

Cost of Living Report 2023

A research and campaigns report
investigating the impact of the increased cost
of living in Teignbridge



**citizens
advice**

Teignbridge

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Introduction

Britain is facing its biggest cost of living crisis in decades. We have seen more people coming to us for help with crisis support, energy problems and not having enough money to make ends meet than ever before. This [interactive cost of living data dashboard](#) provides information on how the crisis is affecting the people we help.

Locally, Citizens Advice Teignbridge is experiencing unprecedented demand for services as people struggle with the cost of living crisis. This reflects a record-breaking demand for Citizens Advice services nationally. This report looks at the key issues affecting clients and the significant factors that are compounding the difficulties they are experiencing, including: ***inflation; access to services and***

support; energy costs; benefit rates/ benefit cap and housing costs. The report highlights the issue of the limitations of our **funding and capacity** to meet our clients needs and concludes with looking at ways in which the difficulties clients are experiencing could be addressed both nationally and locally.

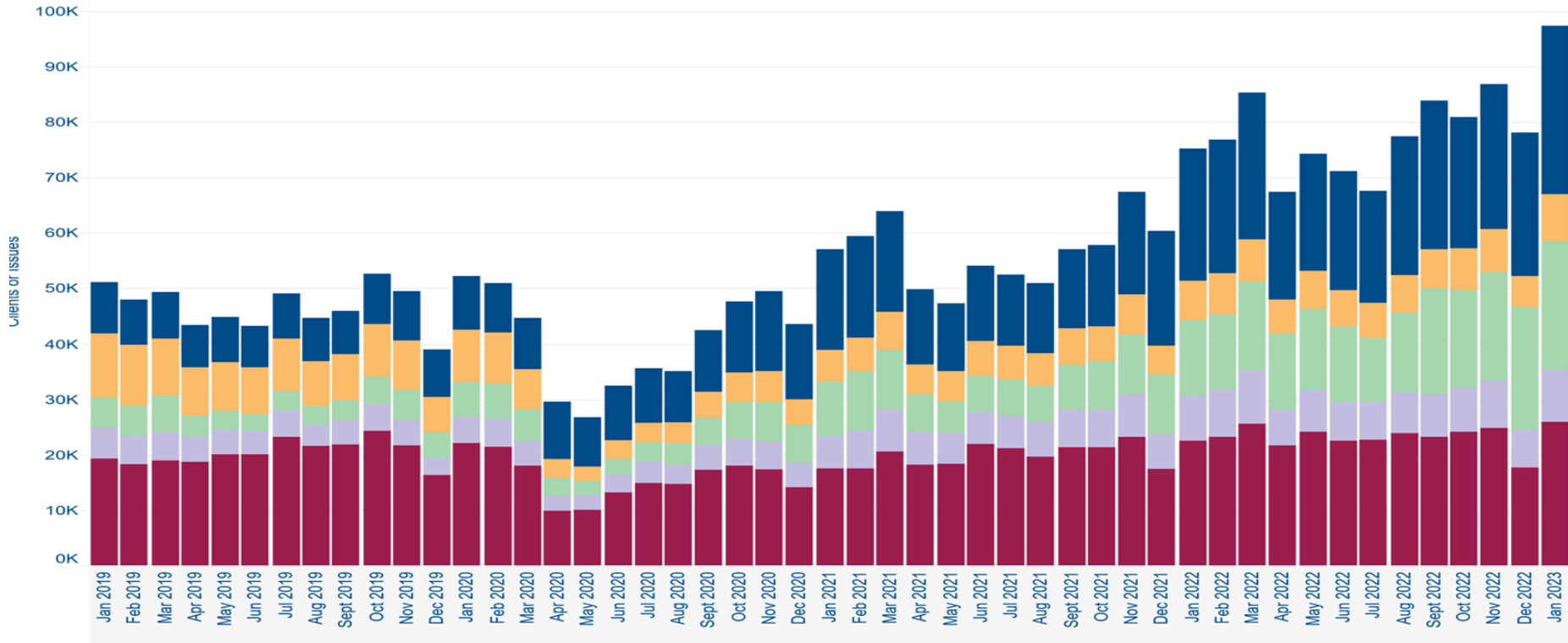
Key Issues

We have seen particularly significant increases in the demand for **energy advice** and **charitable support and food bank** services, both locally and nationally.

The graphs below show the **'Five key Cost of Living Issues'** first **Nationally**, and then for **Citizens Advice Teignbridge**. These figures show a clear increase for both **energy advice** and **charitable support and food bank** services and it is particularly notable that the demand was already higher for summer 2022 than it was in the previous winter months. We are expecting to see demand increase considerably during the winter months. The graph for Citizens Advice Teignbridge shows a dramatic increase in demand for charitable support and foodbank issues from January 2022 to March 2022. The apparent drop in demand from April 2022 needs to be understood within the context of the fact that we had temporary funding to provide additional support in this area of advice; the drop in demand is likely to be a reflection in the decreased capacity to provide this support when that temporary funding came to an end.



Five Key cost of living issues

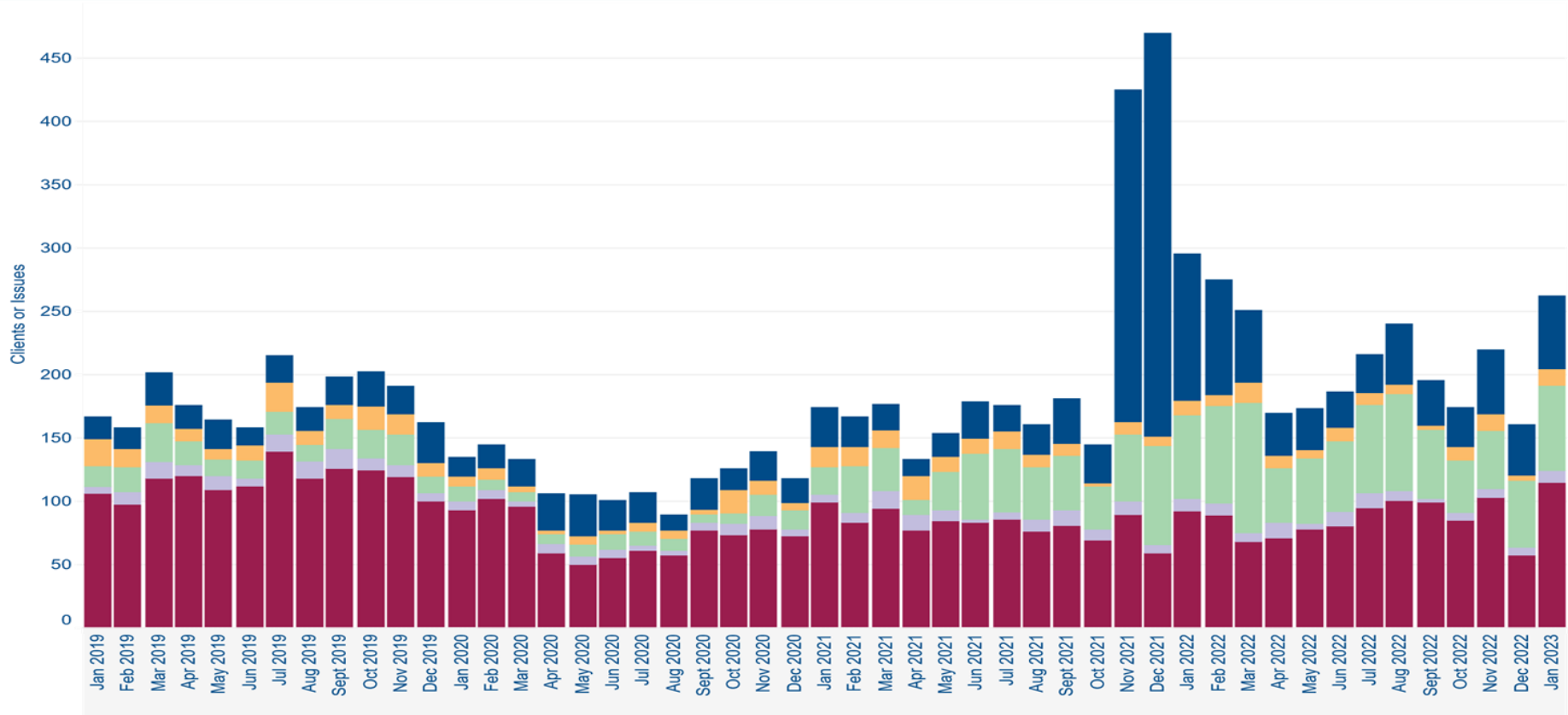


Five key Cost of Living Issues - NATIONAL

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



Five Key cost of living issues



Five key Cost of Living Issues - TEIGNBRIDGE

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

Crisis support:

Citizens Advice national research has shown:

'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 support.'

Cumulative number of people we've helped with crisis support each year (national): December 2019: 74,534; December 2020: 96,230; December 2021: 135,572; December 2022 (projection): 212,966

Energy:

Citizens Advice national has shown the following in regard the rise in energy costs:

'The energy price crisis has been unprecedented. That fact is stark in our data. If this trend continues, by next month [December 2022] 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 (national):

December 2019: 86,169; December 2020: 100,646; December 2021: 153,384; December 2022 (projected): 226,754

(From: Citizens Advice cost of living dashboard; November 2022 - this [interactive cost of living data dashboard](#) shares national and local insights from across our service on how the crisis is affecting the people we help).

Inflation

The significant rise in inflation rate has resulted in considerable price increases across most basic essential living costs; many clients who were previously managing are now finding they are unable to cover their basic living costs and having to make extremely difficult choices about which basic costs to cut back on. In order to be able to better deal with these challenges, clients need an increased basic income that reflects actual costs, and better access to support and advice services.

Access to support and services

Whilst there has been a tremendous response from within communities in providing services such as warm spaces, food banks and clothes banks, availability of and access to these services is inconsistent and cannot be relied on to ensure that all clients basic needs are met. Where there has been additional crisis support put in place through local authorities – such as the Household Support Fund – this has been inconsistent in terms of reaching all who need it. This is due to a number of factors: a lack of general knowledge of availability and how to access the support; difficulties in terms of the short window of availability; the discretionary nature of the support – no statutory eligibility criteria to ensure that all who require the support will get it, and administrative complexities.

Energy costs

Whilst the support provided by the government to assist with the huge rise in energy costs has been welcome, the cutting back of support from April 2023 will create a financial cliff edge for millions of households. For people qualifying for additional cost of living payments, this is only likely to stop things getting worse rather than helping them get better.

Furthermore, some people will not 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.

Benefit rates/benefit cap

We welcome benefits rising in line with inflation next April, however we know this still won't be enough for many people. The cost of living payments will help people on the lowest income but we know it will not be enough to cover the increased cost of living and potential shortfalls in rents due to the freeze on housing costs support (see below). There is also great concern about people who will fall through the cracks where they are not eligible for this support but on low incomes. Whilst we are glad to see that the government has recognised the harm caused by the benefit cap and has ensured that those impacted (the majority of whom have children) receive additional support in the coming year, the fact that the cap overall has been retained means people will continue to struggle.

Housing costs

The impact of rising private rents and the freeze on Local Housing Allowance rates

In addition to having to manage increased living costs, rising numbers of people are struggling to manage to cover their rent costs and are at risk of homelessness. The Local Housing Allowance (LHA) is used to determine how much housing costs support people in receipt of benefits and paying private rent are eligible for. During the pandemic, the government made changes to ensure that at least 30% of local private rental properties were within the housing costs support available. However, the rates have been frozen for the past two years, despite a significant increase in private rents. Citizens Advice (national) states:

In the 2 years following, government statistics show the bottom 30% of rents rose by around 5%. Creating a shortfall of £27 a month, on average, between the bottom 30% of rents and LHA rates. As a result, by the start of this financial year (April 2022) the proportion of households unable to cover their rent with their LHA had already increased by 5 percentage points — that's an additional 216,000 households with a shortfall.'

[Why the freeze on Local Housing Allowance is unsustainable | by Thomas Hunter | Nov, 2022 | We are Citizens Advice](#)

As a result of the freeze on LHA and significant increases in private rent, local private rental properties have become increasingly unattainable and unsustainable for people who receive benefit support. Here in the south west we have seen particularly high rent increases, and even with the welcomed uprating of benefits in line with inflation from April 2022, it is highly likely that more and more people will be forced to pay the difference in rent costs from

other benefit income, including disability benefits. This is particularly concerning in terms of the implications for people with disabilities and long-term health conditions, who if forced to use disability benefits to cover rent shortfalls, will not have this income available for the intended purpose of meeting their additional needs and maintaining their independence. The [CA cost of living data dashboard | Flourish](#) (*How is the cost of living crisis affecting different groups?*) shows that the numbers of people we are helping with referrals to food banks and for charitable support are significantly higher for people with a disability or long term health condition. In October 2022, around two-thirds of the people we helped with food bank referrals had a disability or long-term health condition.

Housing charity **SHELTER** argues:

In 91% of England, housing benefit now fails to cover the cost of a modestly priced 2- or 3- bedroom home. The government urgently needs to raise LHA so that it at least covers the cheapest third of rents for the 1.8 million private renters who claim housing benefits.'

[***MPs call for boost to housing benefit to help renters through the cost of living crisis | Shelter***](#)

Capacity and funding

At **Citizens Advice Teignbridge** we are very well placed to help people through the current cost of living crisis; our trained advisers can provide information and advice to help empower people to find ways of managing the difficulties they are facing and to take action to access any support available to them. The ***Citizens Advice 2021-2022 Impact Report*** states:

'Despite unprecedented demand for our services, and more people coming to us with urgent and complex problems [...] we helped 75% of people solve their problem, 6 in 10 people said they felt less stressed, depressed or anxious as a direct result of our advice, nearly 8 in 10 people said we were easy to access [and] 87% of people would recommend our services to a friend. (Citizens Advice; October 2022)

However, despite the incredible dedication and hard work of all our staff and volunteers, there are many people who are still unable to get our support due to the limitations of our capacity and funding. Citizens Advice Teignbridge has not had an increase in core funding for the past ten years – as a charity we are fully dependent on continued funding support for all the services we provide, and require significantly increased funding to ensure that we meet local need for support.

Conclusion

Whilst we welcome the support in the recent fiscal statement, particularly uprating benefits in line with inflation, the continuation of the Energy Price Guarantee and targeted cost of living payments, this support will be swallowed by rising costs. Further measures are required, both nationally and locally, to ensure that clients receive adequate support to meet their living costs:

What can the central government do to help?

- **Take further action this winter**, for example by bringing in a winter ban on energy companies forcing people onto pre - payment meters, and reconsidering its real-terms cut to local housing allowance.

- **Consider further support from April 2023**, including for those not on means-tested benefits (we are seeing an increased impact on people on higher incomes who haven't needed support before).
- **Increase basic benefit rates** to reflect living costs, and **remove the benefit cap**.

What can the local government do to help?

Whilst we fully acknowledge and appreciate the considerable pressure on the local council and the increased demand on their services, and are aware of and involved in the work that Teignbridge District Council are doing with local support services within the 'Teignbridge Together' initiative, we would like to highlight the significant positive impact of our services on outcomes for clients, and strongly argue that increased core funding for our services would enable us to better meet local need and to empower clients to take action to move forward with their difficulties.

REFERENCES

[CA cost of living data dashboard | Flourish](#)

[Why the freeze on Local Housing Allowance is unsustainable | by Thomas Hunter | Nov. 2022 | We are Citizens Advice](#)

[MPs call for boost to housing benefit to help renters through the cost of living crisis | Shelter](#)

Citizens Advice 2021-2022 Impact Report