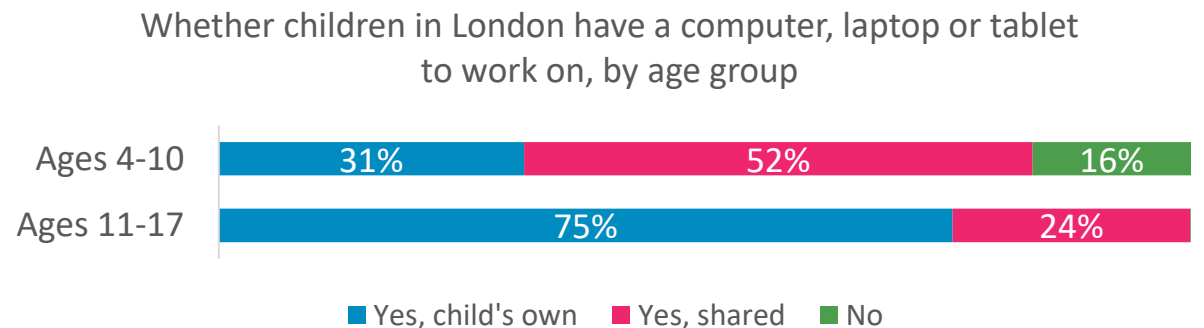
Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

A computer, tablet or laptop is required for most of the school work that older children have to do at home. Though nearly all older children in London have a computer to use, around a quarter are having to share the use of one

- In January 2021, the majority of parents in London reported that their child needed a computer, tablet or laptop for all of their school work at home. Parents of children aged 11-17 are more likely to report this (89 per cent) compared with parents of children aged 4-10 (75 per cent).
- Though nearly all parents of children aged 11-17 said that their child had a computer, tablet or laptop, around a quarter said that this was a shared laptop (24 per cent).
- 16 per cent of parents of children aged 4-10 reported that their child did not have a computer, tablet or laptop.



Base: Jan-21 Parents aged 16+ of children aged 4-10 in London: 95; Aged 11-17: 166



Base: Jan-21 Parents aged 16+ of children aged 4-10 in London: 95; Aged 11-17: 166

Source: University of Essex, Institute for Social and Economic Research. (2021). Understanding Society: COVID-19 Study, 2020.

6. Contact details

If you would like to know more about any of the findings or datasets featured, or would like to suggest a topic for inclusion in a future briefing, please email SocialEvidence@London.gov.uk

ANNEX – Universal Credit conditionality regime

Conditionality means the work-related things an eligible adult will have to do in order to get full entitlement to Universal Credit. Each eligible adult will fall into one of six conditionality regimes based on their capability and circumstances.

The six levels of conditionality under Universal Credit are shown below. Different members of a household can be subject to the same or different requirements. As circumstances change claimants will also transition between different levels of conditionality.

Conditionality Regime	Description
Searching for work	Not working, or with very low earnings. Claimant is required to take action to secure work - or more / better paid work. The Work Coach supports them to plan their work search and preparation activity.
Working - with requirements	In work but could earn more, or not working but has a partner with low earnings.
No work requirements	Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.
Working - no requirements	Individual or household earnings over the level at which conditionality applies. Required to inform DWP of changes of circumstances, particularly if at risk of decreasing earnings or losing job.
Planning for work	Expected to work in the future. Lone parent / lead carer of child aged 1 ^(a) . Claimant required to attend periodic interviews to plan for their return to work.
Preparing for work	Expected to start preparing for future even with limited capability for work at the present time or a child aged 2 ^(b) , the claimant is expected to take reasonable steps to prepare for work including Work Focused Interview.

^(a) Aged 1 - 2, prior to April 2017. ^(b) Aged 3 - 4, prior to April 2017.