

Cost of Living Crisis



A frontline
perspective

Citizens Advice Southwark – a brief summary

Total number of clients helped last year - 20,000

Total number of new issues advised on - 45,000

- 3 Main offices
- Multi channel access
- Committed to partnership working
- Supported by Citizens Advice



Some trends in debt

- Debt issues up (from 9.5% in Q3 21/22 to 13% in Q2 22/23 of all CAS enquiries)
- Fuel debts up (from 17% to 22% of all CAS debt issues)
- Council tax arrears increasing
- Rent arrears for council tenants increasing
- Fuel issues i.e. gas, electricity up (from 2% to 13% of all CAS enquiries)

Some trends in housing

- Housing related problems showing a steady increase (currently 19% of all CAS enquiries)
- Homelessness issues up (from 10% to 21% of all CAS housing issues)
- Problems with Council housing – 23% of all housing issues
- Problems in Private rented sector – 22% of all housing issues
- Disrepair the most common problem with both sectors
- Rising interest rates will push up rents and mortgage repayments

Some trends in benefits

- Benefit enquiries as a whole back to 2019/20 levels of 34% of all enquiries (having peaked at 42% in 2021/21)
- But, disability benefit issues remain very high – PIP at over 450 enquiries per month, and AA increasing from 61 enquiries in April to 106 enquiries in August
- Council tax reduction enquiries increasing again
- Pension Credit enquiries increasing

Negative budgets

Definition: *a negative budget is where a debt adviser assesses that a client cannot meet their living costs*

- In June 2022, 42% of debt clients had a negative budget (up from 38% in February 2020, and 32% in 2016).
- In June 2022 30% of people with a negative budget are within £20 a week of leaving a negative budget (down from 35% in June 2021, and 38% in February 2020).
- 46% of people who don't have a negative budget are within £20 a week of falling into one

Who is the cost of living crisis affecting?

- Our recent experience is that even people who are financially fairly stable and in full time work are struggling with the energy bills and are at risk of / or in fuel poverty.
- [Citizens Advice research shows that over a quarter of people with negative budgets are in full time work.](#)
- However, it is vulnerable people who will be disproportionately affected.

Some profile information

- Spike in number of clients with long term health conditions
 - up from 25% to 40% in July and August 2022
- Little change in ethnicity data in recent months
 - Around 45% of clients identify as Black:
 - Black or Black British – African = 30%;
 - Black or Black British – Caribbean = 10%;
 - Black or Black British – Other = 5%
 - Around 35% of clients identify as White:
 - White – British = 22%;
 - White – Irish = 1%;
 - White – Other = 12%)

Refugees, Asylum Seekers, Migrants

For clients who presented to us with immigration related problems over the past 2 years, we have identified an increase in related problems areas:

- 23% increase in benefit problems, including a 40% increase in housing benefit problems; and a 51% increase in problems relating to PIP.
- 38% increase in debt problems, including a 31% increase in problems relating to rent arrears; a 57% increase in problems relating to CT arrears; and a 50% increase in problems relating to fuel debts.
- A 23% increase in housing problems
- A 160% increase in problems relating to gas and electricity

Thank you

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Cost of Living Crisis

Public Health Division

October 2022

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Most people who received the first Cost of Living payment spent it on food and within weeks of receiving it

HOW WILL THIS AFFECT HEALTH AND WELLBEING?

The rising costs of food and fuel will have direct impacts on health and wellbeing, with those who already experience problems meeting these costs most affected.

Food insecurity and access to nutrition

- With increasing food costs, it will become increasingly difficult for those on lower incomes to afford to eat a healthy diet.
- The rising cost of food has led to an increase in people reporting that they are cutting back on meals or missing food altogether.
- GLA research in September showed that those who reported financially struggling were twice as likely to report buying less food and essentials to manage costs (70% vs 35%).
- A Trussell Trust survey in August of almost 2,000 Universal Credit recipients showed:
 - More than a third (38%) had gone a whole day without food or just one meal because they couldn't afford to buy enough food
 - One in five (21%) were unable to cook hot food as they couldn't afford to use appliances

Debt, financial stress and mental wellbeing

- More than a third (34%) of those on UC who have fallen into debt in the three months to August because they couldn't afford to keep up with essential bills
- Debt problems can lead to poor mental and physical health, and stress around finances can make managing debt more difficult.

Increasing costs of food and fuel will affect spending in other areas, and cutting back will impact health

HOW WILL THIS AFFECT HEALTH AND WELLBEING?

Beyond immediate impacts on food and fuel costs, the need to spend more on these will affect wider budgeting. Increased pressure on budgets can cause stress and impact mental wellbeing.

Fuel poverty

- 15% of Southwark respondents to the 2019 Survey for Londoners reported they could not keep their homes warm enough.
- Cold homes can affect or exacerbate a range of health problems including respiratory problems, circulatory problems and increased risk of poor mental health.
- The Institute for Health Equity have reported that 10% of excess winter deaths are directly related to fuel poverty in England, and 22% are related to cold homes.

Transport poverty

- Costs of fuel rising more sharply than Transport for London prices, so will affect residents differently.
- Reduced access to transport can affect access to employment, education, healthcare, shops including essentials, with both immediate and longer term impacts on health and wellbeing.

Housing instability

- Housing affordability is frequently cited as an issue for people experiencing mental ill health.
- Whilst those who live in social rented housing will not see an increase in rent, rising costs on food and fuel may lead to rent arrears.
- Crisis estimated in February 2022 that homeless in England could increase by a third to 66,000 people as a result of the increasing cost of living and the end of COVID-19 eviction bans

The rising cost of essential goods is expected to affect low-income households disproportionately

HOW WILL THIS AFFECT SOUTHWARK RESIDENTS?

Whilst everyone will experience rising costs of essential goods which are difficult to cut back on, low-income households have less flexibility in their personal finances to absorb the extra costs.

People on low-incomes, especially those who do not receive Universal Credit

- Low-income households spend higher proportion of total spend on food, housing and energy – areas which have seen highest inflation, and more limited space to cut back on essentials (40% for lowest income group; 4% of Southwark households)
- There is targeted assistance, but those on low incomes not receiving Universal Credit will be most affected
- Across London, people earning less than £20,000 are more likely to report financially struggling in June 2022 (29% vs 17% total).

Faraday, Old Kent Road and Peckham

- Highest % of residents in lowest three income decile groups, and highest % receiving Universal Credit.
- Amongst top 7 highest wards for fuel poverty (13-14% of households).

Camberwell Green, Nunhead and Queens Road

- In 2020, fuel poverty was highest in these wards, at 15% of households, with some communities at 16-20%.

People with disabilities

- In 2019, people with a disability in Southwark were more likely to be in fuel poverty (26% vs 15% total)
- Across London, people who are deaf or disabled are more likely to report financially struggling/ just about managing in September 2022 (63% vs 53% total).

Range of national and local measures in place to help residents with cost of living, including targeted support

WHAT IS CURRENTLY IN PLACE TO MITIGATE THESE IMPACTS?

Measures put in place to mitigate these impacts are mostly targeted at low-income households, pensioners and people receiving disability benefits.

National measures	Local measures
Universal £400 refund on energy bills	£150 Council Tax rebate to households in council tax bands A-D
£650 payment to households on means-tested benefits	Southwark Council Cost of Living Fund (SCCOLF) has provided additional one-off payments to households receiving Council Tax Reduction or Housing Benefit, families with children getting free school meals at Southwark schools and families with a child transferring to secondary school and eligible for a School Uniform Grant
£300 top up to Winter Fuel Payment to pensioners	
£150 payment to people receiving disability benefits	

- The new Energy Price Guarantee will mean the average flat will spend £700 and average house £1,150 less than what they would have had to spend before the introduction of the EPG. This will still be a 96% increase on fuel bills last year. **The average household will have a 64% increase after the £400 energy rebate is applied.**
- The new measures mean there is a limit to how much households can be charged for daily standing charge to have access and for each unit of gas and electricity used, so the average household will pay £2,500 a year but individual household bills could be higher or lower.

Collaborative work across council teams and local partners will support residents with food, fuel and housing increases

ADDITIONAL SUPPORT ACROSS COUNCIL TEAMS

In addition to the financial support provided through the Southwark Council Cost of Living Fund, teams across the council are working to provide additional support to residents who are impacted by the rising cost of living. A summary of immediate term work is provided below, but doesn't include longer term work which will address root causes such as new build programmes, creating new local jobs.

Food insecurity

- Universal healthy free school meals for all primary school children and Holiday Activity and Food Programme
- Continued work in place to make Southwark a right to food borough.
- Collaborative work in Walworth and the Kingswood Estate to strengthen ties between food organisations at a local level, with plans to develop a similar model in Bermondsey and Rotherhithe (SE16).

Helping residents to find support

- 'Worrying about money' leaflet and app – easy to use guide to help residents find the right advice and support in Southwark, including support to maximize their income and access debt advice.
- Guide and information webinars have been delivered to over 500 partners and colleagues from across the council, local NHS, VCS, faith organisations, TRAs and schools.

Warmer homes

- GLA Warmer Homes Fund and Warm Home Advisory Service was advertised by direct mail to more than 500 households identified to be in low income and energy inefficient homes and eligible for the services.

Health and Wellbeing Board partners are well placed to identify those who need financial support from SCCOLF

COMMUNITY REFERRAL PATHWAY

A Community Referral Pathway has been established to allow the Council's community partners to refer low-income households into the Southwark Council Cost of Living Fund (SCCOLF).

Who can be referred?

- The Fund is targeted at low-income households in Southwark who pay energy bills for their home, including households on low incomes not eligible for claiming means-tested benefits
- The Community Referral Pathway will provide partners with guidance about which households are eligible for the fund
- There is no formal means-test and partners are asked to exercise reasonable discretion before making a referral

Who can become a community referral partner?

- Over 70 VCS organisations and 3 primary schools will be on-boarded by the end of the month, with more organisations and schools expressing interest
- Exchequer Services are working with colleagues in Children and Adults Services to engage with staff who work with residents
- Health and Wellbeing Board partners are well-placed to identify those in Southwark who need support who are not known to the council

How do residents receive support?

- When a community partner makes a referral, the household referred will receive a one-off payment in the form of a Post Office Payout voucher, sent by email or first class post
- These can be redeemed for cash at any Post Office
- Payments from SCCOLF are disregarded as income so will not affect recipients other benefit payments

Health and Wellbeing Board partners can support their staff through the crisis through signposting resources and help

WHAT CAN HWBB PARTNERS DO TO SUPPORT STAFF?

Health and Wellbeing Board partners can support staff during the cost of living crisis through:

1. Share the Cost of Living Guide with staff/ managers (included as Appendix 5)
2. Signpost staff to support available for professionals
 - Social Workers Benevolent Trust – financial help to social workers and their dependents in times of hardship
 - Healthcare Workers Foundation – grants of up to £1,000 to cover a specific cost for an item or service someone cannot meet due to financial difficulty
 - Teaching Staff Trust – financial support to people working (or who have retired from working) in education of under 19 year olds for five years or more
3. Refer staff to Southwark Council Cost of Living Fund via Community Referral Pathway
 - Where health and care partners are referring their lower-paid or part-time staff who may be reliant on means-tested benefits, they may do so confident that payments from the Cost of Living Fund are disregarded as income and will not affect the recipient's other benefit payments

Recommendations for Health and Wellbeing Board partners will help all residents experiencing cost of living pressures

WHAT CAN HWBB PARTNERS DO TO SUPPORT RESIDENTS?

Recommendations to Health and Wellbeing Board:

1. The Southwark Health and Wellbeing Board note the findings of the cost of living profile
2. The Board advocates for the South East London Integrated Care Strategy to include proposals that can alleviate the cost of living crisis and impact on health and wellbeing.
3. The Board agrees the following actions in response to the cost of living crisis:
 - Strategies and plans developed by Health and Wellbeing Board partners include how they will contribute to alleviating the impact of the cost of living crisis
 - A Protected Learning Time Event is delivered to GPs, to raise awareness of local sources of support for residents struggling with the impact of the cost of living crisis
 - Information about the local support offer is disseminated through Community Health Ambassadors and Social Prescribers
 - Training is delivered to health and social care practitioners who may visit people's homes, to ensure they are aware of the health risks of a cold home and how to identify at-risk people
 - Further sessions on practical measures to help alleviate cost of living pressures are delivered to staff groups / organisations who have not yet been engaged
4. The Board notes the Community Referral Pathway and identifies any organisations to become referring partners.

Cost of Living Profile

This is a live document and reflects intelligence available as of September 2022.

Who will be most affected by cost of living crisis?

People on low-incomes, especially those who do not receive Universal Credit

- Low-income households spend higher proportion of total spend on food, housing and energy – areas which have seen highest inflation, and more limited space to cut back on essentials (40% for lowest income group; 4% of Southwark households)
- There is targeted assistance, but those on low incomes not receiving Universal Credit will be most affected
- Across London, people earning less than £20,000 are more likely to report financially struggling in September 2022 (36% vs 20% total).

Faraday, Old Kent Road and Peckham

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How will this affect health and wellbeing?



Food security and nutrition

- Increasing food costs and increased demand for lower priced food ranges makes shopping on a limited budget harder → low income households most affected
- More difficult to maintain a healthy, nutritious diet due to healthy food costs and costs of food preparation
- Increase in households cutting back on food or missing meals



Fuel poverty

- Cold homes can affect respiratory or circulatory problems, and increase risk of poor mental health
- Over half (55%) of respondents to April 2022 poll felt their health had been negatively affected by rising costs; 84% as a result of rising heating costs



Mental wellbeing and financial stress

- In September, half (48%) of Londoners were very worried about increasing living costs, and additional third (35%) fairly worried
- Financial stress can lead to poor mental health and wellbeing
- Debt problems can lead to poor mental and physical health, and stress around finances can make managing debt more difficult



Housing instability

- Housing affordability is often an issue for people experiencing mental ill health
- Average private rent for new tenancies increased by 14% to July



Transport poverty

- Rising cost of petrol will affect those who rely on car travel for work and can't use active travel/ public transport/ car share

Find out more at
southwark.gov.uk/publichealth

Southwark Public Health Division

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