

Cost of living survey and report- Citizens Advice Exeter

EXECUTIVE SUMMARY

Citizens Advice Exeter (CAE) staff and volunteers undertook a survey of 200 people to gauge the impact of the cost of living crisis (COL) on Exeter residents.

The results, in terms of all of the criteria we looked at, are stark. The comments people made in respect of the effect of COL on their mental health makes for difficult reading, with many people's mental health deteriorating - even suicide was mentioned.

We encountered a great deal of concern around housing costs and potential homelessness- a direct consequence of the squeeze on budgets, combined with the increase in mortgage costs, and rapidly rising rents made much worse by the three year freeze in local housing allowance (LHA). There are currently no two bedroom or larger rental properties available in Exeter at below the LHA, in most cases the average rent for these properties is twice as much as the LHA. There are over 2000 households on the waiting list for local authority housing in Exeter (Ref 1)

We call on government to increase benefits and LHA in line with the real costs encountered by people in this highly challenging climate.

Introduction

The 'cost of living crisis' is a term that has become increasingly familiar since late 2021 as households struggle with the everyday costs of food, energy and housing. Inflation peaked at around 11% in October 2022 and has been coming down gradually since then, but according to Citizens Advice data recorded from January to April 2023, there were record numbers of people struggling with energy debts, homelessness, topping up prepayment meters and affording food and other essentials. The number of people needing crisis support from Citizens Advice Exeter has increased in each of the last five years - including food bank vouchers, emergency charitable grants and fuel vouchers. Since 2019 the numbers of people needing crisis support has been increasing year on year. For 2023, these numbers have already surpassed previous years by the end of August (appendix A).

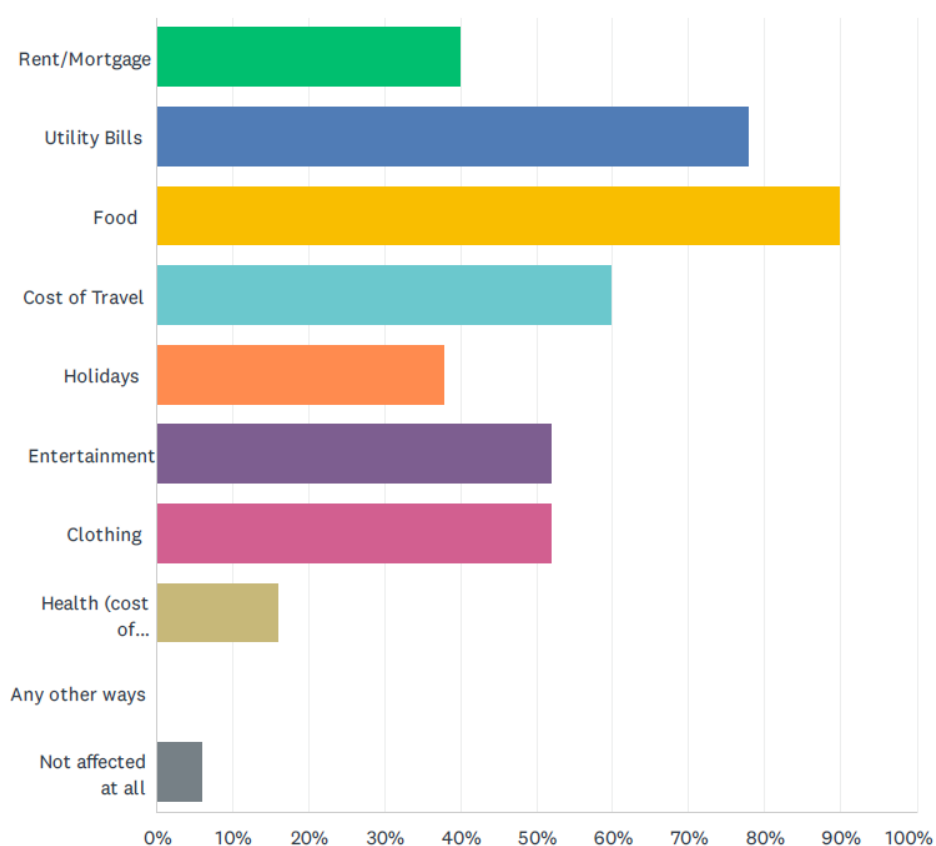
The Government did put in place support through the Energy Bill Support Scheme and Cost of Living payments in 2022 - and without that support the numbers of people seeking emergency support is likely to have been far worse. At Citizens Advice Exeter we wanted to find out how local people were affected by the cost of living and in what ways. We surveyed the general public at Exeter festivals as well as contacting a random selection of our clients.

Our findings

We devised a short questionnaire (appendix B), asking whether people had been affected in respect of Housing , bills, food, and other aspects of their lives. The chart below shows the responses of our client base, who we contacted by phone.

Has the increased cost of living affected you significantly in any of the following areas?

Answered: 50 Skipped: 0



Unsurprisingly, the results from the general public (Appendix F) vs our client base demonstrate that although a significant number of the general public surveyed were impacted in many of the areas we asked about – for instance around 80% of respondents from all groups were significantly impacted in respect of their fuel costs, the impact on our client base was significantly higher in respect of food, travel, clothing, holidays and entertainment.

We asked whether respondents had to make changes to their housing arrangements

In response, 26% of our client base (vs 21% of the general public) reported that they had needed to make changes along the lines of moving to cheaper accommodation, taking in a lodger, selling their home or moving in with family and friends.

Of our client base, 10% of those surveyed had already had to move, and a further 8% were needing to move in the future. Two clients were evicted as their respective landlords wanted to re-claim the properties.

We asked about the impact of the current cost of living crisis on the health of our respondents. 85% of our client base (vs 57% of the general public) reported a deterioration in their mental and/or physical health as a result of the COL crisis.

The impacts mentioned by clients ranged from clients who already had identifiable or diagnosed mental health conditions, to clients who commented that the cost-of-living increases have had a general negative impact on their mental health such as concern about the future.

An example of a client at the top of the scale is someone who said they are bi-polar and who has regular appointments with a psychiatrist, whose condition has been exacerbated by the anxiety caused by managing the additional financial strains.

Another client said they had a mental breakdown earlier this year; and someone else, who is a grandmother, said she was already prone to panic attacks, but they are now much worse and is "worried about how I'm going to feed and entertain the kids when they come over".

Other comments acknowledging their conditions are:

"I'm very anxious all the time", "I'm both anxious and depressed", "I'm not in a good place mentally", "I already suffer from poor mental health; now I have the increased anxiety about how I'm going to manage", "I'm recovering from a suicide attempt"

Other specified subjects that are causing clients to be anxious are food and fuel costs and household items, such as a household appliance that fails to work, as they will not be able to afford to replace it. (Appendix D)

Anxiety is not just focussed on the respondents themselves; a theme running through the comments was extreme concern about the welfare and future of their young children and grandchildren along the lines of how to feed, clothe and entertain them. This concern extended to their older, independent children too and
"worry about how the children and grandchildren will cope"
"guilty I can't do more for the children".

Conclusions

The first COL payments for 2023/24 for people on low incomes and targeted benefits started reaching people by the end of April this year. National data suggests that the effect of these payments are wearing off and the next round of payments due in autumn can't come soon enough.

For the autumn/winter 2023 there are no plans to repeat the Energy Bill Support Scheme, so the average household will be paying the same or more for energy as last winter (Ref 2). With increasing rents, mortgages, and most of necessities, the cost of living crisis is far from over.

The comments from people about the effect of the COL challenges on their mental health make for difficult reading.

An Exeter resident told us they have had to stop being a foster carer due to COL, and this now causes them sleepless nights and mental anguish.

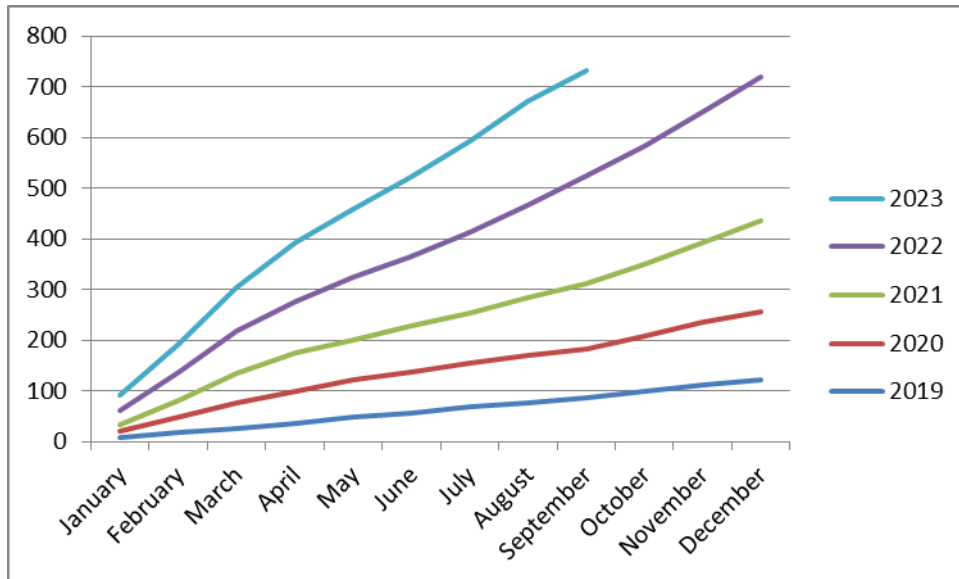
There is a potential debt and homelessness crisis looming from the combined effect of scarce and unaffordable private rentals and the frozen local housing allowance. In Exeter in particular, the lack of affordable private and social housing has been a problem for many years- but in the current climate this threatens to become a housing emergency. According to ONS, South West rentals went up by 4.9% in the 12 months to July 2023 (Ref 3), with no corresponding increase in the local housing allowance. Our survey of available properties in Exeter showed that LHA covered just 19 one bedroom properties, and all rental properties larger than one bedroom were more expensive than LHA. (Appendix E)

For people who rely on housing benefit or the housing element of universal credit, the stark reality is these payments often cover just a fraction of the real cost of housing, meaning that the modest benefit amounts, intended for other essentials are diverted to housing costs. (Appendix E). Mental health is often severely impacted as a result of the stresses caused by these pressures, as increasing numbers are on negative budgets with rising debts (Ref 2 and 4)

Appendix A

The cumulative number of our clients receiving Crisis Support and Food Bank referrals

Source: Citizens Advice CL1 Casebook – Cost of Living Dashboard: September 2023



Appendix B

Cost of Living Questionnaire Exeter 2023

We're doing a cost of living survey for Citizens Advice. Would you help us with this? It's anonymous.

1. Has the increased cost of living affected you significantly in any of the following areas?

Rent/mortgage	Utility bills	Food	Cost of travel	Holidays
Entertainment	Clothing	Health (cost of prescriptions/dental care etc)		
Any other ways	Not affected at all			

2. Do you find you're using your credit cards more? Yes No Can't say

Has your outstanding credit card balance increased? Yes No Can't say

3. Focusing on housing costs, have you had to change anything about your accommodation (e.g. find a cheaper place to live, change your mortgage, sell your home, take in a lodger, stay with family or friends)

Yes No Tell us more

4. Has the increased cost of living affected your mental or physical health?

Yes No Tell us more

5. Comments (how COL has impacted you/ways you have tried to reduce your costs)

Thank you for taking part in the survey. Your answers will be useful in helping Citizens Advice assess the impact of the increased cost of living.

Appendix C

Some comments from respondents re housing:

Had to find a cheaper place to live.

Had to move from a 2-bedroom flat to a 1-bedroom flat – client won her court case with Bernard’s assistance.

Client will have to sell her house sometime in the future to pay off her mortgage and move somewhere cheaper outside Exeter.

Considering moving to a cheaper home.

Mortgage has gone up, barely able to cover the cost. Looking for cheaper deals.

Rent paid by benefits.

Is in student accommodation and has had to move a couple of times.

Considering moving to cheaper accommodation.

Has had a lodger for a few years – “only way I can pay my bills”.

Will probably have to find cheaper accommodation in the future.

Was homeless and now living in shared house.

She owns the property and has a tracker mortgage; she sometimes uses the equity in the mortgage account to fund her daily living. She cannot move as there’s not enough equity in the property (2 adults & 4 children in a 2 bedroomed flat).

Had to change accommodation as she and her family were evicted – not because the rent was unpaid, but the landlord wanted the property back.

Has been in touch with mortgage adviser to see how to reduce costs; fixed rate deal runs out soon.

Client has not had to change anything, however his contact with CAE was about his eviction and had difficulty finding other affordable accommodation.

Landlord sold client’s previous property, so he was evicted; DHC helped him find alternative accommodation that is £130 pm cheaper.

Had to leave their tenancy and move back in with partner’s family; then separated from partner so is now living in temporary accommodation.

Landlord is being very supportive and has only put up the rent a little bit.

Appendix D

Comments from respondents re physical and mental health:

Yes, quite stressed about the situation (COL)

Yes, general worry about everything.

Yes, quite stressed about everything.

Yes, very worried about costs and doesn't go out much.

Yes, very stressed about everything.

Yes, very stressed about costs.

Yes, said he is not in a good place mentally.

Yes, has 4 grown up kids so worries about food costs.

Yes, has mental health problems and COL has not helped.

Yes, stress etc.

Yes, had a breakdown earlier this year.

Yes, worried about the future.

Yes, very stressed by her and her child's situation.

Yes, difficult to say if her MH is affected by COL or her illness – awaiting medical treatment.

Yes, mental health.

Yes, mental health.

Yes, "worry how I'll manage if I lose PIP".

Yes, "increased stress of how I'm going to pay for everything".

Yes, "increased anxiety about how I'm going to manage, for how long?"

Yes, already prone to panic attacks, now much worse – "worried about how I'm going to feed and entertain the kids when they come over".

Yes, quite stressed about rising prices.

Yes, was a foster carer but has given that up as the COL has made it unviable. Has sleepless nights worrying about stuff.

Yes, very worried about costs if anything goes wrong in the house. Cooker only half works.

Yes, cut down on healthy food due to cost. Affecting her physical health, also stressed.

Yes, sees a psychiatrist regularly – cl is bi-polar.

No, but cl is aware she is more isolated as she cannot afford to go out e.g. to a café.

Yes, very anxious all the time.

Yes, both anxious and depressed.

Yes, generally more stressed about costs, especially electricity.

Yes, generally more stressed.

Yes, more stressed, especially looking towards autumn when heating costs return.

Yes, much more stressed.

Yes, worry about how children and grandchildren will cope.

Yes, increased anxiety about fuel bills, especially looking towards next winter.

Yes, guilty can't do more for children – increased existing anxiety.

Yes, exacerbated existing mental health and worry how to pay for everything.

Yes, quite worried about the future.

Yes, already suffer from poor mental health – now increased anxiety on how going to manage.

(Appendix E)

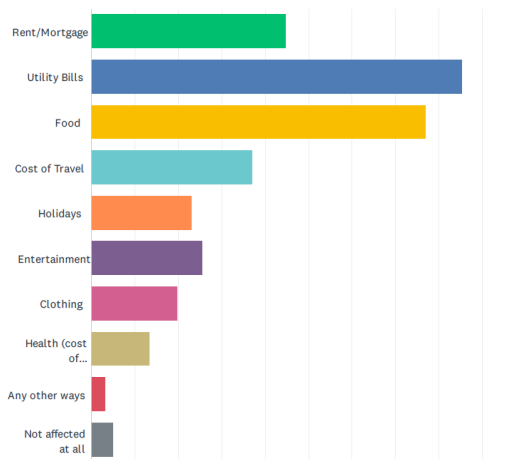
Rental market data vs LHA Exeter September 2023:

Number of rooms	1	2	3	4
Number (Home.co.uk)	71	54	54	36
%of total (Home.co.uk)	30%	23%	23%	15%
Min rent (Zoopla)	477	775	1200	1600
Av Rent (Home.co.uk)	835	1401	1622	1895
Max Rent (Zoopla)	1700	2600	2850	3000
LHA Rate	570	680	825	1100
LHA as % of Av Rent	68%	49%	51%	58%
Shortfall against Av Rent - £	-£265	-£721	-£797	-£795
Shortfall against Min Rent - £	£93	-£95	-£375	-£500
No of properties available at or below LHA (Zoopla)	19	0	0	0
Number (Zoopla)	102	43	45	29
% of total (Zoopla)	47%	20%	21%	13%

Appendix F

Has the increased cost of living affected you significantly in any of the following areas?

Answered: 156 Skipped: 0



Ref 1:

https://www.devonhomechoice.com/sites/default/files/dhc/Monitoring%20report%20April%202023_0.pdf

Ref 2:

https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/FINAL_%20Winter%20Warning_%20The%20urgent%20case%20for%20energy%20bill%20support%20this%20winter.pdf

Ref 2:

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/july2023#annual-uk-private-rental-price-percentage-change-by-english-region>

Ref 4:

<https://www.jrf.org.uk/report/guarantee-our-essentials>