Suffolk County Council

Public Health & Communities

Making ends meet: The cost of living in Suffolk

April 2022

Contents

Introduction

The cost of living has increased both nationally and locally. The cost of living is the average amount of money that individuals need to be able to cover basic expenses – such as food and housing. Everyone will be affected by these cost increases, however the impact will be greatest for those who are already under financial pressure. These increases, particularly energy, water and fuel prices, council tax and other key areas of household expenditure are also set to rise further during 2022. In addition, as inflation exceeds increases in wages, many individuals will face the equivalent of a real-term pay cut.

This profile looks at some of the key local and national data available in order to provide an overview of the current cost of living, as of April 2022. It is noted that the data and intelligence around this area is moving at pace, and this report doesn't encompass every variable that impacts the cost of living in Suffolk. You may wish to read this report in conjunction with the Suffolk digital Cost of Living dashboard, where you will find the latest data in an interactive format. This document and the Cost of Living Dashboard are the evidence base which supports Suffolk County Council's 'Tackling Poverty Strategy' and 'Tackling Poverty Action Plan'.

COVID-19 saw the biggest economic crisis since the Great Depression[1] – and the impacts are likely to be felt for many years to come. Whilst inflation is already at a 30-year high, the conflict in the Ukraine that began in February 2022 is exerting further inflationary pressures. The March 2022 Office for Budget Responsibility Economic and Fiscal Outlook notes that peak CPI inflation could reach 8.7% in the final quarter of 2022, leaving a typical household income £1000 lower than in 2021/22[2],[3].The Bank of England have made a similar estimate, suggesting that inflation will peak at 7.25% in April 2022, before declining later in the year[4]. In addition, National Insurance contributions rose by 1.25 percentage points in April 2022 for the period of one year[5]. Whilst the National Living Wage (NLW) will rise to £9.50 from 1 April 2022 (representing an increase of 59p (6.6%), the energy cap also rose by 54% in April[6], and petrol prices have increased by 40p per litre (at the time of writing compared to March 2021). However, you can view the latest prices on the Suffolk Cost of Living dashboard.

Energy prices are also increasing, although there are differing views on the impact this will have on fuel poverty. The House of Commons Library Research Briefing 'Fuel Poverty in the UK: March 2022' notes that 'the Government predicts that fuel poverty will continue to decline in England in 2021 and 2022 despite very large increases in prices[7]. This is due to a number of different factors including how fuel poverty is defined in England, a lag between when prices rise and when they are included in estimates, and the impact of the energy bill rebates. The charity National Energy Action has estimated that the price rises in 2021 and 2022 will lead to an increase in the number of households in fuel poverty (albeit under a different definition) of more than 50%[8].

There is also some concern that the rise in the NLW might adversely impact Small and Medium Enterprises (SMEs) in particular, with the wage increase ultimately inflating business overheads, eating into the profit potential for SMEs still recovering from the impact of COVID-19[9].

It is noted that everyone will feel the impacts of the increases in cost of living differently. The pressures on a pensioner living alone will look different to those facing a family where both parents may be working for example. However, this doesn't detract from the overall message – everyone will be affected to some extent. In addition, the poverty premium (where people living on low incomes often pay more than people on higher incomes for basic goods and services, for example because of being unable to pay for utilities by direct debit) also has a key role in cost of living challenges, making it harder for low income households to weather the storm of price increases. The Institute for Government note there are several reasons that the cost of living hit will not be evenly felt across households- with the squeeze being felt more sharply by lower-income households[10]. For example, the Office for National Statistics (ONS) note while rising energy prices will affect most households across the country, they are more likely to disproportionately affect those on the lowest incomes[11]. ONS research also indicates that since autumn 2021, increases in the cost of living have coincided with more adults reporting that they would not be able to save any money in the next 12 months. In addition, adults living in the most deprived areas of England were more likely to report not being able to save in the next 12 months, than adults living in the least deprived areas of England[12].

Quick stats:

These stats are a mix of national and local information, that have been referenced within this document.

77.8%
Working age Suffolk residents in employment (74.9% England) (Sept 2021)

24,000
People claiming Universal Credit in Suffolk who are in work (Feb 2022)

24%
The cost of petrol has gone up 24% when comparing March 2021 and March 2022

3.4%
Unemployment in Suffolk (5.0% England) (Sept 2021)

£40
Suffolk resident's gross weekly pay is £40 per week lower than England (2021)

57%
Increase in price of popular second hand cars compared to 2019

7.0%
Inflation rate in March 2022, above the 2% target rate set by the Bank of England

£762
The mean rental price for a house in Suffolk from October 2021- September 2021 (England £898)

39%
of Suffolk homes had an EPC rating of C or higher, compared to 42% for England

24%
Those in the lowest 10% income groups spent more than double on housing, fuel & power compared to those in the highest 10% (10% spend)

10.2%
The median price paid for a house in Suffolk increased by 10,2% in the year to June 2021 (England 12.9%)

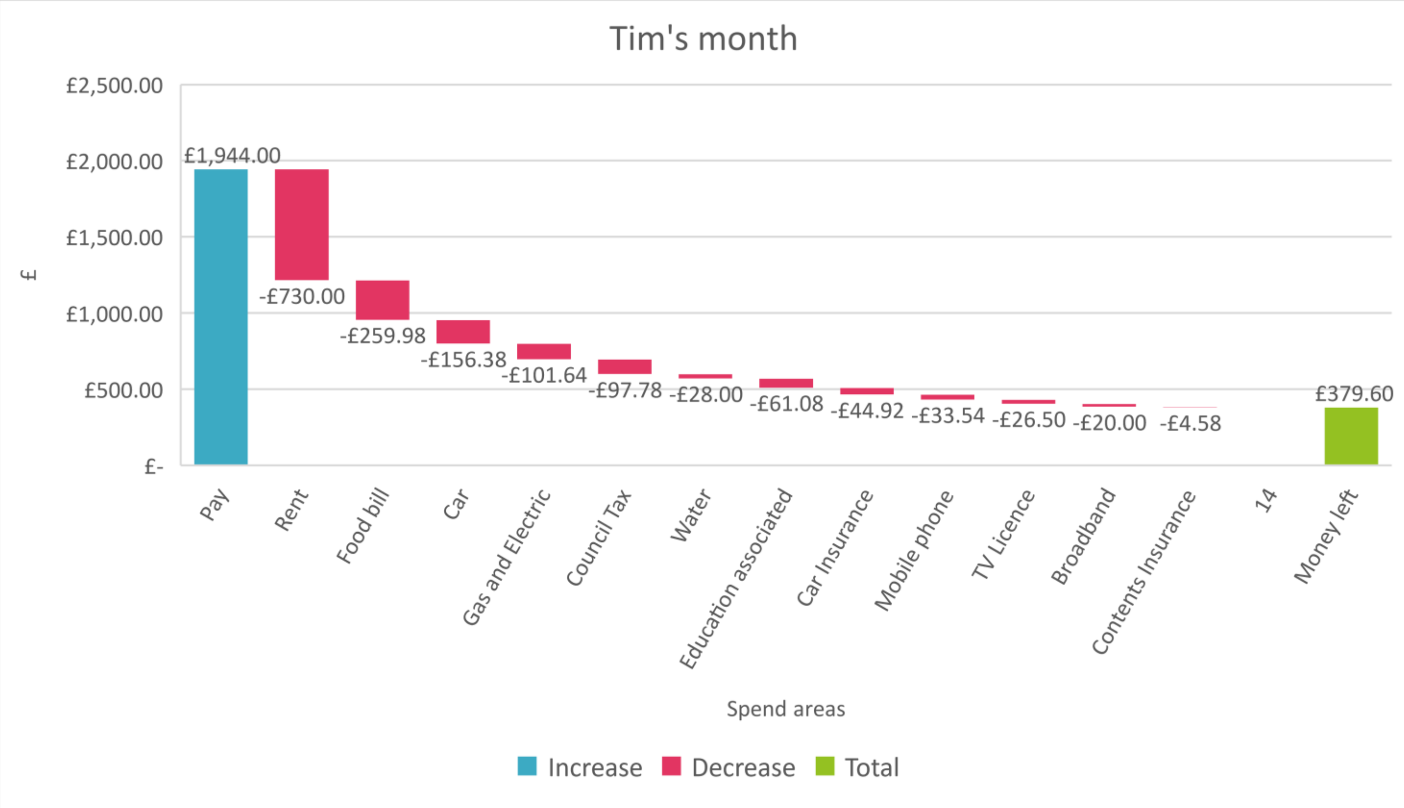
28.7%
Of Suffolk properties were off the gas grid in 2020, and need other sources such as oil to heat their homes (England 14.3%)

How might a Suffolk resident spend their earnings?

This scenario is made up, but uses real data to illustrate just how much, or how little is left to spend during a typical month. The data comes from a range of sources, and not all expenses can be calculated at a local level.

This is Tim. Tim is a single father to Taylor (aged 10). He works full time and rents a 2 bedroom flat in Ipswich. **Tim is left with around £1,944 each month - once he's paid national insurance, tax, and 5.5% into his pension.** This figure is based on a gross weekly income of £593.40 for an Ipswich male. He also gets £86 a month child maintenance, but he saves this for Taylor.

This is how his monthly spend typically looked like in April of 2022:



Tim is frugal. Once he's paid off the core bills, he is left with around £374 for the month, or £94 per week. This needs to pay for things like non-food shopping and recreation/ entertainment which have not been costed here.

The source of some of this data is the Office for National Statistics family spending explorer. This estimates that the averages weekly spend for a family is £585.60 per week - or £2,342.40 per month - so above what Tim has to spend to start with.

It also doesn't account for unexpected bills- for example if Tim had got his car MOT'd and needed 2 new tyres at a cost of £250, that would leave him with just £31 per week. Many families in Suffolk will have considerably less income than this, and therefore very little ability to adjust to changing costs.

If prices continue to rise many families in Suffolk will not be able to make ends meet.

Sources:
Based on gross weekly income of £593.40 for an Ipswich male: Nomis and the Salary Calculator. Mean rental data for 2 bed property in Ipswich: Office for National Statistics. Council tax with 25% reduction for single adult occupancy: Ipswich Borough Council. Electricity and gas: EDF average cost for a 2 bed flat, with 54% energy cap increase applied. Water: Money Helper for two bed property, with 5.3% increase for Anglia Water applied. Food: ONS Family Spending Explorer (based on a 4 week month) with 5.9% inflation applied. Education: Cost of a school year, East of England, child in years 1-6, based on packed lunches and including donations etc. Car running costs: ONS Family Spending Explorer (based on a 4 week month), with 13.6% inflation applied. Car insurance: Car insurance based on yearly fully comprehensive average. House insurance: Contents only Money Supermarket. Mobile phone costs: ONS Family Spending Explorer (based on a 4 week month), with 7.5% Retail Price Index (RPI) applied. TV Licence: TV Licencing. Broadband: Money Supermarket average cost.

A good job

Having a stable job that provides a fair wage and has good working conditions is good for our health and overall wellbeing[13]. Whilst having a job is a key route out of poverty, this isn't guaranteed. The number of people experiencing 'in-work' poverty has been increasing both nationally and in Suffolk.

The issues of in-work poverty alongside insecure work (such as zero hour contracts) were prevalent pre-pandemic. However, COVID-19 compounded and exacerbated employment challenges. Employment rates fell and the numbers of people that were economically inactive increased. Whilst there is some evidence of recovery in employment rates as we enter 2022[14], the fallout of the COVID-19 pandemic is set to continue for years to come.

Unemployment in Suffolk is at a low level (3.2% for Suffolk compared to 4.9% for England in the year to September 2021). However, the number of people in work has not recovered to pre-pandemic levels. Economic inactivity has increased. There is a shortage of labour and job vacancies are at a very high level. To tackle high vacancies, the new Government 'Way to Work' campaign focuses on getting job-ready people off Universal Credit and into work, endeavouring to fill vacancies which are at a record high[15]. The Government note that if people can't find work in their previous occupation or sector, they are expected to look for work in another sector. This will be part of their requirements for receiving their benefit payment[15].

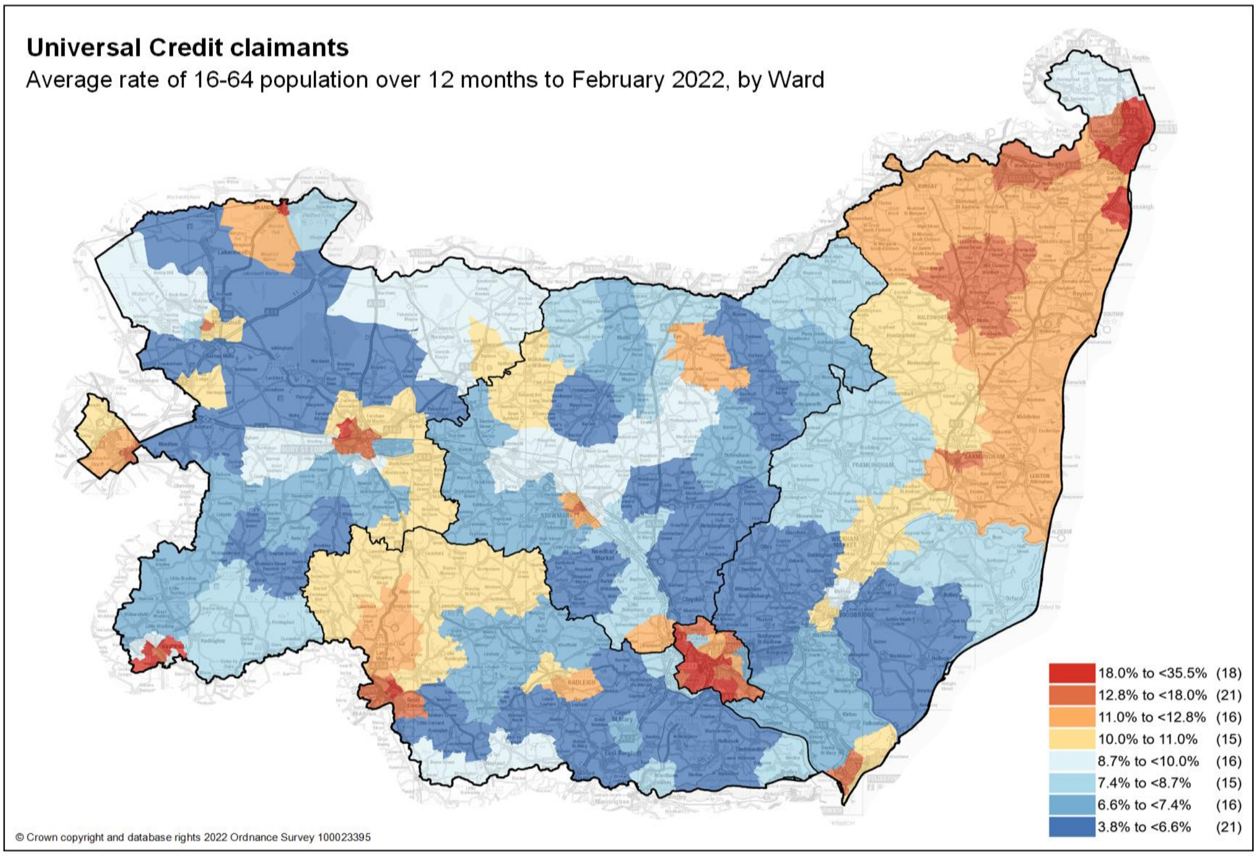
An uplift introduced during the pandemic of £20 per week for Universal Credit (UC) claimants which ended last Autumn has been partly mitigated by UC taper rate and work allowance, although this does not apply for people who are out of work, and those unable to work due to sickness, disability or caring responsibilities[16]. The government has also increased to £1 billion the Household Support Fund through Local Authorities aimed at supporting vulnerable households to help them with essentials.

Young people aged 16-24 years have been particularly impacted by the pandemic. Employment rates have decreased and unemployment and economic inactivity rates increased by more than the levels seen for people aged 25 and over[14]. Whilst this initial finding remains true, another story has emerged as the pandemic progressed, indicating increase in the movement of over-50s from work to inactivity over the course of the pandemic. There are a range of different motivations for stopping work, and although retirement is a key driver, issues around health, caring, change in lifestyle are all important factors too[17]. This is an area that needs to be monitored for Suffolk, as it has a higher proportion of those aged 50 and over compared to England (44.5% in Suffolk compared to 37.8% for England)[18].

The latest Suffolk data available for Universal Credit is for February 2022. This indicates that there are 55,200 UC claimants in the county, up 75.1% compared to March 2020. There are 24,000 in work claimants of UC – a rise of 97.0% since March 2020[19].

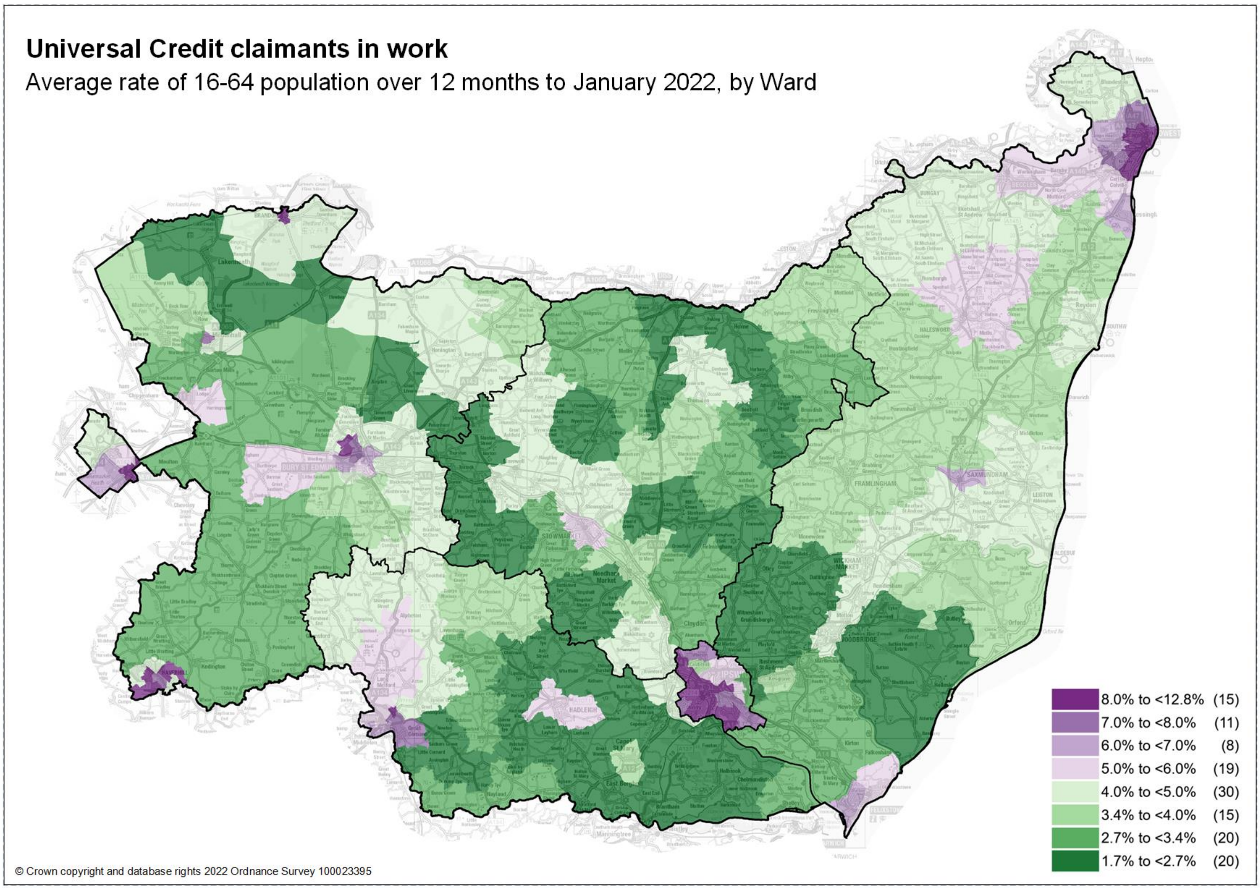
2022 data has been mapped for wards in Suffolk. The maps below depict the average percentage of the 16-64 age population claiming UC by ward, alongside the percentage UC claimants in work in Suffolk during the same time period. There is geographical variation in the percentage of UC claimants and in work UC claimants, with typically higher percentages in Ipswich, Lowestoft, Bury St Edmunds and Haverhill.

Figure 1: Universal credit claimants by ward in Suffolk for 12 months to February 2022



Source: [19], [18]

Figure 2: Universal credit claimants that were in work by ward in Suffolk for 12 months to January 2022



Source: [19], [18]

Employment and earnings

As of 2020, there were 761,200 people resident in Suffolk, and of those, 442,500 (58.3%) were aged 16-64, which is generally considered 'working age'[20]. In Suffolk, the overall employment rate is generally higher than England, and unemployment rates typically lower. For example, in the year to September 2021, 77.8% of people in Suffolk aged 16-64 were in employment, compared to 74.9% in England[20].

2020 data indicates 13.6% of households in Suffolk were defined as 'workless', higher than England (13.0%) – in Suffolk this is equivalent to 33,500 households[20]. It is important to note that workless household data only includes households that contain at least one person aged 16 to 64. These household members may be unemployed or economically inactive. Economically inactive members may be unavailable to work because of family commitments, retirement or study, or sickness or disability.

Over the same period, 85,300 people were considered economically inactive (19.5% - lower than England at 21.5%). When looking at reasons for people being economically inactive, Suffolk has a much lower proportion of students compared to England (18.8% vs 28.8%), but a much higher proportion of individuals who are unable to work due to long-term sickness (31.5% vs 23.3%).

Suffolk has a lower proportion of the population qualified to degree level and above compared to England, and a lower proportion of people in the most senior occupation types (managers/ professional occupations etc). When looking at the types of jobs in Suffolk, 2020 data shows that Suffolk has a higher proportion of employees in manufacturing, construction and transportation and storage. There are also a high number of workers in the hospitality industry. All of these sectors have been hit hard by the pandemic[21]. Suffolk generally has below average proportions of people working in the highest paid occupations and above average levels of people in lower paid occupations.

Gross weekly pay for Suffolk residents is approximately £40 lower than England, and £55 lower than the East of England. In 2021, on average Suffolk residents earned £573.6 per week compared to £613.3 for England as a whole (East of England value £628.60). Whilst both nationally and locally gross weekly pay has increased over the years, there is no evidence of Suffolk closing the pay gap compared to England. The difference is even greater for Suffolk workers (i.e. people working in Suffolk but not necessarily living in the county), with gross weekly pay £59 lower than the England average.

Office for National Statistics (ONS) data indicates in the year to March 2021, workers on lower incomes were more likely to have seen their income fall, with 42% of those on the lowest income reporting a decrease, compared with 31% for those on the highest incomes[22]. There are several reasons for this[22]:

- Workers on lower incomes were more likely to be furloughed and less likely to be able to work from home.
- Jobs that were at greater risk during lockdown (as they were not classed as key workers for example) were lower paid on average than less vulnerable jobs during the pandemic.
- People on higher incomes were more likely to receive full pay if they were unable to work.

The recent very high rates of inflation highlighted earlier (Bank of England estimate of 7.25% in April 2022) will deplete the spending power of pay packets both nationally and locally. The Bank of England reports that it expects wages to grow by around 4% in 2022, before adjusting for inflation[4]. The House of Commons Library, in its report 'What happened to wages in the coronavirus pandemic' states that given these inflation and wage growth estimates 'real wages are set to fall for at least the first half of 2022'[23].

These factors compounded the impact of the pandemic for those already likely to find it hard to make ends meet.

Travel to work

Everyone's commute to work is different, some people work exclusively from home, some walk or cycle, some take public transport and others drive. The cost of all of these travel methods varies. For example, the cost of buying and maintaining a bike is much lower than maintaining and running a car.

The pandemic presented an unforeseen opportunity for some workers to save money by working from home. Research indicated that working from home has saved commuters as much £300 per month during lockdown[24]. However, as noted above, those on lower incomes were more likely to be working in roles where they couldn't work from home during the pandemic, meaning they couldn't save on the cost of their commutes.

For people living in rural communities, commuting by car is often the only option available as it is too far to walk or cycle and bus services cannot reach all areas. More than 40% of Suffolk's population lives in areas classed as rural compared to less than 20% across England and Wales.

At the time of writing (April 2022), the price of fuel had just reached a record high, with average petrol prices at £1.67 per litre and diesel at £1.79 – an increase of 40p per litre from the same period in March 2021[25]. A Ford Fiesta with a tank size of 42 litres now costs an extra £16.80 to fill. The Chancellor has moved to reduce the impact on motorists by temporarily cutting fuel duty by 5 pence per litre for 12 months. This will bring fuel duty down from 58p per litre to 53p and is expected to save the average car driver £100 over the next year[26]. Visit the Suffolk Cost of Living dashboard for the most up to date data.

The price of second hand vehicles has also risen exceptionally in the last year. The latest Auto Trader Retail Price Index (based on daily pricing analysis of around 900,000 vehicles), shows that average used car prices are continuing to increase to record levels[27]. The average sticker price had increased 31.9% on a year-on-year and like-for-like basis in February 2022[27]. Whilst electric cars may represent a more sustainable way of travel, for many they are still too expensive to buy, and with soaring energy prices, may also be too expensive to run. There has also been an increase in the cost of rail travel with a 12-month season tickets to London Liverpool Street from Ipswich now costing £7,396[28].

Inflation

Inflation is the measure of how much the prices of goods and services go up over time. Usually, inflation is measured by year-on-year comparison, and the change is called the inflation rate. As an example, if inflation is 3%, prices are 3% higher (on average) than they were a year ago. For example, if a pint of milk cost £1 a year ago and now it's £1.03 then its price has risen by 3%. To try to keep inflation low and stable, the Government sets the Bank of England an inflation target of 2%[29]. Different goods and services will be subject to different inflation rates, and so every individual/household will be impacted by inflation to a varied degree, depending on what they spend their money on.

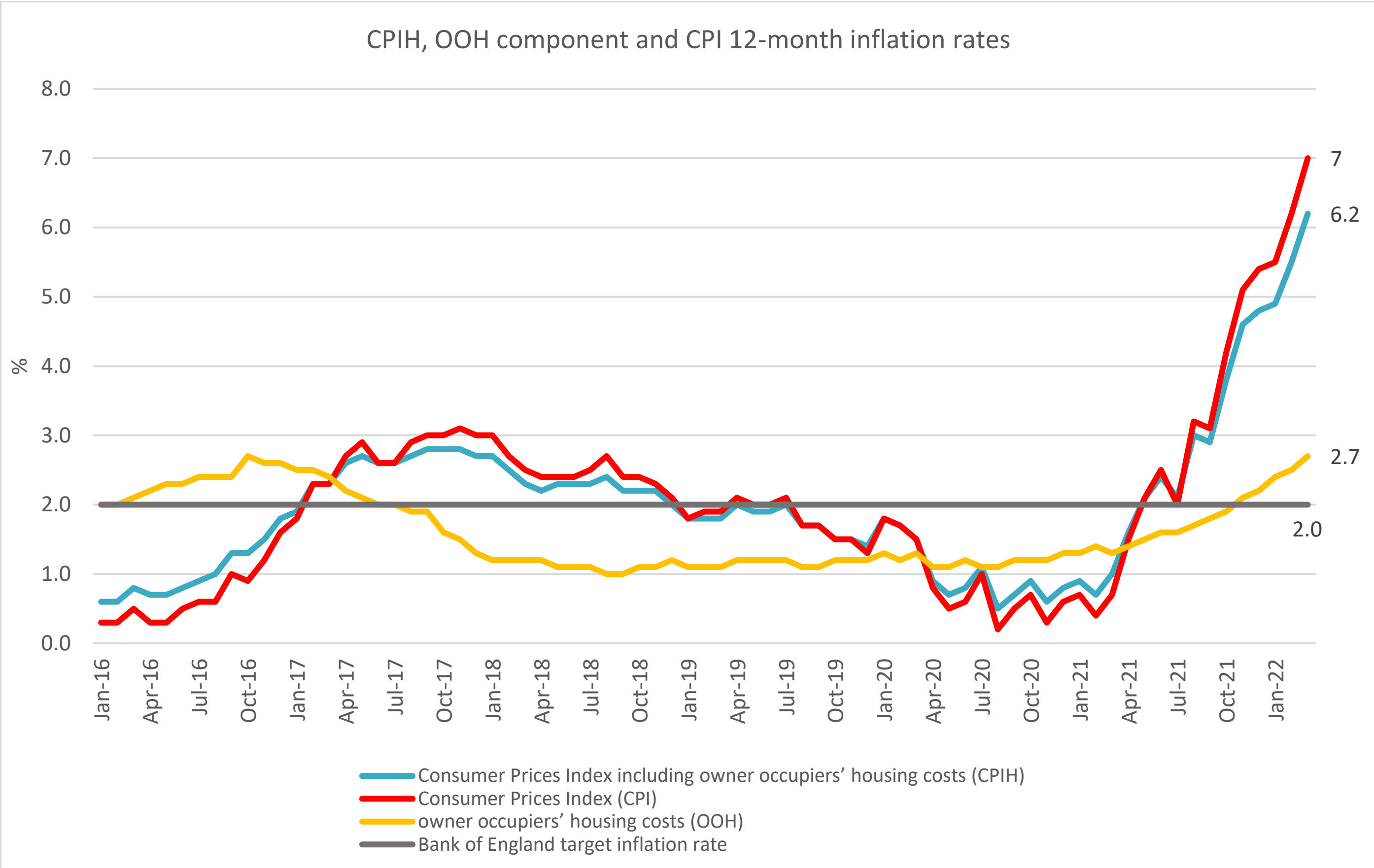
In March 2022, the twelve-month inflation on the Consumer Prices Index (CPI) was 7.0%, up from 6.2% in February[30]. The CPI is the main way to measure inflation in the UK. Reasons for this rise are multi-faceted, and include rising energy costs, consumer prices being pushed upwards by global factors, particularly the economic recovery from the pandemic and supply constraints in certain sectors – and this was all **prior** to Russia's invasion of Ukraine[31].

In February 2022, the ONS reported that 66% (two thirds) of adults in Britain reported their cost of living increased in the past month, with rising energy prices cited as a growing factor in the squeeze on household budgets[11].

In addition to the CPI as the main measure of inflation, the Consumer Prices Index including owner occupiers' housing costs (CPIH) is the most comprehensive measure of inflation in the UK. It measures the costs associated with owning, maintaining and living in your own home[30]. March 2022 data indicates CPIH rose to 6.2% in the 12 months to March 2022, up from 5.5% in the 12 months to February 2022. Rising prices for motor fuels resulted in the largest upward contribution to the monthly rate in March 2022[30]. Other factors influencing change at the beginning of the year included price rises for gas and electricity following the increase in the cap on energy prices, housing costs, fuel rises and the cost of second hand vehicles.

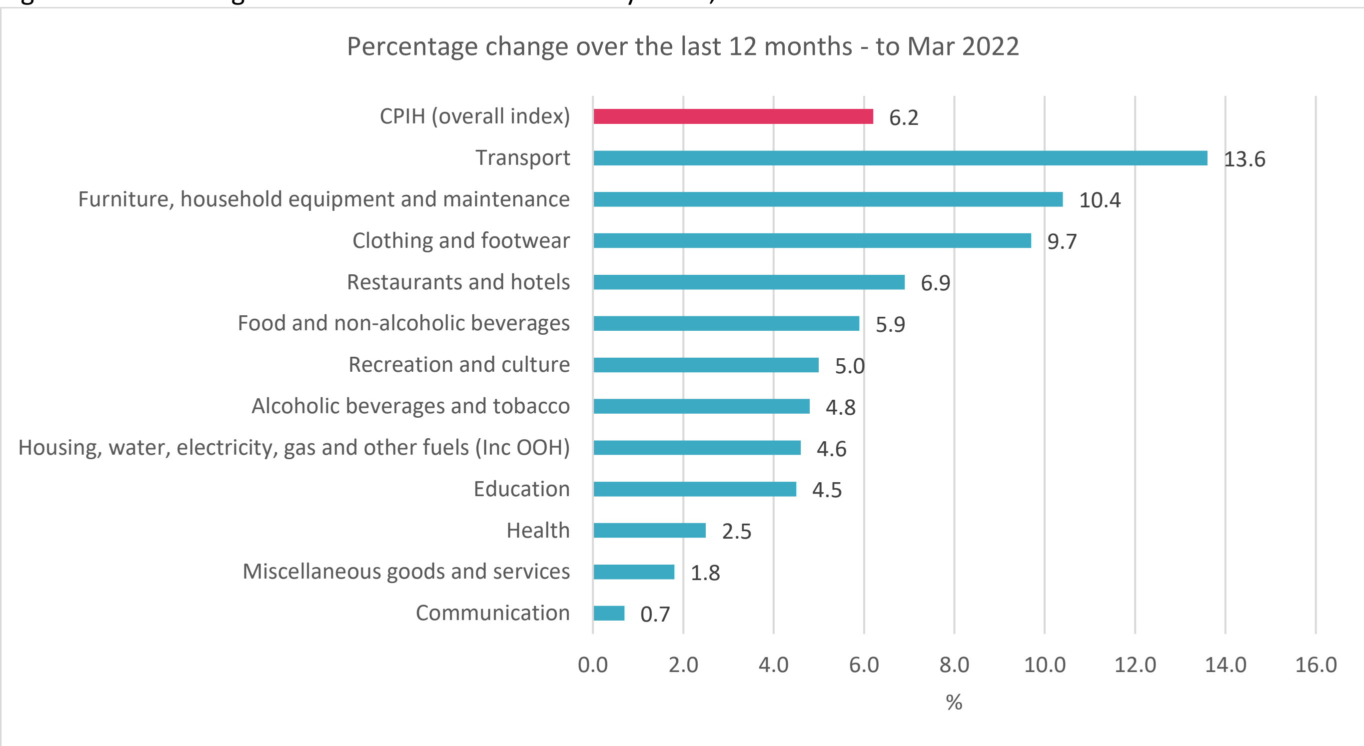
On the chart below, CPI, CPIH and owner occupiers' housing costs (OOH) are shown over time. The OOH component accounts for around 17% of the CPIH, and it is the main driver for differences between the CPIH and CPI inflation rates.

Figure 3: CPIH, OOH component and CPI 12-month inflation rates up until March 2022, UK



Source: [30]

Figure 4: CPIH change over the last 12 months for key areas, to March 2022



Source: [30]

Household spend

Whilst it is true that some households were able to spend less during the pandemic, this was not felt equally across all income quintiles. ONS data indicates that households with higher income saw the biggest reductions in spending during the pandemic – In the year to March 2021 those in the highest income quintile saw an average spending reduction of -£193.10 compared to -£41.00 for those in the lowest income quintile[22]. It is likely that this reflects a larger amount of 'disposable income' in the higher income quintile -echoed in the data that shows higher income households saw the largest spending drops on non-essentials such as restaurants.

A compounding issue for those on low incomes is what is termed the 'poverty premium', where people living on low incomes often pay more than people on higher incomes for basic goods and services, this can make poverty harder to escape[32]. An example of this is shown below.

The table below depicts household expenditure as a percentage of total expenditure by gross income decile, looking at the lowest 10%, highest 10% and all household income groups. Those in the 10% lowest income households spend a higher percentage of their income on food, fuel and power costs compared to those in the highest 10%.

Given that those in the lowest 10% income decile spend more than double on housing, fuel and power compared to those in the highest 10%, it is likely that those already on stretched incomes are likely to feel the pressure of increasing energy bills the hardest.

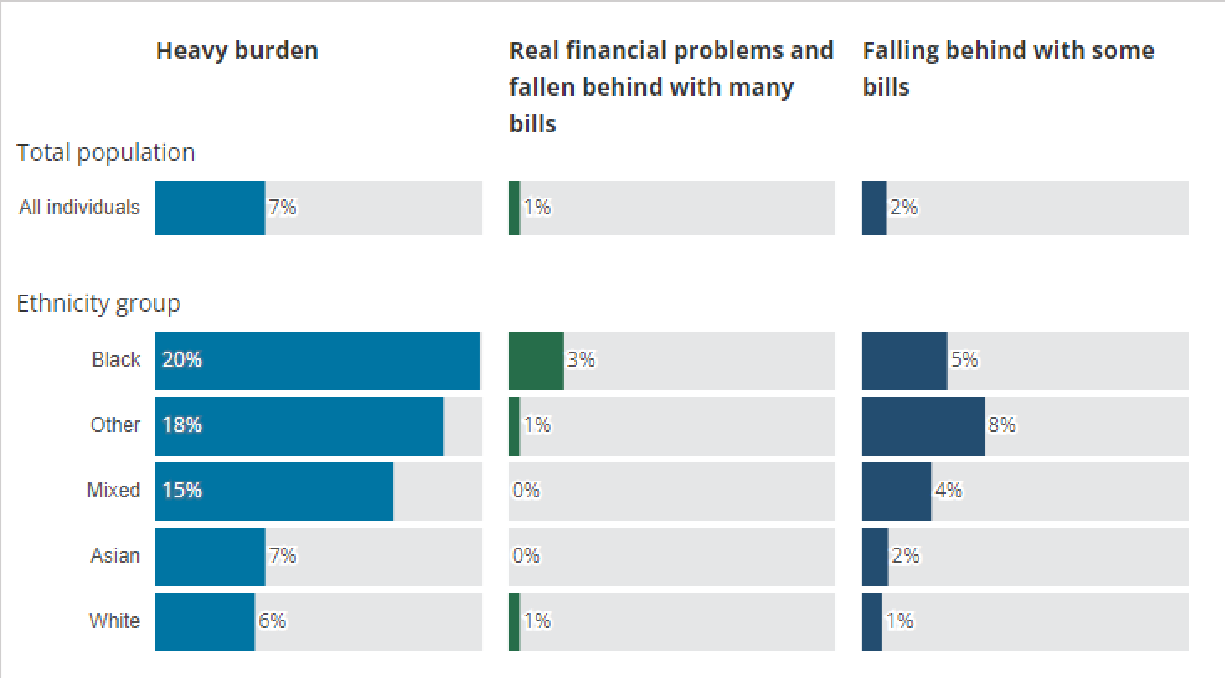
Table 1: Household expenditure as a percentage of total expenditure by gross income decile group

	Household expenditure as a percentage of total expenditure by gross income decile group		
Expenditure area	Lowest 10% of households	Highest 10% of households	All households
Food & non-alcoholic drinks	14%	8%	11%
Alcoholic drinks, tobacco & narcotics	4%	2%	2%
Clothing & footwear	3%	4%	4%
Housing(net)*, fuel & power	24%	10%	14%
Household goods & services	5%	6%	6%
Health	2%	1%	1%
Transport	9%	15%	14%
Communication	4%	3%	4%
Recreation & culture	12%	13%	13%
Education	-	2%	1%
Restaurants & hotels	6%	11%	9%
Miscellaneous goods & services	8%	8%	8%
All expenditure groups	91%	83%	87%
Other expenditure items	9%	17%	13%

* Excluding mortgage interest payments, council tax and Northern Ireland rates. Education rates supressed due to low counts Source: [33]

Family demographics also played a role in making ends meet in 2021, with younger age groups and those of black and mixed ethnicity reporting higher economic pressure in the year to March 2021[22]. Between May 2020 and February 2021, those of Black ethnicity were the most likely to report falling behind with many bills (3%), and to find keeping up with bills a heavy burden (20%) – a higher proportion than in the population as a whole. The ONS also note that data from the Opinions and Lifestyle Survey (OPN) indicates that ethnic minority populations have not recovered from the economic shocks of the pandemic as quickly as those of White ethnicity. In addition, ethnic minority populations were also consistently more likely to report needing to borrow money or use credit throughout the pandemic[22].

Figure 5: Proportion of the population finding keeping up with bills a heavy burden, by ethnicity in Great Britain, May 2020-February 2021



Source: [22]

In relation to age, the ONS found that older age groups were better insulated from some of the financial hits of lockdown[22]. The median balance on individual current accounts, savings and ISAs was more than six times higher for people aged 65 years and over compared to that of those aged 25 to 34 years in the ten months to February 2021[22].

Research indicates rising housing costs for those on low incomes has been the key driving factor in increasing in-work poverty[34]. Potentially 9 million families who receive benefits due to low incomes will be £500 worse off on average due to inflation from April. The Joseph Rowntree Foundation notes that couple families with children receiving low income benefits will experience a real-terms cut of £720 per year, while the figure across all pensioner couples is £540 per year[16].

House prices, mortgages and rent

The cost and availability of suitable housing is a significant factor for residents in Suffolk; particularly for those who rent privately[35]. Latest national data indicates that house prices rose by 10.9% over the year to February 2022 when the cost of a typical UK home reached a new record high of £277,000, rising £27,000 in the past year[36]. However, house price growth is expected to slow in the year ahead, due to high inflation rates and interest rate rises[37]. Estate agent Savills have forecast overall price rises of 3.5% in 2022 and 3.0% in 2023, with Zoopla suggesting continued house price growth of 3% in 2022, and the Halifax suggesting house price growth of between 0 – 2% in 2022[38].

Latest data for Suffolk indicates house prices increased by between 8.0% (West Suffolk) and 14.4% (East Suffolk) in the year to June 2021[39]. Across England, the increase was 12.9%. House prices soared during the COVID-19 pandemic due to policies such as the stamp duty holiday and the new mortgage guarantee, as well as the 'race for space' which saw more people looking for bigger properties or homes in more rural areas following the shift towards home working. These factors are reflected in more rapid house price growth in the more rural districts of Babergh and Mid Suffolk, as well as the coastal district of East Suffolk. First-time buyers tend to be amongst the lower earners, given their life-stage. In general, for those in the lowest 25% of earners housing is even less affordable in Suffolk than those in the median income bracket.

Table 2: Median price paid year ending June 2017- June 2021, Suffolk, East of England and England

	Year ending June:					% Change	
Local authority name	**2017**	**2018**	**2019**	**2020**	**2021**	**% Change between 2017 and 2021**	**% Change between 2020 and 2021**
England	£ 229,800	£ 237,000	£ 240,000	£ 248,000	£ 280,000	21.8%	12.9%
East of England	£ 270,000	£ 280,000	£ 287,000	£ 290,000	£ 324,850	20.3%	12.0%
Suffolk	£ 225,000	£ 235,000	£ 242,000	£ 245,000	£ 270,000	20.0%	10.2%
Babergh	£ 258,998	£ 275,000	£ 279,000	£ 283,000	£ 315,000	21.6%	11.3%
Ipswich	£ 179,995	£ 188,000	£ 200,000	£ 200,000	£ 218,000	21.1%	9.0%
Mid Suffolk	£ 250,000	£ 264,000	£ 260,000	£ 263,000	£ 292,750	17.1%	11.3%
East Suffolk	£ 225,000	£ 235,000	£ 235,000	£ 240,000	£ 274,475	22.0%	14.4%
West Suffolk	£ 232,000	£ 245,000	£ 250,000	£ 250,000	£ 270,000	16.4%	8.0%

Source: [39]

Existing homeowners have benefited from Bank of England interest rates of less than 1% for well over a decade[40]. This has kept mortgage interest rates low and repayments more manageable, albeit in the context of sluggish wage increases. The rapidly increasing inflation rate (now over 5%, more than three percentage points above the Government target) has already led the Bank of England to raise the base rate from 0.1% to 0.75% in the space of three months[40], and this could rise further in the coming months, which could in turn bring about increased interest rates on mortgages and higher repayments.

Suffolk's has a high percentage of second / holiday homeownership, for example along the Suffolk Coast in East Suffolk and a high proportion of privately rented homes occupied by US Visiting Forces particularly in West Suffolk. The military housing allowance means rents are much higher, leading to affordability challenges for local renters. The rental market is therefore very strong across Suffolk.

Private rents in the UK increased by 2% in 2021, the largest increase in five years. In Suffolk, median private rental costs increased by 3% from the year to September 2019 to the same period in 2020-21[41]. Data indicates that based on mean values, private rentals in West Suffolk are the most expensive within Suffolk, and are higher than both the East of England and England.

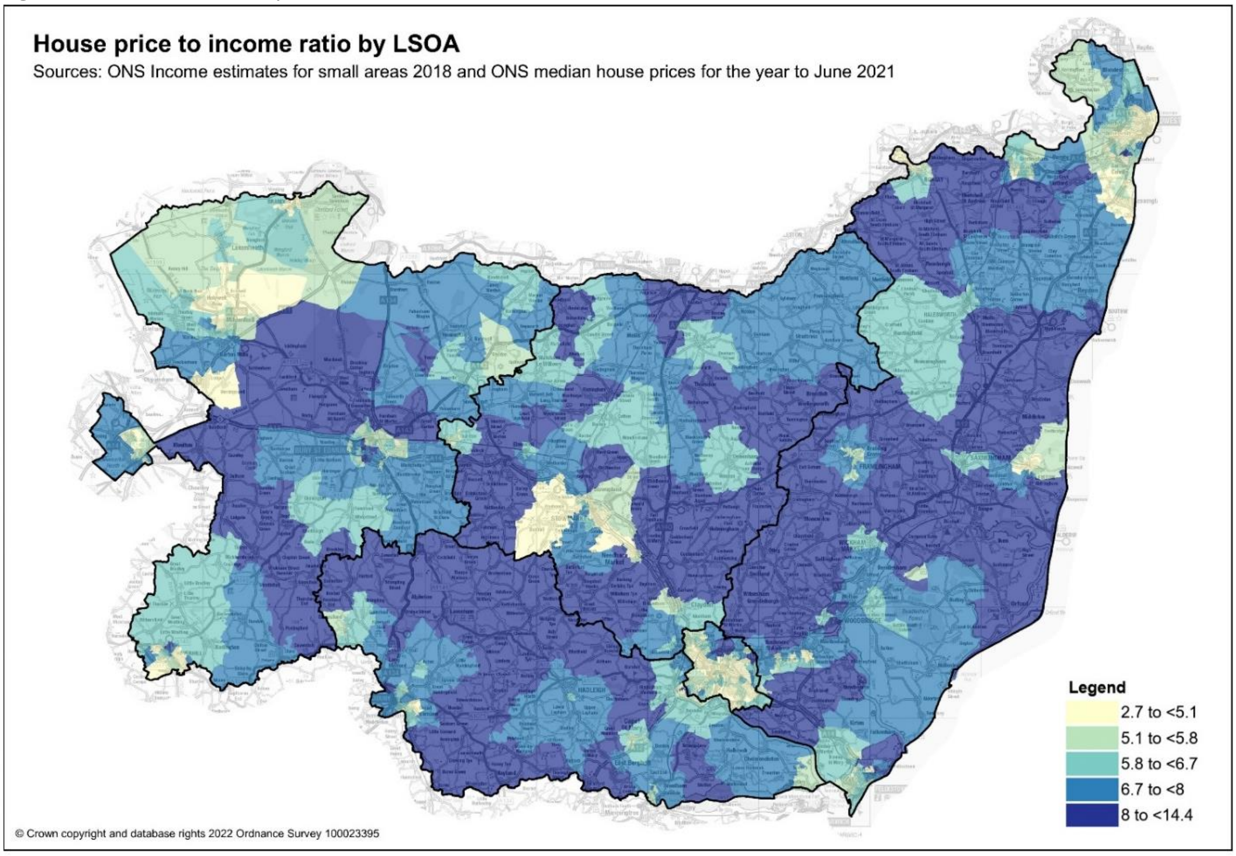
Table 3: Private rental market counts and prices between 1 October 2020 to 30 September 2021

	All categories				
Area	**Count of rents**	**Mean (£)**	**Lower quartile (£)**	**Median (£)**	**Upper quartile (£)**
ENGLAND	**480,750**	**898**	**585**	**755**	**1,050**
EAST	**59,650**	**930**	**695**	**850**	**1,100**
Suffolk	7,180	762	580	700	850
Babergh	920	745	625	720	835
East Suffolk	2,500	628	500	595	715
Ipswich	1,620	691	595	675	770
Mid Suffolk	340	822	650	755	900
West Suffolk	1,800	1,007	750	990	1,150

Source: [41]

The map below shows house price data the year up until June 2021, as a proportion of the median annual household income estimate for that area. The resulting figure is a ratio that gives an indicator as to how affordable housing in an area is. For example, an area with a higher average house price, but a lower estimate of income, would give a high ratio (indicating lower affordability). Many areas of Suffolk have a house price to income ratio greater than 8, meaning the average house price is more than 8 times the average annual income.

Figure 6: Suffolk house price to income ratio, 2018 and 2021 data



Source: [39], [42] Note: Income estimates are 2018, and house price data is 2021.

In addition to increases in private rentals, social housing rents can increase by up to 4.1% in 2022/23, the highest percentage increase since 2012/13[43]. To give a local example, in Babergh, the average weekly social rent increase means an increase of £3.72 from £91.78 to £95.50. For affordable housing, weekly rents would increase by £5.23 from £127.42 to £132.65[44].

Housing stock and energy efficiency

Not only are cold homes bad for health, but they are also typically inefficient and expensive to heat. However, there is a concern that more people will not be able to afford to heat their homes as prices rise.

At the time of writing, energy prices continue to rise. The energy price cap (updated twice a year) increased from 1 April for approximately 22 million customers nationally. The price cap will rise by 54% - driven by record increases in global gas prices[6]. Those on default tariffs paying by direct debit will see an increase of £693 from £1,277 to £1,971 per year (difference due to rounding). Prepayment customers will see an increase of £708 from £1,309 to £2,017[6].

Prepayment meter users are often forced to use prepayment meters due to existing financial insecurity and are therefore potentially particularly vulnerable to rising costs. Ofgem's Consumer Survey 2019 found that of the 4 million households using prepayment meters, around 1 in 7 had self-disconnected their supply in the last 12 months. Ofgem also state that 'prepayment customers are more likely to self-disconnect if they are in debt, and are more likely to be vulnerable and in fuel poverty'[45]. Given the pressures on the cost of living outlined in this report it will be important to monitor trends in self-disconnection. Ofgem were already sufficiently concerned about this issue to require energy suppliers to be doing more to support people at risk of self-disconnection from December 2020 onwards[46]. Citizen's Advice note that over the coming year those on prepayment meters are likely to find things even harder noting[47]:

- Prepayment meters are less able to spread the cost of energy throughout the year and will face huge price uplifts next winter
- An average household on a prepayment meter could face bills of £336 - over £10 a day - in December 2022, this would have cost £147 in December 2021. By January 2023, it is estimated households on prepayment customers will have to find an estimated £360 to cover their energy costs, or risk being cut off.

The Government has taken steps to mitigate the impact of fuel price rises on consumers. Four-in-five households will receive £150 via the Council Tax system in April (those in tax bands A-D), and all billpayers are due to get a £200 Energy Bills Rebate due this Autumn (although this will need to be repaid in years to come)[48]. However people using prepayment meters will benefit less from the government's support[47]. This is because both rebates will be applied automatically to people who pay either their Council Tax or energy bills by direct debit, with alternative mechanisms for those who do not[47]. This is likely to make it harder for those who may need support the most.

Prior to the large increases in energy costs, there were still almost 50,000 households in Suffolk in fuel poverty in 2019. This equates to 14.5% of all households in the county (compared to 13.4% across England)[49]. A household is considered to be fuel poor if they are living in a property energy efficiency rating of band D or below and when they spend the required income to heat their home, they are left with a residual income below the official poverty line. Fuel poor households may not to be able spend the amount needed to sufficiently heat their home.

As mentioned earlier, energy price rises are likely to hit lower income households disproportionately, as they spend a higher proportion of their income on utility bills and are more likely to be in fuel poverty[11]. January 2022 survey data indicates that almost a third (32%) of those who said their cost of living had risen are cutting back on their use of fuel such as gas or electricity[11].

2020 research[50] indicates that Double Energy Vulnerability (DEV) (domestic energy poverty and transport energy poverty) may impact 6% of neighbourhoods nationally, and is typically concentrated in isolated, rural neighbourhoods. The researchers describe how this can be explained, at least in part, by a lack of access to networks (in relation to both domestic energy and transport), governed by the differing wider systems of infrastructural provision and institutional arrangements within which urban and rural areas are embedded. The researchers note[51]:

> *"In the neighbourhoods identified as DEV, the negative impacts of each condition are likely to be intensified as households are required to cope with two forms of disadvantage in tangent. Households will experience trade-offs between whether to spend money on higher energy bills to sufficiently heat the home, or whether to fill the car with petrol, for example. This is similar to the well-known 'heat-or-eat' phenomenon but has drawn less attention to date".*

This research was prior to the rapid rises in transport energy and domestic energy costs in 2022, and this situation will have worsened.

Rising energy costs impact people not only when they fill the car or heat their home but also in relation to the price of goods due to the cost of transporting those goods to and/or across the UK. A shortage of workers in some key sectors such as lorry drivers has seen salaries rise rapidly. Again, an element of these increasing costs will be felt by the households across Suffolk.

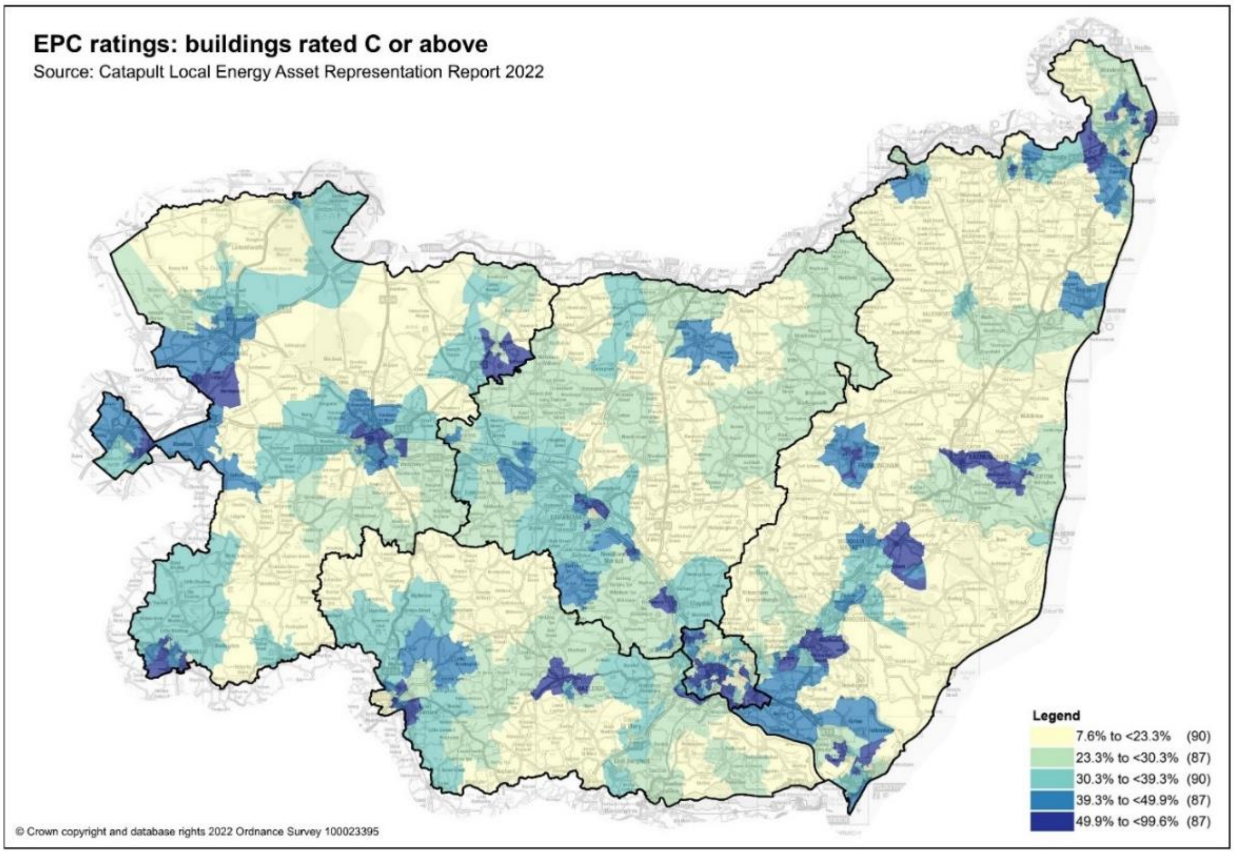
The energy efficiency of a home is also a vital factor when looking at cost of living changes. A home that is not energy efficient will cost more to heat. An Energy Performance Certificate (EPC) is valid for 10 years and shows how energy efficient a home is. All new homes must have one, as well as property that is bought/sold and rented. A rating of 'A' is the highest, and 'G' the lowest. The benefits of having an efficient home are not only financial, and the Climate Change Committee is proposing all UK homes reach an EPC of band C in order to help the government meet its net zero carbon target by 2050.

Whilst local campaigns such as the recently launched "Low Impact Living in Suffolk" aim to make it easier for Suffolk residents to understand how to improve the energy efficiency of their homes and lower their energy use, they cannot tackle the underlying issue of increasing costs.

National survey data indicates that 81% of survey respondents weren't planning on making any energy efficiency improvements to their home – believing that it was already efficient enough (35% of respondents)[52]. 28% of respondents said it would cost too much money. Fewer than half of homes in England are rated EPC C or higher (42%)[52] and in Suffolk, approximately 39% of homes have an EPC rating of C or higher[53]. However, this is a percentage from homes with an EPC, and only 52% of Suffolk's homes have an EPC, therefore the true percentage may be lower. The map below shows EPC ratings within Suffolk, with more rural areas typically having a lower percentage of properties rated C or higher.

The ONS note that the age of a property is the most significant factor associated with energy efficiency, ahead of fuel type and property type, with homes built in 2012 or later much more likely to have one of the top three energy efficiency ratings than older homes. 2021 data indicates 15.8% of properties in England were built before 1900, compared to 17.3% in Suffolk[54].

Figure 7: EPC ratings for Suffolk, by small areas in Suffolk



Source: [53]

Properties off the gas grid

There is no definitive source for the number of households not on the gas grid, so estimates are calculated by subtracting the number of domestic gas meters (including non-consuming meters) from the estimated number of domestic properties. 2020 data indicates that in England 14.3% of properties were off the gas grid[55]. Within Suffolk the percentage is much higher at 28.7%, and varies greatly by district and borough:

- Babergh: 36.4%
- East Suffolk: 22.8%
- Ipswich: 14.1%
- Mid Suffolk: 51.8%
- West Suffolk: 31.8%

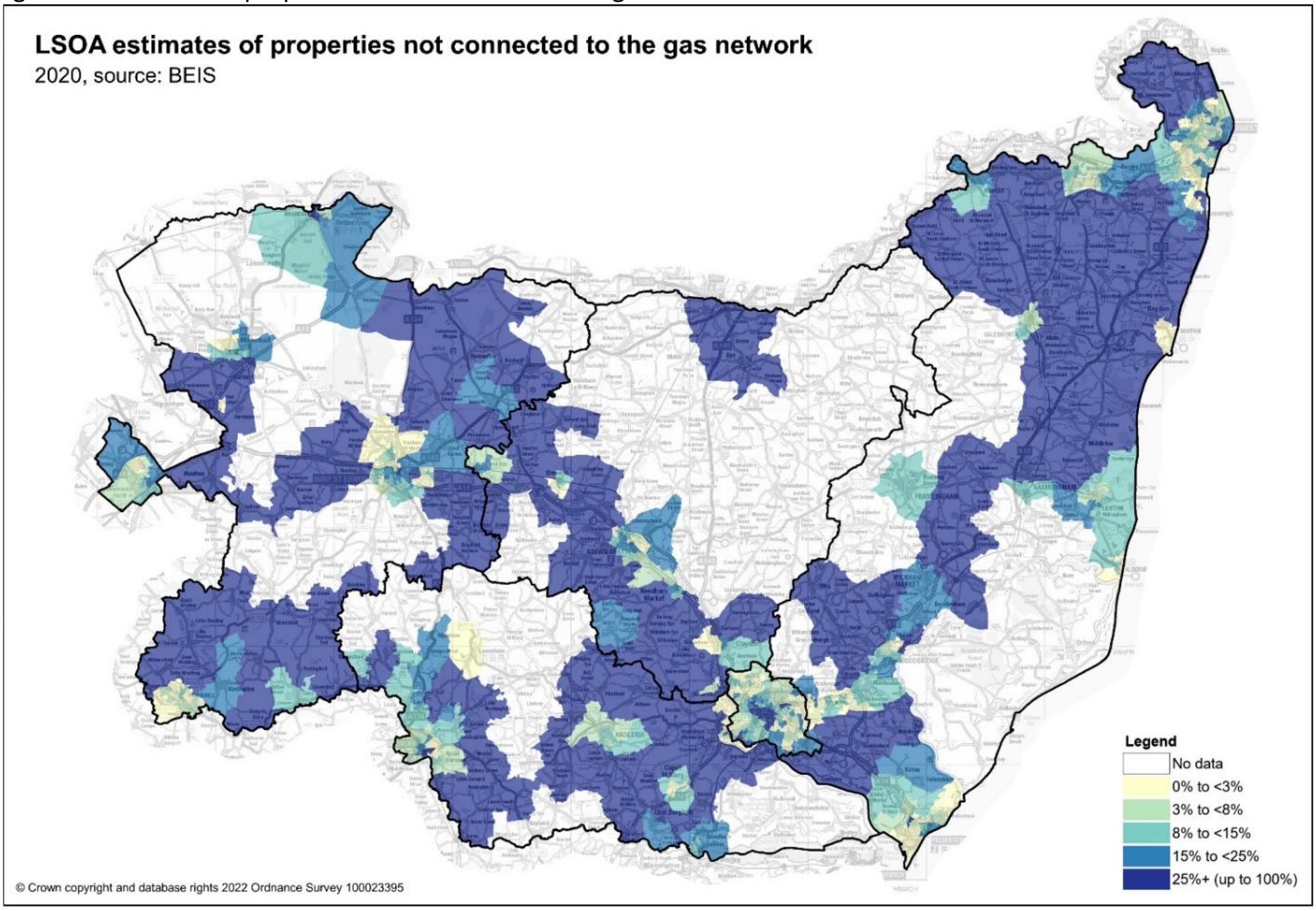
Homes in more rural areas are more likely to be off the gas grid- due to their distance from main gas networks. In Suffolk, 40% of the population live in rural areas, compared to those classed as urban (incl. cities, towns, major & minor conurbations).

Small area data (LSOA), indicates much of the data is incomplete at a granular level. However, the data which is available also shows a higher percentage of 'off-grid' properties in more rural areas of Suffolk.

Whilst traditional options such as oil, LPG, solid fuel and electricity are still available, in recent years solar power, heat pumps and biomass boilers have all become more popular. However, these options are also costly and the savings achieved on monthly bills may only offset the initial installation costs in the longer term.

It is important to note that Ofgem doesn't have a remit to help 'off-grid customers', so oil heating doesn't have a price cap. Unlike gas and electricity, households do not have to have a contract with any one company[56]. ; they can buy from whichever supplier can do them the best deal. However, recent price rises for oil have meant that very few deals are now available, and in March 2022 heating oil reached a peak of 159.54p per litre, an increase of 300% compared to March 2021[57]. All of these factors can make cost of living increases more challenging for those using oil to heat their homes.

Figure 8: Estimates of properties not connected to the gas network



Source: [55]

Note: You can view the mapped data online: www.nongasmap.org.uk/ However, this is for an older time period.

Warm Homes Healthy People

Warm Homes Healthy People (WHHP) is a Suffolk wide, multi-agency partnership project, including all the Suffolk Councils, Clinical Commissioning Groups (CCGs), Hospitals, Voluntary sector, and communities. It aims to work collectively to reduce the number and severity of households in fuel poverty, reduce ill-health related to cold homes, reduce home energy consumption and bills and make homes more energy efficient[58].

Data from Suffolk's Warm Homes Healthy People report indicates that during 2020/21[58]:

- The Warm Homes Healthy People local helpline received 1567 phone calls, an average of 130 calls per month. Of these, over 1000 were requests or referrals for help. Referrals came from a wide range of sources.
- There were approximately 600 referrals for support (including self-referrals) ranging from fuel payments to first time central heating system installations. The largest sources of referrals were from Citizens Advice, Adult and Community Services, contractors, and cross referrals from Stepping Home.
- The Covid 19 Winter Fund assisted 983 people with things such as emergency fuel payments and warmth items (blankets, hats, gloves, & winter coats).
- There were 929 applications for emergency fuel payment grants, with 855 fuel payments being awarded to those over the age of 63.

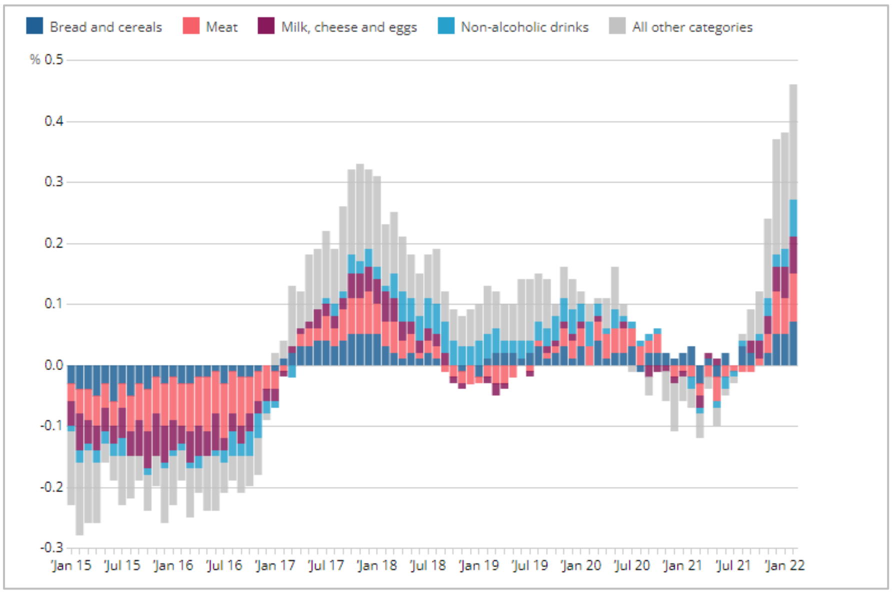
Food costs

ONS data from the Opinions and Lifestyle Survey in March 2022 indicates nearly 9 in 10 (87%) respondents reported that their cost of living had increased, the most common reason reported was due an increase in the price of food (88%)[59].

Food costs increased by 4.4% in the 12 months to January 2022. With food accounting for 14% of expenditure for households in the lowest 10% of income groups (compared to 8% for the highest 10% of income groups), the increase in food prices will impact those on low incomes more acutely.

The ONS notes that supply chain challenges, increasing costs, and labour shortages have all played a part in increasing the UK's food and beverage prices[60]. Price growth for food and non-alcoholic drinks has risen sharply over recent months. This is in line with trends seen in other countries and input prices as seen in the Producer Price Index (PPI)[61]. The latest data indicates that in the last few months bread and cereals, meat, and milk, cheese and eggs have all seen considerable increases in their contribution to total CPIH growth.

Figure 9: Contributions to the 12-month growth rate of the Consumer Prices Index including owner occupiers' housing costs CPIH, UK, Jan 2019 to Feb 2022



Source: [62]

The cost of food has been affected by rising transport costs for imports, poor harvests and labour shortages in the UK, and increases in global food prices[63]. The ONS note that the Agricultural and Horticultural Development Board (AHDB) reported record increases in grain prices and reduced dairy output putting upward pressure on prices, citing factors including poor silage quality and labour shortages as well as rising input costs[62]. In addition, the invasion of Ukraine has impacted supply further. Ukraine is often referred to as the 'breadbasket of Europe', and reports indicate that Ukraine and Russia supply a quarter of the world's wheat, and half of its sunflower products[64].

Even prior to Russia's invasion of Ukraine, shoppers will have felt the price increases in their weekly shops. Kantar reports that grocery price inflation hit its highest level since 2012 at the end of March 2022: at 5.2% over the latest four weeks of data[65]; during April the rate of grocery price inflation increased to 5.9%[66]. Looking over a longer time period, the ONS reports a similar increase in prices for food and non-alcoholic beverages of 5.9% for the year to March 2022, the highest 12-month rate for this category since September 2011[30].

Rising energy prices have also added pressure, and food and beverage businesses were more likely to have incurred extra costs due to the end of the EU transition period compared with all businesses[67]. In March 2022, approximately 17% of businesses in the food and beverage sector reported changes to supply chains due to the end of the EU transition period, compared with 7% across all sectors. In the same month, approximately 17% of businesses in the food and beverage sector reported changes to supply chains due to the end of the EU transition period, compared with 7% across all sectors. Production price rises in domestic and imported food have also played a role in rising food and beverage consumer prices[67]. The latest data also indicates that people are buying less when doing their food shopping, endeavouring to tackle increases in the cost of living, and the food and beverage sector has seen its turnover performance hit since December 2021.

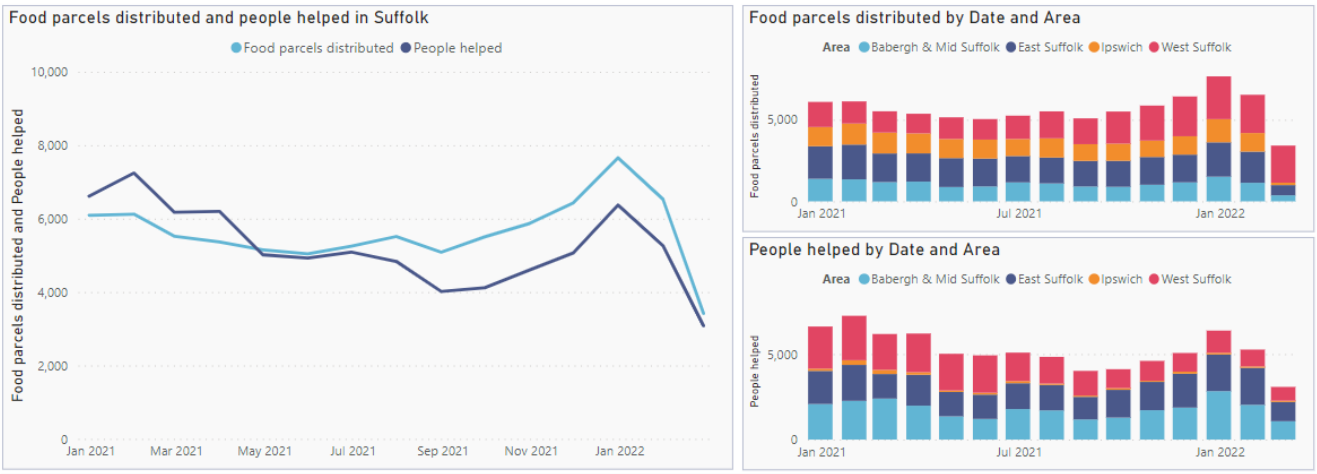
Food insecurity

Food insecurity refers to limited access to nutritionally adequate and safe food, this may be due to a variety of reasons but is often largely driven by financial circumstances. Food insecurity can be associated with increased in cost of living and people living in relative poverty, and where the cost of participating in society's social norms is beyond reach. Further detail and information can be found in the Food Insecurity profile for Suffolk.

Foodbank data is provided for Suffolk. This data is provided on a monthly basis by 35 of the Foodbanks/Community Pantries/Community pop up shops/food providers that are able to collate data, within the Suffolk Foodbank Network. The latest foodbank data for Suffolk indicates that after a relatively stable period over February-October 2021, parcel distribution increased, peaking in January 2022 at the highest level within the previous 12 months.

There has been a decline between January-February 2022, however **this should be interpreted with caution.** For the months of January and February figures appear lower, however historically there is a drop in donations at this time of the year and significantly so for 2022 due to increasing costs. Some foodbanks are limiting/monitoring their provision accordingly. Many local foodbanks are reporting increased demand vs lower donations. Data needs to continue to be monitored for this area.

Figure 10: Food parcels distributed in Suffolk, 2021-2022



Source: [68]

In addition, Citizen's Advice Mid Suffolk has shared data from their reporting on foodbank use. Although this doesn't provide a pan-Suffolk picture it does help to highlight some of the challenges faced by Suffolk residents. Their report for 2019-2021 indicated[69]:

- Citizen's Advice Mid Suffolk has seen a 96% increase in foodbank use in 2021 compared to before the pandemic in 2019.
- The immediate reason that clients gave for requesting a food parcel was that their income was too low to cover their costs. This was followed by having their benefits stopped or reduced, or struggling with debts. The next most frequent reason given was that clients had extra expenditure that they couldn't manage. This could include travel to hospital, car repairs, a broken household appliance or a fine.
- Overall, this evidence shows that when clients are on a low income, they are not resilient to financial difficulties.
- Most food bank referrals were made for single people, but there has been an increase in the number of families with children who asked for a food parcel.

Childcare and school day costs

The cost of childcare is another area where costs have risen, putting families under additional pressure. Even prior to the most recent cost of living challenges, 2018 reports indicated that childcare fees had risen three times faster than wages since 2008[70]. This analysis showed that childcare costs have increased by 52% per week since 2008 for families with a full-time and a part-time working parent, with wages up by just 17% over the same period. The situation was worse for lone parents, with childcare costs for a single parent working full time rising seven times faster than earnings[71].

Current reports indicate this situation has not eased. A 2022 poll undertaken for the Trades Union Congress (TUC) found that found that many working parents with young children spend a huge proportion of their salary on childcare[72]. The poll found that around one in five (18%) parents with children not yet in school said that they spend between a third and half their salary on childcare. Around one in seven (15%) said that the costs take up more than half of their pay. In addition, the poll found inequalities in childcare spend, with minority ethnic and disabled working parents likely to spend more of their income on childcare bills[73]. The TUC noted that this may be due to discrimination in the jobs market, with minority ethnic and disabled workers more likely to be in low-paid jobs.

The Coram Childcare Survey 2022 notes that childcare prices have increased 2.5% for a part time (25 hours) place in a nursery for those aged under two – a year on year trend seen over the 21-year lifespan of their survey[74]. The weekly cost of childcare in the East of England in 2022 is now around £153 per week for a child under the age of 2, and £144 per week for a child aged 2 years old,[74]

The Coram report also notes that some working parents of three and four year olds in England and Wales are eligible for 30 hours of funded childcare a week. If they need to pay for 20 extra hours to take this up to a full time place (50 hours a week) the average weekly price in a nursery is £105.76 in England, £98.58 in Wales. In addition, the average weekly price for families using an after school club for five days per week, in Great Britain, is £66.52 per week. This is an increase from £62.12 in 2021[74]. Coram note that they cannot accurately measure the demand for 50 hours of childcare. However, it is a reasonable assumption that there are enough dual-income families in which both parents work full-time, to warrant this being an industry-standard number of hours per week.

The increase in costs are not just being felt by parents. September 2021 survey research by the National Day Nurseries Association (NDNA) found that 95% of nurseries and childcare setting respondents reported that government funding for three and four-year-olds doesn't cover their costs[75].

The NDNA reported that due to COVID-19, the average nursery has lost more than £26,000 during 2021 due to absences or closures. 39% of nurseries who responded expect to make a loss in 2021, with only 15% expecting to make a surplus. This surplus is essential for investing in their staff and facilities to offer the best learning opportunities for children. The NDNA note that three years previous to this, the figures were reversed, with 43% expecting to make a surplus and 19% making a loss[76]

The Early Years National Funding Formula (EYNFF), first introduced in April 2017, aims to ensure that early years funding is distributed fairly and transparently across the England. Central government allocates early years funding to local authorities. Local authorities then distribute this funding to early years providers. It is noted that this is a complex policy area and rates are set under the Governments Early Year Funding Formula. Whilst the rates for childcare entitlements has gone up, the rates still do not cover all the costs of the provider, and Suffolk receives the least generous rate for 3 and 4 year olds under the Government's Early Years Funding Formula.

The cost of a school day

For many families the typical cost of the school day has also increased. When thinking about things like packed lunches, school uniform, sportswear and more, Provident Personal Credit estimate that the average yearly cost for a year 7 student studying in East Anglia is roughly £751[77].

Whilst cost of living increases are likely to be felt by the majority of families, the Child Poverty Action Group note that children from poorer families are less able to make the most of school life and take part in special activities and events due to cost[78]. 'The Cost of Having Fun at School' report is based on research with over 8,000 pupils in 32 schools across England, Scotland and Wales. The report found that many children and young people could not take part in special occasions such as dress-up days and non-uniform days because of associated costs, causing them to feel embarrassed and left out. Teachers reported pupils missing school on these days to avoid the social pressures.

Fundraising and charity days caused concern, with requests for donations contributing to financial worries[79]. School fayres and book sales highlighted differences between pupils from lower-income backgrounds and their peers, with many children lacking sufficient money to attend and enjoy these activities and describing feeling different and left behind. Expensive leavers' celebrations were also a big challenge for parents in some schools[79].

Children living in relative low income families

Relative low income is defined as a family in low income Before Housing Costs (BHC) in the reference year. A family must have claimed Child Benefit and at least one other household benefit (Universal Credit, tax credits, or Housing Benefit) at any point in the year to be classed as low-income in these statistics.

Latest data from 2021 showing the percentage of Children (aged under 16) living in relative low-income families indicates variation in Suffolk. These figures are provisional, but show over 1 in 5 children living in relative low-income families in Ipswich (22.0%), which is higher than the UK (18.7%). West Suffolk had the lowest percentage (10.9%) – or just over 1 in 10 children.

Table 4: Percentage of children in relative low-income families by financial year ending (FYE), and area

Local Authority	**Percentage of children FYE 2015 (%)**	**Percentage of children FYE 2016 (%)**	**Percentage of children FYE 2017 (%)**	**Percentage of children FYE 2018 (%)**	**Percentage of children FYE 2019 (%)**	**Percentage of children FYE 2020 (%)**	**Percentage of children FYE 2021 (%) [provisional]**
United Kingdom	15.5%	16.2%	17.0%	18.0%	18.2%	19.3%	18.7%
Babergh	12.0%	13.6%	12.9%	14.6%	14.4%	14.7%	13.5%
East Suffolk	12.9%	14.3%	15.1%	16.3%	16.1%	17.2%	14.2%
Ipswich	18.2%	20.3%	20.6%	25.2%	24.9%	24.8%	22.0%
Mid Suffolk	10.8%	11.4%	11.5%	12.9%	12.6%	12.5%	11.4%
West Suffolk	10.3%	10.7%	11.0%	11.8%	12.1%	12.0%	10.9%

Source:[80]

Leisure and recreation

Leisure and recreation activities such as holidays, eating out, trips and shopping all support quality of life, social engagement and participation and can help with feelings of wellbeing. However, these are often the first things that will be sacrificed when cutting spending, and for some people these never have been an option.

The ONS note that restrictions brought into place to curb the spread of coronavirus, and the changes in behaviours many people adopted due to the pandemic, meant that households did not spend as much in the last year on leisure and recreation as they would usually[22]. Higher income households saw the biggest reductions in spending during the pandemic, with reduced spending on restaurants and hotels, recreation and culture and transport contributing most to the decline in overall spending for all income groups. It is understandable that higher income households may have experienced a bigger decline in spend during the pandemic, with potentially higher levels of disposable income that would have otherwise been spent on recreation/eating out etc. The ONS also note that:

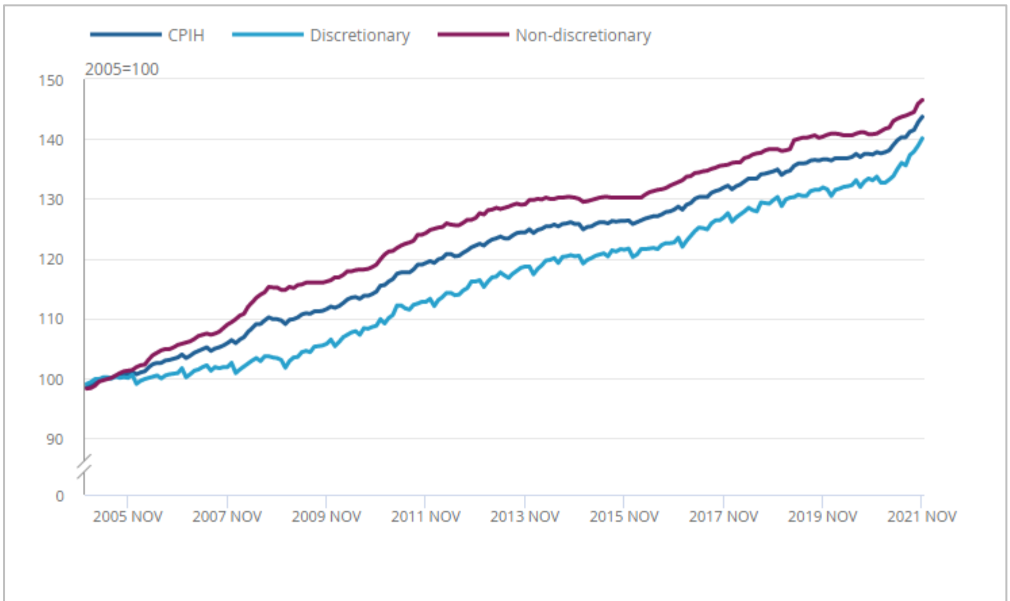
- Increased spending on food and non-alcoholic drinks had a larger impact on expenditure in the poorest households. Lower income households spent proportionally more in this area pre-pandemic.
- Spending on holidays abroad accounted for half of spending falls in the highest income households
- Workers on lower incomes were more likely to have seen their income fall
- Higher income households spent less money relative to their income than lower income households

The ONS collates data on non-discretionary and discretionary spending based on the following definitions[81]:

- Non-discretionary: Goods or services which are purchased because they meet a basic need.
- Discretionary: Goods or services which could be considered "optional" purchases, such as takeaway meals, alcohol, and holidays.

This is experimental national data and hasn't been updated since December 2021, however it does indicate increased pressures experienced by households. The ONS note that since January 2005, prices for non-discretionary items have risen by around 49%, while prices for discretionary items have risen by around 41%. However, in recent months annual growth rates for discretionary and non-discretionary spending have converged, and in November 2021, the 12-month growth rate in prices for discretionary items was 5.2%, while non-discretionary items saw 4.1% price growth[82]. People in lower income households typically spend a higher proportion of their expenditure on non-discretionary items, compared with higher income households.

Figure 11: CPIH, discretionary and non-discretionary growth since 2005

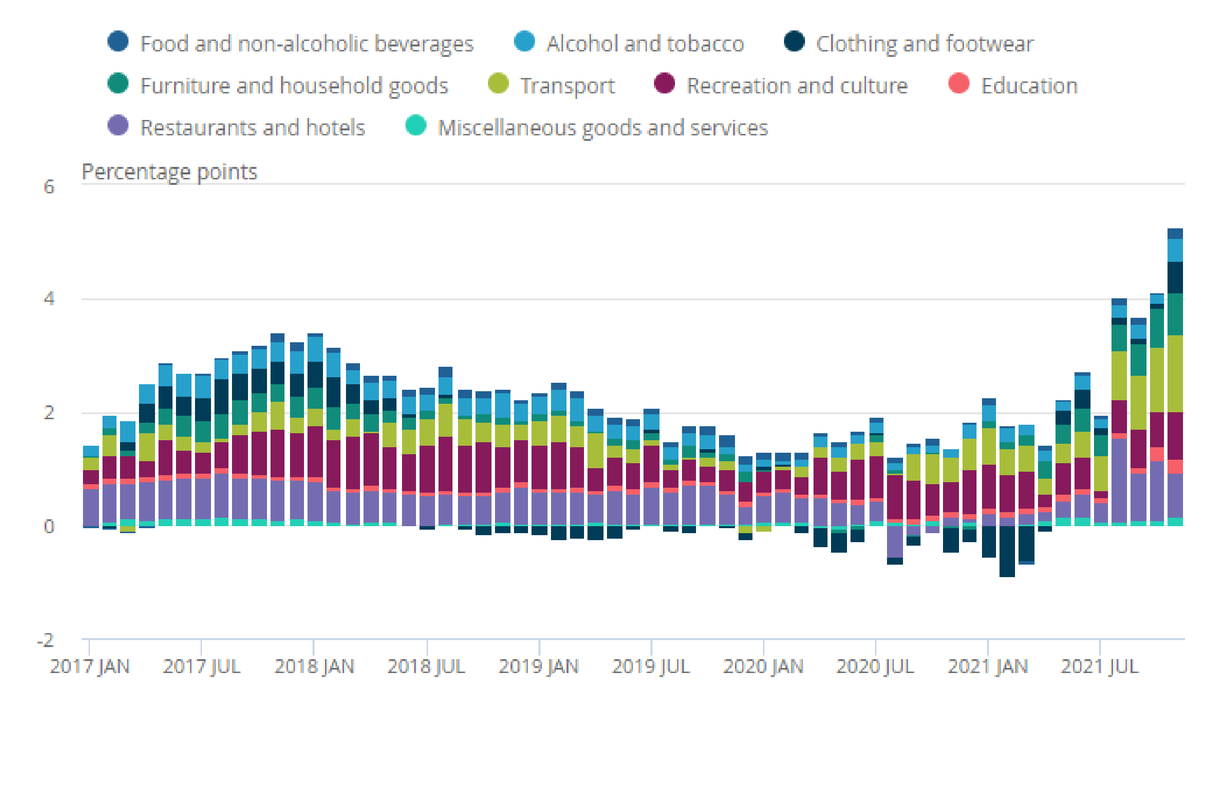


Source: Office for National Statistics – Consumer prices inflation

Source: [82]

Price growth for discretionary spending rose sharply from 2% in July 2021 to 4.1% in August 2021, more generally price growth for discretionary spending has risen sharply since July 2021.

Figure 12: CPIH, Contributions to the 12-month growth rate of discretionary inflation, UK, January 2017 to November 2021



Source: Office for National Statistics – Consumer prices inflation

Source: [82]

A note on disposable income inequality: ONS report on disposable income inequality, and note that it fell slightly to 34.4% in the financial year ending (FYE) 2021 from 35.4% in FYE 2020. However, this difference was not statistically significant, and disposable income inequality remained broadly in line with the average over the decade prior to the coronavirus (COVID-19) pandemic. Further reporting of this data should occur when FYE 2022 data is available, to start to understand more recent changes to the cost of living.

Older people and the cost of living

At the beginning of this report, it was noted that Suffolk has a higher percentage of residents aged 50 and over compared to England, and the same is true for those aged 65 and over. In Suffolk, 23.8% of the population are estimated to be aged 65 and over, compared to 18.5% for England[18]. Older people are also likely to feel the cost of living crisis. Akin to other residents, those with the lowest incomes are likely to be most impacted.

The triple lock has been a core commitment of every government budget since 2010, and is based on the idea that the state pension rises in line with the highest of these three measures every year: A flat 2.5% rise; average earnings growth (measured from May to July each year); or inflation (measured in the year from September every year)[83]?. In 2022-23 this was suspended due to the COVID-19 pandemic, as it would have resulted in an unfeasible 7-8% increase.

In November 2021 the government announced an increase in the State Pension for 2022-2023, to £141.85 per week, with the full rate of new State Pension increasing to £185.15. They noted that this had been carefully considered by the government to ensure the fairest approach for both pensioners and younger taxpayers, many of whom have been most effected by the financial impacts of the pandemic[84]. In March 2022, as part of the Spring Statement it was announced that the triple lock would be applied to the 2023-24 State Pension increase – which would lift the new State Pension above £10,000 for the first time. However, the longer term future of the triple lock is unknown.

In January 2022, Age UK reported that three-quarters of over 65s admit they're worried about rising cost of living[85]. Over half (54%) of those surveyed said they'll have to heat their home less, and a quarter (24%) said they'll have to choose between heating their home and the food they buy, if their energy bills increase substantially. In total, 43% said they would have to cut back, go into debt or simply would not be able to afford to pay their bills[86].

In addition, the State of Ageing 2022 report notes that a financially secure and healthy later life is becoming increasingly unlikely for millions of people[87]:

- In a period when the state pension age has risen to 66, employment rates among people approaching retirement age have fallen to their lowest levels since 2016[88].
- The number of older people renting rather than owning their homes has reached an all-time high[89].
- Relative pensioner poverty increased in 2019/20[90].

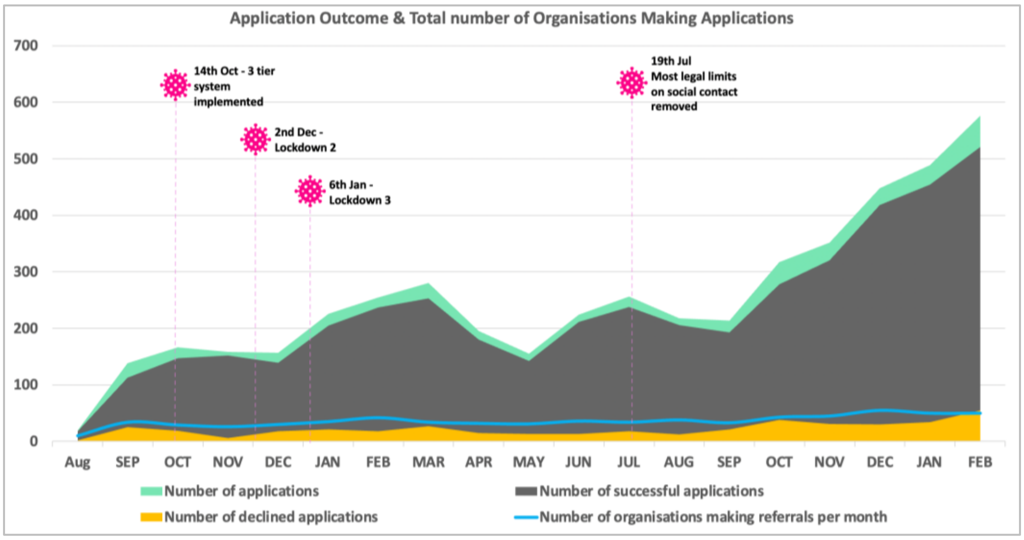
All these factors have implications for people's financial security and for the quality of their homes as they age.

Suffolk Local Welfare Assistance Scheme

Suffolk's Local Welfare Assistance Scheme (LWAS) helps those experiencing financial hardship.
Local **organisations** across Suffolk can submit an application for support to the scheme on behalf of an individual or family. The LWAS can help with household furniture and white goods, fuel vouchers (electricity and gas top-ups), supermarket vouchers, and contributions towards increasing costs during the winter months.

Data has been collected from August 2020-February 2022. Latest data for February 2022 indicates that applications have been the highest ever recorded for LWAS. The number of gateway partners making referrals has been steadily increasing each month.

Figure 13: Total applications for LWAS August 2020-February 2020

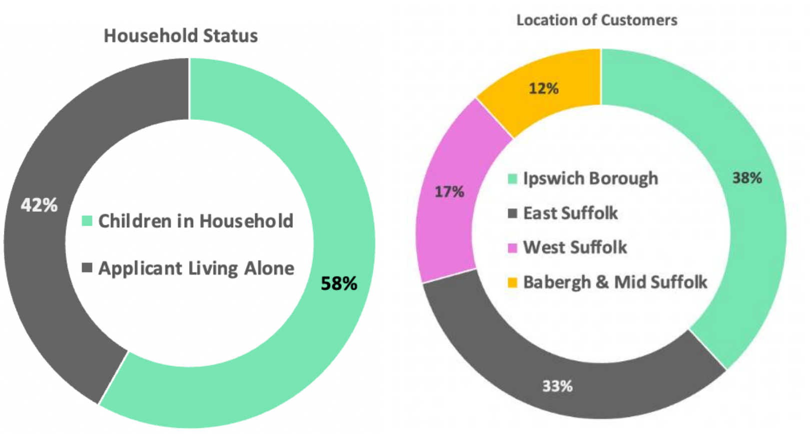


Source: [91]

Supermarket vouchers increased significantly from September 2021 peaking in February 2022. Fuel vouchers have also seen a sharp increase since September 2021 flattening to a sustained higher level in December 2021 and February 2022. More customers were age 21-40 than all the other age categories combined. However, there has been some evidence from other services such as Home But Not Alone that older generations are less likely to contact services proactively.

Demand by location does not correlate to population size. East Suffolk and West Suffolk have much larger populations than Ipswich. Demand may be more closely linked to deprivation, employment sector or population age.

Figure 14: Household status and location of LWAS customers



Source: [91]

Summary

As set out in the introduction, the cost of living has increased both nationally and locally. Inflation continues to climb, the impact of COVID-19 is still being felt and the invasion of Ukraine has further increased pressures.

Everyone will be affected by these cost increases, however the impact will be greatest for those who are already under financial pressure. The concept of multiple forms of disadvantage shows how certain vulnerability factors are likely to expose certain places and people to more than one type of stressor[51]. Consequently, the adverse impacts associated are likely to accumulate in these people and places. This cycle repeats and reinforces as vulnerability to one type of disadvantage may lead to an increasing likelihood of experiencing another[51].

Everyone will feel the impacts of the increases in cost of living differently, the pressures on a pensioner living alone will look different to those facing a family where both parents may be working, for example. However, this doesn't detract from the overall message that everyone will be affected to some extent.

There is also a recognition that for some households in Suffolk there is an imbalance between the cost of living and the quality of living. For these households there will be real sacrifices in quality of life to get core bills paid.

It is clear that there is more to be done, both in terms of monitoring the data and intelligence, but also in terms of preventing people falling into crisis due to increasing costs.

Whilst this profile summarises some of the key data intelligence available as of April 2022, it is not designed to cover every element impacting the cost of living. It is also point in time analysis – and it is recommended that readers also view the Suffolk Cost of Living dashboard.

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