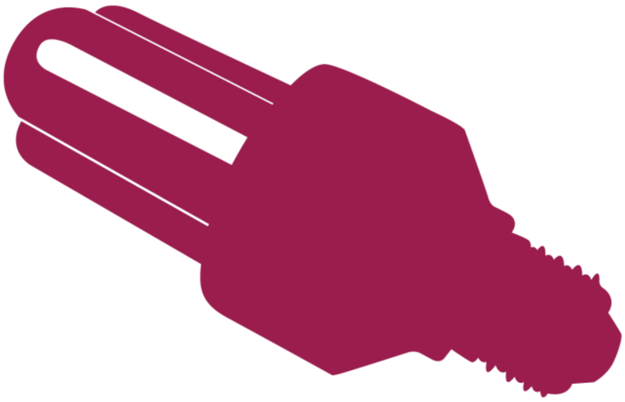
Turning down the heat 2



How the cost-of-living crisis is *still* affecting North Staffordshire

December 2022 Update

Staffordshire North & Stoke-on-Trent

Contents

1. Introduction

> **“I’m 82, I lived through the war, and this is much worse”**

In August 2022 we published a report that looked at how the cost-of-living crisis was affecting people in North Staffordshire. In that report we outlined how rapidly rising prices were affecting people and driving the demand for advice, especially around energy, food, housing and debt.

Figure1

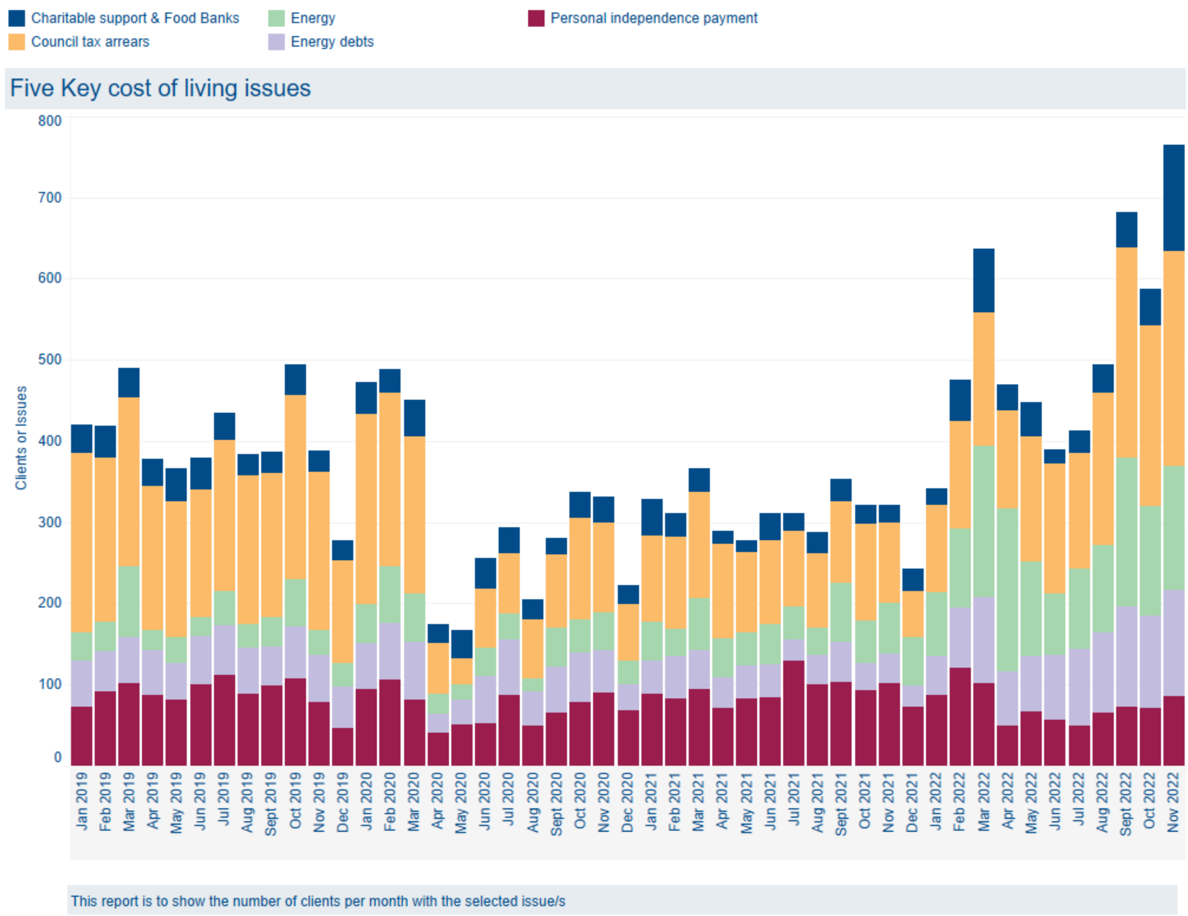


Figure 1 above shows the trend of enquiries involving five key cost-of-living related topics since January 2019. Throughout 2022 people needing help with these issues have been turning to Citizens Advice in increasing numbers, despite a quieter period during an unusually warm summer.

The data was drawn from those clients who have sought advice on issues affected by the rising cost of living in 2022, with comparisons to previous years in some cases and I am grateful to our national association, Citizens Advice, for pulling the data together and producing many of the charts. This version of the report updates that data from the end of August to the end of November.

The case studies are of actual clients who have sought our advice, but I have changed their identity to protect their confidentiality. Finally, we have updated the recommendations for actions made in the previous report.

In August it appeared that there were few prospects of imminent improvement and therefore a sustained response was needed to avoid a local humanitarian catastrophe. Fortunately, much has happened during the autumn both locally and nationally to address the crisis.

This includes the very welcome relaunching of the Stronger Together partnership in Stoke-on-Trent, the Here to Help initiative in Staffordshire and Newcastle-under-Lyme Borough Council, who are planning further responses.

Nationally, from April 2023 benefits will rise by 10% and further rounds of the Household Support Fund have been announced. Targeted financial support will continue from April even though the Energy Price Guarantee, which has kept costs for a typical user at £2,500 p.a. during the winter, will rise to cost a typical user £3,000 p.a. from April.

But what we are seeing every day is how the cost-of-living crisis hits local families from all sides and in particular the daily struggle to afford energy costs, food and rent.

Whether or not these measures will be enough to stave off a further crisis remains to be seen.

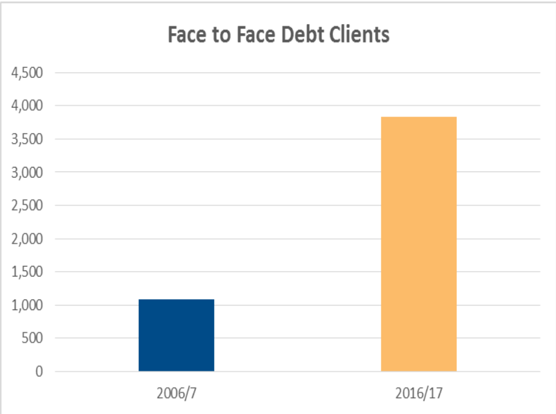
Simon Harris
Chief Executive
Citizens Advice Staffordshire North & Stoke-on-Trent
December 2022.

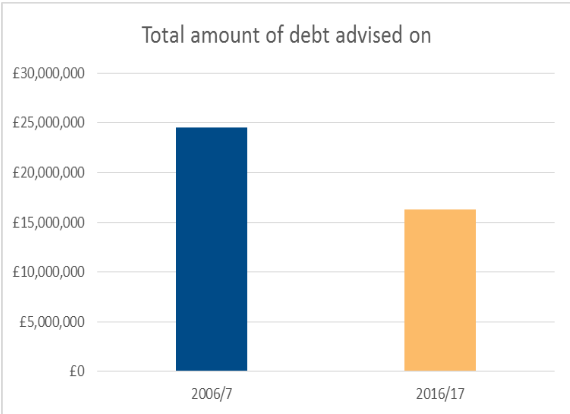
2. Background

It is misleading to believe that the 2021/22 cost of living crisis has come out of nowhere or is simply the result of a recent, unique sequence of events. On the contrary, the warning signs have been clear to see for some time.

In August 2017, in preparation for a Town Hall meeting organised by the Bank of England in Stoke-on-Trent to look at the financial impact of the 2008 financial crash, credit crunch and resulting recession, we compared of our debt caseload in 2006/7 with 2016/17. The box below summarises the main changes:

	Cases	Debt	Average
2006/7	1,088	£24,563,710	£22,577
2016/17	3,836	£16,245,353	£4,235





This showed nearly 4 times as many cases were opened in 2016/17, but a much lower level of debt. Part of the explanation for this was a significant shift in the types of debt brought to us and in particular the growth in priority debts (mortgage, rent, utilities, council tax, fines – debts where non-payment can lead to the loss of something significant).

In 2006/7 priority debts accounted for 26% of the total debt issues brought to us by clients. By 2016/17 they accounted for 59% of all the debt issues brought to us. This reflected a wider trend observed across the Citizens Advice network that more and more clients were struggling with their day to day living costs and paying for their essentials, and fewer were experiencing problems with consumer credit, largely due to the reduction in lending following the crash.

By 2016 consumer lending was growing again, after the credit crunch, and this may have masked the issue of priority debts, except for the growth in clients with so-called deficit budgets, where their reasonable outgoings exceeded their income, which was a growing feature of debt advice during the 2010s and has been even more prominent since 2020.

In “Negative Budgets: A new perspective on poverty and household finances (February 2020)” Citizens Advice identified a growing trend since 2016 of clients with a negative budget, rising from 32% of debt client in 2016/17 to 38% in 2018/19 and the size of the monthly deficit rising from an average of £167 to £203.

Both trends suggest that there were a growing number of people struggling to get by well before 2021 and the first signs of a significant increase in fuel prices.

Alongside this, other agencies highlighted the precarious financial position of many households. In their “Financial Lives 2020” survey, the Financial Conduct Authority (FCA) identified 10.7 million households with characteristics of low financial resilience, defined as people who “are over-indebted or have little capacity to withstand financial shocks. For example, they could not withstand even a £50 a month reduction in their income, or losing their main source of household income for even a week”.

The FCA estimated this figure represented one UK household in every five. 7.8 million of these households were indebted and 3.8 million were in financial difficulty.

The report also looks at the level of financial buffer households held to withstand sudden financial shocks and concluded that 39% of adults (20.3 million) lacked 3 months living costs in savings. They also found that:

- 5.1 million were usually overdrawn, often using an overdraft facility to pay for essential living expenses.
- 2.8 million had persistent credit card debts;
- 5.6 million had at least one high cost loan;
- 3.5 million had mortgage arrears at least 4 times their annual household income.

At the time the main concern was COVID-related job loss or income reduction due to furlough, but such persistent levels of financial insecurity create a significant cohort of people at risk of serious financial problems should they experience a sudden financial shock such as an increase in energy bills or the cost of food or petrol.

Taken together these factors demonstrate why the recent and continuing increases in the cost of living are having such a damaging effect.

3. Why this hits Stoke-on-Trent hard – December update

While this report covers the whole of North Staffordshire, the underlying problems are especially acute in Stoke-on-Trent. Newcastle-under-Lyme and Staffordshire Moorlands are each affected significantly but the scale of the problem in Stoke-on-Trent is much greater.

The Government's latest figures on fuel poverty, published in April 2021[1] showed that with 21.8% of households classed as fuel poor, Stoke-on-Trent had the second highest rate in the country after Barking and Dagenham.

Newcastle-under-Lyme had 18.0% of households classed as fuel poor and Staffordshire Moorlands 16.2%, significantly lower than Stoke-on-Trent but still above the Staffordshire-wide figure of 15%.

The new LILEE[2] assessment looks at the energy efficiency of the properties in an area and the residual income left once an amount required to adequately heat a home is taken into account. The relative poverty of Stoke-on-Trent along with the poor energy efficiency of many of the city's properties combine to make the city especially vulnerable to spikes in energy prices.

The problem is particularly acute in wards such as Hanley Park and Shelton (35% of households are fuel poor), Etruria and Hanley and then the main social housing estates such as Abbey Hulton and Townsend, Bentilee and Ubberley, Meir South and Trent Vale and Springfields[3].

In November 2022 the claimant count in Stoke-on-Trent was 8,550 people, or 5.4% of the adult population, claiming out of work benefits and required to look for work. While lower than at its peak, it is still 16.8% above the pre-pandemic levels and places Stoke 29th out of 309 Districts and thus in the top 10% of local authorities. In Newcastle the figures were 2,220 and 2.7%, while in the Moorlands it was 1,105 and 1.9%. Each has shown a slight increase since July. 30,475 people in Stoke-on-Trent are receiving Universal Credit, the principal means-tested benefit for working age people. This is a rate of 19.1% of people and places Stoke-on-Trent 37th out of 309 Districts.[4] The figure is significantly lower in both Newcastle and the Moorlands. Again the rate in Stoke-on-Trent has risen since July, but this may be the result of the natural migration of claimants off legacy benefits and on to UC, but it is also likely to be the result of the increase in the claimant count.

Despite having the 51st highest rate of Pension Credit claimants, it is still estimated that some £10.3 million of Pension Credit is unclaimed by approximately 2,500 people, each of whom will be receiving up to £80 per week less than Parliament says they need to live on, which would make a crucial difference in the current climate. In addition to this, they will miss out on those payments, including the £650 cost of living payment for which receiving Pension Credit is one of the qualifying criteria.

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[1] Sub-regional fuel poverty data 2021, published on behalf of BEIS by the ONS.
[2] LILEE = Low Income Low Energy Efficiency
[3] Fuel Poverty note 2021 – Steven Johnston, Stoke-on-Trent City Council
[4] Figures from ONS via NOMIS, and the DEP's Stat-Xplore, collated by Steven Johnston, Stoke-on-Trent City Council, for the December Universal Credit and Claimant County Summary

Similarly, it is estimated just under 2,000 people may be missing out on Universal Credit, another qualifying benefit for cost-of-living payments, and at an average of £77 a week. Money that could make a huge difference to household budgets.

A smaller number of people are estimated to be missing out on disability benefits, but some 300 individuals will be significantly worse off as Attendance Allowance, Disability Living Allowance and Personal Independence Payments not only provide valuable extra income (roughly £77 per week per recipient) but also act as qualifying benefits to other help and support including a £150 cost of living payment.[5]

Poor energy efficiency, low wages (in 2022 wages in Stoke-on-Trent were 86% of the GB average)[6] and high levels of benefit reliance make Stoke-on-Trent especially vulnerable to the cost-of-living crisis.

[5] Unclaimed & Underclaimed Benefits estimate Stoke-on-Trent July 2022 – Steve Johnston Stoke-on-Trent City Council, for the Stoke-on-Trent Hardship Commission.
[6] NOMIS.at nomisweb.co.uk reporting the ONS annual survey of hours and earnings

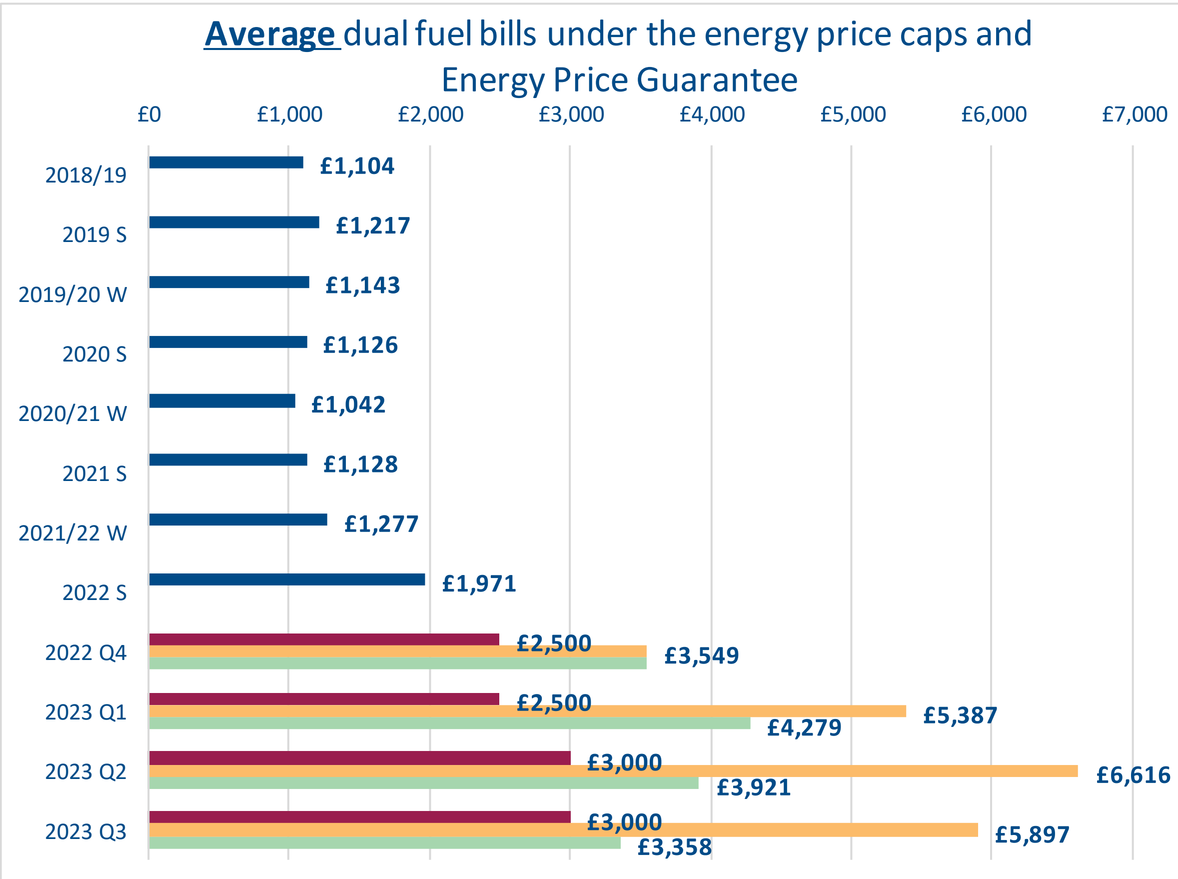
4. Energy costs – December update

Much attention remains rightly focused on the rises in domestic energy bills since 2020/21, as indicated by movements in Ofgem's price cap. The price cap is a mechanism to prevent suppliers charging excessive amounts for domestic energy while ensuring that bills reflect the true cost of supplying gas and electricity to households.

Figure 2 below shows the movements in the price cap.

- The blue bars represent the figure quoted for the cost of the annual usage by a typical user at the Ofgem price capped standard variable tariff.
- The purple bar shows the maximum per year a typical user should pay under the Government's Energy Price Guarantee (EPG).
- The orange bars are the *original* August forecasts by Cornwall Insight for how the Ofgem price cap *might* rise from October 2022 through the next 4 quarters.
- The green bars represent the latest figures for what a typical user would pay under the current Ofgem price cap and Cornwall Insight's forecasts for quarters 2 and 3 of 2023.

Figure 2



The big change has been the introduction of the Energy Price Guarantee from September 2022. This caps a typical user's costs at £2,500 p.a. until the end of March 2023. From April the level rises to £3,000 p.a. In the current period this saves typical users £1,000 p.a. compared to the Ofgem price cap and nearly £1,800 p.a. from January.

By the autumn of 2023, if Cornwall Insight's forecasts are correct, then the EPG and Ofgem price cap should be quite close together and Cornwall Insight's forecasts are certainly much less alarming than they were earlier in the year, reflecting recent falls in wholesale gas prices.

But the typical user is still currently paying twice what they were paying in the winter of 2021/22 and from April will be paying nearly three times what they paid in the summer of 2021. The £3,000 p.a. EPG is the equivalent of £58 per week. In the winter of 2021/22, typical users would have been paying £24.56 p.w.

To look at it another way we can compare it to the Standard Amount of Universal Credit (UC). Currently a single person receiving the Standard Amount of UC receives £334.91 pcm. If they are a typical dual fuel user, they will pay £208 pcm for their gas and electricity, or 62% of their UC.

From April 2023 their Universal Credit will rise by 10.1% to £368.74 pcm, but their capped energy payment will rise to £250 pcm, an increase of 20.2% and will now take up 67% of their income.

But what about the other government support provided? In 2022/23 someone in this situation will have received £1,200 (or £100 pcm) comprising £150 rebate on their council tax, a £400 payment towards their electricity costs and a £650 cost-of-living payment made to those on means tested benefits. From April this will be replaced by a single £900 payment (£75 pcm) limited to those on means-tested benefits, with additional payments for pensioners of £300 (£25 pcm) and £150 for disabled people (£12.50 pcm).

Overall, in 2022/3 our single, healthy UC claimant should have received £434.91 pcm from UC and cost-of-living support and in 2023/24 they will receive £443.74 pcm or £10 pcm more to cope with a £42 pcm rise in energy costs, not to mention increases in other costs such as food.

The conclusion is that despite a significant uprating in benefits and the continuation of government cost-of-living support, many of the poorest people locally will continue to struggle to meet their fuel costs for the foreseeable future.

The Energy Price Guarantee is scheduled to end in April 2024. At that point it is likely that the Price Guarantee and Ofgem's price cap will be at very similar levels. On current forecasts this will still be well above pre-crisis levels.

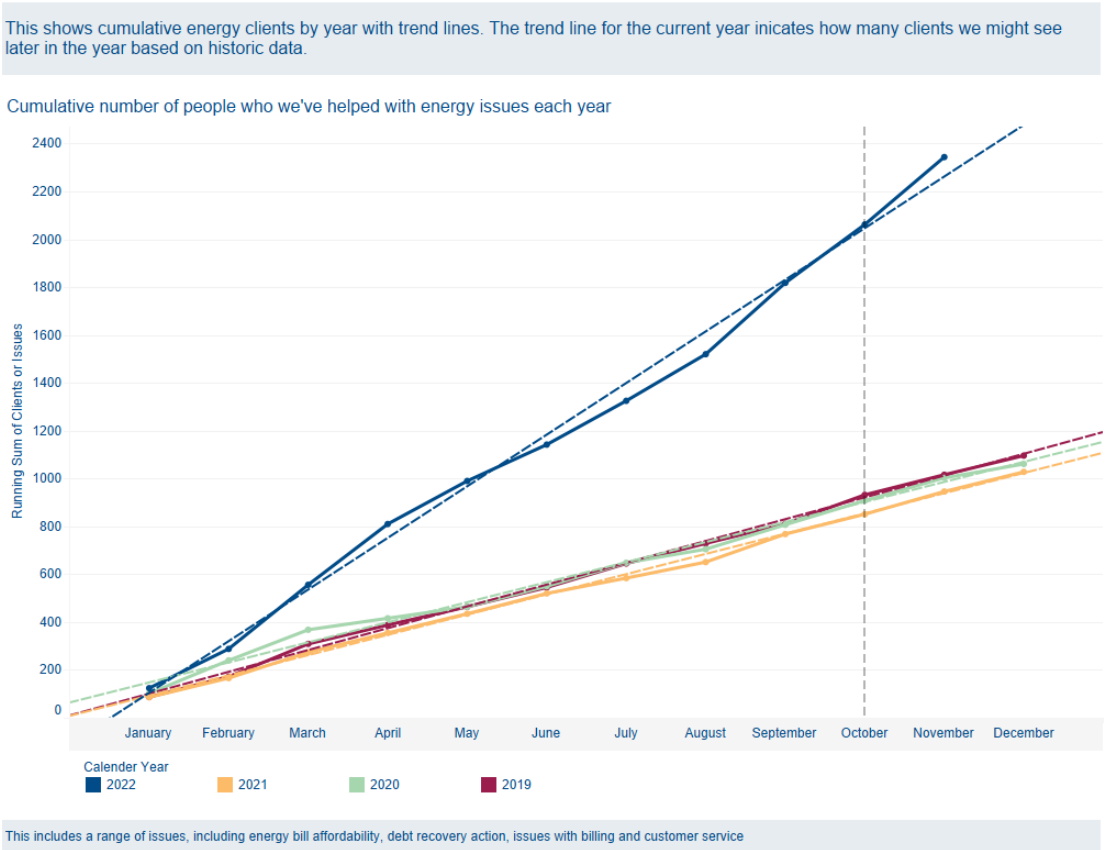
How is this affecting our clients?

Figure 3 shows the cumulative number of clients who had sought advice on energy issues in each of the past 3 years.

The blue line, representing 2022, had outstripped each of the three previous year's annual totals by the end of June and by the end of November we had advised double the number of clients on energy issues that we had in each of the three previous years.

Despite the introduction of the Energy Price Guarantee in October, the number of clients needing help with their energy costs continues to rise. One of the effects of a very warm summer and relatively mild early autumn has been to suppress demand to a certain extent. However, as the winter progresses we expect it to increase again and have already this happening in November.

Figure 3



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"Maureen" lives alone and has poor mental health. She recently moved home due to damp and mould in her previous property and in the disruption of the move had lost track of her finances.

"Maureen" had also lost her previous support network and had been struggling when she contacted us. She was sleeping on her sofa and could not wash her clothes as she lacked both a bed and a washing machine. She was also unsure whether she had rent arrears and how much she should be paying for energy.

We helped her get onto the Priority Services Register and asked her energy supplier for help meter readings. The local authority confirmed that she had rent arrears from her previous property due to how the tenancy had been terminated.

We explained her situation to the local authority and asked them to write off the rent arrears, which they agreed to do. They also helped her access supermarket vouchers which she used to buy new clothes, bedding and a heated clothes airer.

We helped her apply for a charitable grant, which paid for a new bed and washing machine. We made sure that she was receiving all the cost-of-living support that she was entitled to and now that her energy supplier is helping her with meter readings, her account is under control, and she is up to date with the payments on her direct debit scheme.

Figure 4 below represents similar data: the number of clients with queries about domestic energy, from January 2019 through to November 2022. This chart clearly shows the upward trend over time. Although demand tailed off in the summer, it picked up again in September, and while not reaching the heights of March and April remains higher than in any previous comparable period.

Figure 4

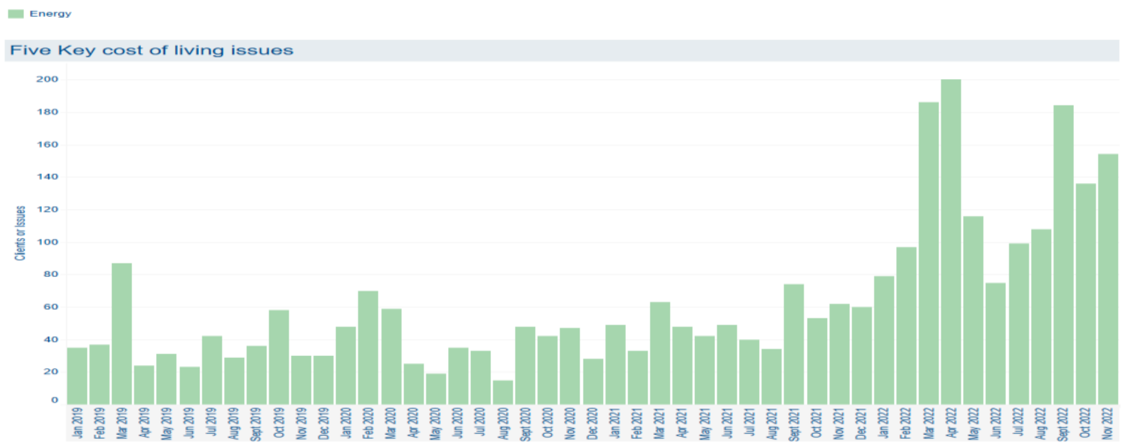
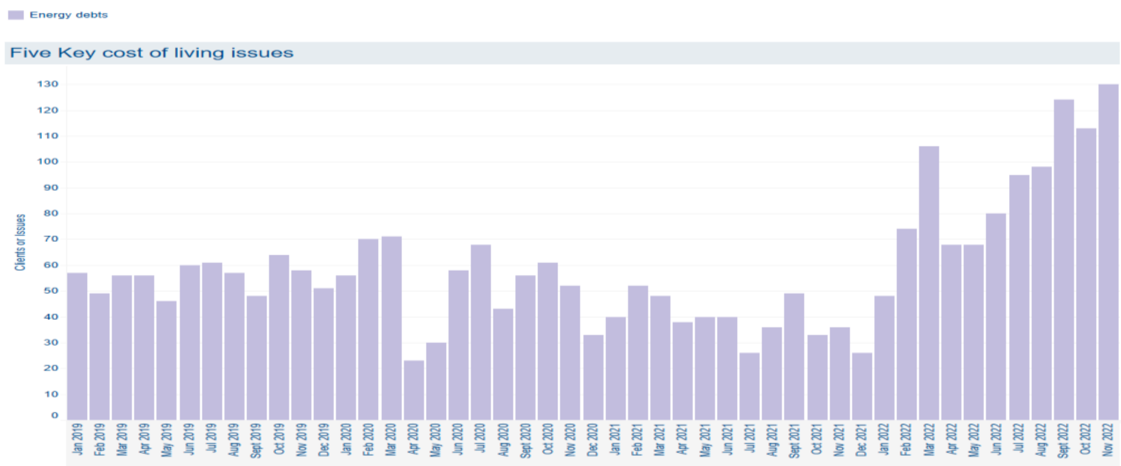


Figure 5 below shows the monthly totals of queries about domestic energy debts. Concerns about paying for energy are now feeding through into problem debt, where the client is in arrears with their energy and potentially facing recovery action by their supplier. March 2022 saw a peak in such issues. That peak has been passed in each of the last three months.

Figure 5



Despite the introduction of the Energy Price Guarantee, at, for a typical user, approximately £500 p.a. less than the forecast Ofgem price cap, problems with paying for energy, accessing support or special schemes and issues with arrears are a growing problem for many local people.

Again, the underlying upwards trend seen earlier in the summer has continued and we believe that the longer this crisis persists the greater this problem will become. It is likely that if prices rise further (as they6 are predicted to do) and support is withdrawn then the number of clients unable to meet these costs by cutting back elsewhere or cutting back on usage, who then fall into arrears, will increase significantly.

Supplier forbearance will protect many but at some point, we will see disconnections rise and if they do not disconnect supplies, then suppliers will use other means to recover arrears which will only heap further pressure on hard pressed families.

"Norman" is 62 years of and lives alone in a house he inherited from his parents.

"Norman's" only income was Contribution based Employment and Support Allowance and he was struggling to make ends meet, using his local Foodbank for food. As he wasn't receiving any means tested benefit, he wasn't getting any help with the costs of the prescriptions he needed for his health issues.

He was receiving the single person's discount on his council tax but not Council Tax Support, which he was unaware of until we advised him to claim it. This has reduced the balance on his account to £17 for the rest of the year.

His energy supplier had recently increased his monthly payment from £129 to £294 and had told him they would later raise it to £419, which he was unable to afford.

We have helped him claim Personal Independence Payment, which will increase his income and entitle him to additional support.

We also contacted his energy supplier, checked the state of his account (in credit) got him onto the Priority Services Register and negotiated a reduction in his monthly energy costs to £300 a month, instead of over £400.

We also helped "Norman" apply for Severn Trent's Big Difference scheme to clearing his water charges for this year and reducing them for next year.

"Norman" was unaware of the extra help he is now getting until he encountered a Potteries Moneywise adviser at his local Foodbank. Had he not done so then he would have been facing a very cold and worrying winter.

5. Rent – December update

In the summer we reported having seen an increase in the number of clients who were struggling to pay the rent. This has increased significantly since we emerged from the COVID lockdowns and has been due partly to the general squeeze on household budgets and partly to an emerging trend where private landlords have increased rents to add further pressure onto hard pressed households.

These increases are quite legal, but in many of the most challenging cases they are increasing the rent significantly above the Local Housing Allowance (LHA)[7] level so that the gap between the rent and the available support is growing.

Such is the state of the local housing market that private sector rents have been above the LHA ceiling for many years. However, in most cases the gap was affordable. This is becoming less and less the case. In some cases that we have seen the rent was previously below the LHA level and has now risen above it.

> *"Phil" is a single man unable to work due to ill-health. His income is Universal Credit, and his landlord is now proposing to increase the rent from £400 a month to £750 a month, an 87.5% increase.*
>
> *"Phil" cannot afford this increase, which will take the rent well above the LHA level. Unfortunately, his choices are accept the new rent or leave, as the landlord has also issued a Section 21 notice.*
>
> *"Phil" has applied to the local authority for a new property*

As well as adding significant financial burden to hard pressed families, such rent increases can threaten their security of tenure. The example above is one where clearly the increase is unaffordable, and the tenant is unable to increase his income.

In both "Phil's" case and "Sunita's", below, the proposed rent increase is well above inflation, and it appears that landlords may be taking advantage of the shortage of private rented properties to inflate rents.

> *"Sunita" and her husband live with their two young children in a 2-bedroom house that they sourced in a hurry when they needed somewhere to live urgently. The current rent is £950 a month, well above the LHA level of £425. They have been living on Sunita's husband's wages and Child Benefit.*
>
> *However, his job ends in mid-December and then they will be reliant on social security benefits.*
>
> *Despite one of the children being disabled, the landlord has now proposed increasing the rent to £1,200 pcm, a 26% increase. As the tenancy is an Assured Shorthold the landlord has also issued a Section 21 notice to regain possession if they do not agree to the increase.*

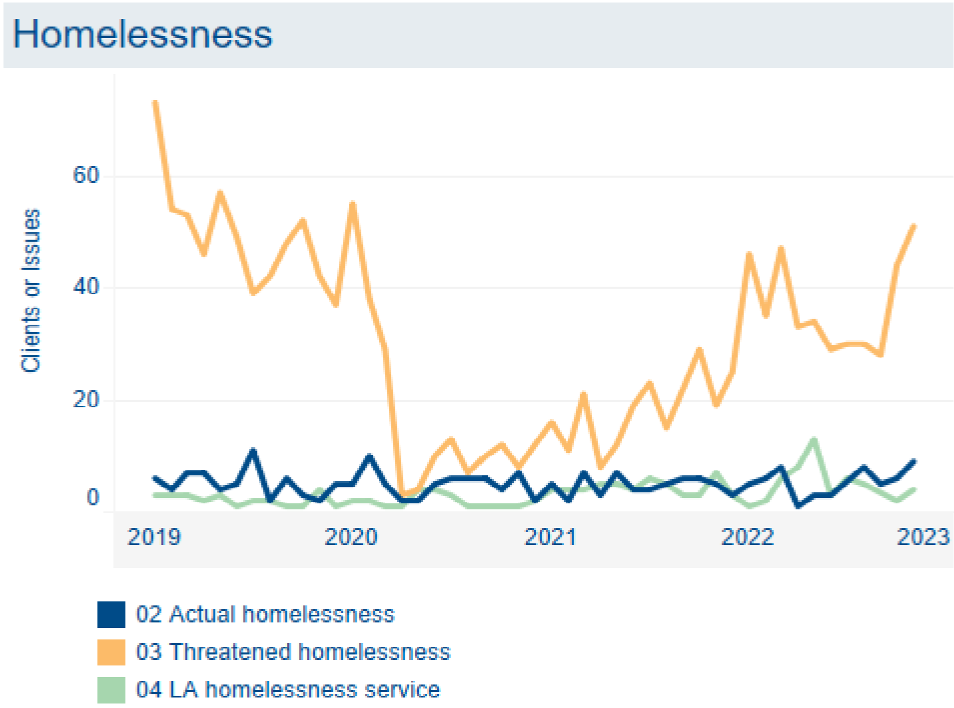
[7] Local Housing Allowance is the main form of financial support for private tenants. It is calculated with reference to a ceiling, based on rents in the local 'broad market rent area,' above which support will not be paid, but above which the landlord can charge rent.

The risk to security of tenure is clearly shown in both case studies above. In each case there may be an entitlement to rehousing under the homelessness legislation, but both families' lives will be disrupted by having to move to wherever they are offered a new property.

The Government has committed to amend the law to remove so-called 'no-fault' evictions but has still not confirmed when this will happen. In the meantime, as the private rental market recovers following the pandemic, there is a risk that landlords will seize the opportunity to raise rents and evict tenants who do not accept a new rent, before re-letting to a new tenant at the higher rent. As mortgage rates rise, more people will struggle to buy and therefore the demand for privately rented properties will increase, potentially exacerbating this problem.

All of this is entirely legal, even if it puts further pressure on hard-pressed family budgets.

Figure 6



The chart above shows that queries about homelessness, especially threatened homelessness (the orange line), have been climbing steadily since the pandemic as landlords resume recovery action and the courts reopen. It fell back over the summer, but since September has been climbing steeply, mirroring other similar trends.

"Lisa" lives with her 2 children and one non-dependent child in a privately rented property. She works, earning £189 per week.

She has been given the choice of paying an extra £70 a month rent (rising from £480 to £550 pcm) and accepting a 15% increase or leaving as, at the same time as notifying her of a Section 21 notice and clearly intends to evict her and her family if she doesn't accept the increase.

Again the increase is above inflation and again eviction would disrupt the family, while there is no guarantee that they would be able to find a cheaper property.

The situation for social housing tenants is different but also concerning. Fewer clients living in social housing are seeking advice about rent arrears than we would expect. One reason for this is that social landlords whose tenants are in receipt of Universal Credit are continuing to collect the arrears and ongoing rent direct from UC. While this ensures that the arrears do not increase, and the rent is paid it does leave significantly less money per week available for other expenses.

One emerging and worrying trend we have had reported at a Wider Welfare Reform Group meeting over the summer, is social housing tenants who had been paying their rent by direct debit, either cancelling those direct debits because they are no longer affordable, or seeing those direct debits fail due to insufficient funds in their bank account.

By and large these are tenants who in normal circumstances are able to pay their rent regularly, have no major financial problems and frequently are not on Universal Credit. If this trend continues, then we could see greater demand for advice on rent arrears and security of tenure.

6. Food and other essential expenses – December update

The cost-of-living crisis has been characterised often as a choice between heating and eating. For some of our clients it has already gone beyond that as they can no longer afford either.

This has been reflected in the queries about foodbank vouchers and emergency payments, both of which have increased significantly.

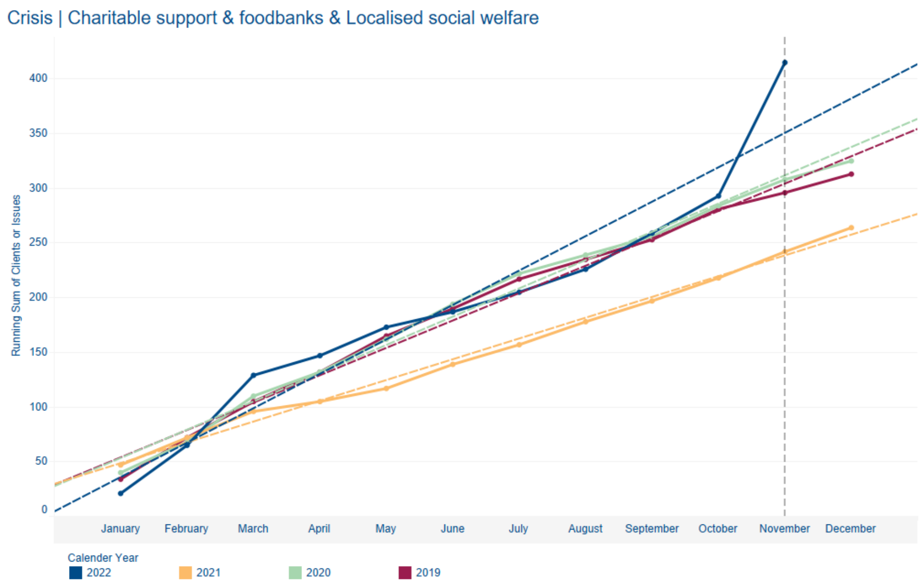
Since December 2021 we have been distributing funds from the Household Support Fund to families struggling to meet their fuel and other costs. This was then given out as either fuel vouchers redeemable to top up pre-payment meters or as cash grants to energy suppliers. We also have access to fuel vouchers and funds provided by other funders such as British Gas Energy Trust and the Energy Saving Trust.

While an invaluable stopgap to avert crises, such emergency payments are not a long-term or sustainable solution to the underlying problem of unaffordable energy or food costs.

Figure 7 shows the number of people who approached us for food or fuel bank vouchers or other emergency payments between January and November compared with the previous three years

Figure 7

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 inicates how many clients we might see later in the year based on historic data.



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

Demand for foodbank vouchers and other local support has been strong for some time, but it has increased since January and we are on track at current rates to provide this help to an additional 28% of clients this year compared to previous years.

Despite reducing during the summer, demand has picked up and increased significantly during the autumn and early winter as September, October and November have seen demand for such help exceed previous levels.

Figure 8

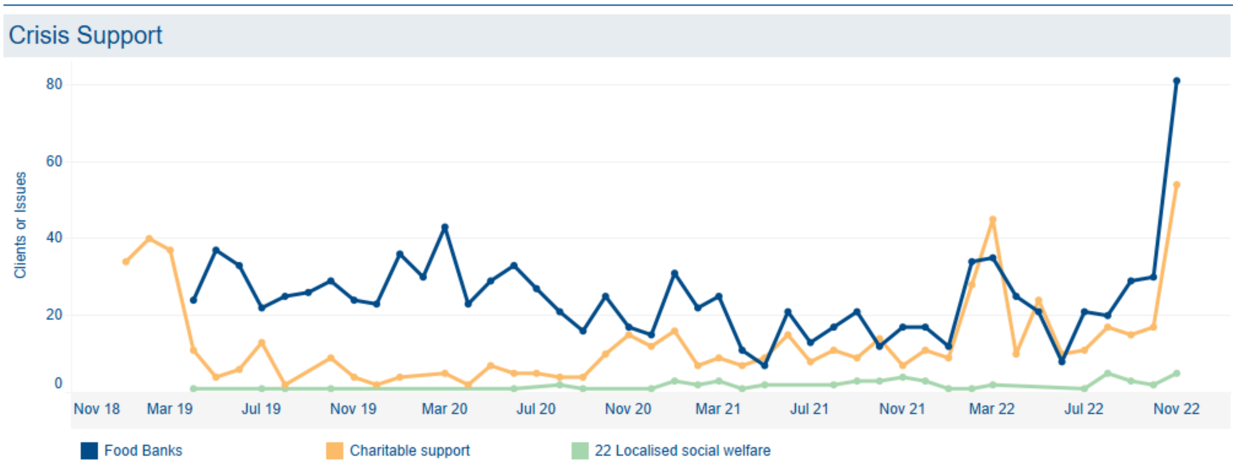


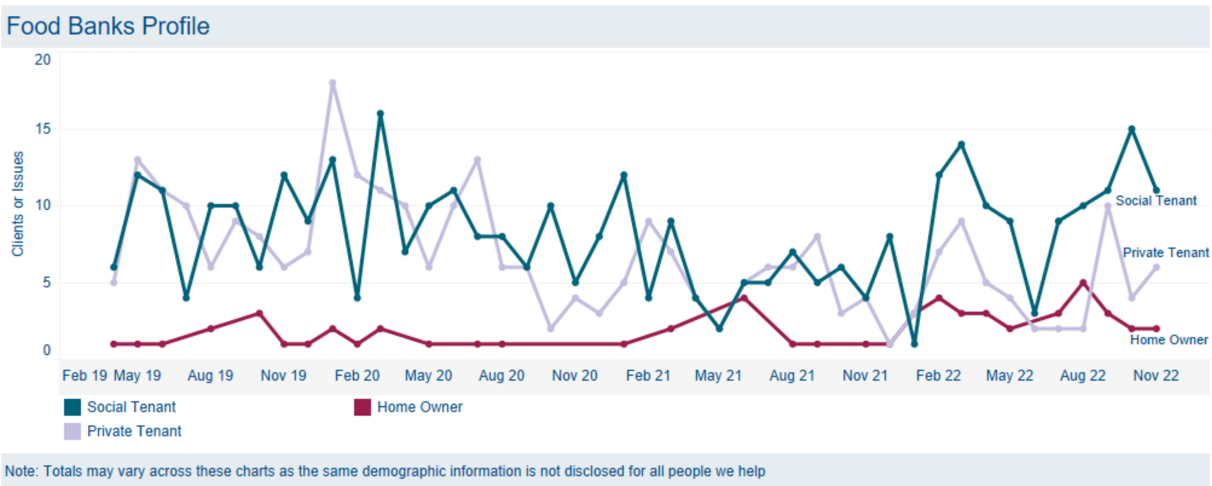
Figure 8 shows a longer-term trend for queries about this support and how they often respond to seasonal factors. However, there has been a marked increase in the demand for foodbank vouchers during the last couple of months, which has exceeded previous spikes in demand.

The following charts show who is approaching us for help from foodbanks.

Housing Tenure – not surprisingly tenants feature prominently among the clients we have referred to the city's foodbanks. Since February there has been a notable increase in the number of social housing tenants, although there was a spike in private tenants in March 2022. Owner occupiers are still relatively rare in this group but occasionally we do see them.

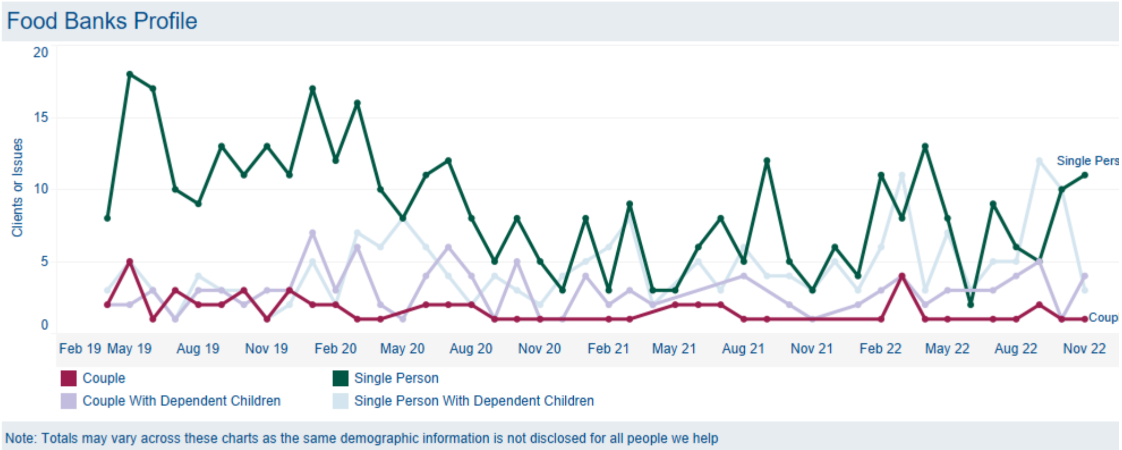
As interest rates rise and with them mortgage costs we may see an increase in owner occupiers needing this type of support.

Figure 9



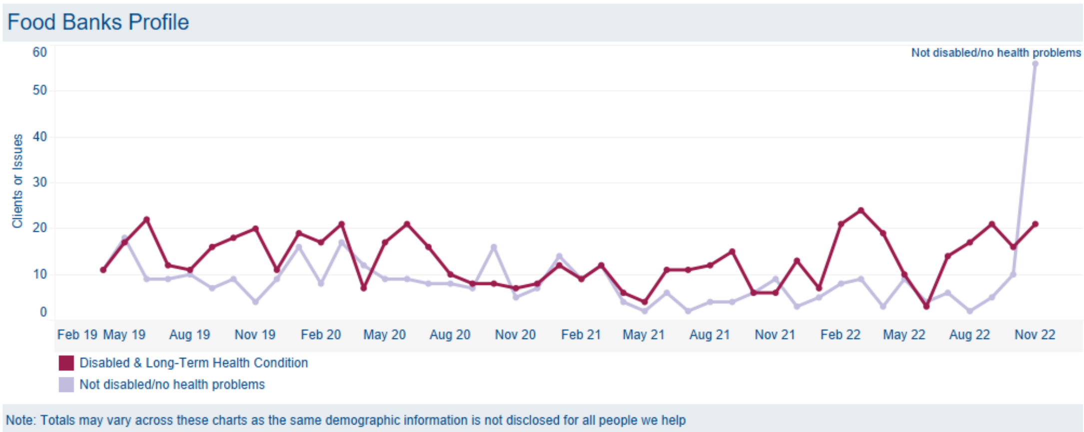
Household type – single people remain the most frequent group requesting foodbank referrals, usually because they receive the lowest levels of benefits. Single parents and couples with children also frequently need to use foodbanks.

Figure 10



Health and Disability – an adequate diet is essential to maintain good health. It is concerning that clients who report a disability or long-term health condition

Figure 11



(usually, one in three of our clients) are so prominent among the clients we refer to foodbanks. However, it is notable that there has been such a sudden and alarming increase in the number of fit and healthy people needing to use foodbanks during November and they now far exceed the number of people with underlying health issues requiring such help.

7. So what can CASNS do to help?

Our approach remains three-pronged. We aim to:

- Maximise people's income and access to additional support;
- Minimise their unnecessary spending; and
- Optimise their energy use.

Maximising income – we have recognised that ensuring local people claim all the social security benefits and tax credits that they are entitled to is vital and this has been a priority of ours for over 30 years.

In the current situation it is even more important both to ensure people can cope with rising costs and access the government support that is available. In 2022/23 people receiving means-tested benefits are entitled to a £650 cost of living payment, paid in July and October. We know that locally Pension Credit is hugely under-claimed, and we will do what we can to encourage those entitled to claim it. We are delighted that Newcastle Borough Council are looking seriously at benefit take up initiatives.

Personal Independence Payments and Attendance Allowance are less under-claimed but there are still disabled people missing out on these benefits and thus will miss out on the £150 Disability Cost of Living payment due in September.

Alongside this we work hard to ensure those who need it can access the emergency and crisis support available such as foodbank referrals, fuel vouchers and the household support fund, as well as other charitable support to help with a wide range of costs.

This includes accessing schemes such as Severn Trent's Big Difference scheme, which supports vulnerable customers with their water charges. The figures below show how big an impact that can have.

Since January 2022 we have helped people:

- *access **£2.1 million** of additional benefits*
- *access **£1.6 million** of other financial help including emergency and energy-related payments*
- *write off **£1.2** million of debt.*

Minimising unnecessary spending – this is a staple part of debt advice and increasingly the money management support we provide. It involves agreeing a sensible monthly or weekly budget with clients, to ensure they can cover their essential expenses. This may involve looking at subscriptions and other spending that may not be essential and can be stopped.

It also involves looking at better deals on essential items, such as eligibility for social tariffs for broadband services and money saving around water and other similar costs.

Optimising energy use – before October 2021 a large part of this was helping clients find a better deal on their gas and electricity accounts. However, since then there has been no effective price competition in the domestic energy market and this area of work ended.

Instead, we have focused on energy saving measures, including referring clients to other services who can supply and fit physical improvements to properties, advising on simple changes clients can make to reduce their energy use, advising on the support clients can access through their energy supplier and on the schemes available such as the Warm Homes Discount and Priority Service Register.

8. Conclusions and Recommendations

As this report demonstrates the Cost-of-Living Crisis is a multi-faceted issue. While there has been much attention focused on energy bills, rising inflation increasing the cost of food and other essential items and rising rents add further pressure to household budgets already stretched to breaking point. Each issue would be serious enough on their own, but when they come together the impact is massive.

This is clearly an issue of major concern for local people many of whom are struggling to cope with the rising cost of energy. We have spoken to many clients who switched off their heating as soon as the weather warmed up in the spring, as they cannot afford to pay their bills, and have been extremely anxious about switching it on again even during the recent cold snap.

Add to that the pre-existing circumstances of a poor city, with many sub-standard and thermally inefficient homes, inflation at levels not seen for fifty years and rising interest rates and it is hard to see how many people in the city will cope in the coming months without major improvements in the support available and major changes to the domestic energy market.

There is only so much we and other organisations can do to help people: we can maximise their income, help them make their money go further and share advice and tips on improving their energy usage but if that sometimes feels like building sandcastles in the face of a tsunami then that is because the scale of the problem is so huge.

The current support provided by government and proposed uprating of benefits are welcome. A simpler set of additional support payments will help, but, as demonstrated above, the overall support is falling in net terms, as historically high prices persist.

The deepening crisis also raises serious questions about whether there can be a functioning market in domestic energy in the future. The current arrangements of state-sanctioned price fixing for a cartel of suppliers clearly

This is clearly a crisis as serious and, potentially, as deadly as COVID, that threatens the health and welfare of many people across North Staffordshire and beyond. The response therefore needs to be bold and proportionate.

The measures we are proposing will be expensive. Not implementing them will also be expensive, probably more so, with additional costs falling on the NHS, social care and other public services. The choice is still not whether or not additional money is spent, but how much, when and where.

Therefore, we recommend

1. An immediate cost of living supplement of £20 per week paid to every household receiving Universal Credit or Pension Credit in addition to the April uprating and the £900 payment.
2. More generous targeted cost-of-living support than is currently proposed.
3. An increase equal to CPI in the Local Housing Allowance.

4. The reintroduction of some form of rent regulation to keep proposed increases affordable.
5. The government to make good on its promise to repeal Section 21 of the Housing Act and end no-fault evictions.
6. The introduction of a social tariff for vulnerable customers' domestic energy bills that is set on a sliding scale linked to means-tested benefits and focuses the cost on unit charges rather than the standing charge.
7. The continuation of locally distributed crisis funds as a safety net for those customers who risk losing their supplies despite the measures listed above.
8. Investment of funding in targeted benefit take up campaigns to help boost incomes, focusing on means-tested and disability benefits.
9. Increased investment in renewable energy.
10. Increased investment in improving the thermal efficiency of the local housing stock.