



Chartered  
Institute of  
Housing

# **COST OF LIVING CRISIS**

**A spotlight on children and families**

The Chartered Institute of Housing's fifth cost of living briefing

**December 2022**



Welcome to issue no.5.

The cost of living crisis is growing. Britain's inflation last month rose to a 41 year high of 11.1% – a big jump from 10.1% in September – and we are now entering a period of recession. We look at what this means for people, with a focus on children and families.

This CIH briefing is the fifth in a series as we address the question: "what is the impact of the cost of living crisis on social housing tenants – and how should the sector respond?" In this edition, we take a look at what this means for people, with a focus on children and families.

Topics in this edition:

- [Latest evidence on the crisis](#)
- [Resident Voice Index survey – latest findings](#)
- [Spotlight on children and families](#)
- [How social housing providers are supporting](#)
- [Useful resources](#)
- [What is CIH calling for?](#)

For previous copies of our briefings see [www.cih.org/policy/cost-of-living-crisis-briefings](http://www.cih.org/policy/cost-of-living-crisis-briefings).

To provide insight or feedback on the briefings please email [policyandpractice@cih.org](mailto:policyandpractice@cih.org). (In future briefings we plan to explore the impact of the cost of living crisis on, older people, rural communities, and BME residents.)

# Latest evidence on the crisis

## Inflation hits 11%

The monthly inflation figure rose to 11.1% in October, the highest for 41 years. The latest Consumer Price Index (CPI) figure, [published on November 16](#), is the highest since October 1981 and marks a full percentage point rise last month, nearly double what economists expected.

Food prices had their biggest leap upwards since 1977, while surging gas and electricity bills continued to drive the overall rise, according to the Office for National Statistics (ONS). Gas and electricity prices made the largest leap upwards, rising 23.4% despite the new Energy Price Guarantee. Food prices rose by 16.4%, with the cost of basics such as tea bags, milk and sugar continuing upwards.

The supermarket price of some of the most popular branded food products has in some cases doubled in the last two years, research by Which? found ahead of the latest inflation data (see below).

Households may soon see further rises in their mortgage repayments as the latest figures from the ONS are likely to draw another interest rate rise from the Bank of England, with many experts predicting a half-point hike to 3.5%.

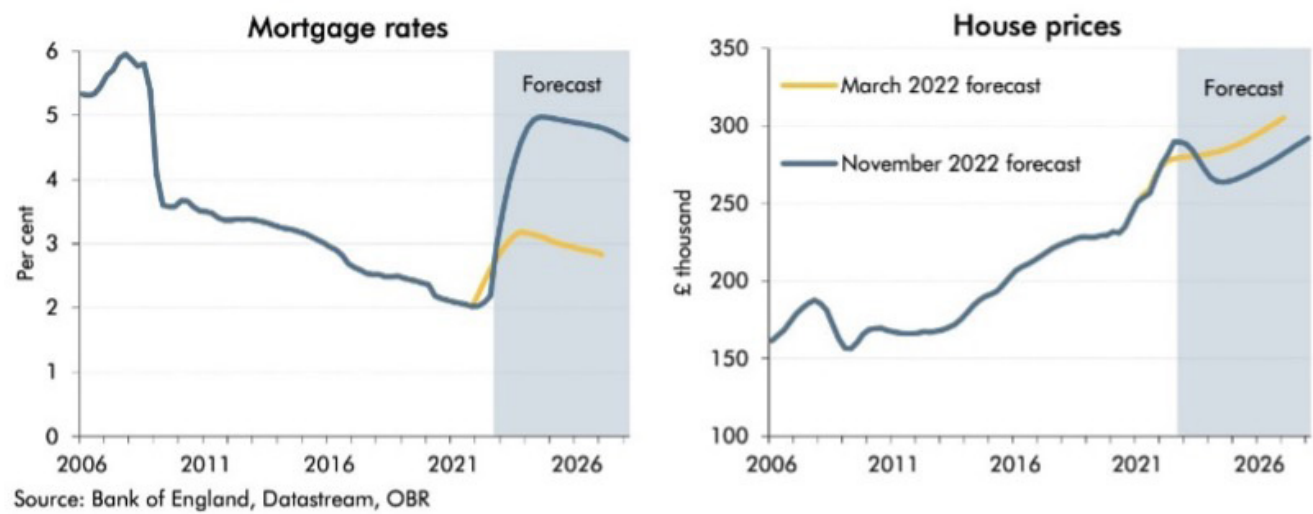
## Government extends its cost of living help for households

The government's [Autumn Statement](#) had some important measures to help households through the cost of living crisis:

- The government's energy price guarantee will be kept for a further 12 months at an average of £3,000 for a typical household, up from £2,500 at present
- There will be new one-off payments of £900 to households on means-tested benefits, £300 to pensioner households, and £150 for individuals on disability benefit
- There will be an additional £1bn funding to enable a further extension to the household support fund run by local authorities
- Social housing rents will be capped at 7% next year, instead of double-digit rent rises
- The national living wage will rise by 9.7% next year to £10.42 an hour
- Benefits will rise in line with September's inflation rate, by 10.1%, costing the government £11bn
- The benefit cap will be increased with inflation next year
- The pensions triple lock will be kept.

## House prices to fall slightly but mortgage costs to stay high

Chart 13: Mortgage rates and house prices



The Office for Budget Responsibility (OBR) published its [economic forecast](#) to coincide with the Autumn Statement. Among the forecasts, it expects house prices to start to fall (see chart) then recover to their current level by 2028. In a worrying forecast for buyers and those with mortgages, rates are set to stay close to 5% for the next five years. The era of low interest rates has come to an abrupt end. Here are the details:

- House prices are forecast to fall by 9% between the fourth quarter of 2022 and the third quarter of 2024, driven by significantly higher mortgage rates as well as the wider economic downturn
- Average interest rates on the stock of outstanding mortgages peak at 5% in the second half of 2024, the highest since 2008 and 1.8 percentage points above the peak in the OBR March forecast, before falling back slightly to 4.6% by the forecast horizon
- Due to the large share of fixed-rate mortgages, higher rates on new mortgages take time to feed through to higher average mortgage rates on the stock of debt
- As the economy recovers, house prices rise slightly faster than nominal incomes from 2025 (at around 2.6% a year) and the house-price-to-earnings ratio settles at around 7.0, lower than the ratio of 7.3 in the March forecast
- There is significant uncertainty over this forecast given the sensitivity of house prices to mortgage rates and the recent volatility in the bond yields that drive pricing in the mortgage market.

Some other key points relating to the cost of living crisis are:

- CPI inflation is set to peak at a 40-year high of 11% in the current quarter
- The peak would have been a further 2½ percentage points higher without the energy price guarantee (EPG) limiting a typical household's annualised energy bill to £2,500 this winter and £3,000 next winter
- Rising prices erode real wages and reduce living standards by 7% in total over the two financial years to 2023-24, despite over £100 billion of additional government support
- The economy is tipping into a recession that will last just over a year, from the third quarter of 2022
- Unemployment rises by 505,000 from 3.5% to peak at 4.9% in the third quarter of 2024.

Families the chancellor has pledged to help will still be worse off next year

The Joseph Rowntree Foundation (JRF) looked at how Jeremy Hunt's decisions will affect some example households and found one-off payments and uprating benefits do not make up for rising rents, energy bills and other costs.

According to JRF's analysis, someone unemployed, on a low income, aged over 25 renting a room will be £538 worse off. A low-income couple in work with two children will be £103 worse off in 2023/24 than this year.

These are examples of how many people will face the worst winter, JRF says, falling behind on bills, unable to afford hot meals. It will be very difficult for these people to wait for further support next April, and anything but an increase to their living standards is unlikely to stop them going without the essentials.

Read the full analysis [here](#).

Current mortgage rates will pull an extra 400,000 people into poverty

According to the [Joseph Rowntree Foundation](#), if mortgage interest rates stay at 5.5% they will pull an additional 120,000 households, or 400,000 people into poverty over the coming year.

Some 750,000 households, or 2.4 million people, buying with a mortgage currently live in poverty, but the poverty rate would increase from 10% in 2020/21 to 12%. This is the highest the poverty rate has been for people with a mortgage, in a decade. Households would see monthly housing costs increase to 54% of monthly income, up from 38%. In cash terms this is a monthly increase of £250, from £610 a month to £860 a month.

Because of higher mortgage rates, as people remortgage or remain on variable or tracker mortgages, JRF is warning of the following:

- An increase in demand for private renting as households struggle to access mortgages or have to sell their mortgaged properties

- A rise in rents as demand increases, in addition to the rocketing rents for new lets
- Even if the housing market largely returns to 'normal', where mortgage rates fall back to below 3% and house prices are similar to current levels, lending criteria could be stricter, making it more difficult for first-time buyers to get on the property ladder.

JRF says the government must act to protect mortgage holders likely to face the most acute financial distress, so they can remain in their homes.

A quarter of Britons are using credit cards for essentials

A poll by Ipsos shows that one in four people say they have already used credit cards for essentials or skipped meals in response to the cost of living. Other findings are that nine in 10 are worried about cost of living for the country as a whole, while around eight in 10 are concerned for themselves and people in the area they live. One in three are finding it difficult to pay their energy bills.

Six in ten Britons say they have stopped themselves from turning their heating on when they usually would have since the start of the year, while half have gone out socialising less than they usually would (48%) and four in ten have switched their regular supermarket to a cheaper one (41%). Just under four in ten have driven their car less (39%) while a similar proportion of workers have worked more hours in response to rising cost of living (36%). Around a third have used price comparison websites to look for a cheaper energy supplier (34%).

Among those with a mortgage or paying rent, 32% report an increase in housing costs over the last three months, with 36% of those with a mortgage having seen payments increase and 31% of those who rent privately, though only 25% of social renters.

Cost of living crisis could be fatal for people with serious health conditions

Incurable illnesses often come with hidden costs – and disproportionately affect the poorest in society. For the 15 million people in England with at least one long-term health condition – an incurable illness requiring ongoing medical treatment – the cost of living crisis could prove life-threatening, [according to](#) Open Democracy.

The dangers are particularly acute since long-term health conditions (LTCs) are often linked to poverty: on average, people in the poorest areas of the country are diagnosed with multiple LTCs 10-15 years earlier than those in the richest areas. LTCs also carry added day-to-day costs, for medical treatment and equipment, specific dietary requirements, and specialist transport needs, among other things.

This means many people with LTCs already face untenable financial strain – which is being exacerbated by soaring inflation, squeezed wages and benefits, and rising food and energy prices. Combined, these create the perfect storm, worsening inequality and putting lives at risk.

Latest from the “heat or eat diaries”

These diaries, published by The Guardian, show the real choices people are being forced to make. The November edition includes the following anonymous entry

*“I am fortunate in that my landlord continues to be understanding, and has not yet put up the rent, which is £600 a month. My council tax is a large burden, at almost £150 a month even with a single person’s allowance. My fixed dual-fuel energy plan ends this month and then I transfer to a variable rate. So far, I’ve used 28% less gas and 11% less electricity than last year. I feel financially adrift, waiting for the iceberg to hit. Getting ill terrifies me because there isn’t much of a safety net for the self-employed. Let me rephrase that: there isn’t much of a safety net for anyone.”*

*“I don’t yet claim benefits, and am teetering around the poverty trap, but it will be inevitable if I lose the client who is the source of much of my work – which looks increasingly likely. On benefits, I would fall prey to the bedroom tax because I have a small spare room, so any rent allowance would be cut by 14%.”*

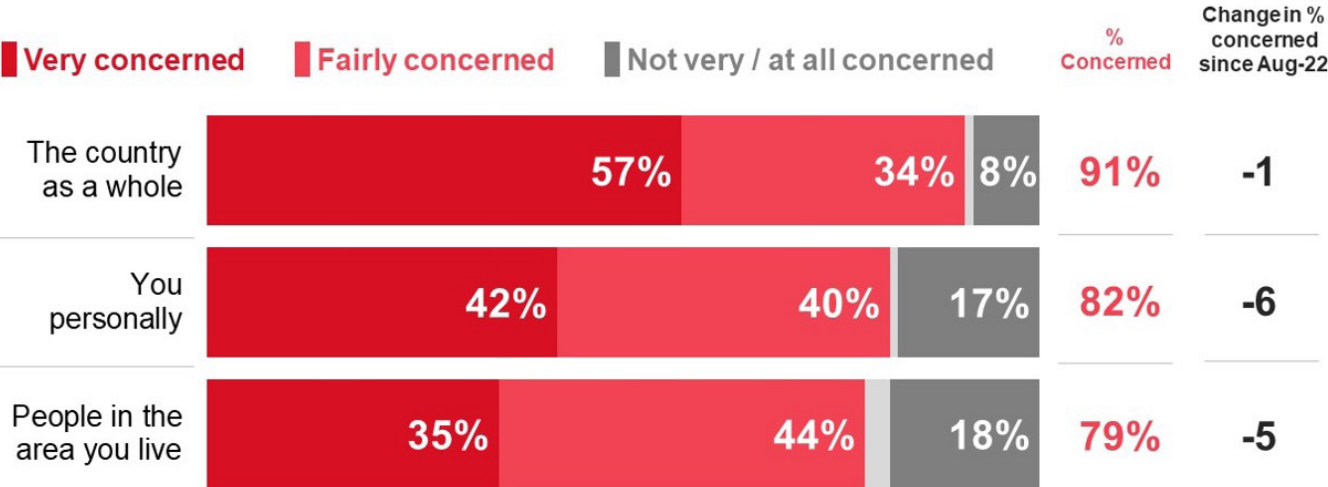
*“I have lived alone in a small rented house for more than six years. I am in my 60s. Winter is not as harsh here in the south-west but a sea fog roils along the coast that clings to your face and heads straight for your lungs. I live in an affluent village where Agas, wood burners and underfloor heating abound. No one knows the secret I am ashamed to share: that I have no idea how I’ll survive this winter.”*

Research on the increasing cost of living and inflation

The House of Commons Library has [published](#) a useful guide to research they have conducted on various aspects of the cost of living crisis and inflation.

Public concern about the cost of living remains high

To what extent, if at all, would you say you are concerned about the cost of living over the next six months for each of the following?



Base: 2,111 Online British adults aged 18-75, 21 – 23 October 2022





ENERGY

Government urged to reduce energy demand in buildings in response to the price crisis

The official Climate Change Committee chair, Lord Deben, has [written to the chancellor](#) urging him to take steps to reduce energy demand. The letter says it is too late to have any effect on upcoming fuels costs through speeding up insulation of buildings (though rates of installation need to grow rapidly), but there are short-term measures that can be taken now if households receive the right advice, such as:

- Turning down temperature controls on radiators and boilers
- Reducing the hours when heating is switched on
- Closing curtains and installing window film
- Quickly installing extra loft insulation where there is none or it is less than 300mm thick.

Think-tank Social Market Foundation [claim](#) that a “German-style” national drive to reduce UK energy use by turning off lights and lowering heating temperatures could save households £400 and save the Treasury £9 billion. In Germany, a national energy-saving campaign has seen lights turned off in some public buildings, heating turned down and households encouraged to minimise energy use. Since the campaign was launched in September, Germany’s gas consumption has been between 20% and 37% lower than at similar times in earlier years. Replicating such reductions in energy use in Britain could deliver household savings of between £250-£400 a year, according to the research (see table).

	Customer savings per GB household	Government savings per GB household	Total customer savings	Total government savings
20% demand reduction	£261	£251	£6.42 billion	£6.18 billion
30% demand reduction	£392	£377	£9.63 billion	£9.26 billion

Nearly half of Londoners using less water or energy

The GLA’s latest [cost of living poll](#) shows that half of Londoners are using less water, energy or fuel and are ‘financially struggling’ or ‘just about managing’ financially. The polling also reveals the disproportionate impact that the squeeze on finances is having on black and disabled Londoners.

Some of the key findings are that:

- Almost half of Londoners (49%) are using less water, energy, or fuel
- Half of Londoners are either ‘financially struggling’\* (18%) or ‘just about managing’ financially (32%)
- Half of Londoners (51%) have cut back on non-essentials
- 14% of Londoners say they have regularly or occasionally been unable to buy food or essential items or relied on outside support in the last six months
- 44% of Londoners say they will either definitely (15%) or probably (29%) struggle with their energy bills
- 80% are worried about increases to energy costs and 79% about increases to living costs in the next 12 months
- Black Londoners (14%) and disabled Londoners (17%) are twice as likely to have fallen behind on their bills.

Inside Housing [reports](#) that the same poll finds 40% of London renters could default on rent.

Older generations will face the greatest income squeeze from surging energy costs this winter

Older generations face surging energy costs this winter – but young people will struggle most to afford their bills, according to research from the [Resolution Foundation](#).

Over-75s are expected to spend 8% of their total household income on bills, even with significant government support – but younger households are most at risk of being unable to pay bills or falling into arrears. The Foundation’s annual Intergenerational audit for the UK looks at the cost of living crisis facing Britain – from rising energy bills this winter, to rising mortgage costs, and the possibility of falling house prices and higher unemployment next year – through an intergenerational lens.

Even with government support, from lump-sum payments for vulnerable households to the £400 Energy Bills Rebate and the Energy Price Guarantee, the typical household energy bill will be 83% higher in 2022-23 compared to pre-crisis levels.



Government’s £400 energy bill support going unclaimed

Many customers with prepayment meters have not yet redeemed vouchers to help with energy bills, according to [BBC News](#). From 1 October, households should have begun to receive the first £400 instalment of the government’s Energy Bill Support Scheme. But the Post Office, the UK’s biggest voucher processor, said only 60% of those eligible had redeemed the credits so far, which are valid for 90 days.

Payment company PayPoint, which also processes the vouchers, told BBC News it has so far only redeemed half of the credit it expected to in October. Its boss, Steve O’Neill, said: “Obviously, there may be a number of reasons why they haven’t redeemed vouchers including the mild weather. What we just want to make sure is that for people who have received the vouchers that they are aware of where they can redeem it, and obviously when they need to redeem it by, to get the support they need.”

More than four million people have a prepayment meter, and around half of those are the older, non-smart type of meter, according to the energy watchdog Ofgem. “It’s so important that everyone gets the support they’re entitled to,” said Gillian Cooper, head of energy policy at Citizens Advice.

She said that by the end of September this year, Citizens Advice had seen more people unable to top up their prepayment meter than in the last three years combined.

4.5 million customers with prepayment meters are at risk

The energy crisis has reversed a long-term trend for falling numbers of prepayment meters, putting thousands more households at risk of self-disconnection, according to data obtained by [Uswitch.com](#), the comparison and switching service.

From the middle of 2019, the number of prepayment meters dropped for nine consecutive quarters, plunging from a total of 7,837,471 in the second quarter of that year, to 7,320,329 in the third quarter of 2021. But the number then rose to 7,352,808 in quarter four of 2021 and hit 7,380,697 in the first quarter of this year – an increase of almost 60,000 in six months.

If the current rate of increase continues, Uswitch says another 30,000 gas and electricity meters will be moved to prepayment in the last quarter of this year. This would mean 10,000 meters being switched to prepayment every month.

Calls are growing for a winter ban on energy suppliers forcing struggling households on to prepayment meters, leading to “disconnection by the back door,” [reports](#) The Guardian.

The vast majority of suppliers put struggling customers on prepayment meters rather than disconnecting them. However, many of those customers then effectively disconnect themselves by not topping up the meter. Prepayment meters also cost the average household about £50 more a year in standing charges compared with an equivalent direct debit customer.

According to [The Vulnerability Registration Service](#), in the past year, 8% of vulnerable people were moved onto pre-payment meters, the most expensive form of paying energy bills. Many who sought



finance to stay on top of rising bills were instead pushed into higher cost borrowing – 12% of vulnerable people, compared with 6% of the general population. Those who failed to secure credit from legal lenders found themselves forced to turn to illegal ones.

It does not make sense to switch people who are already unable to pay their energy bills onto high-cost pre-payment meters. While disconnections are now very rare, if people cannot afford to top up their meters, it amounts to the same thing.

*“Housing is the sector with the best ability to pinpoint vulnerability and people who need to be targeted for support.”*  
The Vulnerability Registration Service

Faith centres, village halls and other warm spaces will struggle to stay open this winter

The “last line of defence” against the cost of living crisis is under threat as churches and other community hubs [could be forced to close their doors](#) because of spiralling bills and shrinking donations. Gordon Brown and former archbishop Rowan Williams say: “The UK’s faith and voluntary sectors find themselves as precarious as the people they are helping.” A report by the Christian thinktank [Theos](#), says that this winter we are likely to see charities being forced to stop feeding the hungry so they can help the starving, cut back on support to the poorly housed so they can focus on the fast-rising numbers of homeless, and give up on helping the down-at-heel because their priority has to be the destitute.

The report, [A torn safety net: how the cost of living crisis threatens its own last line of defence](#), says churches and other community institutions play a vital role in offering support to millions of people.

But they are themselves facing a “perfect storm” according to Hannah Rich, the report’s author. “As the economy has spiralled, we have seen these anchor institutions themselves become less secure. Soaring energy costs threaten the ability to run vital community spaces. At the same time, volunteer capacity is stretched thin and financial donations are drying up.”

Dozens of community figures, in Wolverhampton, Glasgow, Cornwall, and London, were interviewed for the report.

Wolverhampton’s “Warm Spaces” scheme opens its doors

The Guardian reports that in Wolverhampton 38 “warm spaces” have been opened across the city in preparation for a cold winter, in a local authority with the highest rate of fuel poverty in the country. Outside one of them, the Bob Jones Community Hub a poster proclaims “I’m a warm space” and the centre offers people free hot drinks, phone charging points and place to keep warm for as long as they like.

The spaces include community centres and libraries in council-owned buildings, although 40 venues, offered by local community and faith groups, are also on standby depending on how high the demand gets. A dedicated shuttle bus has been put on to transport people for free to the centres.

The council has also been preparing emergency winter warmth kits, containing a power bank, LED lamp, blanket and hand warmers for people struggling to heat their homes.

*“We know for a fact people have already had to put their heating on and it’s going to get a lot colder,” said Ian Brookfield, the leader of the city council. “We’ve always seen people struggling during recessions and crises, but this is different. Many people who live in a city like Wolverhampton will now be looking carefully at their heating and how much they’re using.”*

*“Everything is going through the roof. Everybody is struggling enough as it is and it keeps going up and up,” said 33-year-old mum of three, Katie Boyle. “But this place is great, everything is free. It’s just great to be able to get the kids out and get some support. They’ve been amazing.”*

FOOD

UK grocery price inflation hits record 14.7% and still too early to call the ceiling

Kantar [reports](#) that take-home grocery sales rose by 5.2% in the 12 weeks to 30 October 2022, the fastest rate of market growth since April 2021.

Consumers face a £682 jump in their annual grocery bill if they continue to buy the same items and just over a quarter of all households now say they’re struggling financially, which is double the proportion recorded last November. Nine in ten of this group say higher food and drink prices are a major concern, second only to energy bills.

Own label sales have jumped again by 10.3% over the latest four weeks, as shoppers adopt different strategies to manage their budgets. Fewer people are stocking their cupboards for Christmas in October, instead preferring to wait until later in the year. Kantar says that this time last year two million consumers had already bought their festive Christmas pudding.

The most at-risk areas for access to affordable food revealed

A new study by [Which?](#), undertaken with the University of Leeds, has produced the [Priority Places for Food Index](#). This ranks areas across the UK on the likelihood of people needing support to keep themselves fed. It looks at factors such as a lack of large supermarkets nearby and numbers of people on low incomes or with no car, which can make it difficult for people to get access to affordable food.

The index shows the north east is the worst impacted region in England with 45% of local areas in dire need of extra support. This is due to poor access to online shopping deliveries, a worse than average proximity to supermarkets and higher need for family food support, such as free school meals and take up of healthy start vouchers.

Across the other regions, Yorkshire and the Humber, the West Midlands, and the north west all have at least a third of the local areas in need of extra help. Constituencies in Birmingham and Liverpool feature heavily at the top of the index.

Wales has a high proportion of rural places where accessing affordable food is an issue. The highest concentration of such areas is in the Valleys.

In Scotland, most places facing difficulties are in the central belt but there is also a concentration around Dundee.

Northern Ireland has a more even geographical spread of areas in need of support to access affordable food. However, there is a noticeably greater concentration in the south-west suburbs of Belfast and in and around Derry, owing mainly to a lack of supermarkets.

Trouble brewing as food prices rise

Food inflation surged to a record 11.6% in October - with staple items including tea bags, milk, and sugar all seeing significant price rises, according to the [British Retail Consortium](#) (BRC). Overall, shops increased prices by 6.6% in the 12 months to October - the highest level since records began in 2005 - with fresh food rising by as much as 13.3% over the past year.

The BRC’s food inflation figure lags well below the [official rate of 14.5%](#) which, the Office for National Statistics said, was the fastest pace since April 1980. BRC says the price increases reflect a tight labour market and jumps in energy costs for retailers.

Its chief executive Helen Dickinson said: “It has been a difficult month for consumers who not only faced an increase in their energy bills, but also a more expensive shopping basket.”

Trussell Trust hands out almost 1.3 million emergency food parcels in six months

New figures from the Trussell Trust reveal that 1.3m emergency food parcels were provided to people between April and September this year by food banks in the charity’s UK network and almost half a million of these went to children. That’s a third more than were provided during the same period in 2021 and an increase of more than 50% compared to pre-pandemic levels.

The Trussell Trust, which supports more than 1,300 food bank centres, says the cost of living emergency has created a ‘tsunami of need’, as people struggle to survive amidst the soaring costs of living.

With need outstripping donations for the first time in its history, the charity has been forced to launch an emergency appeal to ensure that food banks can meet the alarming level of need in their communities.

In the first half of this financial year alone, the Trussell Trust’s food bank network provided more parcels than in a full 12-month period five years ago, when 1.2 million emergency food parcels were distributed.



Over the last six months, 320,000 people have been forced to turn to a food bank in the Trussell Trust network for the first time which represents a 40% increase compared to 2021.

The charity warns that food banks are at 'breaking point', both physically and mentally, and are set to face the hardest winter yet as they expect to provide more than 7,000 emergency food parcels a day on average in the next six months.

The Guardian [says](#) a Newcastle food bank is struggling with drop in donations: "We're in a hellhole".



**Air fryer sales rocket by 3,000% as consumers seek to slash energy costs**

Sky News reports that huge numbers are buying air fryers in an attempt to save money on cooking. Air fryers - which cost anywhere from around £60 to £200 - run at an average cost of £55.71 a year, while an electric cooker runs at £335.57 a year. A study found that while an

oven with an average wattage of 3kW costs about 34p to run for 20 minutes, a 1kW air fryer would cost 10p.

However, the Daily Telegraph [claims](#) that their money-saving potential is a myth.

Meanwhile The Guardian [reports](#) that sales of slow cookers, microwaves and electric blankets are also soaring as households look for ways to reduce their power

use. Market research firm GfK says that sales of slow cookers or multicookers are up 80%. They add that 216% more electric blankets were sold in September this year as households searched for less expensive ways of staying warm.

Citizens Advice said its advisers have been told of people unplugging fridges and freezers, washing clothes by hand, and skipping meals to cut back on their energy costs.



**BENEFITS AND SAVINGS**

**Poorer pensioners wait months for benefit applications to be approved**

The Observer [reports](#) that poorer pensioners are waiting months for benefit applications to be approved after the DWP was overwhelmed by rising demand after a publicity drive. Welfare rights advisers say that the DWP was unable to handle the subsequent flood of applications: "[Last week] we got a phone call from someone who's been waiting since April, having put in a claim then," said Matt Hunt, assistant coordinator of Derbyshire Unemployed Workers' Centres. "We've got at least eight cases that are now open of people who are waiting over three months to hear back from pension credit, which is unusual in our experience."

The government's targeted £650 cost of living payment goes only to people claiming means-tested benefits - so those whose pension credit applications are delayed can't get the targeted cost of living payment either. They are eligible for the £300 pensioner cost of living payment in the meantime, and if their pension credit application is eventually accepted, they can get the targeted payment backdated.

However, "some people are waiting six months plus - some even longer. I chased up a case for an 87-year-old who had waited three months," said a welfare rights adviser in northern England.

**One in six UK adults have no savings**

A quarter of UK adults have less than £100 set aside in savings, a survey suggests, leaving them vulnerable to rising and unexpected bills. The lack of a financial safety net means many have to borrow money to cover any extra costs, creating greater anxiety about their plight.

The Money and Pensions Service, which conducted the research, said such fears could be overcome with family help. Nine million people across the UK have no savings and another five million have less than £100, according to a survey of 3,000 adults. This leaves around a quarter of adults living without a financial safety net to cope with the rising cost of living or unexpected bills, meaning some may have to use credit.

Among the 79% of UK residents who use credit, two in five (43%) are now anxious about how much they owe. Over a third (35%) are worried about the number of different products they have. However, the survey also reveals that 81% of people still avoid discussing their finances. Asked why, the most common responses were 'not wanting to be judged' (21%), 'fear of burdening others' (19%) and 'shame or embarrassment' (17%).





# The Resident Voice Index™

Results from the [Resident Voice Index™](#) Cost of Living: Crunch Time survey have been published. Over 5,700 social housing residents took part, with their answers adding to the bleak picture that households are facing this winter. For families, the data shows, those impacts have the potential to be devastating.

This report shows that nearly seven in 10 (69%) respondents are worse off than they were six months ago and despite the survey closing in early October before the price cap hike came into effect, almost a quarter (24%) of respondents were already in energy bill arrears. For those with dependants, the outlook worsens, with 40% saying they were unable to manage their existing debt and 79% unable to cope with an unexpected expense, such as a higher-than-expected bill. For many social housing residents but particularly families, they will be entering this winter period on shaky ground.

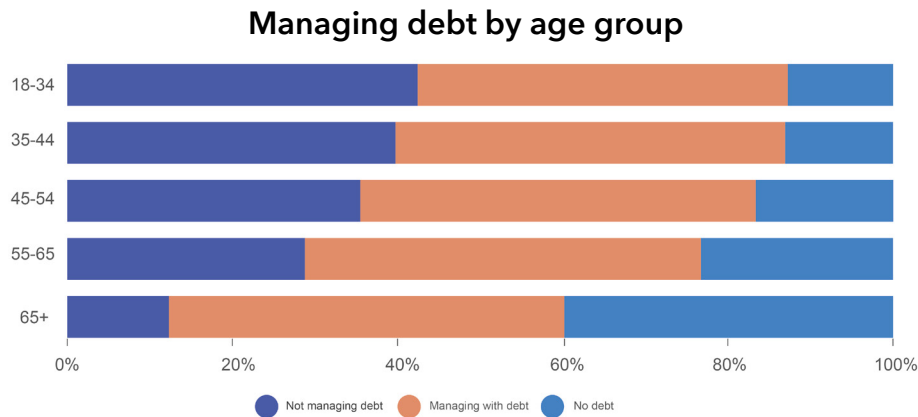
### Key findings

- Nearly eight in 10 (78%) were worried all or most of the time about meeting monthly living expenses, a 10% increase on spring 2022
- Eight in 10 reported being in debt and those with dependants were more likely to have utility bill debt than those without
- 15% of all respondents reported being in rent arrears
- A third were unable to manage their debt
- 73% of all respondents would not be able to cope with an unexpected household expense

- 75% of those with financial dependants didn't feel that they could go to someone in their neighbourhood for advice about the cost of living, compared to 66% of those without dependants.

### Support for young families

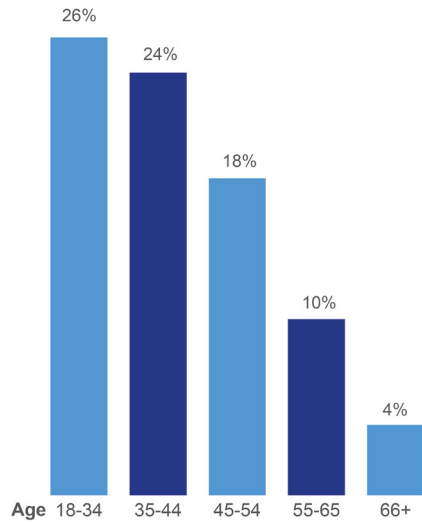
Those under 35, across all Resident Voice Index™ investigations have been shown to be struggling the most. The Cost of Living: Crunch Time report continues this trend, with only 13% reporting being debt-free. For those under the age of 35, levels of being unable to manage debt were high at 40%. A quarter of those under 44 meanwhile, had more than four sources of debt - the highest amongst all age groups.



*"I have to choose between electric or eating. I skip most meals everyday so that my child can eat."*  
Cost of Living: Crunch Time survey respondent

This is particularly concerning when considering that up to the age of 44 is probably when parents are most likely to be supporting a young family. Research from the [Children's Society](#) links households that have multiple sources of debt with lower family wellbeing and higher instances of mental health disorders.

### More than four sources of debt



*"I'm not [coping with my debt]. I'm going without food to feed my children. Thinking of selling my car, but then I won't be able to get my child to school."*  
Cost of Living: Crunch Time survey respondent

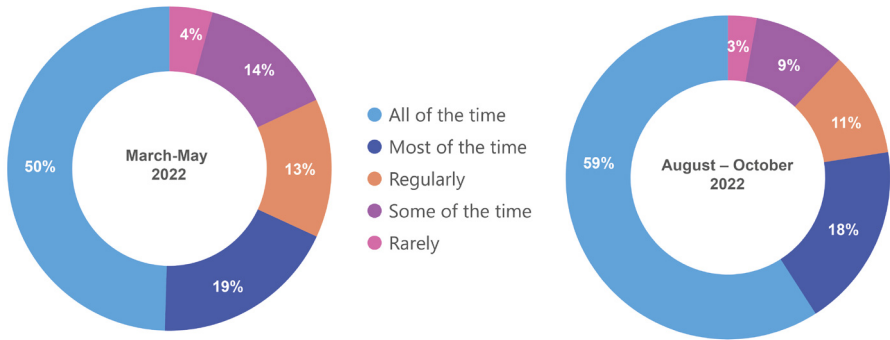
*"We will definitely fall behind on bills, our children won't be getting a Christmas this year and our newborn is my biggest worry in all this - we will have to rely on food banks."*  
Cost of Living: Crunch Time survey respondent

*"As a single mum of two I'm constantly under pressure to make ends meet... and right now that's damn near impossible."*  
Survey respondent

### Extreme worry

In contrast to the [first cost of living survey](#), answered just six months before Cost of Living: Crunch Time, data showed an alarming jump in the levels of people worrying all or most of the time. Whilst levels were high in spring 2022, they had increased by ten percentage points in the short period to early autumn, from 68% to 78%.

This increased to a devastating 85% amongst those with financial dependants compared with 69% of those without them.



### The picture for families

Across all measures, those with dependants fared the worst in the Cost of Living: Crunch Time survey; only 12% of those with three or more dependants had no debt; for those without dependants that amount more than doubled (26%).

	WITHOUT DEPENDANTS	WITH DEPENDANTS
High level worry	69%	85%
Unable to manage debt	25%	40%
Worse off than 6 months ago	64%	72%
Not financially resilient	67%	79%
Couldn't go to someone	66%	75%

### Barriers for families to succeed

Responses from social housing residents repeatedly painted a picture of income not meeting rising costs. Universal credit and in the case of new mothers, statutory maternity pay, was not enough to cover the basics. Results also showed the two-child benefit limit may be having a negative impact on families.

Other examples given by respondents included low pay and a worsening lack of access to suitable, affordable childcare, as well as the barriers to entry for food banks and [free school meals](#). Urgent calls across the country for the extension of free school meals have gone unheeded in the Autumn Statement.

Being a single parent was of particular concern to many respondents - who often referred to themselves as 'mums', indicating that these women may be encountering the sharpest ends of the wedge. According to [Child Poverty Action Group](#), almost half of children in single parent households in the UK are living in poverty. This story about the experiences of families in social housing is just one of the many threads that have been explored in the Resident Voice Index™ Cost of Living: Crunch Time report. Read the full story [here](#).

Doug Sarney, Solutions Principal and Project Lead will be exploring these findings further at the CIH [Cost of Living webinar on 12 December](#). Get in touch with him directly at [info@residentvoiceindex.com](mailto:info@residentvoiceindex.com).

# Spotlight on children and families

Child poverty has risen significantly over the last decade. The most recently available figures from 2019-20 show 4.3 million (30%). This does not include the impact of the current cost of living crisis.

Financial pressures are having a severe impact on families with children and pushing more into poverty. As prices of groceries and basic goods increase, parents are finding it increasingly hard to provide for their children. For vulnerable families, such as some low-income migrant families who cannot access the benefits system, putting food on the table and keeping children healthy is becoming increasingly difficult. One small change in circumstances can leave a family completely vulnerable. Food, fuel, and [hygiene poverty](#) is now a reality for many.

The average annual energy bill will have increased from £1,271 to around £2,500 in a year. This increase is equivalent to almost one-third of the amount a very low-income household with two adults and two children spends on food over one year.

National Energy Action

**‘People’s savings are gone’: families on the brink.**

The Guardian [reports](#) from Stoke-on-Trent where a mothers’ support network says food parcel referrals have increased by 500%, as rising energy bills sap savings.

Emma, a mum of three, doesn’t know if she will be able to afford a Christmas dinner for her family this year. As it stands, she has £50 to last until the start of December and can barely afford the basics. “I really struggle. Every night I choose whether to use the washing machine or the cooker, to save on energy bills,” said the 32-year-old, who lives on the outskirts of Stoke-on-Trent. “And we have to go cold some days because I can’t afford to put the heating on.”

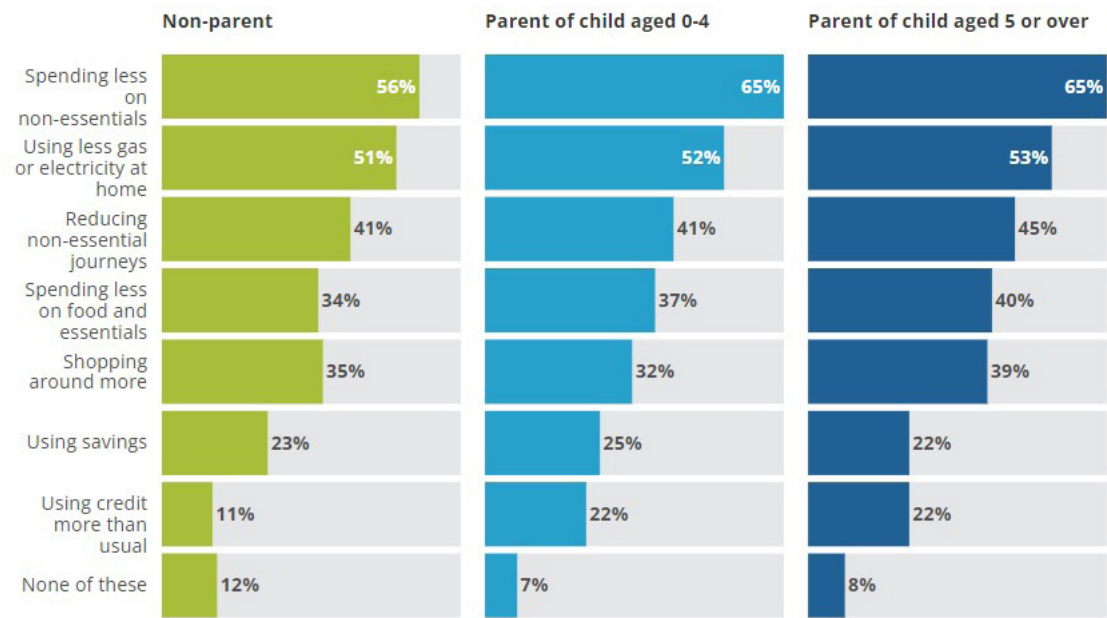
Last week she started receiving food parcels through the Stoke-on-Trent mothers’ support network, which has seen referrals rise by 500% in recent weeks. The group’s founder, Laura Carter, said the service was being inundated with families who had already racked up hundreds of pounds in debt because of rising energy bills.

**Analysis by the Office for National Statistics (ONS)** in September showed that more than nine in ten parents in Great Britain with dependent children reported their cost of living had increased over the past month (according to [data from the Opinions and Lifestyle Survey \(OPN\) between 30 March and 19 June 2022](#)). In the same period, parents were more likely than those without children to say they had used credit more than usual because of the rising cost of living. Around a third said they were unable to afford an unexpected expense, compared with a quarter of non-parents.



## Parents were more likely than those without children to have used more credit because of the rising cost of living

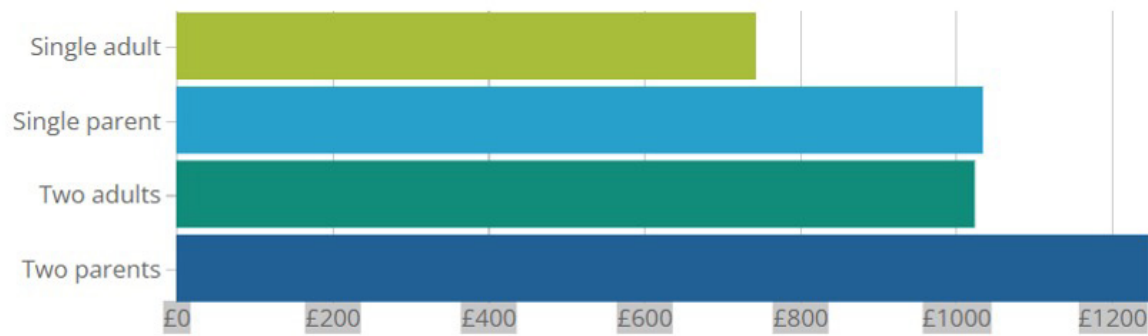
Actions taken by people who reported their cost of living had increased over the past month, by parental status, Great Britain, 30 March to 19 June 2022



Source: Office for National Statistics - Opinions and Lifestyle Survey

## Parents spend more than those without children on household energy costs

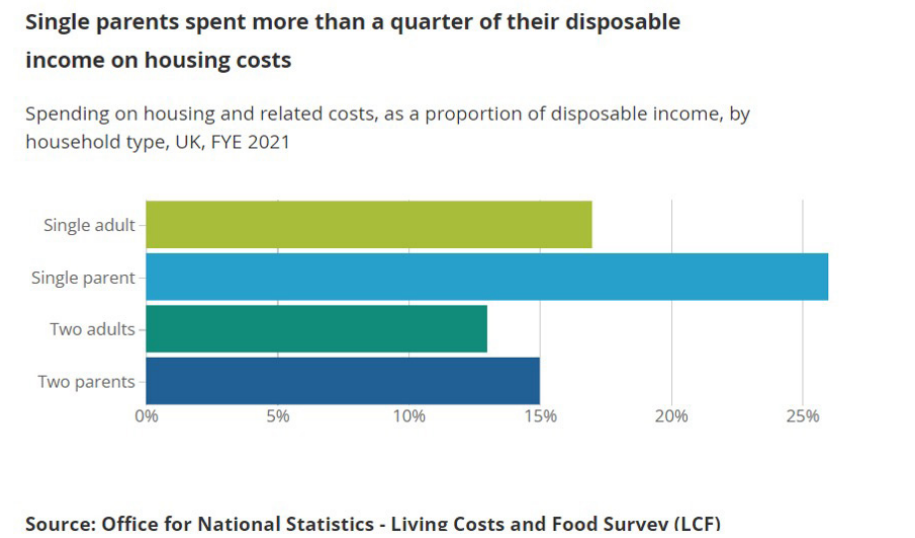
Annual spend (£) on household related energy and fuel, by household type, UK, FYE 2021



The cost of living crisis is particularly challenging for single parents. ONS analysis shows that single-parent households spent an average of £107.70 per week on housing costs, while single adults without children spent £73.30. This means that over the course of the year, single parents paid £1,788 more on housing costs than single adults without children. In comparison, two-adult households with children spent an average of £134 per week on housing and related costs, while two-adult households without children spent £104, an annual difference of £1,523.



A [survey](#) of 5,000 UK parents in August 2022, commissioned by [Nesta](#), found that 58% are concerned about being able to make rent or mortgage payments and over half are concerned about being able to pay for unsecured loans, such as credit card and personal loans (53%) and about being able to pay for childcare (52%).



*“My partner has recently become sick and as a result I’ve had to leave work. We’ve been relying on food banks to get by and been eating smaller portions to make what we have last longer. When my children go into the kitchen to look for food, all I see is their disappointed faces as they find the cupboards empty.*

*“One evening, I only had enough food to feed the children. Usually I’d skip dinner, but I noticed there was some of the children’s cereal left. I didn’t know what to do. I was really hungry, so wondered if I should have a small bowl or not? But if I did they’d go to school hungry in the morning.”*  
(provided by Action for Children)

The current crisis is particularly challenging for families with disabled children. We explore this further in our [spotlight on benefits and disability briefing](#). Scope has recently published a report, [‘Do the Right Thing - Supporting disabled people through the cost of living crisis’](#), which highlights how disabled people and their families are facing the brunt of the cost of living crisis.

The government went some way to addressing pressures on families in its Autumn Statement and new measures will significantly limit low-income families’ exposure to rising costs next year. But as the [Joseph Rowntree Foundation](#) has

highlighted, many low-income households will still be worse off next year:

- The April 2023 benefit uprating is a positive step forward, but people cannot wait for April - they need help now
- Failing to unfreeze local housing allowance is a serious omission that will hit families living in the private rented sector hard
- Investment in, and reform of, social security is still urgently needed to ensure that people are never left without enough money to afford the essentials.

With the cost of living crisis hitting low-income families hardest, charities such as [Child Poverty Action Group](#) (CPAG) and the [Food Foundation](#) are calling for free school meals to be offered to all families in receipt of universal credit or equivalent benefits, and for England to move towards universal provision for all children, as is the case in Scotland and Wales. Currently, to be eligible for free school meals, a household on universal credit in England must earn less than £7,400 a year (after tax and not including benefits), regardless of the number of children in the family. This low

threshold means that many children from working families in poverty aren’t entitled to free school meals, despite their parents being unable to meet the costs of food.

[Previous analysis from CPAG](#) showed that across England, 800,000 children in poverty (one-in-three school-age children) miss out on any form of free school meals. Their [latest analysis](#) breaks down these children by region, highlighting particular pressure in London.

*“This crisis means more children will be going to school hungry and going to bed cold. Children are already feeling anxious and worried because of the stress at home, and it’s only going to get worse.”*

Action for Children

Children in poverty who miss out on free school meals (means-tested or universal)

Region	Number of Children	Proportion (out of all children living in poverty in the region)
North east	40,000	27%
North west	100,000	30%
Yorkshire and the Humber	80,000	30%
East Midlands	40,000	24%
West Midlands	80,000	25%
East	90,000	38%
London	210,000	41%
South east	80,000	26%
South west	70,000	33%

What children’s charities want

Charities such as the Children’s Society, Child Poverty Action Group and Action for Children are calling on government to:

- Extend free school meals to all children whose parents or guardians get universal credit
- Commit to sustained and increased funding for Local Welfare Assistance
- Remove the barriers to support for low-income migrant families with no recourse to public funds

- Remove the two-child limit so that all children in low-income families are supported.
- Increase child benefit by £20 a week to help families deal with rising costs.

We’re hosting a webinar on 12 December where we’ll discuss the impact of the cost of living on families and children in more detail. To register: [Cost of Living - The Impact on Families and Children \(cih.org\)](#).

*“Though benefits will be uprated in line with inflation from April 2023 and short-term payments will be made available next year for some households, many struggling households will miss out and families are facing a gruelling winter until then. A shocking 18.4% of households experienced food insecurity in September, and with food and fuel prices continuing to rise, family budgets are coming under more and more strain.”*

Food Foundation

According to DWP data, there were 3.9 million children living in poverty in the UK in 2020-21 - 27% of children, or eight in a classroom of 30. Data from DWP for 2019/20 - the latest year available - show that:

- 49% of children living in lone-parent families are in poverty. Lone parents face a higher risk of poverty due to the lack of an additional earner, low rates of maintenance payments, gender inequality in employment and pay, and childcare costs
- Children from black and minority ethnic groups are more likely to be in poverty: 46% are now in poverty, compared with 26% of children in white British families.
- Work does not provide a guaranteed route out of poverty in the UK. 75% of children growing up in poverty live in a household where at least one person works
- Children in larger families are at a far greater risk of living in poverty - 47% of children living in families with three or more children live in poverty
- Between 1998 and 2003 reducing child poverty was made a priority - with a comprehensive strategy and investment in children - and the number of children in poverty fell by 600,000.

(All poverty figures are after housing costs. Source: CPAG)



# How social housing providers are responding

Landlords have a key role to play in helping to end fuel poverty and supporting tenants and residents through the cost of living crisis. Simon Francis of the [End Fuel Poverty Coalition](#), of which CIH is a member, explains in a [video](#) how social landlords can engage with tenants to help them talk about fuel poverty and understand the help available.

## South Holland District Council

[South Holland District Council](#) has established a **Cost of living Response Team** to provide extensive support to their most vulnerable tenants.

Officers are working with tenants in their homes, providing tailored advice to help them sustain tenancies, including assisting with budgeting skills, sourcing reduced utility tariffs, exploring cheaper ways of living and maximising their income. In addition to assessing fall households' finances, the team also works on educating and building life skills to help sustain tenancies. This new service has been in place for just over a month and has already managed to assist more than 20 tenants, in addition to the many that housing officers support on a daily basis.

Notable successes so far include:

- An elderly tenant receiving over £500 refund from care services where he was being charged twice for services
- Visiting tenants in their home to show them how to use their heating systems in a more efficient manner and running additional checks on the performance of heating systems

- Tenants accessing disability benefits where they did not know they were entitled to assistance. One tenant's annual income increased by over £4,800 as a result
- Supporting a domestic abuse survivor to address her finances and gain support, accessing grant funding to clear £2,500 in rent arrears
- Assisting a tenant experiencing poor mental health to claim benefits, resulting in housing costs being awarded, covering his rent in full
- Working with a family, teaching them to cook, to improve health, improve budgeting and reduce utility bills.

The team will also shortly be visiting sheltered housing estates, holding coffee mornings for elderly tenants to provide advice and assistance on reducing their utility usage and managing the increased fuel charges over winter.

Another way the team has helped is by making tenants' homes more energy-efficient, resulting in reduced fuel costs. They have focused on the lowest-performing

properties, replacing solid fuel heating in areas off the gas grid with low-carbon alternatives. This year has seen increased efficiency in over 80 properties, and it is hoped to improve a further 400 properties over a two-year period.

South Holland also funds a debt advisor at **Citizens Advice** (based in-house), focused on assisting tenants with budgeting advice and debt management to ensure they access available support quickly. Since April, they have resolved over 300 enquiries.

In response to COVID-19, a temporary fund was set up to assist tenants in crisis to prevent exceptional hardship, alleviate fuel poverty, and sustain tenancies.



Vikki Cherry,  
Housing services manager,  
South Holland District Council

## Phoenix Community Housing

[Phoenix Community Housing](#) recognises that many of its residents are increasingly dependent on welfare benefits and with the impact of the cost of living crisis, they're seeing more in need of support and advice.

Its **financial wellbeing team** supports residents with advice on money management and budgeting and last year supported residents to access over £782,251 in grants and benefits. The team offer advice appointments and refer residents to other organisations such as debt charities and foodbanks for additional help.

To help tenants where an unexpected change in circumstances has had a detrimental effect, Phoenix staff can refer residents for its resident support services fund worth up to £500 per household. This year, they extended the resident support services fund to include shared owners, as well as tenants and prospective tenants.

They offer a dedicated energy advice service delivered by a Phoenix leaseholder and energy champion. Residents can drop into the **Energy Advice Café** for advice relating to energy suppliers, how to pay for energy, debt relief, how to apply for grants and discounts and how to reduce energy use in the home. Last year, Phoenix delivered £6,327 in energy savings across 128 advice sessions.

Its **Roots into Work programme** offers one to one employment advice, access to free training and ongoing support for residents. They supported 27 Phoenix residents into work last year and have noticed an increasing demand for this service from residents who are in work and feel they are underemployed due to the cost of childcare and further education.

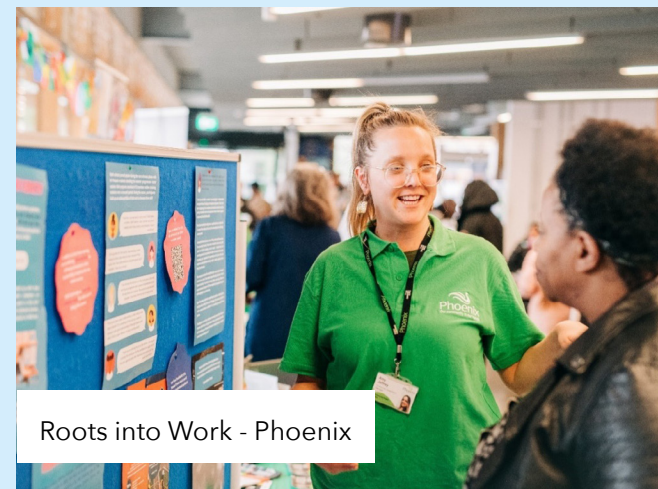
Their **Connected Together** programme aims to bridge digital divides through providing devices and training. This year, 55 devices

have been granted. As well as providing residents with a device, residents also receive one to one support via a digital skills advisor. To support residents and the wider community to get online, they have joined the UK Databank to offer free 20GB sim cards. This is accessible via referral from Phoenix staff members or through their weekly digital drop in.

Many of the services operate out of their **community hubs** and they work with a range of organisations such as Community Connections Lewisham, Bellingham Community Project and ChART Big Local to facilitate and signpost residents to food projects, social activities, specific health group support and free wellbeing activities. These are uncertain times and as a resident-led organisation they are continuing to work together with residents to face the challenges ahead and meet the needs of the Phoenix community.



Energy Advice Café - Phoenix



Roots into Work - Phoenix



# Wheatley Group

[Wheatley Group](#) has stepped up to help its customers during the current cost of living crisis. With people facing soaring household energy bills and record inflation, Wheatley's 'Here for You' campaign is designed to help tenants experiencing severe hardship. The campaign, launched in August 2022 at an event in Govan, Glasgow, attended by First Minister Nicola Sturgeon, aims to support 20,000 people in some of the country's most deprived communities.

Wheatley Group, which includes four registered social landlords, a large care organisation and one of the country's biggest property managers, already has a wide range of award-winning wraparound services to support customers. That support includes welfare benefits and fuel advice, help to put food on the table, access to work and training, free upcycled furniture, education bursaries, and much more.

'Here to Help' brings these services together - and more - with the aim of providing the right help to the right people at the right time. Key to that is a database, created by staff, detailing local support available in every community Wheatley serves. This digital directory brings together contacts for organisations all over central and southern Scotland that can support Wheatley customers experiencing hardship - everything from foodbanks to addictions and mental health services to other support groups, charities, and funding.

There are details on partners' initiatives, such as Money Matters' new MEGA (More Electricity and Gas Assistance) fund, which

offers vouchers to customers with prepayment meters, as well as details of help offered by the Scottish Government during the current crisis.

The digital directory is the first port of call for frontline staff when a customer is identified as requiring support - and is an invaluable tool in signposting customers for further specialist help. It means that as well as accessing Wheatley's own wraparound services, staff can use their own local knowledge to provide rapid support to customers, including funding from other organisations.

The 'Here for You' campaign is Wheatley's commitment to providing the right help in the right place and at the right time for those who need it most. It's not just about providing financial assistance or a voucher - it's about having personalised customer conversations and linking customers to tailored wraparound support to help them get through this crisis.

'Here for You' will expand and strengthen further the support programmes put in place

throughout the pandemic. Since the start of the COVID-19 pandemic, Wheatley has helped tenants claim back more than £20m in welfare benefits distributed £2.4m in fuel vouchers and top-ups and delivered 43,000 food parcels and vouchers to tenants struggling to put food on the table.

It has also helped 1200 customers access jobs, training, or apprenticeship opportunities, offered 182 education bursaries to help tenants go to college and university, and upcycled more than 4,300 pieces of furniture and made them available free to tenants.



Laura Pluck,  
Group director of communities,  
Wheatley Group



# Hillcrest Housing Association

[Hillcrest](#) housing association has produced a [comic book](#) to help educate children about measures to reduce energy bills and increase their energy use awareness, which can help lower household bills.

The comic has been specially designed with puzzles and activities to gently encourage children to undertake daily energy-saving habits and actions, while pitting them against a fictional villain, Coldemort, that wants to cloak the world in cold and damp.

Joy Melville, Hillcrest's tenant services manager, said: "Children are often an important piece of the energy-saving puzzle. If the young ones in a household are not helping reduce energy usage, it can undermine the best efforts of the adults in the household.

"While some children are taught about energy-saving principles in school, it often remains an abstract concept to them, and with little connection to things like energy bills, their motivation to put these principles into practice can often remain low.

"To help, the HEAT Heroes comic book gives children a motivation to reduce their energy usage - by placing them in the middle of a fictional battle against Coldemort. The more energy they now save, the more they help the Heroes defeat Coldemort."

The HEAT Heroes Vol. 2 comic activity book is free and available to anyone - offered in digital and print copies. To request a copy, contact [customerservice@hillcrest.org.uk](mailto:customerservice@hillcrest.org.uk).



# A Blueprint for Furniture Provision

Many people are living without essential furniture items, from beds to sofas, cookers to fridge freezers, which can have a devastating impact on mental and physical health, as well as financial and social wellbeing. Support for furniture and white goods is becoming much harder to access as local authority budgets continue to be squeezed and more local welfare schemes are closed across England, while grant giving charities are overwhelmed with applications for support. It can mean increased staff time, supporting tenants with applications, which may not be successful.

Furnished tenancies can be an ideal solution, particularly for tenants in receipt of benefits, as the cost of the furniture can be recouped through the service charge element of Universal Credit. They can provide tenants with the items they need, and the peace of mind of knowing that if an item needs replacing, it's covered.

There are benefits for landlords too. The [Blueprint for Furniture Provision in Social Housing](#) provides a detailed guide and highlights successful furniture schemes across the UK, including Thirteen Group who found that

furniture provision meant reduced churn, lower voids works costs and average key-to-key time with a net annual saving of more than £1m, plus arrears data showing a reduction from £7m to £4.8m per year. Citizen Housing, is offering flooring and reported that their churn reduced by 30% to 50% for similar properties ending within 12 months.

To read the Blueprint, visit <https://endfurniturepoverty.org> and to talk to the End Furniture Poverty team, email [info@EndFurniturePoverty.org](mailto:info@EndFurniturePoverty.org).



# Useful resources

A summary of useful resources available:

- Government - [cost of living support](#), [energy bills support factsheet](#) and [stakeholder toolkit](#) on help for households
- [Money Saving Expert](#) - [cost of living help guide](#) and energy price cap calculator
- [Money Helper](#) service - free, confidential, and impartial help tailored to individual needs
- [Energy Saving Trust](#) - information about practical ways to save money on energy bills
- [Energy UK](#) - winter support hub information on energy bills, energy efficiency etc
- [LEAP](#) - free service helping people keep warm and reduce their energy bills
- [CPAG Fuel Rights handbook](#)
- [Citizens Advice](#) - information on grants and benefits available to help with energy bills, plus an online benefits calculator. The charity also runs a cost of living [dashboard](#) to track impact and monthly briefings; you can sign up to the next one [here](#).
- Local Government Association - [cost of living hub](#)
- [HACT](#) provide a range of resources to help social housing providers support their tenants
- [Warm Spaces map](#) - national map and directory to register a space as a 'warm bank' and direct people to support
- [National Energy Action](#) - free training for housing association staff on fuel poverty - see [here](#) for details. Also providing Winter Warmth Support Packs for vulnerable and at-risk clients (distributed to existing service users identified as needing additional support)

- [Fuel Bank Foundation](#) - provides financial support and practical advice
- [One Home](#) - provides information and advice on practical solutions to save money and reduce carbon emissions
- [Lightning Reach portal](#) - brings range of support from across sectors in one system, matching those in financial hardship with eligible funding
- [Charis Grants](#) - administrator for many funds and grants
- [Turn2us](#) - search grants that provide financial support to people who need it.

Around £19 billion of existing benefits and support is unclaimed by households every year. People can use Policy in Practice's free [Better Off Calculator](#) to ensure they are claiming all the support they are eligible for.

## Webinars

If you missed any of our November cost of living events, we have included links below, which are free to access for CIH members:

[Tackling the cost of living masterclass held on 24 November 2022](#)

[The cost of living and disability: webinar held on 28 November 2022](#)

To hear more about the issues discussed in this briefing paper sign up to our webinar on 12 December: [Cost of Living - The Impact on Families and Children \(cih.org\)](#).

# What is CIH calling for?

The Autumn Statement addressed some of the measures that we had called for in our [Budget submission](#). We welcome the government's decision to uprate benefits, pensions, and the benefit cap in line with CPI inflation of 10.1%. We also welcome the continuation of the cost of living payments for households on means-tested benefits. However, there are several areas where we would urge government to go further. Millions of households will continue to struggle this winter and next year without further support. We are calling for:

1.

Restoration of local housing allowance rates to at least the 30th percentile and a return to annual uprating
2.

A ban on energy companies forcibly switching customers to prepayment meters
3.

A commitment to bring forward additional funding for energy-efficiency measures in homes and additional support for those who will struggle this winter
4.

A concerted programme to raise the energy efficiency of existing housing stock at pace
5.

Increased investment and grant levels to provide the number of homes at social rents we need each year
6.

More investment in existing and new supported housing to meet a range of needs





Suites 5 and 6, first floor, Rowan House, Westwood  
Way, Coventry, CV4 8HS

T: 024 7685 1700  
E: [customer.services@cih.org](mailto:customer.services@cih.org)

**[www.cih.org](http://www.cih.org)**



Contact the CIH Practice Team directly  
at [policyandpractice@cih.org](mailto:policyandpractice@cih.org)  
Follow on Twitter [@CIH\\_Policy](https://twitter.com/CIH_Policy)