

Cost-of-living crisis Report

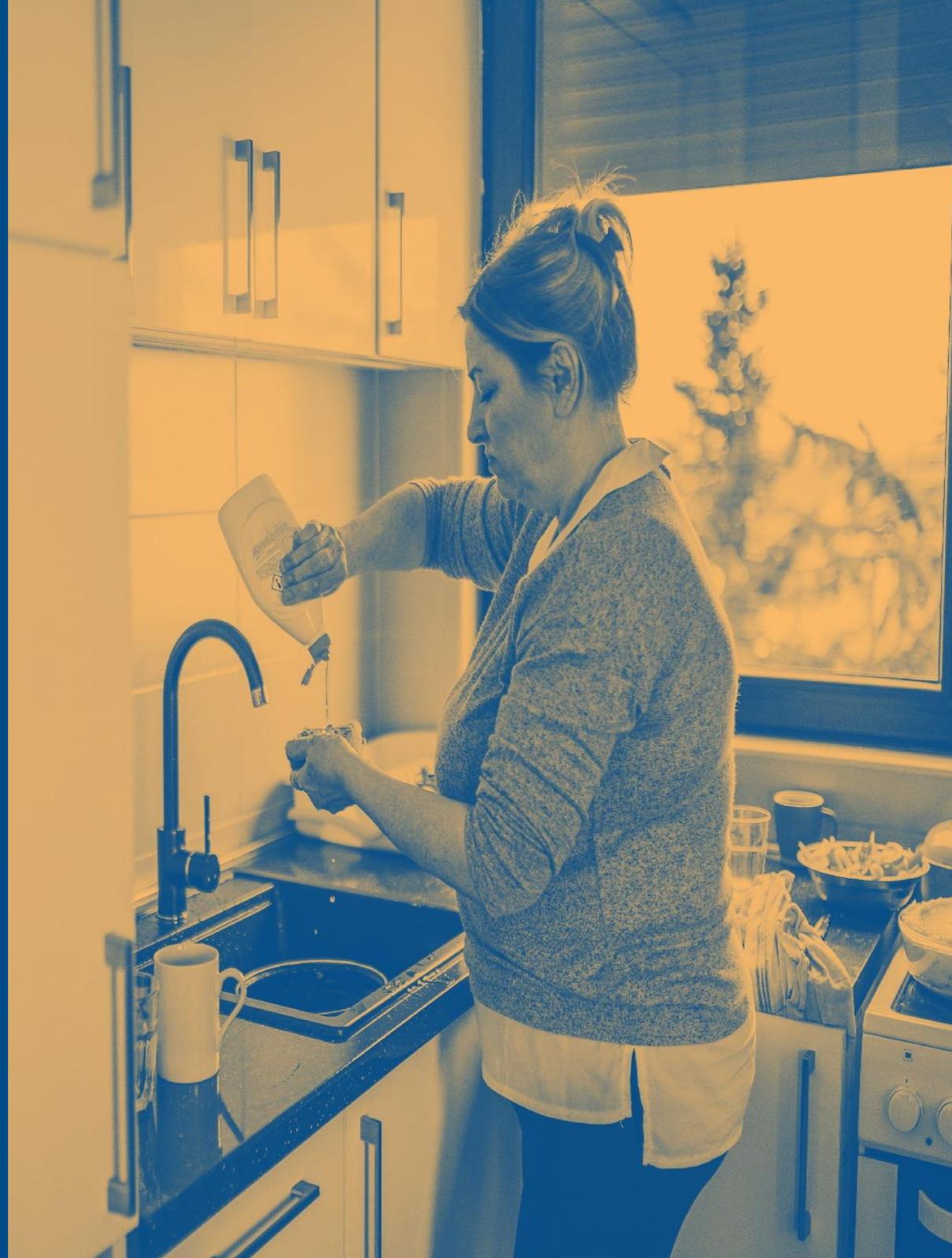
**citizens
advice**

Stevenage



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Executive summary

During this cost-of-living crisis, Citizens Advice Stevenage has seen more people coming to us than ever before for help with crisis support, energy problems and not having enough money to make ends meet.

The cost-of-living crisis has hit hardest during winter with an extra one million households with children plunged into fuel poverty. More than 2.2 million households with children have been struggling to pay their electricity and gas bills when the energy price cap increased in April 2022. This is a 74% rise from 2019 when around 1.2 million children were living in fuel poverty.

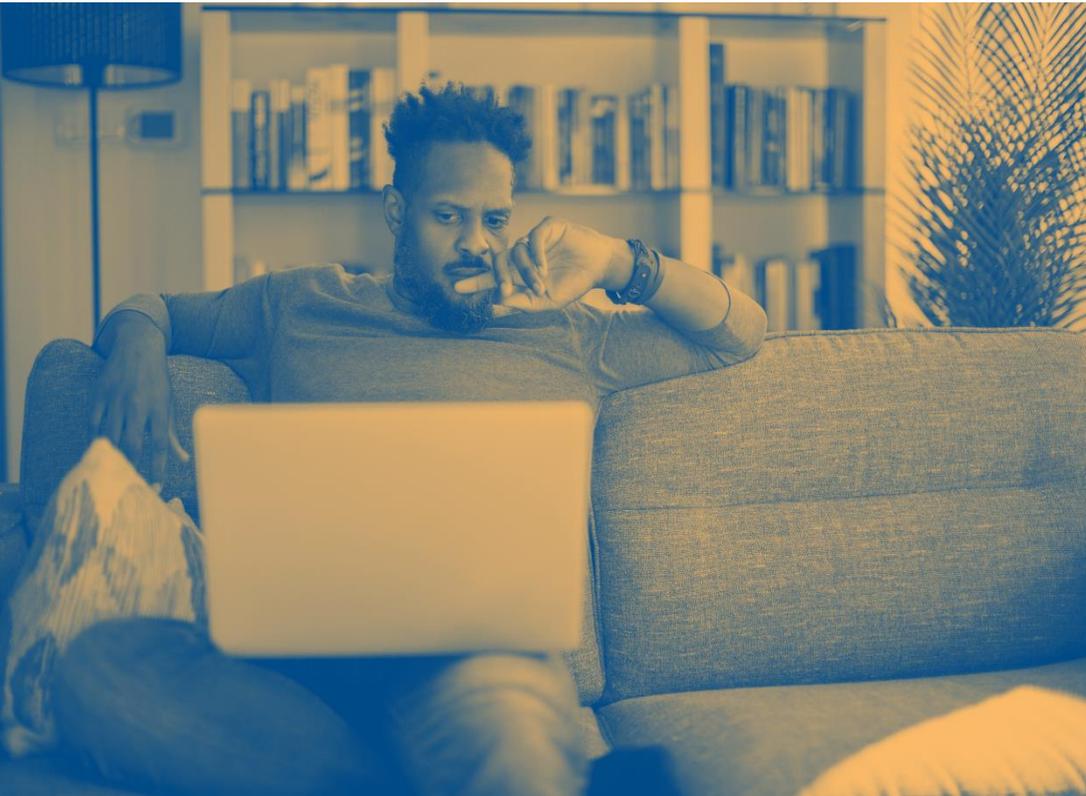
As prices rise, people make more and more difficult decisions about what to cut back on and where they need to rely on community support, because they don't have enough to live on. Our data shows that people get their Universal Credit reduced by more than £100 which means they cannot pay their priority bills such as rent, Council Tax and energy costs. This will make households suffer more especially in areas that Universal Credit does not cover, for instance, rises in rent, utilities bills, etc. The graphs we have produced, show people coming to us as they struggle to cope, people who need to rely on food banks, people who need advice on their energy bills and people who just cannot afford to use energy at all. We are particularly worried about certain groups, either because they are not eligible for support (people with no recourse to public funds (NRPF) attached to their visa, for example), because their energy costs are higher (such as disabled people and people on prepayment meters) or because they are in a negative budget (when their essential monthly outgoings exceed their income). Using our data insights charts, we can also show you how different groups are impacted.

The number of people we have helped with crisis support has already exceeded the rate for 2021, 2020 and 2019 - and we are currently helping 2 people every minute with crisis support. By July 2022, we have helped with more homelessness related issues than we did by August 2021, and we look set to help significantly more people than 2021. We also helped more people in July 2022 with energy issues compared to any other year on record. If this trend continues, by next month we will have helped more people with energy issues than the previous 2 years combined.

Citizens Advice Stevenage is worried that the number of people in the town who are unable to afford their energy bills will soar from 15% to 26% following the price cap hike. This means that there would be more weight on Citizens Advice and the local authority to find solutions and offer more help to those who need it.

Introduction

Britain is facing its biggest cost-of-living crisis in decades. Citizens Advice Stevenage has seen more people coming to us than ever before for help with crisis support, energy problems and not having enough money to make ends meet.



The 'cost-of-living crisis' term, refers to the level of prices relating to a range of everyday items. In a nutshell, it is the amount needed to cover basic expenses such as housing, food, taxes, healthcare, and in general, the basic expenses that cover a person's needs. It also refers to the fall in 'real' disposable incomes that is adjusted for inflation and after taxes and benefits, which the UK has experienced since late 2021. It is being caused predominantly by a combination of high inflation outstripping wage, benefit increases, and has been further exacerbated by recent tax increases, which led to the reduction in incomes for many households. This has had a negative impact upon people's daily lives, their spending, future plans, etc¹.

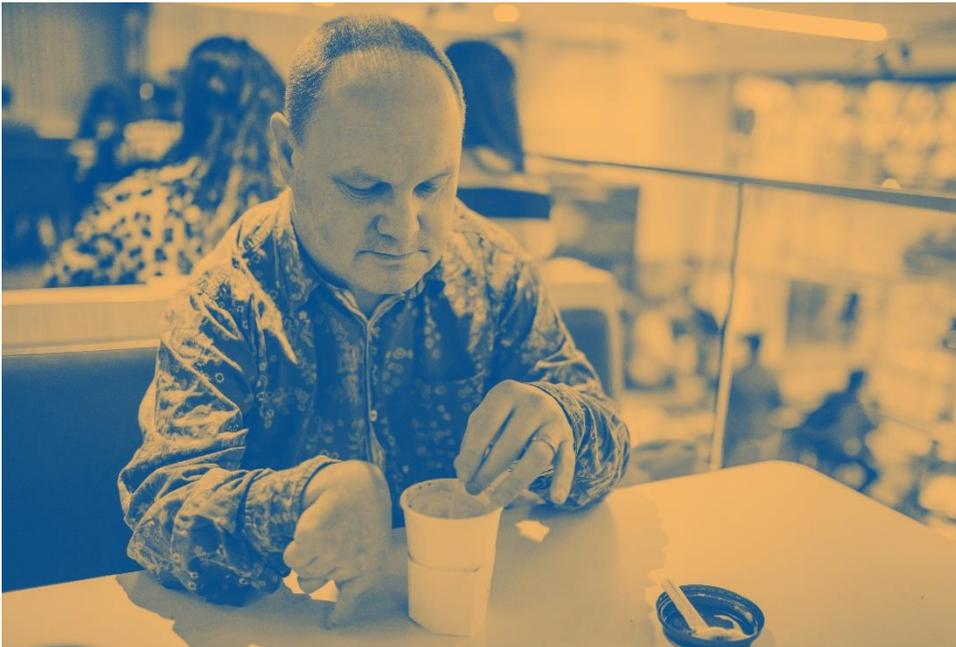
This report will look at how this increase in inflation and the rise in energy prices will affect people – the majority of people across the UK, and especially people in Stevenage. In addition, while this affects almost everyone in England, there are still facets and extents to which the increases in general costs can have a huge effect on families and individuals on low income, benefits, or those with specific needs, where many people with less income are forced into debts and poverty without access to any sources of food as a result of increasing prices².

¹ <https://inews.co.uk/news/cost-of-living-increase-spring-2022-crisis-children-fuel-poverty-1395977>

² <https://www.instituteforgovernment.org.uk/explainers/cost-living-crisis>

The damaging effects are already here and expected to aggravate. The cost-of-living crisis is set to bite hardest during winter with an extra one million households with children plunged into fuel poverty. More than 2.2 million households with children have been struggling to pay their electricity and gas bills when the energy price cap increased in April. This is a 74% rise from 2019 when around 1.2 million children were living in fuel poverty, while in terms of food poverty, it is emphasized that there is a more rapid increase in price for cheaper food that poorer families rely on so it will be even more difficult for them to survive through this crisis^{3 4} .

This report will look at the pattern of development for the cost-of-living crisis, its predictions and effects for the rest of 2022 and 2023. Also, the report will show how this crisis will impact vulnerable families in the areas of Stevenage, and finally how Citizens Advice Stevenage can help and support people in our community and share some suggestions for action.



More than 2.2 million households with children have been struggling to pay their electricity and gas bills when the energy price cap increased again in April. This is a 74% rise from 2019.

³ <https://inews.co.uk/news/cost-of-living-increase-spring-2022-crisis-children-fuel-poverty-1395977>

⁴ <https://www.instituteforgovernment.org.uk/explainers/cost-living-crisis>



The National Picture

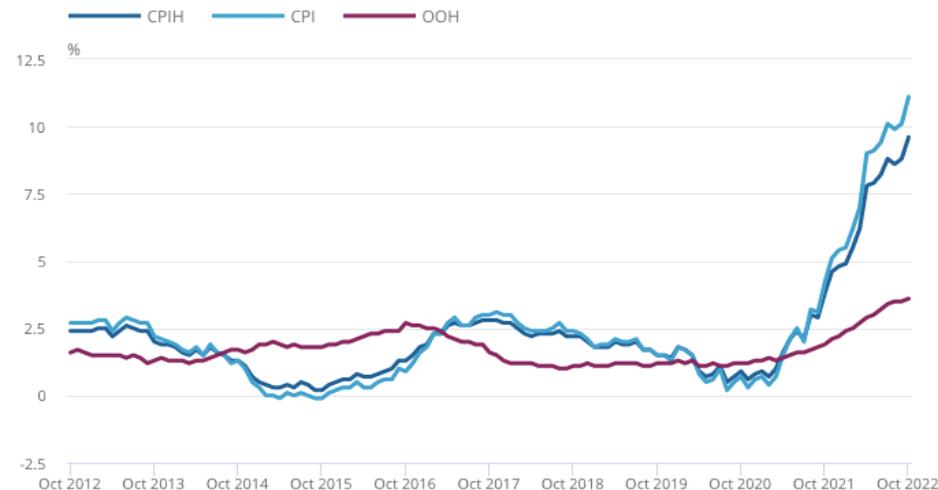
Households across the UK will suffer more, especially those low-income households who will have to spend a larger proportion than average on fuel, energy and food.

The cost-of-living crisis in the UK

The cost-of-living has been increasing across the UK since early 2021. The Consumer Prices Index (CPI) rose by 10.1% in the 12 months to September 2022, up from 9.9% in August, returning to July's recent high which was the highest annual CPI inflation rate in the National Statistic series, which began in January 1997. The CPI monthly rate was 0.5% in September 2022, compared with 0.3% in September 2021⁵. As we can see, the trend is going upward and households across the UK will suffer more, especially those low-income households who will have to spend a larger proportion than average on fuel, energy and food prices. The Resolution Foundation estimates that an extra 1.3 million people will fall into absolute poverty in 2023, including 500,000 children⁶.

CPIH, OOH component and CPI annual inflation rates for the last 10 years⁵

UK, October 2012 to October 2022



⁵ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2022#:~:text=The%20CPIH%20goods%20annual%20inflation,%2C%20from%205.1%25%20in%20August.>

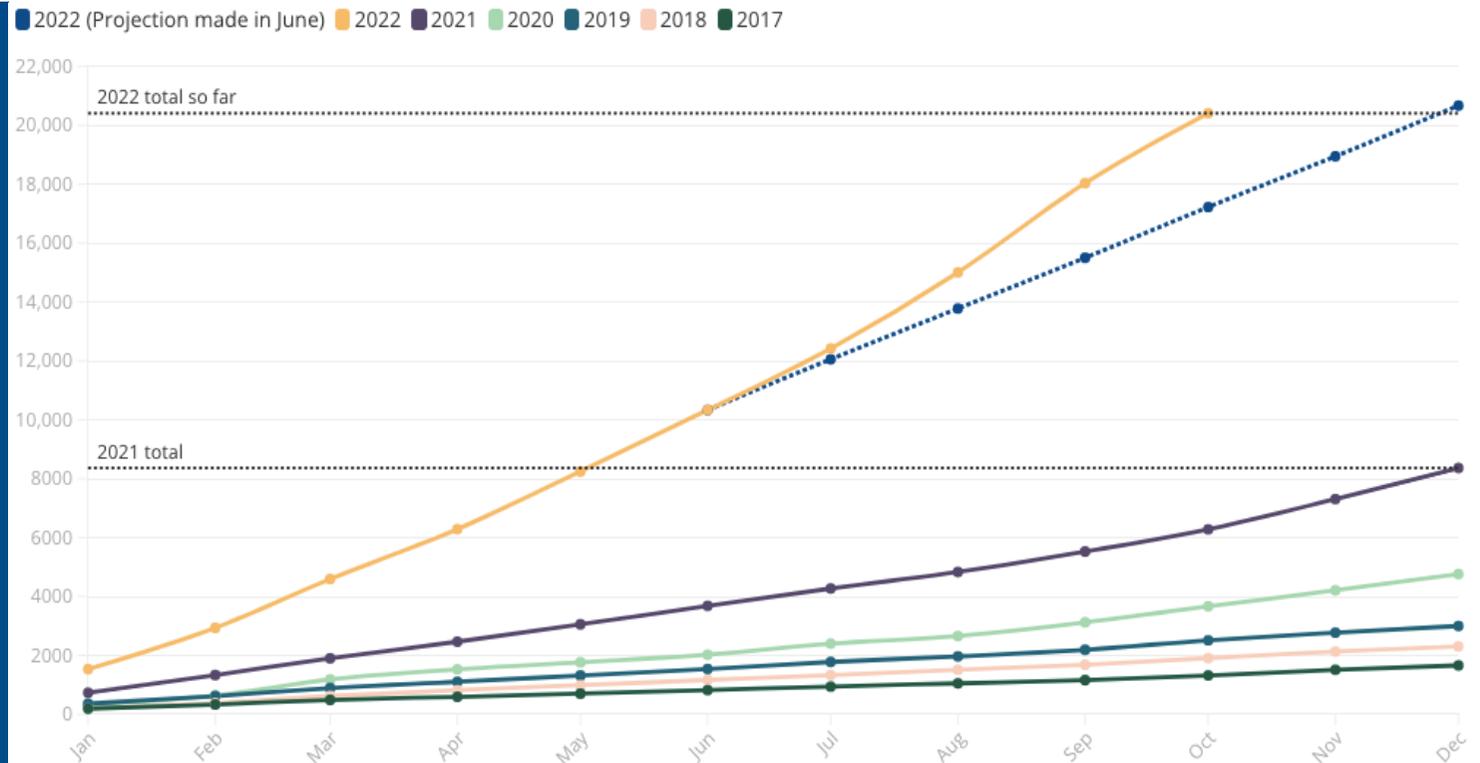
⁶ <https://researchbriefings.files.parliament.uk/documents/CBP-9428/CBP-9428.pdf>

Key cost-of-living trends from National Citizens Advice data

As prices rise, people make more and more difficult decisions about what to cut back on and where they need to rely on community support, because they don't have enough to live on. The following graphs show people coming to us as they struggle to cope, people who need to rely on food banks, people who need advice on their energy bills and people who just cannot afford to use energy at all. This is a central test for government policy over the coming months: can it turn these trends around?

Cumulative number of people we've seen who've been unable to top up their prepayment meters each year nationally⁷

By the end of October 2022, we have already seen more people this year unable to afford to top up their prepayment meter than within the previous 5 years combined.



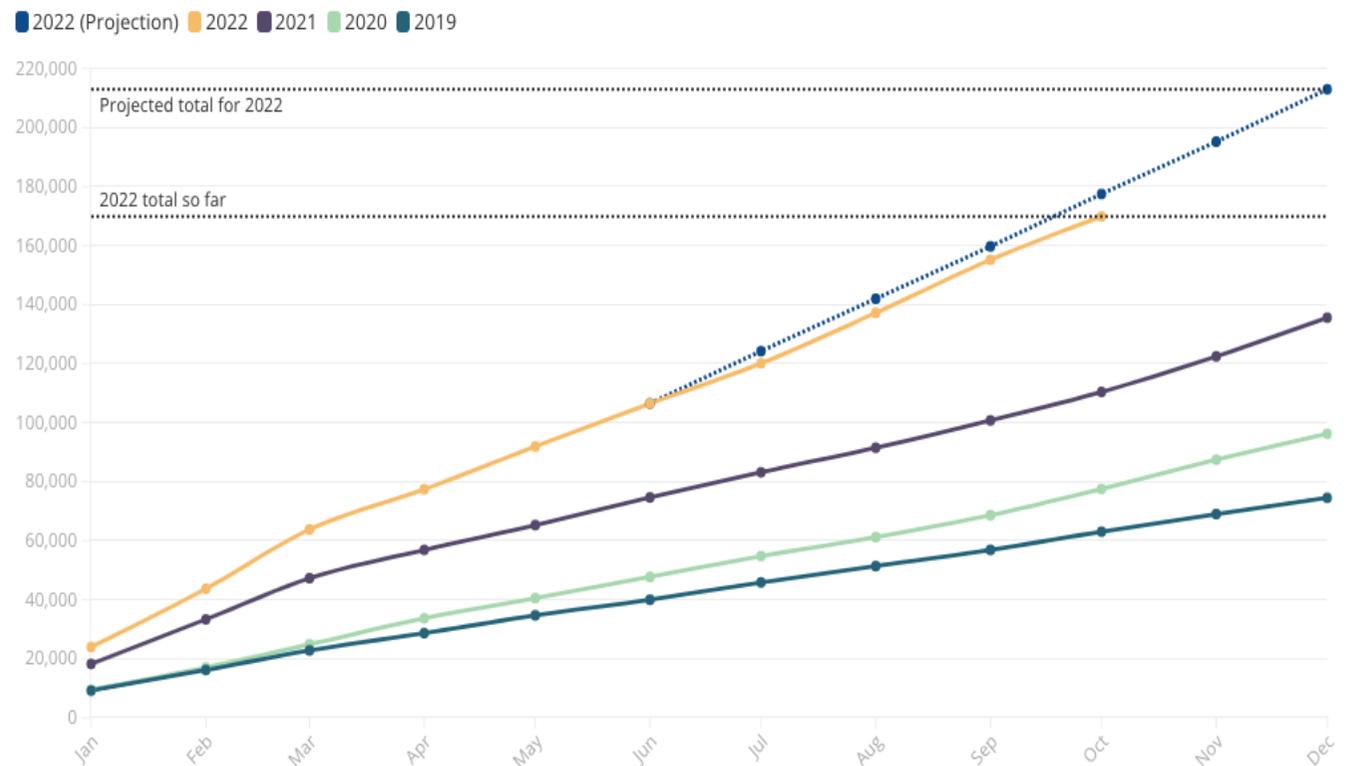
⁷ Citizens Advice cost of living data dashboard: https://public.flourish.studio/story/1634399/?mc_cid=817c4e8035&mc_eid=118da47e5d

Citizens Advice predict we will help over 210,000 people with crisis support during 2022. The graph opposite shows the dramatic increase in support since 2019 when we helped almost 75,000 in crisis.

Crisis support

The number of people we've helped with crisis support has already exceeded the rate for 2021, 2020 and 2019 - and we're currently helping 2 people every minute with crisis support⁸.

Cumulative number of people we've helped with crisis support each year



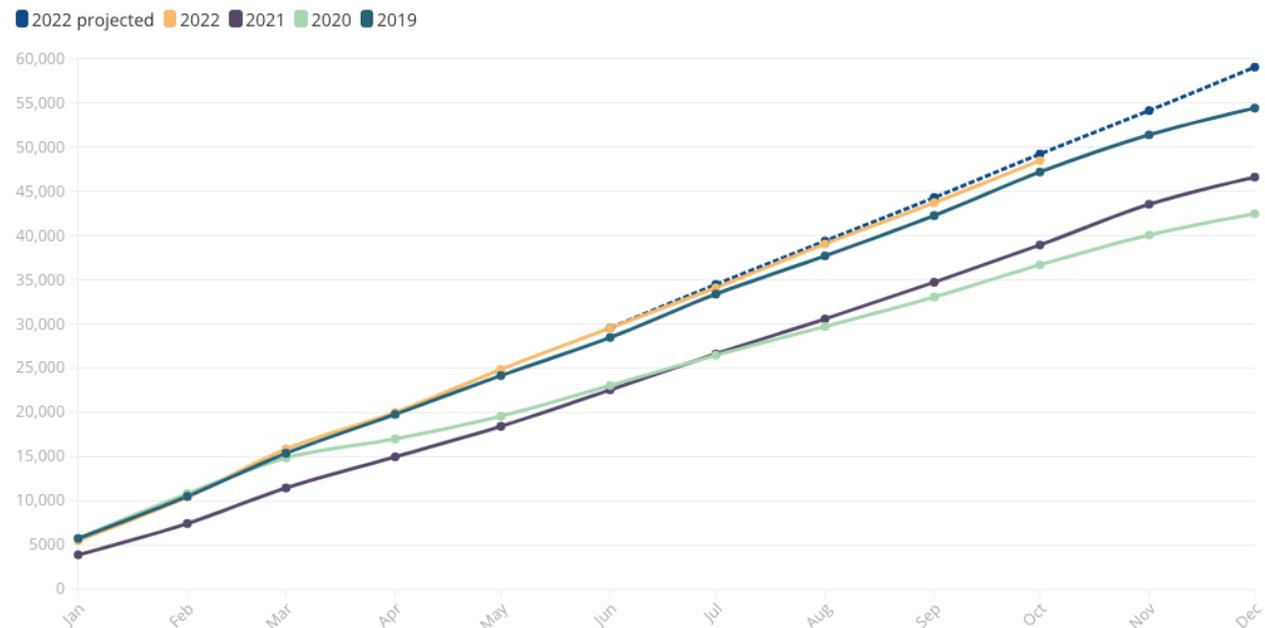
⁸ Citizens Advice cost of living data dashboard: https://public.flourish.studio/story/1634399/?mc_cid=817c4e8035&mc_eid=118da47e5d

Shelter is warning this winter could be one of the toughest yet as it reveals 70% of callers to its emergency helpline say the cost of living crisis is making their housing situation worse ⁹.

Their data also shows that almost 2.5 million renters are either behind or constantly struggling to pay their rent - an increase of 45% since April 2022.

The numbers of people being threatened with, or facing homelessness is another indicator of crisis. By July 2022, we've helped with more homelessness related issues than we did by August 2021, and we look set to help significantly more people than last year.

Cumulative number of homelessness issues we've helped with each year nationally¹⁰



As households struggle to make ends meet there is a risk that more people will be forced to sleep rough for the first time.

⁹ https://england.shelter.org.uk/support_us/campaigns/cost_of_living_crisis

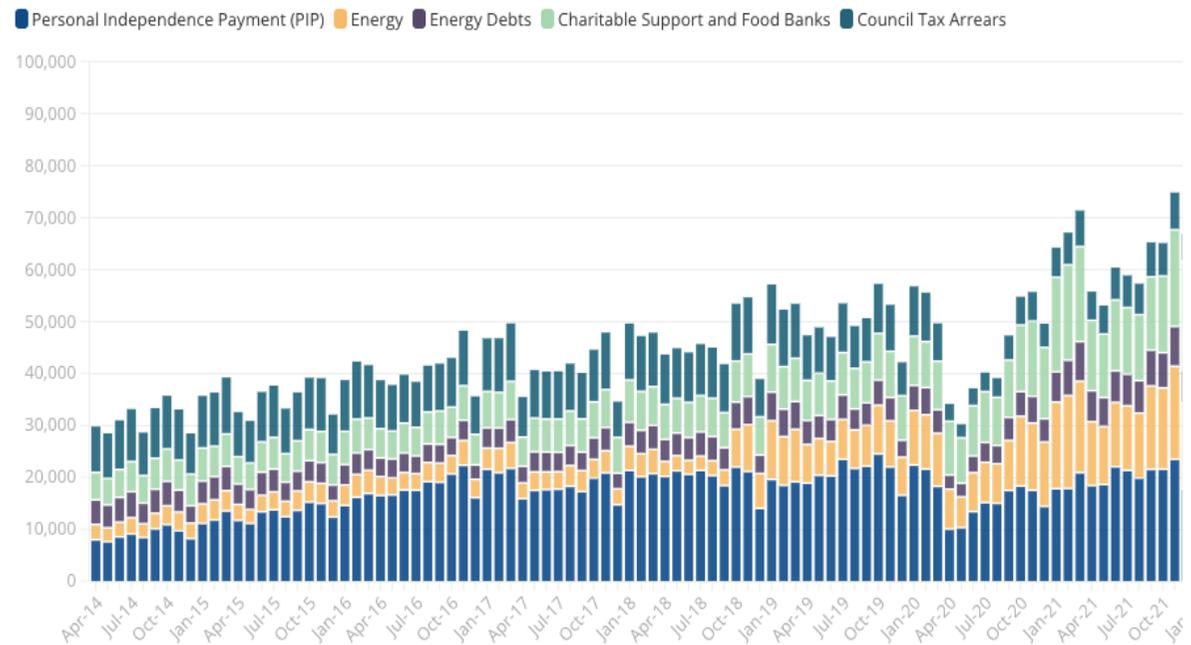
¹⁰ Citizens Advice cost of living data dashboard: https://public.flourish.studio/story/1634399/?mc_cid=817c4e8035&mc_eid=118da47e5d

The graph shows a dramatic increase in demand for our services in relation to the 5 key cost of living issues.

The crisis is also unprecedented in a longer view. The chart below shows the national trend for some of our key cost-of-living issues over the past decade, based on the number of people we helped with these issues each month.

We saw fewer people coming to us for help with cost-of-living issues in July. This could be due to the government's cost of living payments reducing financial pressures, as well as the usual dip in advice demand we tend to see in summer. Despite a small drop compared to previous months, October was still the third highest year on record¹¹.

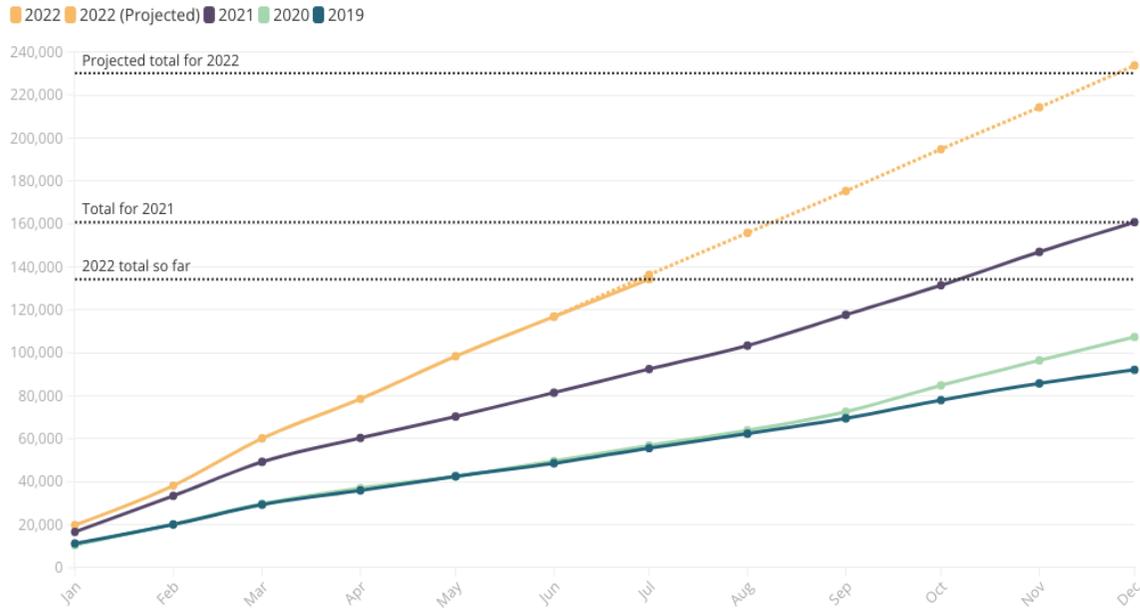
Trends of 5 key cost-of-living issues since 2014¹⁰



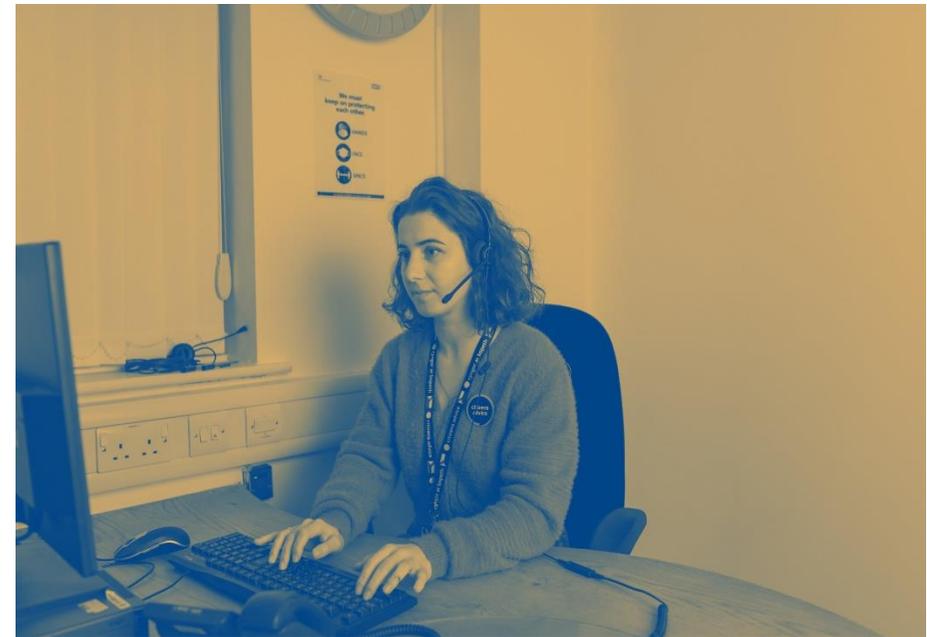
¹¹ Citizens Advice cost of living data dashboard: https://public.flourish.studio/story/1634399/?mc_cid=817c4e8035&mc_eid=118da47e5d

The energy price crisis has been unprecedented. That fact is stark in our data. We helped more people in July 2022 with energy issues compared to any other year on record. If this trend continues, by next month we will have helped more people with energy issues than the previous 2 years combined.

Cumulative number of people who we've helped with energy issues each year nationally¹²



This includes a range of issues, including energy bill affordability, debt recovery action, issues with billing and customer service. Data for England and Wales. 2022 projection based on average monthly cases in the first 6 months of 2022 (1st January to 31st June).



¹² Citizens Advice cost of living data dashboard: https://public.flourish.studio/story/1634399/?mc_cid=817c4e8035&mc_eid=118da47e5d

Two million people have been driven further into debt, unable to afford necessities from their income because of Government deductions to Universal Credit payments.

Universal Credit (UC) and deductions

Universal Credit (UC) deductions are payments that the DWP has the power to automatically take from benefit payments to pay off debts owed to the Government from loans such as advance payments of UC, errors and historic benefit overpayments as well as some third-party debts such as utility bills and rent arrears¹³. Two million people have been driven further into debt, unable to afford necessities from their income because of Government deductions to Universal Credit payments. Research shows those with deductions are also around twice as likely to have gone without food, toiletries, and utilities compared to those on Universal Credit without deductions¹⁴. Almost half (44%) of those receiving Universal Credit have money automatically deducted, with an average of £78 a month withheld from their payments and for a single person aged over 25 that represents a fifth of their entitlement¹⁵.

With the existing inflation and the rise in prices, the deductions will lead to more hardship, especially for those on low-incomes.

¹³ <https://www.theguardian.com/society/2022/may/11/universal-credit-deductions-pushing-people-into-poverty-says-report>

¹⁴ <https://inews.co.uk/i-news-lifestyle/money/bills/cost-of-living-crisis-universal-credit-deductions-leave-2-million-facing-extreme-financial-hardship-1622201>

¹⁵ <https://www.theguardian.com/society/2022/may/11/universal-credit-deductions-pushing-people-into-poverty-says-report>



The impact for Stevenage

The impact for Stevenage

Our data shows that people get their Universal Credit reduced by more than £100, which means they cannot pay their priority bills such as rent, Council Tax and energy costs. Fundamentally, the government does provide support to a certain extent but at the same time take some away by way of deductions. It will make households suffer more especially in areas that Universal Credit does not cover, for instance, rises in rent, utilities bills, etc. Eventually, households will most likely fall into debt.

In addition, the cost-of-living crisis affects people in different demographic groups differently, local populations face different challenges. As prices rise, people make more and more difficult decisions about what to cut back on and where they need to rely on community support, because they do not have enough to live on.

Citizens Advice Stevenage is worried that the number of people in the town who are unable to afford their energy bills will soar from 15% to 26% following the price cap hike. This means that there would be more weight on Citizens Advice and the local authority to find solutions and offer more help to those who need it. As a result, Citizens Advice Stevenage has been calling for urgent government help. Firstly, by increasing benefits in April in line with the current rate of inflation, rather than last September's rate, secondly, by offering further support to prevent families once again choosing between heating and eating.

Also, whilst the cost-of-living crisis is affecting everyone, it's not affecting us all equally. We believe that the cost-of-living issue will be the biggest reason to seek help from Citizens Advice Stevenage. For disabled people, this is already the case. Every winter, we effectively see a mini-cost-of-living crisis in our data, so the gap in our data narrows seasonally. This year, as costs continue to soar, the gap between the numbers of people we are seeing with cost-of-living issues versus all other issues has narrowed.

We are particularly worried about certain groups, either because they are not eligible for support (people with no recourse to public funds (NRPF) attached to their visa, for example), because their energy costs are higher (such as disabled people and people on prepayment meters) or because they are in a negative budget (when their essential monthly outgoings exceed their income). Using our data insights charts, we drill down into our data to show you how different groups are impacted.

This year, as costs continue to soar, the gap between the numbers of people we are seeing with cost-of-living issues vs other issues has narrowed. Certain groups of people we are helping are struggling more with cost-of-living issues. For disabled people, we continue to see more people with a cost-of-living issue than for all other issues.

How the cost-of-living crisis is affecting Mark*

Mark is 35, single, privately renting and an agency worker. Mark's income varies and he receives a top up through claiming Universal Credit (UC) to supplement his income.

Mark contacted us for help as his latest payment from work was low and he had also received a low payment of UC leaving him with no money for food after paying his essential bills.

Mark also said he is feeling stressed and anxious about the cost-of-living and how he'll afford to live without getting into debt, especially when energy bills increase in October.

We referred Mark to the Food Shed for 5 weeks' food support and provided him with a £50 supermarket voucher through the Household Support Fund. We also provided Mark with other sources of food support and information on the support available to help people through the cost of living crisis.

Mark was very grateful for the help he received.

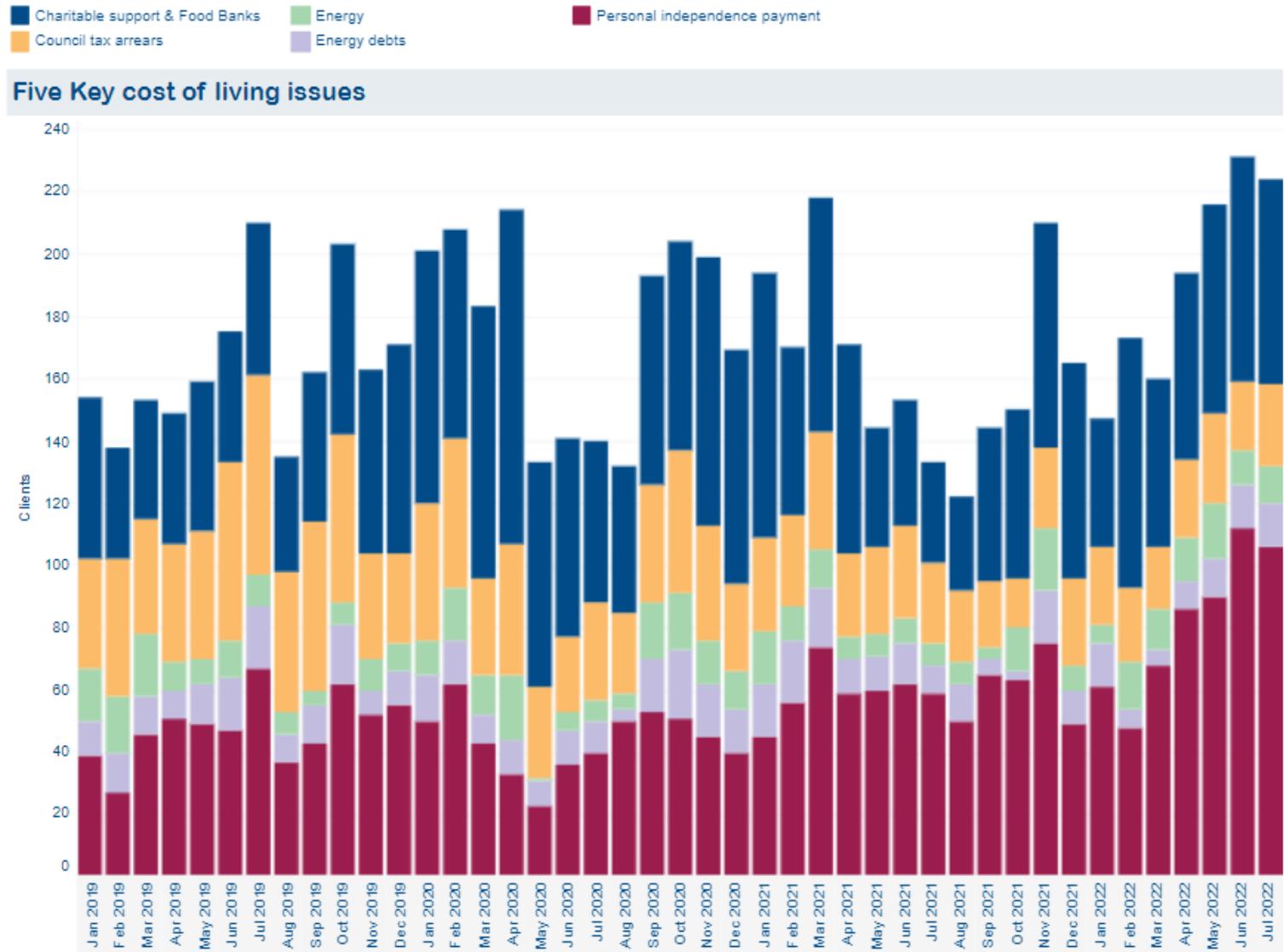
*Name changed for confidentiality

“My mind was very much put at rest during an incredibly stressful period in my life.”



Number of people who sought our help for the five key cost of living issues.

We have seen significant growth in this area as the pandemic progressed

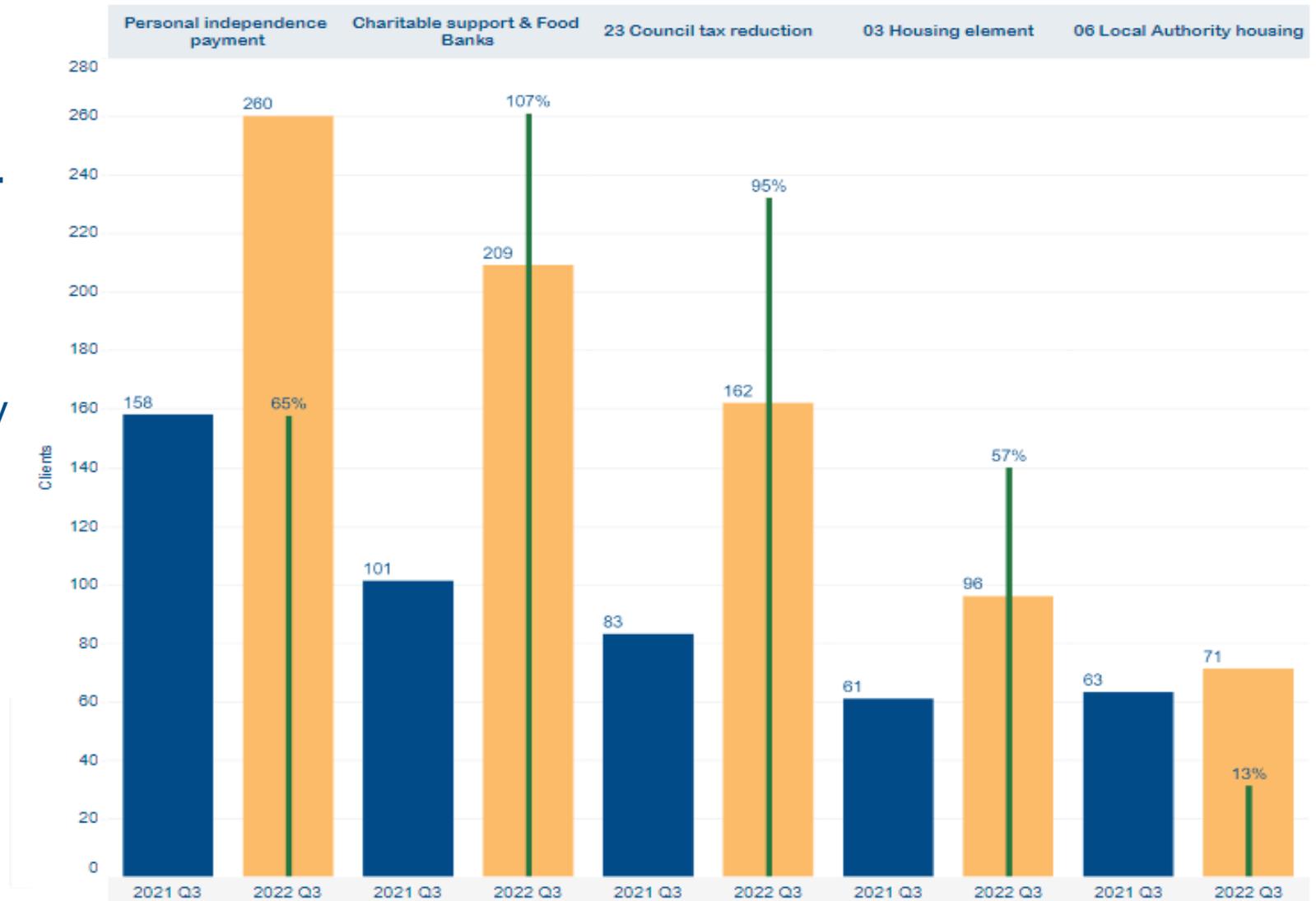


This report is to show the number of clients per month with the selected issue/s

See our cost-of-living data analysis in Appendix 1, or download a copy [here](#).

The change in the number and percentage of people per quarter with selected issues

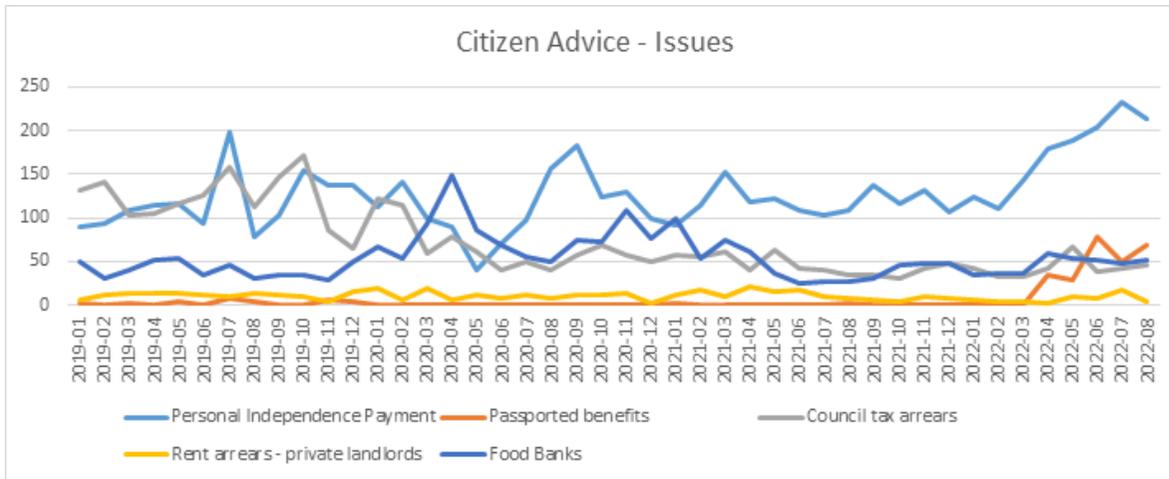
We can also show this by Age, Disability LTH, Ethnicity, Gender, Housing tenure and Household Type.



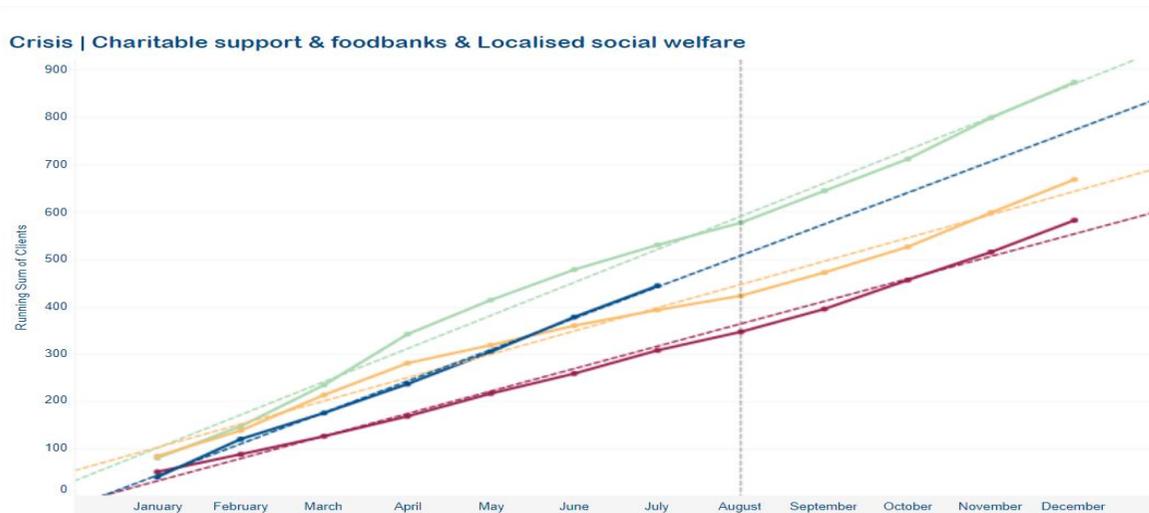
This report shows the change in the number & percentage of clients per quarter with the selected issue/s
The thin lines shows percentage change (green positive and red negative)

See our cost-of-living data analysis in Appendix 1, or download a copy [here](#).

We have seen an increase in demand for information and advice on eligibility for what are termed "Passported benefits." These are not additional payments but support available to benefit claimants to help with dental care, the cost of prescriptions and free school meals for children whose parents receive a qualifying benefit. This highlights the growing need for additional support to meet everyday expenses. PIP enquiries have also seen a sharp increase.



Demand for crisis support is projected to be significantly higher than we would normally see, with the exception of 2020 when we saw record numbers due to the Covid-19 pandemic.



Our data paints a picture of the stark choices that families are facing everywhere as the cost-of-living crisis bites.

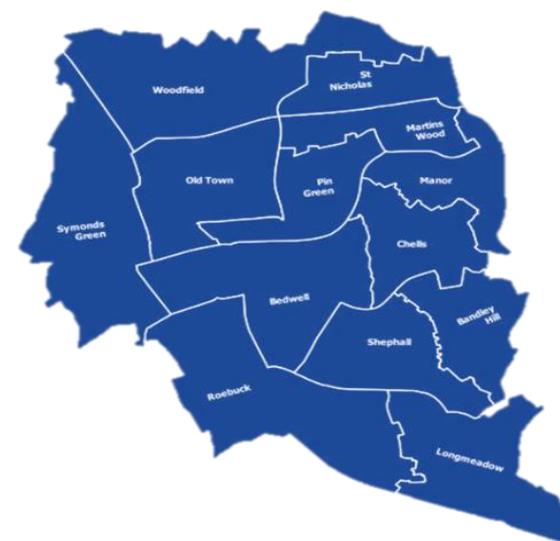
The most vulnerable households are being hit hardest.

The energy price cap rise, alongside increasing inflation for Stevenage residents mean that they have seen the costs of day-to-day essentials increase. Alarming, these costs are set to rise further, and their impact will ultimately be felt even deeper.

Although the cost-of-living crisis is undoubtedly a national issue, it will hit an area such as Stevenage particularly hard. The cost-of-living crisis is already having a devastating effect on the health and wellbeing of the most vulnerable sectors of the Stevenage community. With already high levels of deprivation and harsh cuts to public spending, Stevenage residents face a few challenging months ahead.

Stevenage contains some of the most deprived neighbourhoods in England and is one of the most deprived districts in Hertfordshire, with Bedwell being the most deprived ward in the town and the second most deprived in the county, with most households living in income deprivation, together with high rates of fuel poverty, prior to the energy price cap rise¹. Households who are already in difficult financial situations, often already facing severe financial pressures and who have to make sacrifices simply to get by.

In Stevenage,
12.2% of the
population was
income-deprived,
and of the 316 local
authorities in England,
Stevenage is ranked 127th
most income-deprived in 2019



“May I take the chance to say thank you very much for everything you are doing behind the scenes making life better...thank you...”

How we helped



Jenny* contacted us for help because she had received a Personal Independence Payment (PIP) renewal form and had not submitted it by the deadline and her PIP had stopped. As a result, Jenny did not have enough money to buy food. Jenny was also in her emergency credit on her prepayment electricity meter and was worried about how she would afford to top this up with her reduced income.

We referred Jenny to the FoodShed for food support and completed an application for a Stevenage Community Trust Heating Grant. We also completed a Discretionary Housing Payment Application for Jenny to get additional support with her rent. Jenny was advised to send the PIP renewal form and what medical evidence needed to support her renewal claim so that her award could be reinstated. Jenny was also provided with information on Carers Allowance, as her daughter is her carer and may be eligible to claim once Jenny's PIP is reinstated.

With our support, Jenny received 5 weeks of food support from the Foodshed, the application to Stevenage Community Trust was successful, and Jenny received a grant of £300 to put towards her heating costs.

Jenny was very grateful for the help and support we provided.

*Name changed for confidentiality

We are currently helping 2 people every minute with crisis support

Government support

Government Support towards Cost-of-Living 2022/23

- **£326** – the first of two cost of living payments – has been paid in July for those on certain means tested benefits. The second instalment of **£324** will follow from the autumn, with separate payments for pensioners and disabled people also coming later this year
- Tax credit claimants will receive their first cost of living instalment by the autumn
- Residents of properties in Council Tax bands A-D in England should already have received a Council Tax energy rebate of **£150**. Anyone in receipt of full Council Tax reduction, or do not pay Council Tax by direct debit, should apply direct to Stevenage Borough Council for the rebate.
- Those in receipt of disability benefits will receive an additional **£150** disability payment in the autumn.
- Pensioner households will receive an extra **£300** from Winter Fuel Payments in November/December.
- Warm Home Discount of **£150** will be paid automatically by DWP to those that qualify
- All domestic energy customers will receive a **£400** grant to help with energy bills, this will be paid in instalments direct to the energy supplier



Government response to the energy price cap rise

On 8 September, the Prime Minister announced the 'Energy Bills Guarantee' to support with energy bills, setting the maximum people will pay for energy will be £2,500. The prime minister's energy price guarantee was supposed to last for two years - but it has now been scaled back to six months until April 2023. This means that it seems likely bills will raise further again from 1 April 2023. According to expert modelling, this will see the average household pay **£4,347** a year for gas and electricity - instead of the promised £2,500¹⁶.

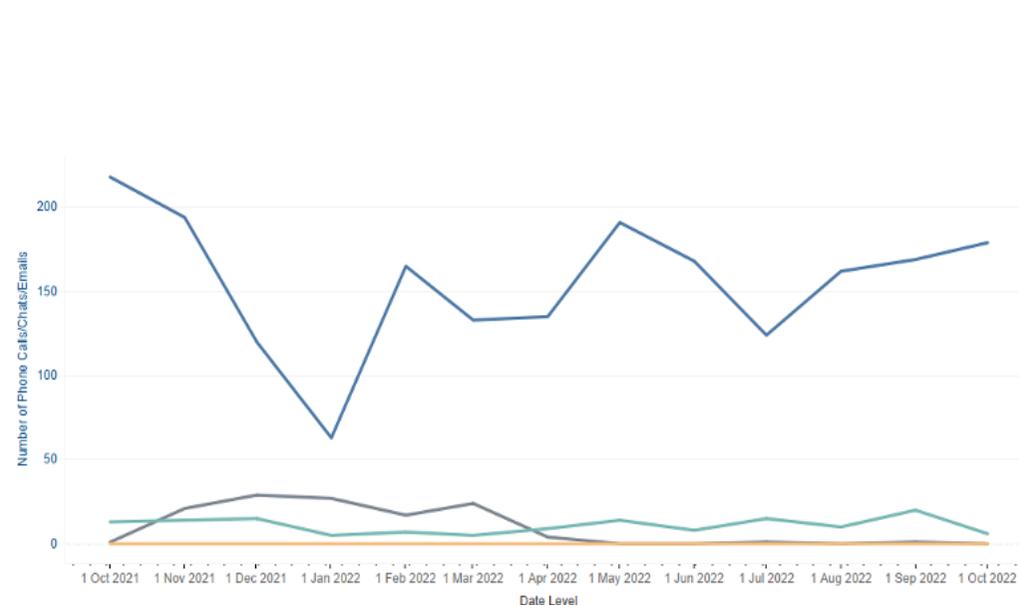
We know this support will not be enough for many of our clients. The government has confirmed it will uprate benefits by 10.1% from April 2023, in line with September's CPI measure of inflation. Whilst this news is welcome, we know that it will not relieve the pressures facing households this winter and with energy costs set to rise again in April 2023, many households will not feel the impact of their benefits rising whilst essential living costs continue to soar.

Why we know this won't be enough

Britain is facing its biggest cost of living crisis in decades. As a huge provider of free advice in Stevenage, Citizens Advice Stevenage is helping more people with crisis support, energy problems and not having enough money to make ends meet than ever before. Despite the government's recent freeze on energy bills, everything is pointing towards an incredibly challenging winter for people on the sharp end of the crisis. The graph opposite shows that the demand to calls to our Adviceline is rising due to the cost-of-living crisis.

Adviceline Trends from Oct 21-Oct 22: how many people we helped by phone/email

As prices rise, we know people are making difficult decisions about what to cut back on and where they need to rely on community support. Even with current government interventions, people will be making difficult choices between heating and eating this winter.



¹⁶ <https://news.sky.com/story/how-much-will-my-energy-bills-increase-next-year-now-price-guarantee-will-only-last-six-months-12723517>

What we are seeing

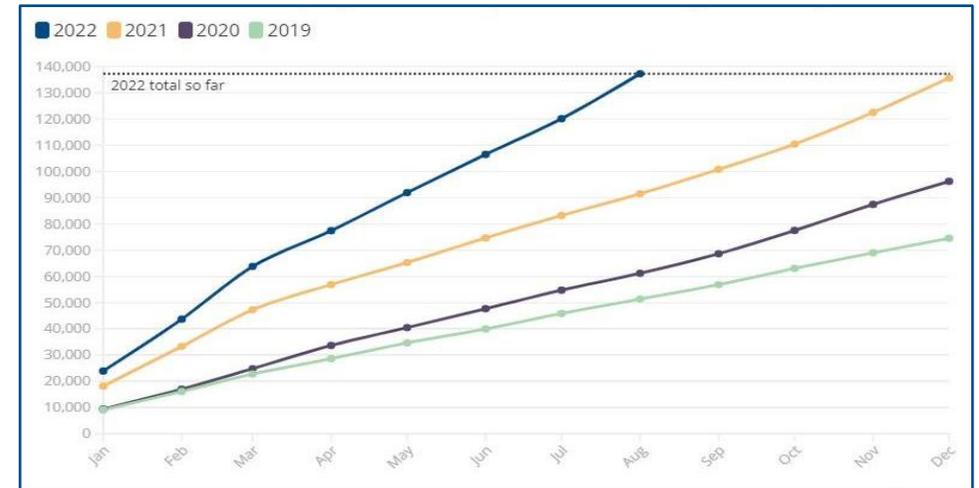
Top 5 cost of living issues

In the last three months to September 2022, the top 5 cost of living issues that people visited us about in Stevenage were:



- 1. The scale and size of the crisis is unlike even what we were seeing during the pandemic.** We saw issues that might usually have been peaking in winter, peaking in the middle of summer. For example, record numbers cannot afford to top up their prepayment energy meter (PPM). This is concerning, as our research shows more than 450,000 people - the highest in nearly a decade - could be forced onto PPMs when they cannot pay their energy bills by the end of 2022.
- 2. People are coming to us as they struggle to cope.** People who need to rely on food banks, people who need advice on their energy bills and people who just can't afford to use energy at all.
- 3.** As prices rise, people make more and more difficult decisions about what to cut back on and where they need to rely on community support, because they do not have enough to live on. The chart above shows the top 5 cost-of-living issues that people visited us about in Stevenage.

Figure 1: Cumulative number of people we've helped with crisis support each year



- 4. We are helping 2 people every minute with crisis support, such as referrals to food banks and fuel vouchers.** We have supported more people this year than 2019 and 2020 combined, and worryingly, this trend continues to rise each month (see graph below). This year we have also seen more people coming to us who are facing or experiencing homelessness than before the pandemic.
- 5. Government support will be swallowed up by rising costs and some groups, such as disabled people, are facing significantly more harm than others.** More of our debt clients are now in a negative budget (where their expenditure on essentials exceeds their income) than ever before.

“The lady who dealt with me was so understanding and helpful and helped me at my pace to help me.”

How we helped John with his energy problem*

John suffers with poor health and is vulnerable. He had recently moved into a new ground floor flat to better suit his needs and he lives with his full time carer. John contacted his energy supplier to change his bank details and was informed by his supplier that he was in debt, John got in touch with Citizens Advice Stevenage and an appointment was made for him to see our energy adviser Jamie.

John had a notification sent to his email informing him of a change to his direct debit - John is unable to read his emails as he is dyslexic and does not have a smart phone. This change had occurred shortly after John moved into his home around 8 months ago which has left him with arrears of around £1000.

John was very upset during the initial call, the debt had a huge negative impact on his mental health, he was scared of his supply being cut off to the point where he did not charge his mobility scooter meaning he had been unable to leave his home for two days and he had also not used his CPAP machine for two nights (this is to help his air flow at night as he has difficulty breathing when sleeping) Jamie reassured him the importance of this and that his health is a priority.

A three way call was made to John's energy supplier who agreed to put John's debt on hold and a goodwill payment of £40 was credited to his account. John agreed to pay an affordable amount toward his current usage during this time.

Jamie applied for a grant from British Gas Trust Fund and whilst waiting for a response, Jamie also submitted an application for a heating grant from Stevenage Community Trust. Jamie stayed in regular contact with John to keep him updated and make sure she was aware of any change in his circumstances. The grant from Stevenage Community Trust was successful and John was awarded £150, which went towards his arrears.

Shortly after this, Jamie received a response from the British Gas Trust Fund with news that John's application was also successful and he was awarded a further £750.

In total, with our support, John had an amount of £900 taken off his arrears with his energy supplier. We then negotiated an affordable payment plan to cover the rest of his arrears and ensured that John had an understanding of his bill going forward.

John is now no longer in a position where he is worried to use his CPAP machine or charge his mobility scooter, as the fear of being cut off is no longer apparent and the majority of his debt is cleared.

He was very thankful for Jamie's support and Jamie was relieved that she could help him.

*Name changed for confidentiality

A photograph of a woman and a young boy sitting together, looking at a smartphone. The woman is on the right, leaning over the boy on the left. They are both looking down at the phone. The image has a blue tint. The text "How we are influencing change" is overlaid in the bottom left corner.

**How we are
influencing change**

Our **recommendations** for change

1. Return the uplift to the value of Universal Credit of £20 pw, this is more essential now than it was during lockdowns due to the rapid escalation of prices.
2. Scrap the benefit cap – the situation has changed since this was implemented as a policy and this is forcing children who have suffered missed education into a situation where their health outcomes are also reduced.
3. Focus on support for people who have a disability – either through increasing the value of their benefits or including them as part of the core group to get a Warm Home Discount as they have more utility costs and a particular poverty penalty if they need to wash bedding more often, run a nebuliser or use a hoist.
4. The ongoing disparity between men and women's full-time wages causes more poverty among women nationwide, especially for single parents who are 90% female. The government should do more to enforce equal pay and should recognise this disparity with more support within the benefits system for single parents looking after children who are more than 90% female.
5. Increase the value and ease of claiming Healthy Start vouchers which provide extra money for fruit and dairy for pregnant women and children up to age 4.
6. Childcare costs should be met in advance rather than claimed back under the Universal Credit system to allow more people the chance to gain employment.
7. Zero Hours contracts and forced 'self-employment' should be better regulated so that workers retain better rights, conditions, pay and time off.
8. Sick Pay should be increased substantially to cover the actual costs of living in the UK. At the moment it is paid at one of the lowest rates in Europe and causes serious financial hardship and debt for people who are already in poor health.
9. Reform local housing allowance so that people depending on Private Rented Sector accommodation are not pushed below the breadline due to rent costs.
10. Reform access to PIP and ESA – the system is costing the government money, an opportunity cost to charities who have to help people appeal rather than help other clients and causes incredible hardship to people who are entitled to those benefits.

Our response to the Autumn statement

Key messages on the Autumn Statement - November 2022

- Of course **we welcome benefits rising in line with inflation - but this should never have been in doubt.**
- We help two people every minute with crisis support, **it is still an exceptionally difficult time for people - even with the much-needed support announced today.**
- **We know this still won't be enough for many people.** We're seeing higher levels of demand for crisis support than we were at the height of the pandemic. **The cost-of-living payments will help people on the lowest income but we know it still won't be enough for many others.**
- **We're worried about those who might fall through the cracks.** Some people won't receive targeted support because they are not on the very lowest incomes, but they'll be spending more than 10% of what they do get on energy because of the fall in support with the new energy price guarantee.
- There are huge challenges for people on lower incomes who fall outside the benefits system. **This could be the biggest problem in April.**

What are we calling for now?

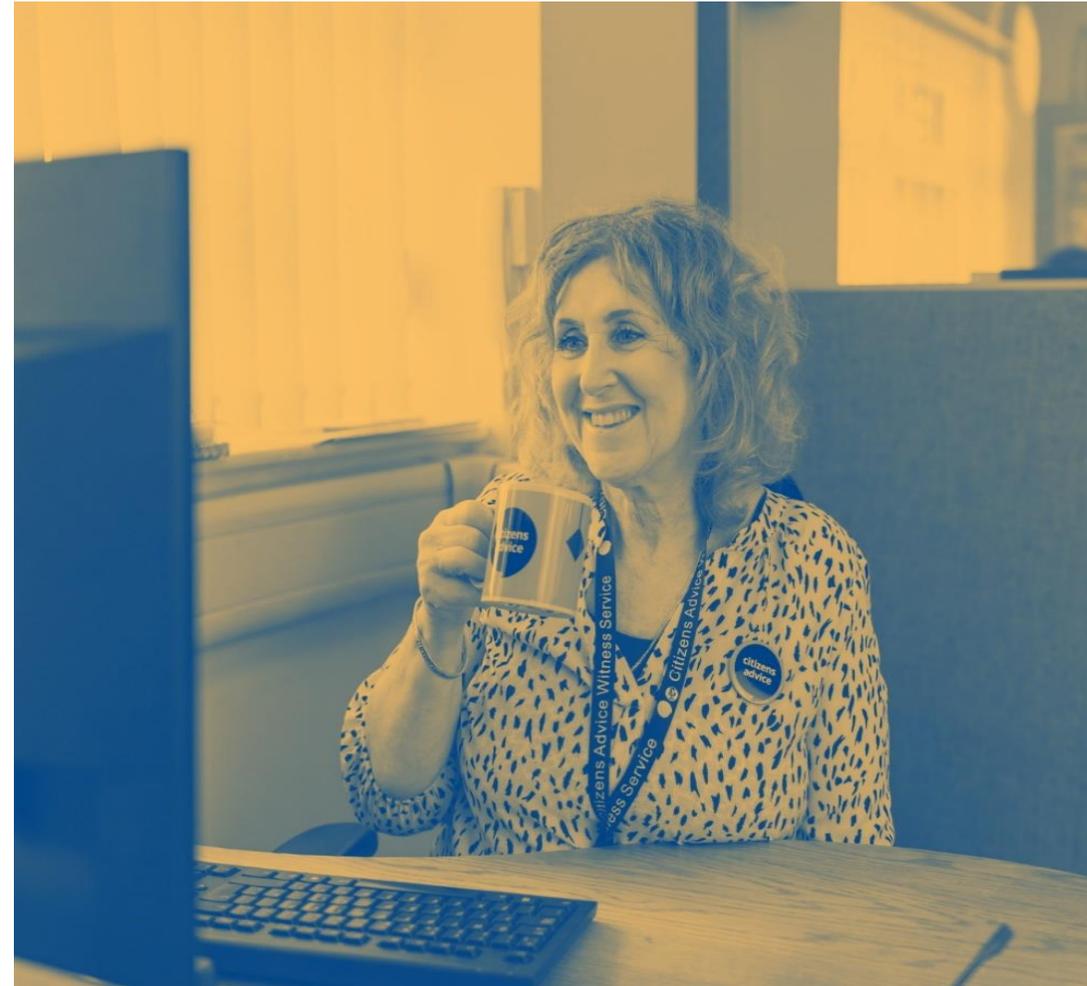
1. Today's interventions equate to an extra £1500 for each Universal Credit family (£900 in cost-of-living payments and £600 in benefit uprating). To put that in context, by next April energy bills will have risen by an average of over £1000 in the space of a year, alongside food, transport and other essential costs all rising. **Things will still be incredibly tough; we need clear guidance on how the government plans to support people from April 2023.**
2. It's essential that any long-term measures address the need to help people make their homes more energy efficient.
3. It's positive that the government has recognised the harm caused by the benefit cap and ensuring those impacted, the majority of whom have children, receive additional support in the coming year is welcome. **However, the fact that the cap overall has been retained means people will continue to struggle.**
4. Finally, no one should be chased for a debt they can't pay or force people onto a prepayment meter if they can't cover their bills. We would have liked to have seen **a winter ban on energy companies using this practice.**

Conclusion and how Citizens Advice Stevenage can help

This research has explored the impact of the cost-of-living crisis. Citizens Advice Stevenage will continue to carry out research and raise awareness of this issue in the context of Stevenage, as well as using our findings to strengthen local partnerships to create a joined-up network to support Stevenage residents through this crisis.

Citizens Advice Stevenage is calling on the government to act urgently to increase benefits, and keep increasing them in line with inflation, so that those on the lowest incomes can avoid destitution. We are already setting unwelcome records across our services with the numbers of people seeking emergency or charitable help with food and fuel. This is not right - we believe that everyone should be able to afford a decent standard of living.

As well as using our considerable data and insights to campaign for change for the residents of Stevenage we are also putting much needed resource onto the front line so that Stevenage residents get the information and advice they need to help them find a way forward with the problems they face. We are extending our Adviceline hours so that those who are in work can also access support from our advisers and will not have to take time out of work to get the help they need.



What should energy companies do?

What role do energy companies have?

- Energy companies should not be pushing people onto prepayment meters if they are struggling to pay their bills. We are calling for a winter ban on this to stop people living in fear.
- We also want energy companies to put a stop to harsh debt collection practices - chasing people for debts they can't pay in the middle of a cost-of-living crisis is totally unacceptable.



What's next?

We have taken steps to strengthen our frontline paid resource to ensure we are able to meet the additional demand that we anticipate we will receive as winter approaches. This includes:

- Increasing resources on all of our advice channels
- Providing outreach services within the community
- Providing specialised energy advice appointments
- Extending our opening hours to make our service accessible to people studying or working
- Continuing to provide our specialist advice services

We are working with our partners, providing data, insights and client stories to demonstrate the impact of the cost-of-living crisis to help ensure targeted support reaches those who need it the most.

Being a voice for our clients, we are making sure that our clients, partners, stakeholders and decision makers are all aware of the issues people are facing and what we would like to see change. We have been working hard to raise awareness through press, TV and radio coverage and will continue to do so throughout the coming months.

We will ask Stevenage residents for their experiences of how the cost-of-living crisis is affecting them. Our questionnaire (Appendix 2) will be completed at the beginning of April 2023 to identify any changes in residents' experiences.

We will continue to campaign on the issues facing our clients by raising individual pieces of evidence to demonstrate how real lives are being impacted. Our evidence feeds into local and national campaigns for change.



Appendices

Appendix 1

Cost-of-living Analysis

You can also download a copy of the report [here](#).

Cost of Living Analysis of Citizens

Advice Stevenage

For the period from 1st Jan 2019 to 31st December 2022



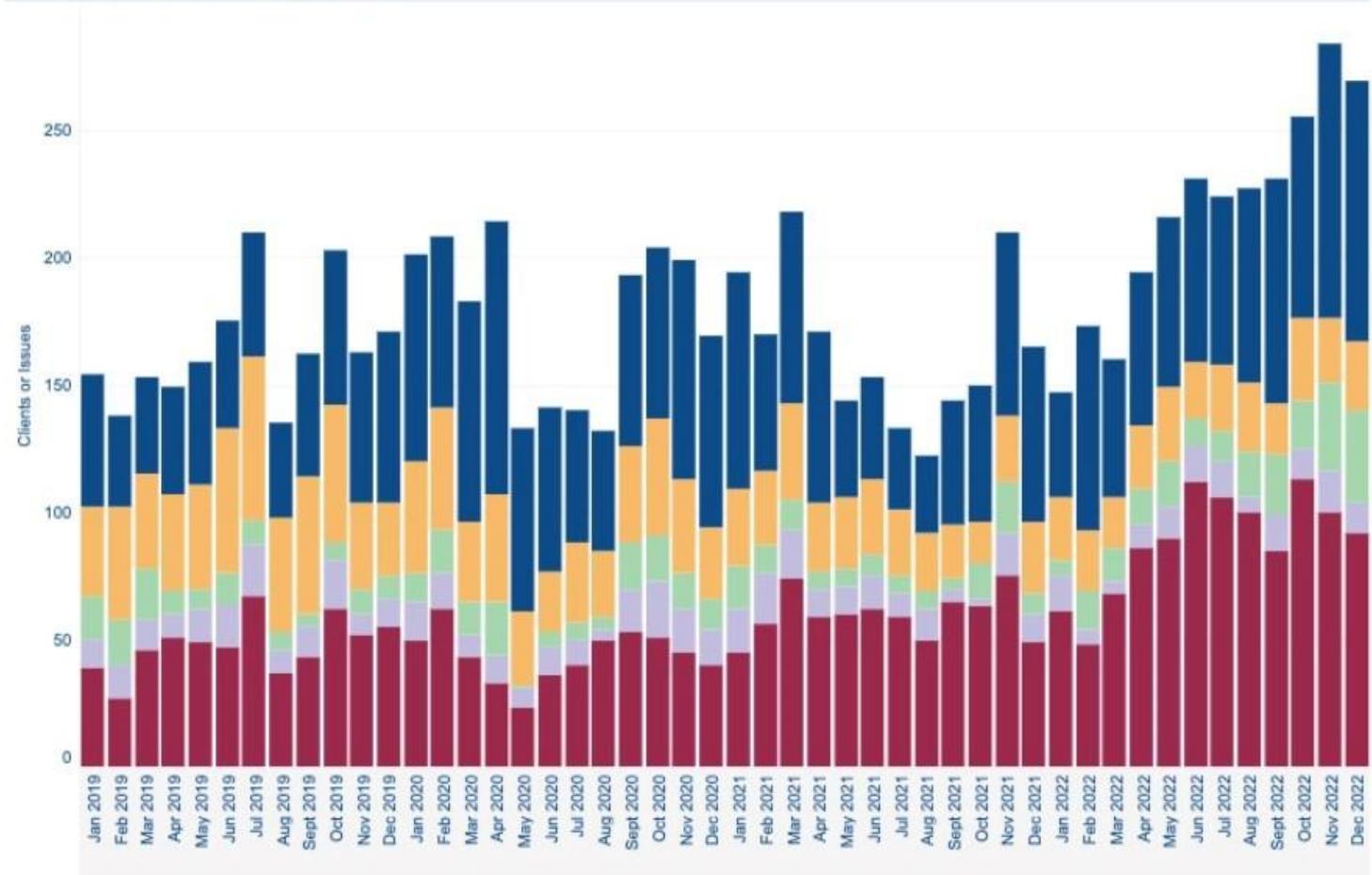
Number of people who sought our help for the five key cost of living issues.

We have seen significant growth in this area as the pandemic progressed.



- Charitable support & Food Banks
- Energy
- Personal independence payment
- Council tax arrears
- Energy debts

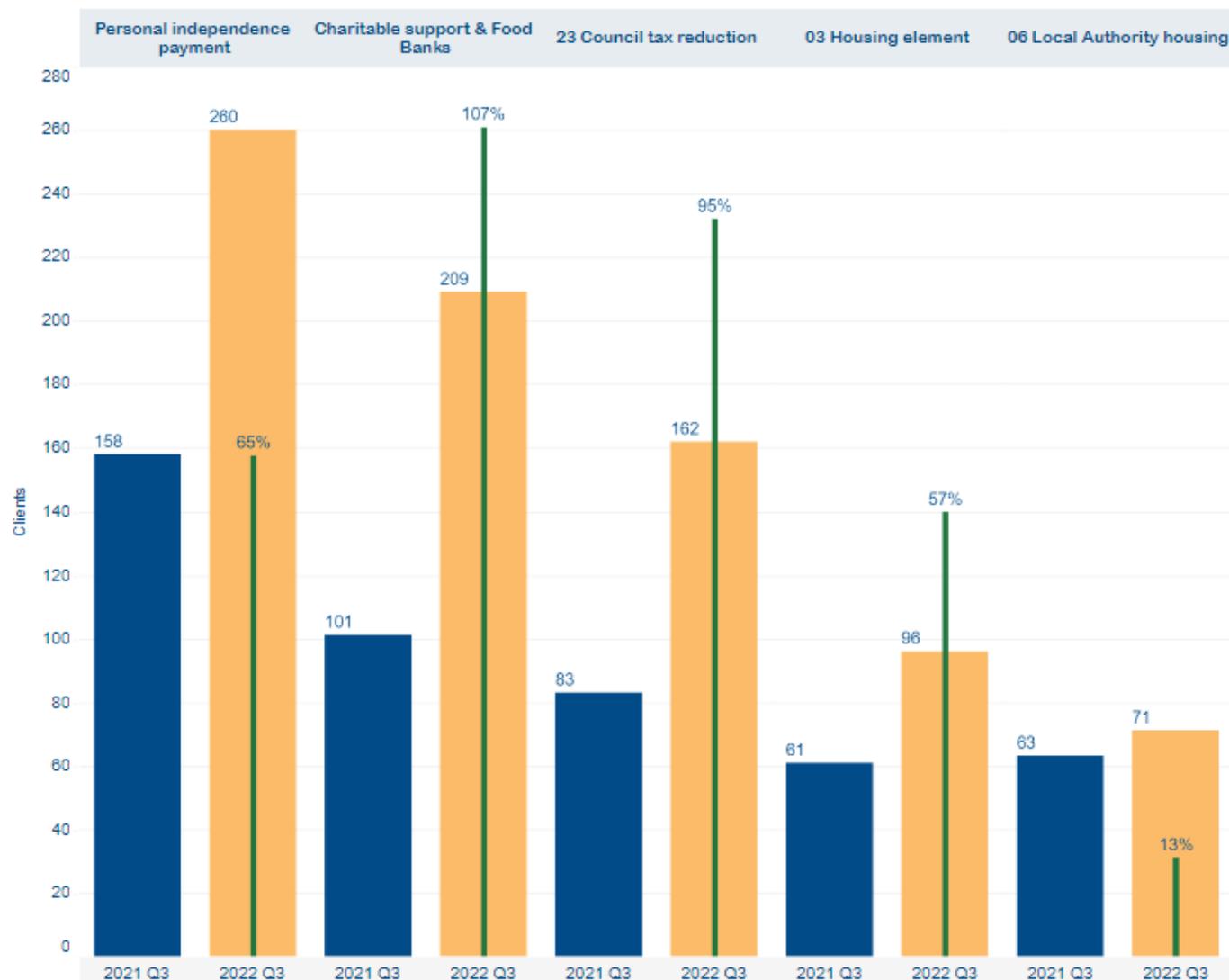
Five Key cost of living issues



This report is to show the number of clients per month with the selected issue/s

The change in the number and percentage of people per quarter with selected issues.

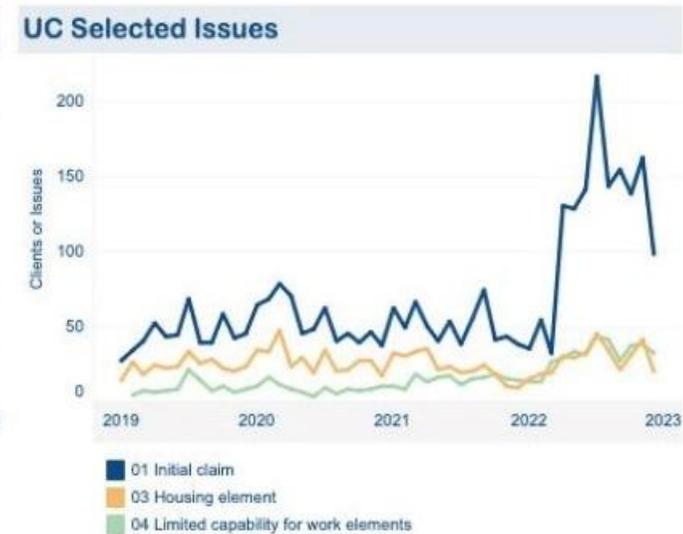
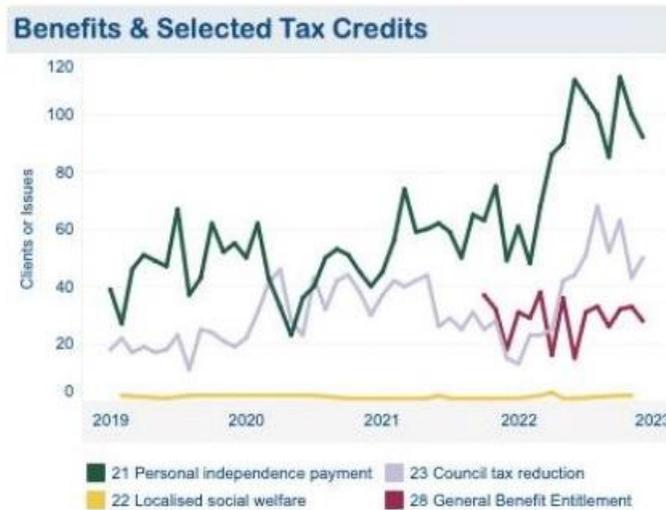
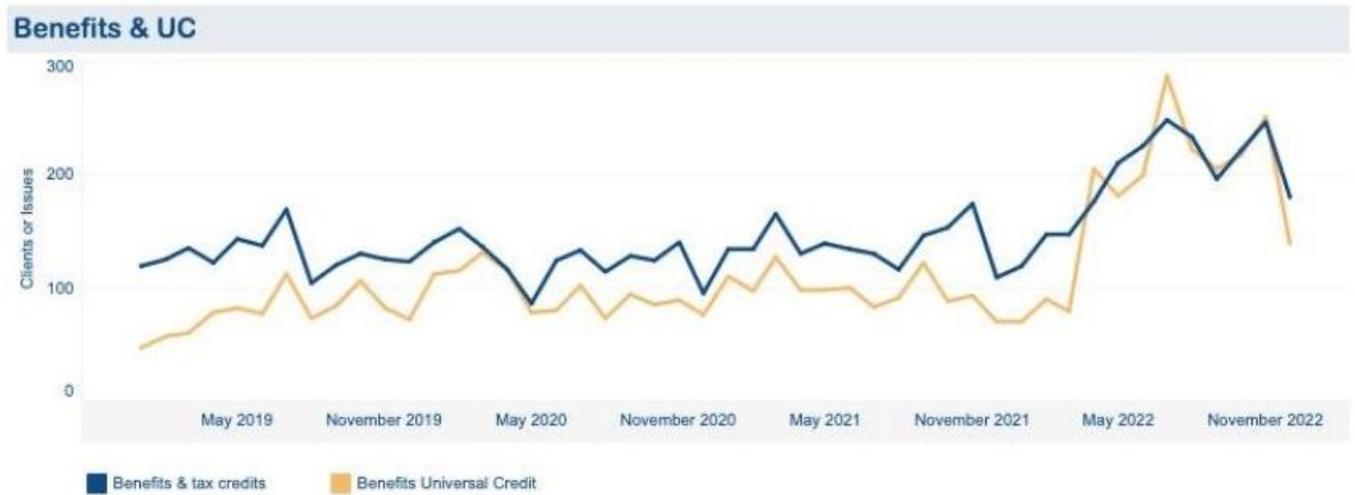
We can also show this by Age, Disability LTH, Ethnicity, Gender, Housing tenure and Household Type.



This report shows the change in the number & percentage of clients per quarter with the selected issue/s
The thin lines shows percentage change (green positive and red negative)

Number of people per month who sought Benefits advice

Enquiries relating to **Benefits** have now exceeded pre-pandemic levels and show no sign of abating. This may be down to demand being suppressed during the pandemic or it may be because the cost of living crisis is making it harder for people with poor health to cope.

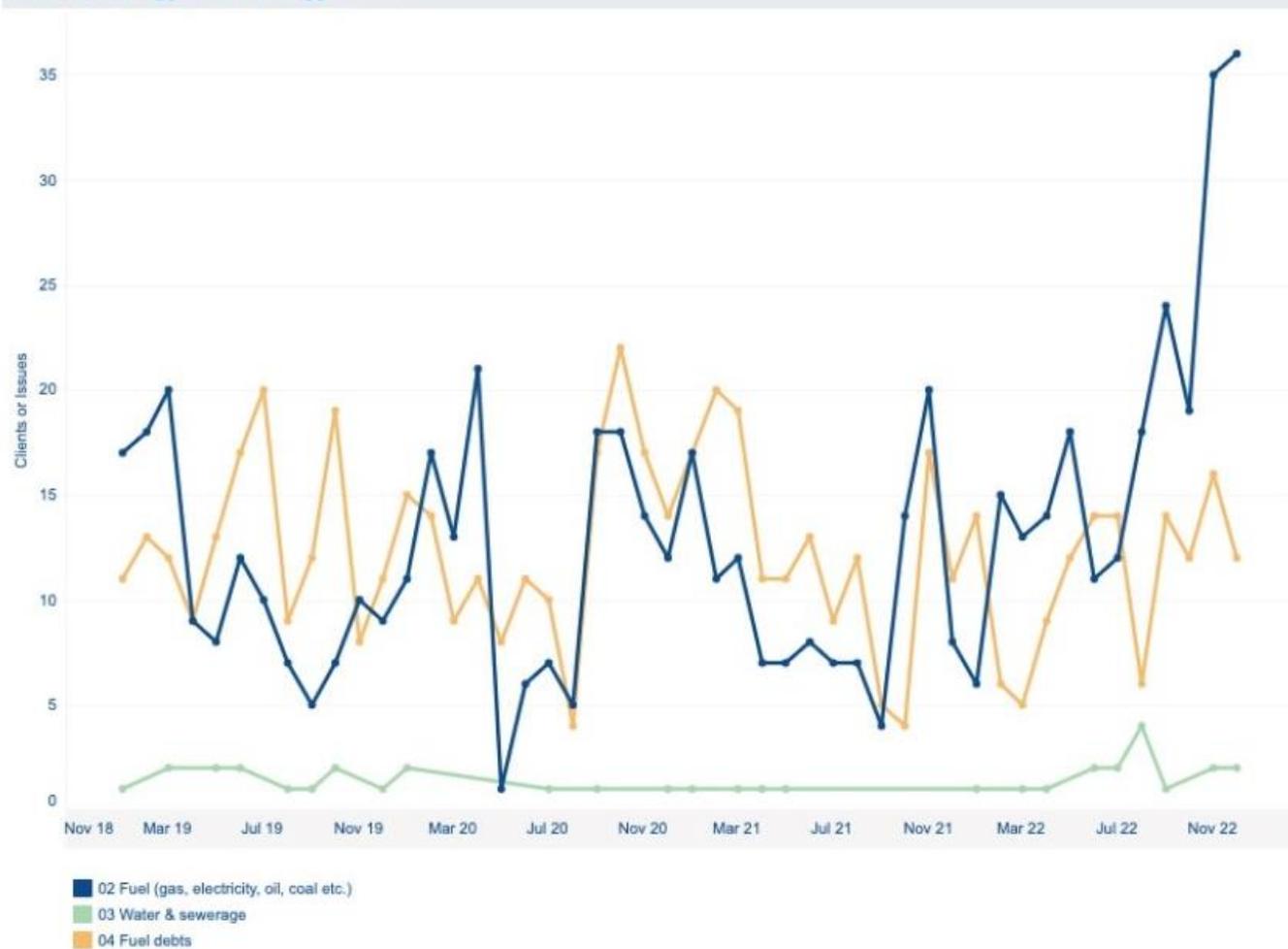


Number of people per month who sought our help per month for fuel and water debts.

Engagement with **fuel and water debt** support plummeted when the pandemic hit. We are now back at pre-pandemic level. Fuel debts however have almost doubled compared to pre pandemic levels.

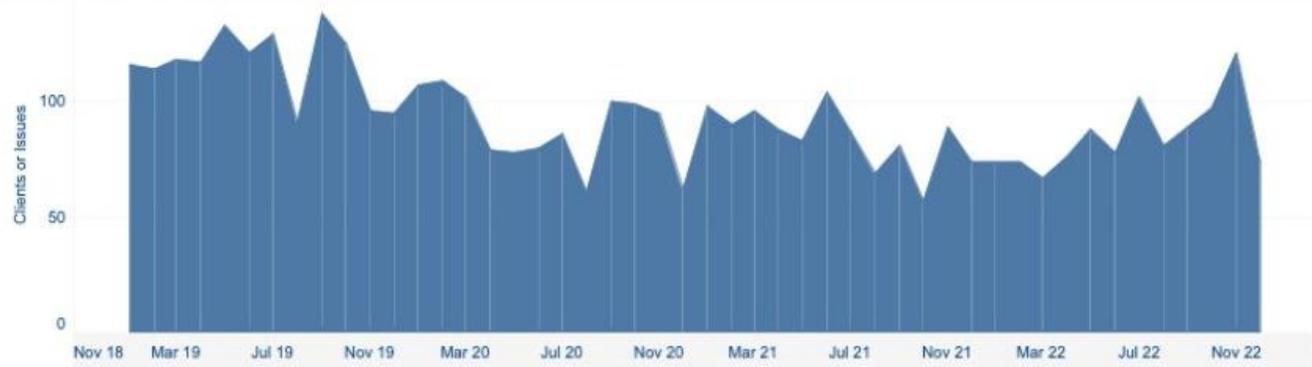


Water, Energy and Energy debts

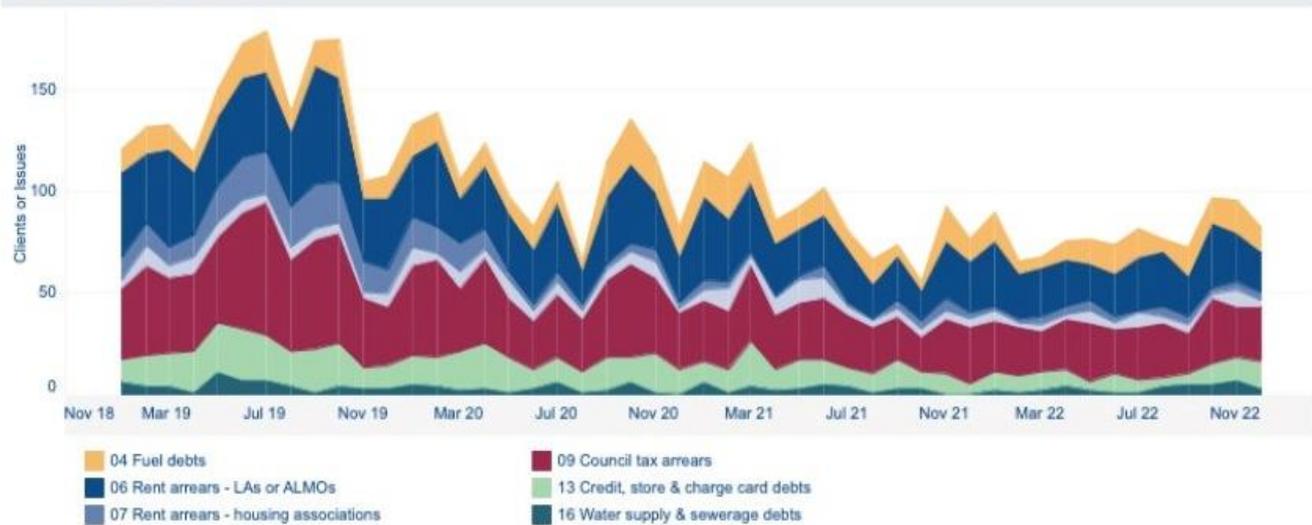


Number of people per month who sought Debt advice

All Debt issues



Selected debt issues

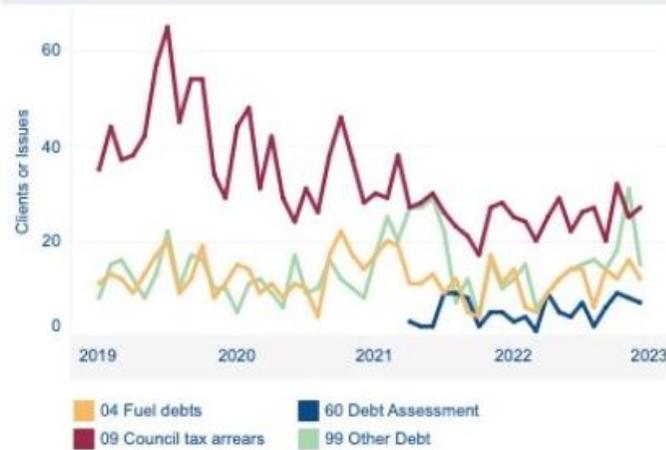


How energy related issues are changing over time

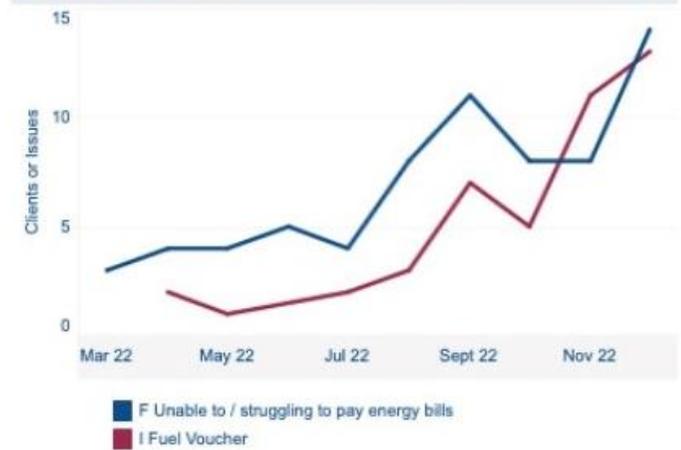
Under current rules, energy companies can push someone onto a prepayment meter when they can't pay their bills.

This means they have to 'top up' in advance to keep the lights and heating on. People who pay-as-they-go for their energy are at particular risk in the winter months because they can't spread the cost across the year, like direct debit customers.

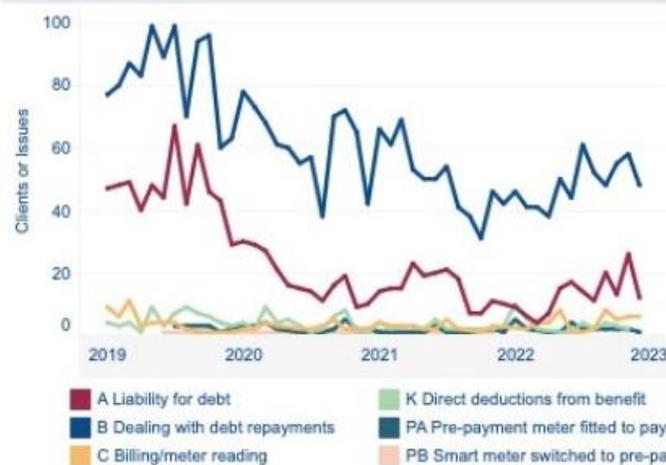
Debt



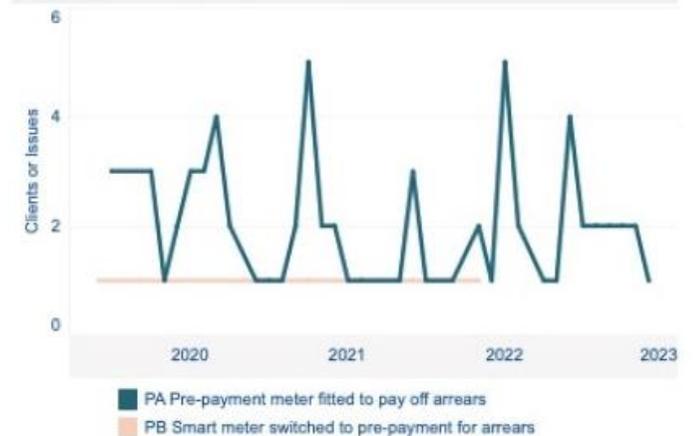
Fuel CoL issues



Fuel Debt P3



PPM Fitted for arrears



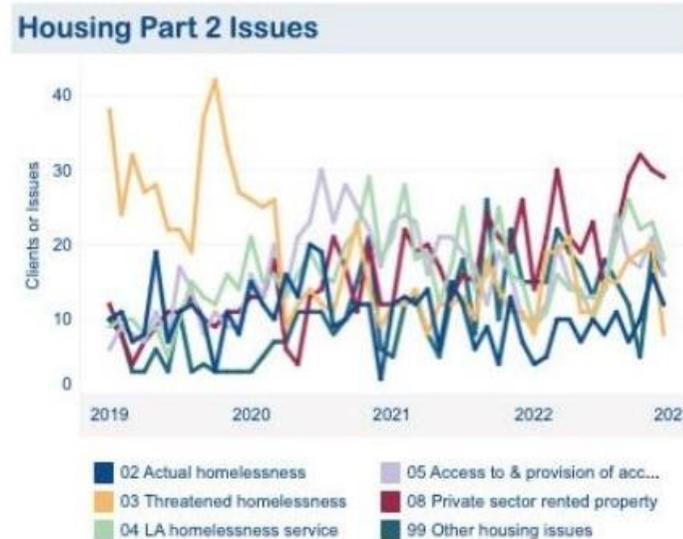
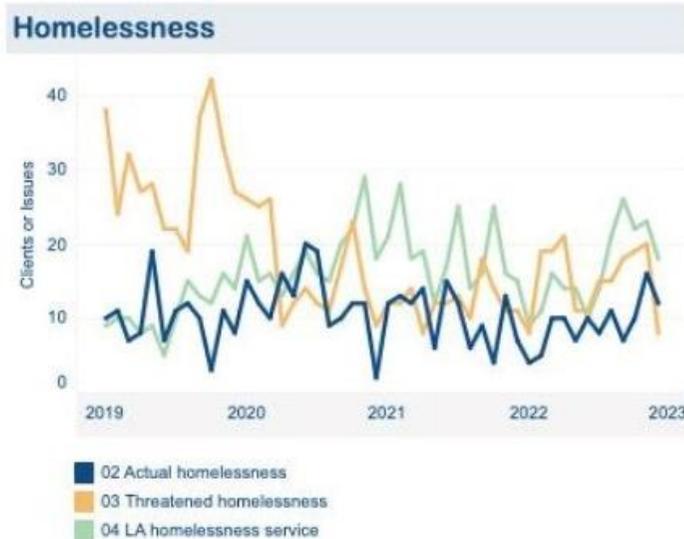
One disabled resident of Stevenage is set to be priced out by their energy company. They have been left with no option but to accept an attachment to their benefits under the fuel direct scheme, which means they will have less money to cover other essential costs. The impact for them is likely to be risks to accommodation as they will have a negative budget.



Homelessness, Housing and Energy Efficiency.

The housing part 2 issues chart shows the continued problems Stevenage residents in private rented accommodation face, with record numbers coming to us for support this year.

We have also seen a huge increase in residents coming forward for practical energy efficiency advice.



- 03 Building repairs & improvements
- 17 Fraud and scams
- 18 Energy company obligation (ECO)
- 22 Energy efficiency measures (non-ECO)
- 27 Practical Energy efficiency Advice

Cumulative energy clients by year. The trend lines show how many clients we might see later in the year based on historical data.

This range of issues includes energy bill affordability, debt recovery action, issues with billing and customer service.



This shows cumulative energy clients by year with trend lines. The trend line for the current year indicates how many clients we might see later in the year based on historic data.

Cumulative number of people who we've helped with energy issues each year



This includes a range of issues, including energy bill affordability, debt recovery action, issues with billing and customer service

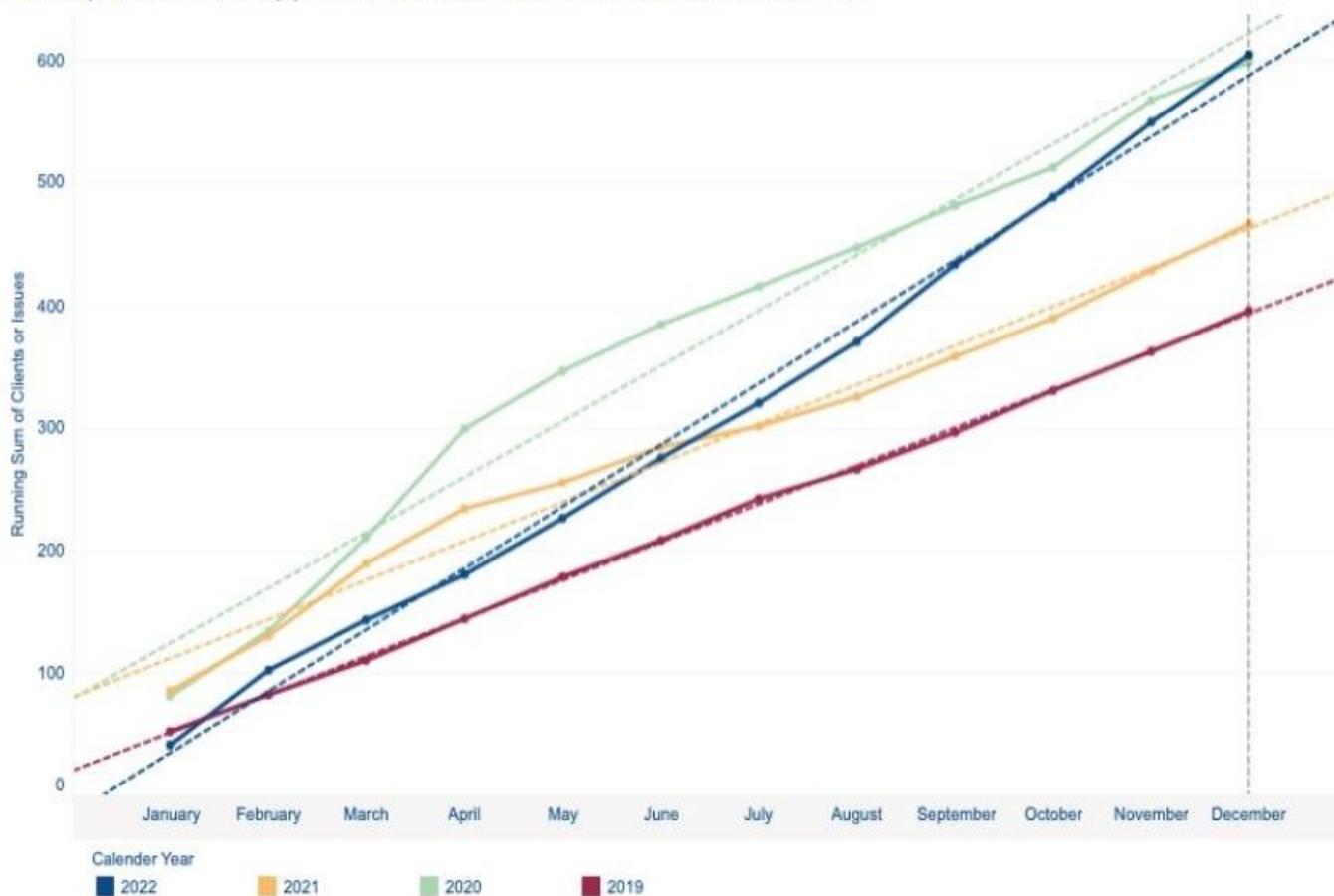
Number of people in Stevenage coming to Charitable Support services because they can't afford to eat or who need other financial assistance.

Charitable Support covers any emergency financial support or support in kind people need to make ends meet.



This shows number of people coming to us because they can't afford to eat or need other financial assistance. The trend line for the current year indicates how many clients we might see later in the year based on historic data.

Crisis | Charitable support & foodbanks & Localised social welfare

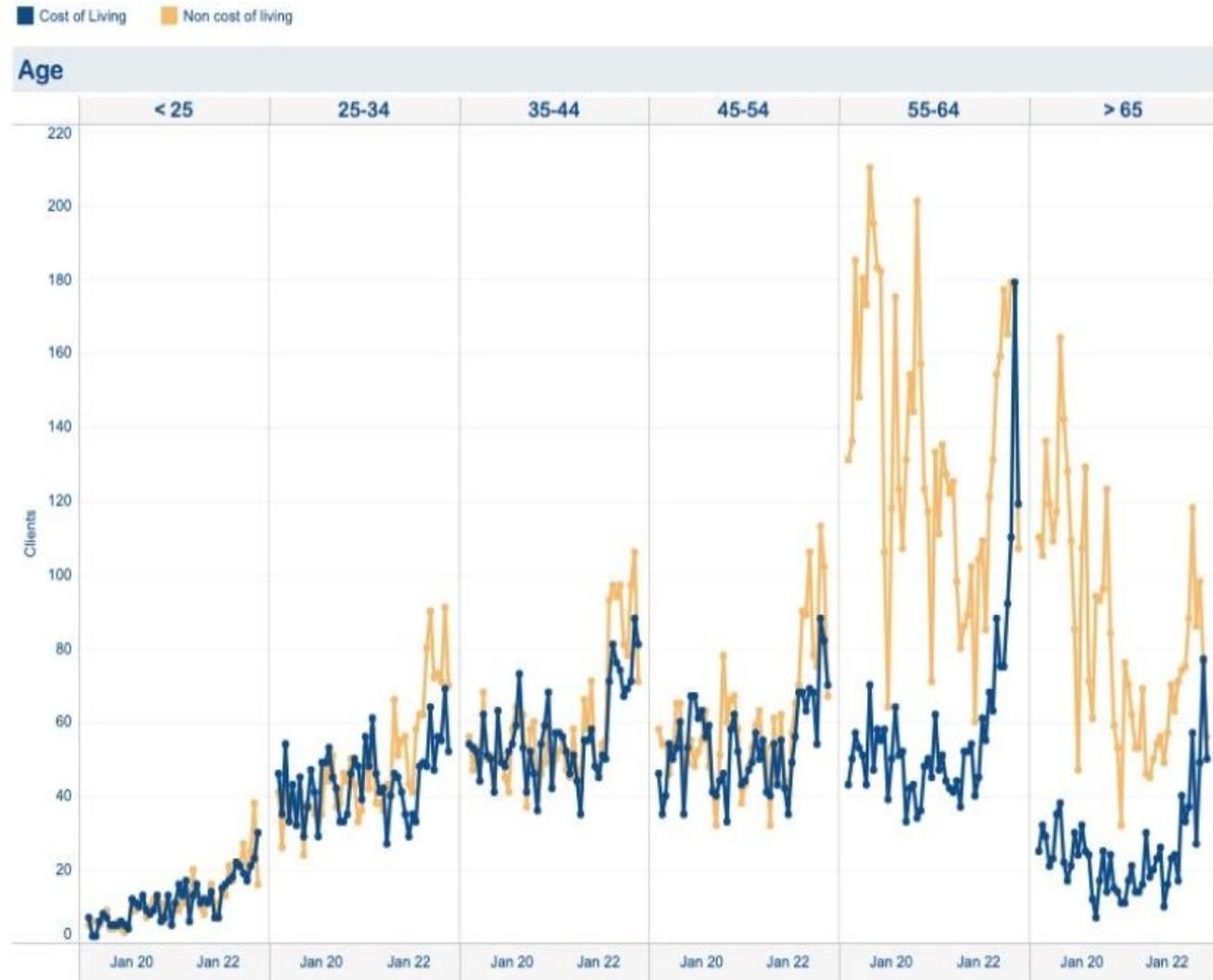


Figures for crisis support represent the number of people Citizens Advice helps with either referrals to food banks' or other charitable support (covers any emergency financial support or support in kind people need to make ends meet) and localised social welfare

CoL to Non CoL Profile Comparison

People can come to Citizens Advice with any problem they face - whether it's cost of living (CoL) related or not.

This graph shows the comparison between CoL and non-CoL related issues, based on age.

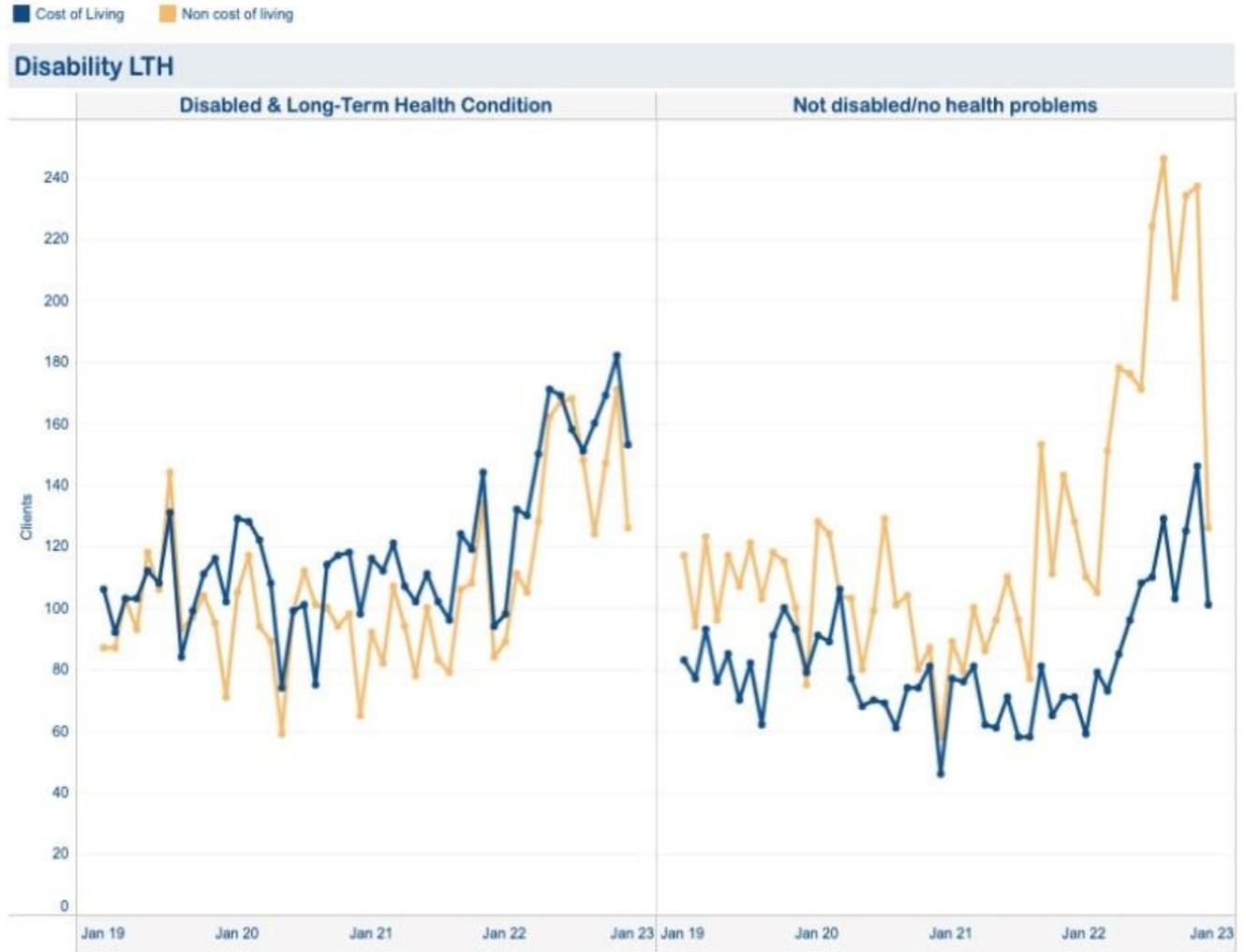


We can also show this by Disability LTH, Ethnicity, Gender, Housing tenure and Household Type.

CoL to Non CoL Profile Comparison

Certain groups of people we're helping are struggling more with cost of living issues.

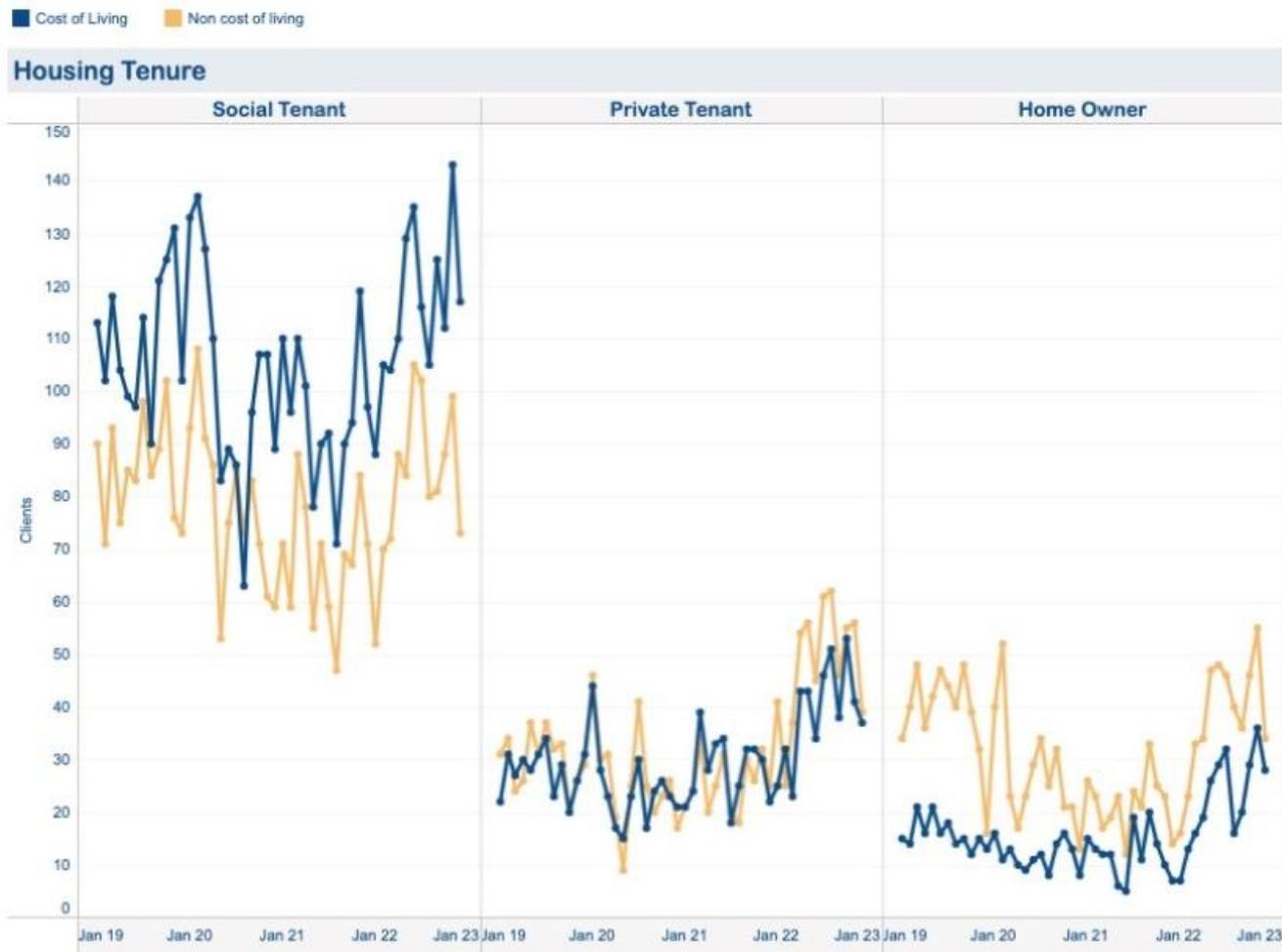
We continue to see more disabled people facing more cost of living related issues than other issues.



We can also show this by Age, Ethnicity, Gender, Housing tenure and Household Type.

CoL to Non CoL Profile Comparison

The graph shows the comparison between CoL and non-CoL related issues, by housing tenure.



We can also show this by Age, Disability LTH, Ethnicity, Gender and Household Type.

CoL to Non CoL Profile Comparison

The graph shows the comparison between CoL and non-CoL related issues, by household type.



We can also show this by Age, Disability LTH, Ethnicity, Gender and Housing tenure.

Cost of Living Analysis of Citizens

Advice Stevenage

For the period from 1st Jan 2019 to 31st December 2022



To discuss this report further or request additional information please contact Charlotte Blizzard-Welch via email at Charlotte.BW@castevenage.org.uk

Appendix 2

Cost-of-living survey

You can also find a copy of our survey [here](#).



Cost-of-Living Survey

We have put together this survey to understand the impact the cost-of-living crisis is having on people in our community, including on their physical and mental health. The survey is anonymous, so please give us your honest opinion, we will use the data we collect from this survey to understand what support is needed for which wards/districts and tailor our advice and services to meet those needs. The survey takes approximately 5 minutes to complete. Thank you for taking the time to help us.

1.How worried are you about the current rises in the cost of living? (e.g. higher energy bills, fuel prices, interest rates, cost of weekly shop)

- Very worried
- A little worried
- Not worried at all
- Unsure at the moment

2.Which (if any) price rises are causing you most concern at the moment? (Choose all that apply)

- Energy costs (Gas and Electricity)
- Petrol/Diesel Costs
- Rent/Mortgage
- Groceries/weekly food shop
- Childcare costs
- National Insurance increases
- School Uniform costs
- Leisure Activities

3. Have you made any changes to your spending to combat the price rises? (Choose all that apply)

- Reduced expenditure on food by changing brands or supermarkets
- Reduced expenditure on food by buying less
- Skipped meals
- Reduced energy usage
- Reduced leisure activities for yourself or your family
- Reduced use of car
- Reduced spending on clothes
- Reduced pension contributions
- Reduced regular savings
- Not yet but need to
- None

4. Have you turned to any of the following to help you meet the cost of living? (Choose all that apply)

- Foodbanks
- Charitable grants
- Donated Furniture
- Council Emergency Assistance fund
- Household Support Fund
- Energy company social tariffs
- Support from Religious Organisation or Faith Group
- Universal Credit loan or advance payment
- Loans from family/friends
- Bank Loans
- Payday loan
- Doorstep lender
- Loan shark
- None

5. Do you think there are any other areas of spending you could cut back on if you needed to?

- Yes
- No
- Not sure

6. Do you have any of the following debts? (Choose all that apply)

- Credit or Store card
- Personal Loan
- Rent arrears
- Mortgage Arrears
- Utility arrears (Gas, Electricity or Water)
- Phone/Broadband arrears/debt
- Payday loan
- Doorstep lender loan
- Debt to friends or family
- Unauthorised Overdraft
- Catalogue debt
- Loan shark
- No debts

7. Has your Mental Health been affected by the cost of living and rising prices?

- Yes
- No
- Unsure

8. Which age group best describes you?

- 15-19
- 20-24
- 25-29
- 30-34
- 35-39
- 40-44
- 45-49
- 50-54
- 55-59
- 60-64
- 65-69
- 70-74
- 75-79
- 80-84
- 85-89
- 90-94

9. What is your household type?

- Single Person
- Single person with dependent children
- Single person with non-dependent children
- Couple
- Couple with dependent children
- Couple with non-dependent children
- Other adults and dependent children
- Other adults only
- Other adults and non-dependent children



Supporting people through
the cost-of-living crisis

10. Please type your income:

11. Please type your ward/district of residency:

Appendix 3

Cost-of-living support leaflet distributed by Stevenage Borough Council

Government Support towards cost-of-living 2022/23

- £326 – the first of two cost of living payments – has been paid in July for those on certain means tested benefits. The second instalment of £324 will follow from the autumn.
- Tax credit claimants will receive their first cost of living instalment by the autumn
- Residents of properties in Council Tax bands A-D in England should already have received a Council Tax energy rebate of £150.
- Those in receipt of disability benefits will receive an additional £150 disability payment in the autumn.
- Pensioner households will receive an extra £300 from Winter Fuel Payments in November/December.
- Warm Home Discount of £150 will be paid automatically by DWP to those that qualify

NOTE – If you have a bank overdraft instruct your bank not to use any of the Government support payments to reduce your overdraft, unless you want to use the money towards the overdraft.

Help with your Energy bills

All domestic energy customers will receive a £400 grant to help with energy bills. Direct debit and credit customers will have the money credited to their account, while customers with pre-payment meters will have the money applied to their meter or paid via a voucher.

In September 2022, the Government announced the Energy Price Guarantee, which will reduce the unit cost of electricity and gas so that a typical household in Great Britain pays, on average, around £2,500 a year on their energy bill, from 1 October 2022. Further details about the Guarantee are available from the Government website:

<https://www.gov.uk/government/publications/energy-bills-support/energy-bills-support-factsheet-8-september-2022>

Energy advice

Citizens Advice Stevenage is able to provide appointments with an energy adviser who can provide advice on energy efficiency, complaints against your energy provider, grants and benefits to help with your energy bills and switching provider. Call 0800 144 8848 or visit

www.stevenagecab.org.uk/get-advice to get advice.

Help with your water bills

The Affinity Water WaterSure scheme works by capping your charges, so additional water usage is not chargeable. To find out if you are eligible visit: www.affinitywater.co.uk/billing/watersure

Scams

There has been a significant increase in scammers attempting to get personal information by sending out texts.

If residents are eligible for support and grants:

- they will not need to apply for the payment
- they will not need to call the DWP
- the payment is automatic
- DWP will never ask for personal details by SMS or email.

Council Tax Support

If you are on a low income, claim benefits or pension age and need financial support could get money off their council tax bill. Visit www.Turn2us.org.uk and use their online benefit entitlement calculator to check if you, or someone you know, is eligible.

Debt and money

Citizens Advice Stevenage have trained advisers who can help you:

- Prepare a budget
- Deal with debt emergencies
- Make payment arrangements with your creditors
- Apply for benefits, grants or hardship payments

To speak to an adviser call 0800 144 8848 - Monday to Friday 9 am to 5 pm, or visit www.stevenagecab.org.uk/get-advice

Foodbanks

There are a number of community food banks within the town. Citizens Advice Stevenage can refer residents in need to The Foodshed (Stevenage Vineyard). Call **0800 144 8848** or visit. www.stevenagecab.org.uk/get-advice.

However, in an emergency you can contact HertsHelp on **0300 123 4044**, Monday - Friday, 8am – 6pm and Saturday - Sunday, 10am - 4pm.



Appendix 4

Cost-of-living letter to Stevenage MP

Stephen McPartland MP,
House of Commons,
London,
SW1A 0AA

Sent by email to: stephen@stephenmcpartland.co.uk

Dear Stephen McPartland,

I am getting in touch from Citizens Advice Stevenage to highlight new data showing the impact of the cost-of-living crisis in Stevenage. Despite the government's recent freeze on energy bills, everything is pointing towards an incredibly challenging winter for people on the sharp end of the crisis.

The government must do more to support struggling families by confirming benefits will be uprated in April in line with inflation. As outlined in our attached briefing, we would be grateful if you could **write to the Secretary of State for Work and Pensions and ask her to commit to uprating benefits in line with inflation**. You could also raise our data and policy arguments in the local press and with colleagues in Parliament.

We are seeing unwelcome record demand for support on cost-of-living issues. For example, at a national level, we are **helping 2 people every minute with crisis support**, such as referrals to food banks and fuel vouchers. We have supported more people this year than 2019 and 2020 combined, and worryingly, this trend continues to rise each month. This year we have also seen more people coming to us who are facing or experiencing homelessness than before the pandemic.

People in Stevenage are particularly seeking support on Personal independence payment, Charitable support & Food banks, Council tax reduction, Council tax arrears, and Financial capability related issues (for more information please see our briefing attached here). As outlined in our

briefing attached, the scale and size of the crisis is unlike what we were seeing during the pandemic. Issues that usually peak in winter peaked in the middle of summer, for example people unable to top up their prepayment meter.

We welcomed the Prime Minister's recent freeze on energy bills, which is providing much-needed support for people in our area. However, government support has been swallowed up by rising costs - if benefits fail to keep pace with inflation, a family with one child will see a **real terms drop in support of £87 a month**. That is a cut that people simply cannot afford. The new Prime Minister and Chancellor urgently need to ensure people on the lowest incomes can make ends meet.

We would also welcome the **opportunity to meet with you** over the next few weeks to discuss how we can **work together to support your constituents throughout the crisis**. To arrange a meeting, please ask your office to contact Charlotte Blizzard-Welch, Chief Executive Officer at Citizens Advice Stevenage, at charlotte.bw@castevenage.org.uk or at 01438 722126

Your sincerely



Charlotte Blizzard-Welch
Chief Executive Officer

Citizens Advice Stevenage

www.castevenage.org.uk

Research and Campaigns Report January 2023

Registered charity number: 1077414

Company number: 038361



**citizens
advice**

Stevenage