Living on the Edge: The North East

Citizens Advice Gateshead
Citizens Advice Hartlepool
Citizens Advice Newcastle
Citizens Advice Sunderland
Citizens Advice Northumberland
Citizens Advice Darlington, Redcar and Cleveland

Introduction

The UK has been in the grip of a cost of living crisis since late 2021. Wages and benefits have not kept pace with rapidly rising prices leaving **many people living on the edge**, and struggling to afford the basic necessities.

This rise in costs can be seen from energy to food, and from rent to mortgages. According to the Office for National Statistics, **91% of adults in Great Britain reported an increase in their cost of living** in October - November 2022.

However, low-income households spend a larger proportion than average on energy and food, so are more affected by price increases. **The cost of living crisis is affecting everyone, but it's not affecting us all equally.**

As a result, Citizens Advice offices across the North East have experienced an increase in enquiries linked to the cost of living and are seeing more people than ever who are struggling to cope.

Our Research

Overview of Our Findings

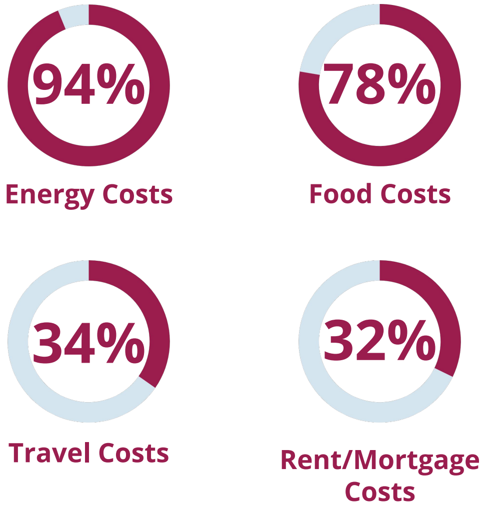
The majority of the people we help are struggling with the rising costs of living.

94% of people either ‘Agree’ or ‘Slightly Agree’ that they are worried about rising cost of living.

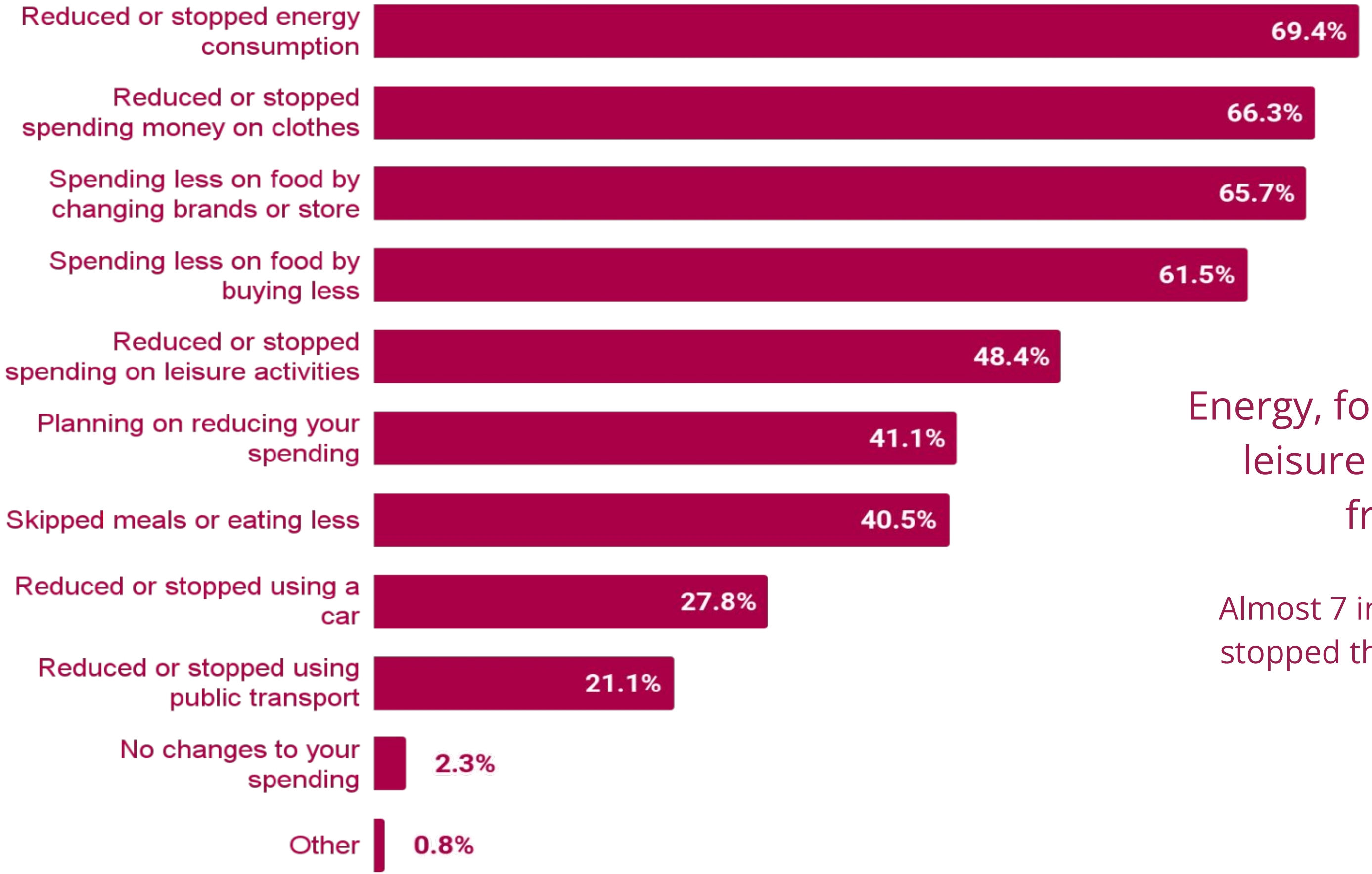
Out of 352 people

The majority of the people we help are worried about energy and food costs.

Percentages of people who are worried about rising costs by type, out of 354 people:



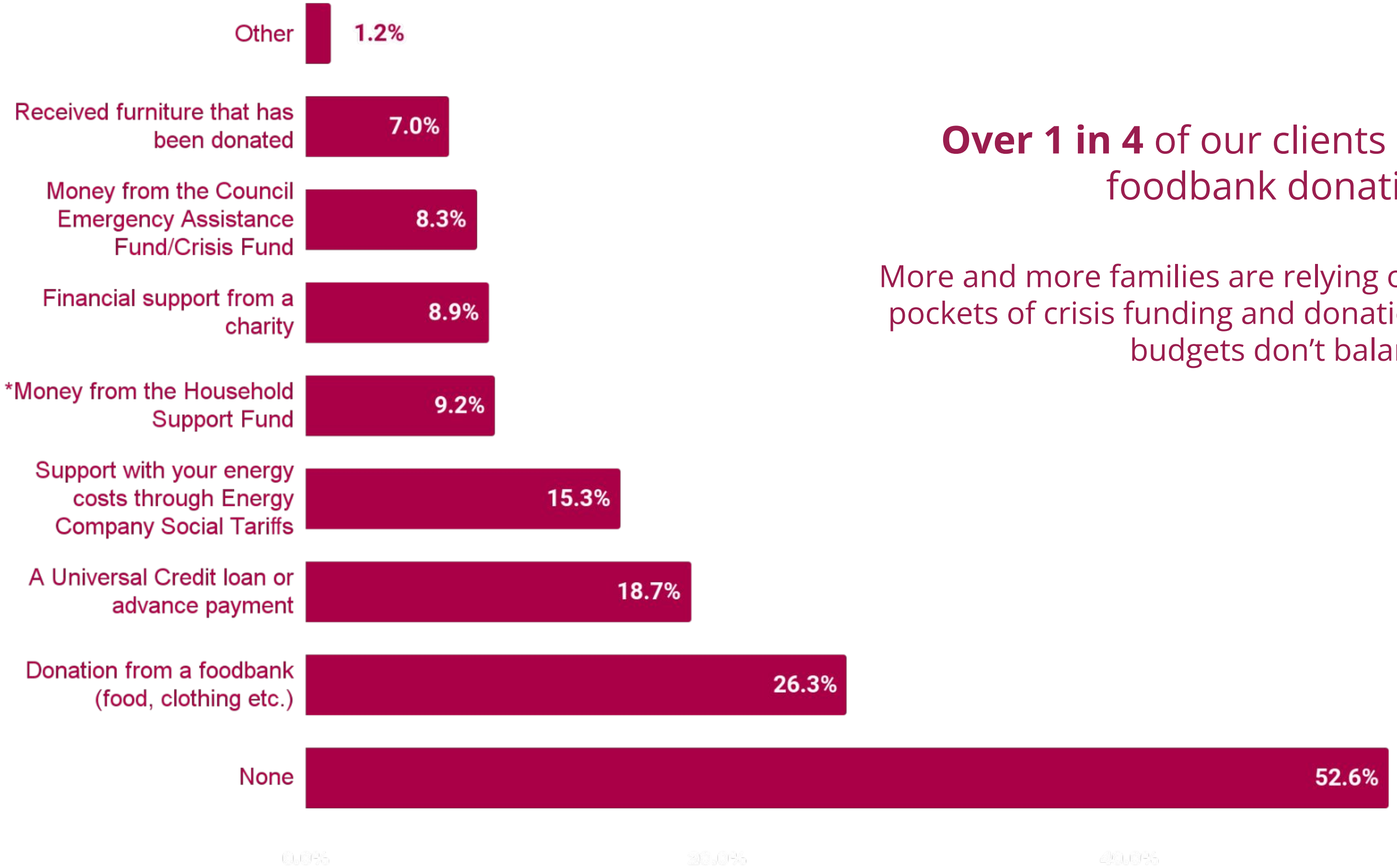
Percentages of people who have taken the following actions against rising costs in the last 12 months, out of 353 responses:



Energy, food, clothing costs and leisure costs are the most frequently cut.

Almost 7 in 10 surveyed reduced or stopped their energy consumption.

Percentages of people who have received crisis or financial support in the last 12 months, out of 327 responses:

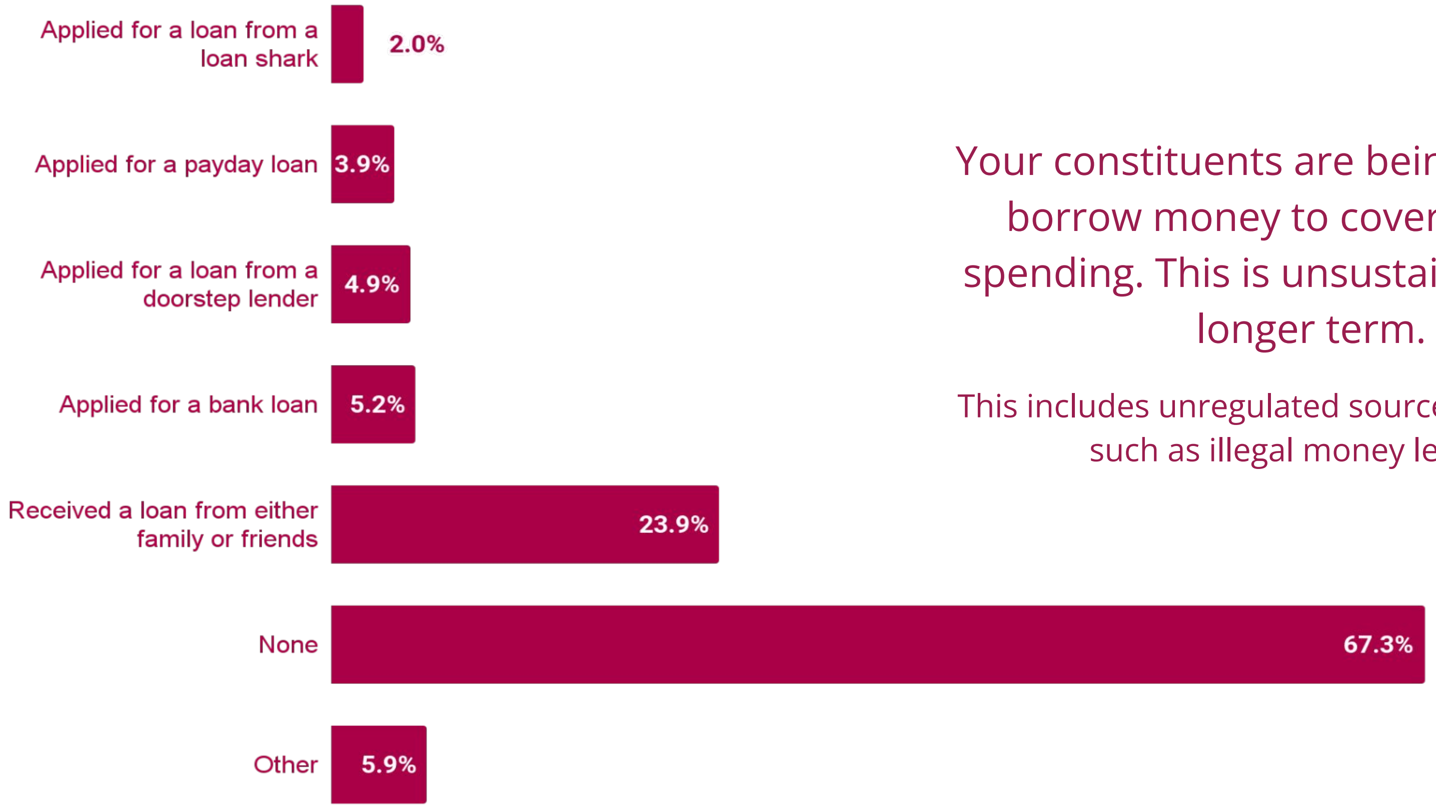


Over 1 in 4 of our clients are relying on foodbank donations.

More and more families are relying on charitable support, pockets of crisis funding and donations to get by as their budgets don't balance.

* This survey was conducted in November and December 2022. Some Local Authority applications for the Household Support Fund were closed during this period.

Percentages of people who have borrowed money to meet their household spending needs in the last 12 months, out of 306 responses:



Your constituents are being pushed to borrow money to cover essential spending. This is unsustainable in the longer term.

This includes unregulated sources of borrowing such as illegal money lenders.

Responses from Different Groups of People

Disabled People's Responses

Out of 168 people with a disability who took part in the survey.

People with a disability are **cutting their spending wherever they can.** Disabled respondents are **making more spending cuts across the board** compared to their non-disabled counterparts.

Significantly more responded with "*buying less food*", "*eating less*" or "*doing all three*" compared to the overall response.

70% are changing brands or store

69% are buying less food

51% are eating less or skipping meals

1 in 3 are doing all of the above

69% are reducing or stopping their energy consumption

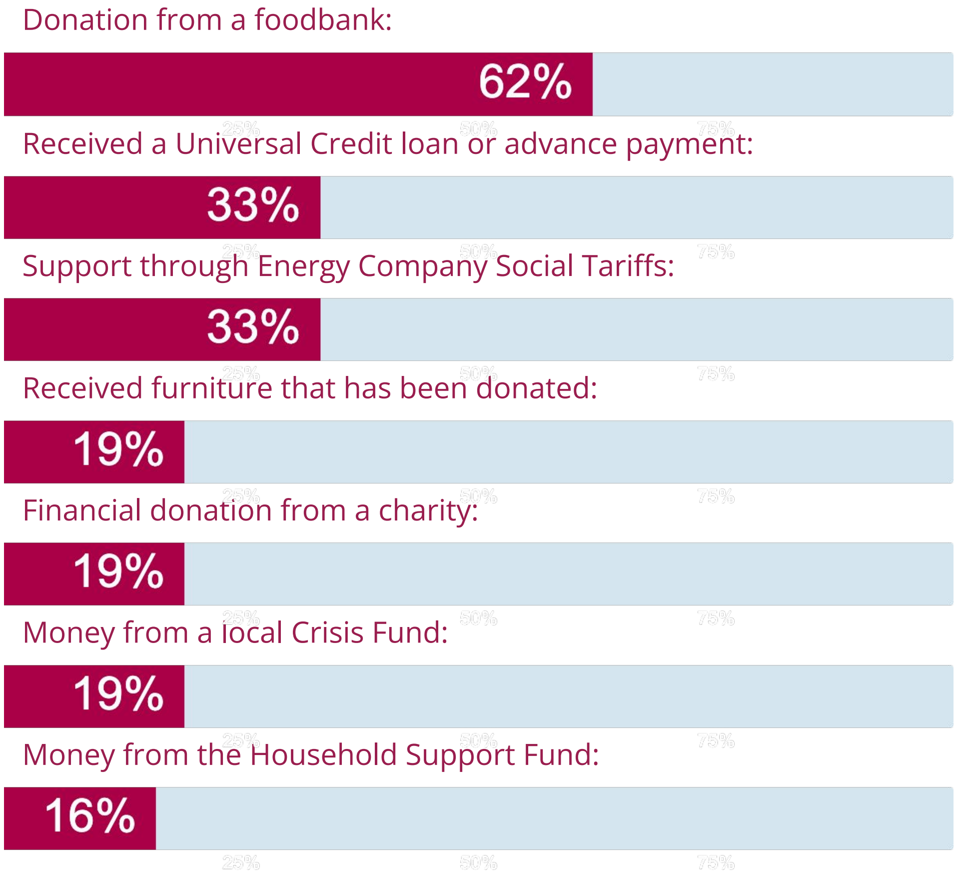
43.5%

are planning further cuts in their spending

70% are reducing or stopping spending on clothes

Support for People with a Disability

Among those who responded to the question, **54%** (82 out of 154) **received the below support**:



Significantly more people with a disability have sought a **donation from a local foodbank** compared to overall responses.

Here is what they've said:

Some will say that reducing your energy consumption is a positive and reducing food but it's when that choice has been taken away. It's bad.

[I'm] *buying more in charity shops like clothes, Christmas presents etc.*

*I cut my spending years ago**

*said in response to buying less food; reduced or stopped spending on public transport and leisure. They are planning on making further spending cuts.

People with Dependent Children's Responses

Out of 113 with dependent children who took part in the survey.

The **North East** has now overtaken London as having the **highest rate of child poverty** of any UK nation or region. Almost 2 in every 5 children are in poverty*. The gap between our region and the rest of the country is growing.

These spending cuts pose a further risk to children and their parents.

70% stopped or reduced their spending on clothing

35% are planning further spending cuts

65% are changing brands or stores

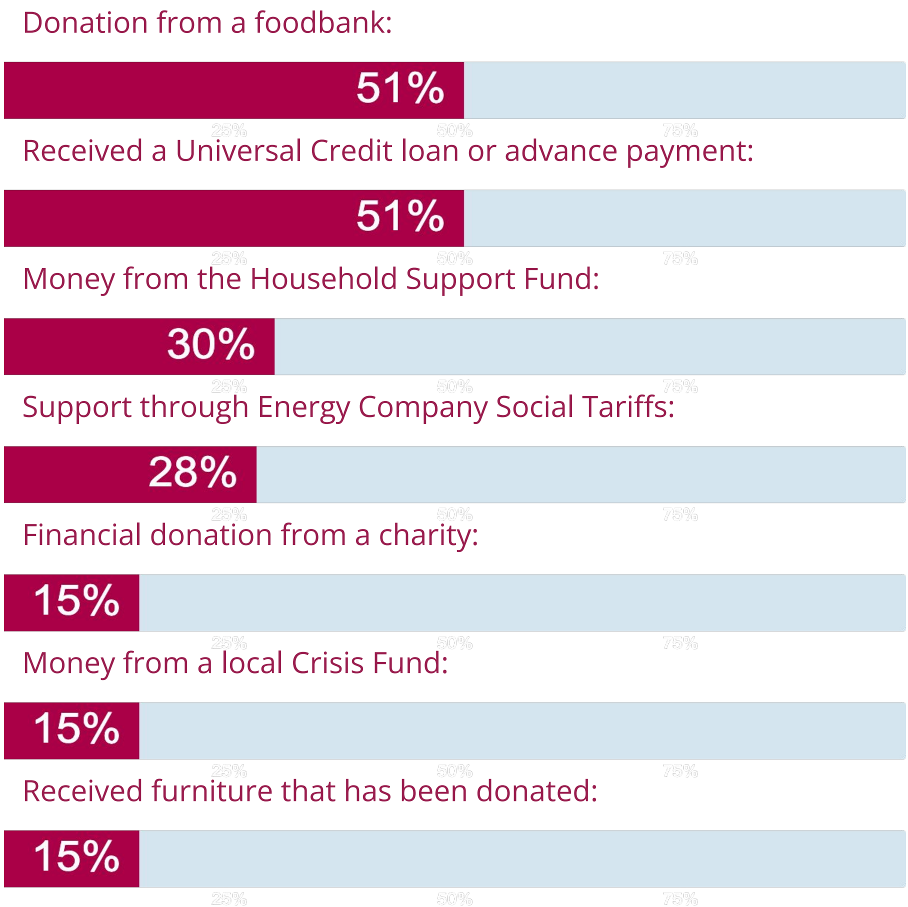
60% are buying less food

40% are eating less or skipping meals

1 in 5 are doing all of the above

4 in 5 stopped or reduced their consumption of energy

Among those who responded to the question, **58%** (61 out of 105) **received the below support:**



Support for Families

More and more families are relying on **pockets of discretionary funding and donations** to get by as their budgets don't balance.

Many parents are trying to absorb the worst of their spending cuts

[We are] *eating our children's leftovers.*

[We are] *trying to maintain the same level of spending on* [our] *children,* [as] *parents* [we] *are going without.**

Change of previous way of life.

*said in response to buying less food, reduced or stopped spending on energy, public transport and clothes.

Conclusion

Britain is facing its biggest cost of living crisis in decades. As the largest provider of free advice in the North East of England, Citizens Advice local offices are helping more people with crisis support, energy issues and not having enough money to make ends meet than ever before. **Certain groups of people are struggling more with the cost of living** than others - we continue to see more disabled people facing cost of living issues and **we're helping more people than ever that have not previously needed our support**, including people in work and mortgage holders.

Despite the welcomed government support, as prices continue to rise, people are making difficult decisions about what to cut back on and where they need to rely on community support. However, higher energy bills, alongside food, transport and other essential costs, when combined with lower cost of living payments, will create a **financial cliff-edge for millions of households come April 2023**.

Our Recommendations:

- **The Energy Price Guarantee should not increase** from April 2023, it must remain at £2500 for the average household.
- **Further targeted support** must be made available **for those on low incomes** and those with vulnerabilities, including those with disabilities.
- Ensure that means tested benefits provide **an income that sufficiently covers essential bills**, such as food, utility bills and basic housing goods.
- **Local Housing Allowance rates should not be frozen** for 2023/24. They should be reinstated to cover the bottom 30th percentile of renting costs.
- Energy companies must be stopped from **forcing people in debt on to prepayment meters** from April 2023 onwards.
- Action must be taken to improve the **insulation of homes** across the country and **reduce bills** for the long-term.
- **Support must continue for charitable organisations** who provide vital interventions and help people find a way forward.

Thank you