

Arun & Chichester Citizens Advice

Cost-of-Living Survey: Executive Summary

From September to October 2023, Arun & Chichester Citizens Advice undertook a cost-of-living survey, aimed at understanding the impact that the current cost-of-living crisis is having on the residents of Arun and Chichester. This was the second such survey we have undertaken, with the first survey being held during the same period in 2022.

Last year's survey demonstrated that some people within our communities are being disproportionately affected by the rising costs of essentials and bills. Most notably, the results of the 2022 survey highlighted that disabled people and people with long-term health conditions were suffering most during this crisis, as they often have essential expenditure due to the costs of medical equipment, mobility aids and higher energy usage, and therefore must spend more to achieve the same standard of living as a non-disabled household.

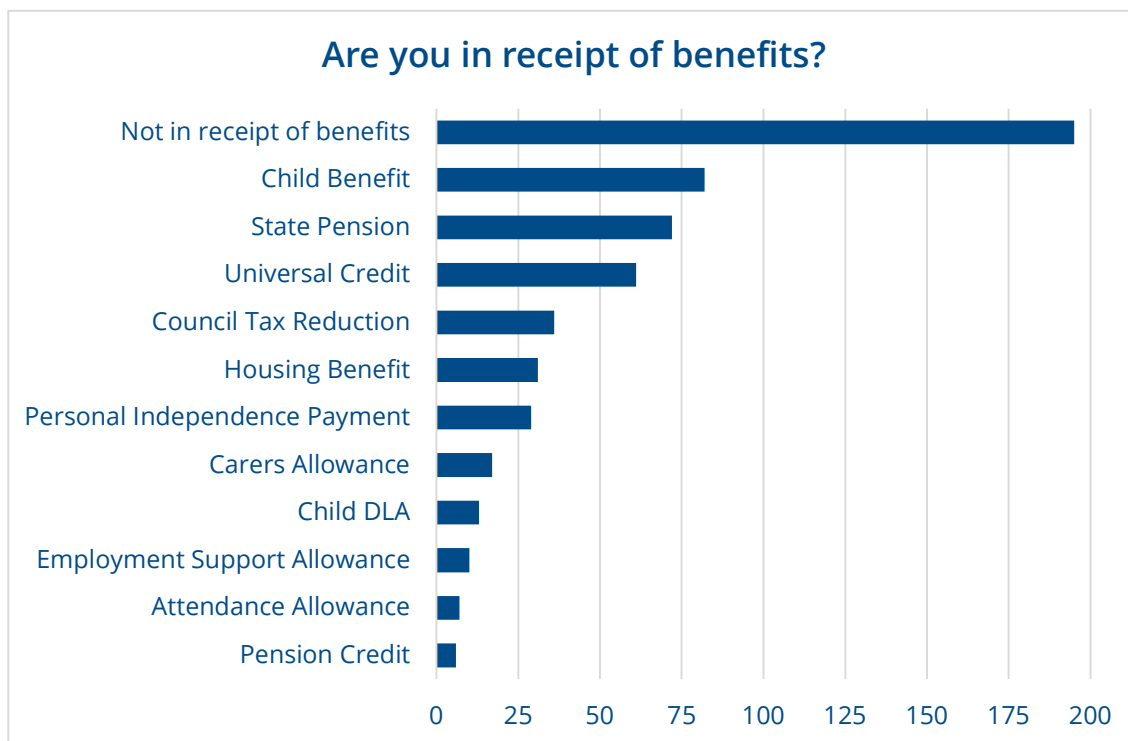
The aim of this year's survey was to build upon the findings of our previous study, to work out whether there have been any changes in how people are coping with the ongoing crisis, and to further investigate the disproportionate impact that the rising cost of living is having on people with disabilities and long-term health conditions within the Arun and Chichester districts.

Demographics of respondents

The total number of respondents to this survey was 411, 42% of which were Chichester residents and 57% Arun residents.

Benefits and Debt

Of 411 total respondents, 195 (47%) were not in receipt of benefits. 20% of respondents were in receipt of child benefit, and 18% were receiving a state pension. Just 15% of respondents were on Universal Credit, and for all other benefits listed, only 9% or fewer were in receipt of any of these benefits.



It is notable that such a large proportion of respondents are not in receipt of any benefits. Many respondents expressed frustration that, despite working full-time or overtime, they are still unable to make ends meet. These respondents felt as though people who work full-time but are on low incomes and are not eligible for benefits are being forgotten in the cost-of-living crisis and feel 'left behind', a sentiment that was also evident in our 2022 cost-of-living survey.

45% of respondents did not have any debts, while 55% said they had at least one debt. The most common type of debt was credit or store debt, with 43% of respondents selecting this type of debt. The high levels of debt among respondents, particularly those in work, demonstrates clearly that the cost-of-living crisis is quickly turning into a debt crisis, with people being forced to rely on loans, credit card debt and borrowing money from friends and family to manage the rising costs.

Disability or long-term health condition

202 of 411 respondents had a long-term physical or mental health condition. Of these 202 respondents, 101 said that their condition impacted their day-to-day activities a little, and 59 said it significantly impacted their ability to carry out day-to-day activities.

Interestingly, only 29 respondents said that they were claiming Personal Independence Payment. This is indicative of a broader issue that is reflected on the national level of a low uptake of disability and health-related benefits, the result of which is disabled people and people with long-term health conditions not receiving the support they need. This is especially concerning during a cost-of-living crisis that is already disproportionately affecting this demographic.

Impact of the cost of living

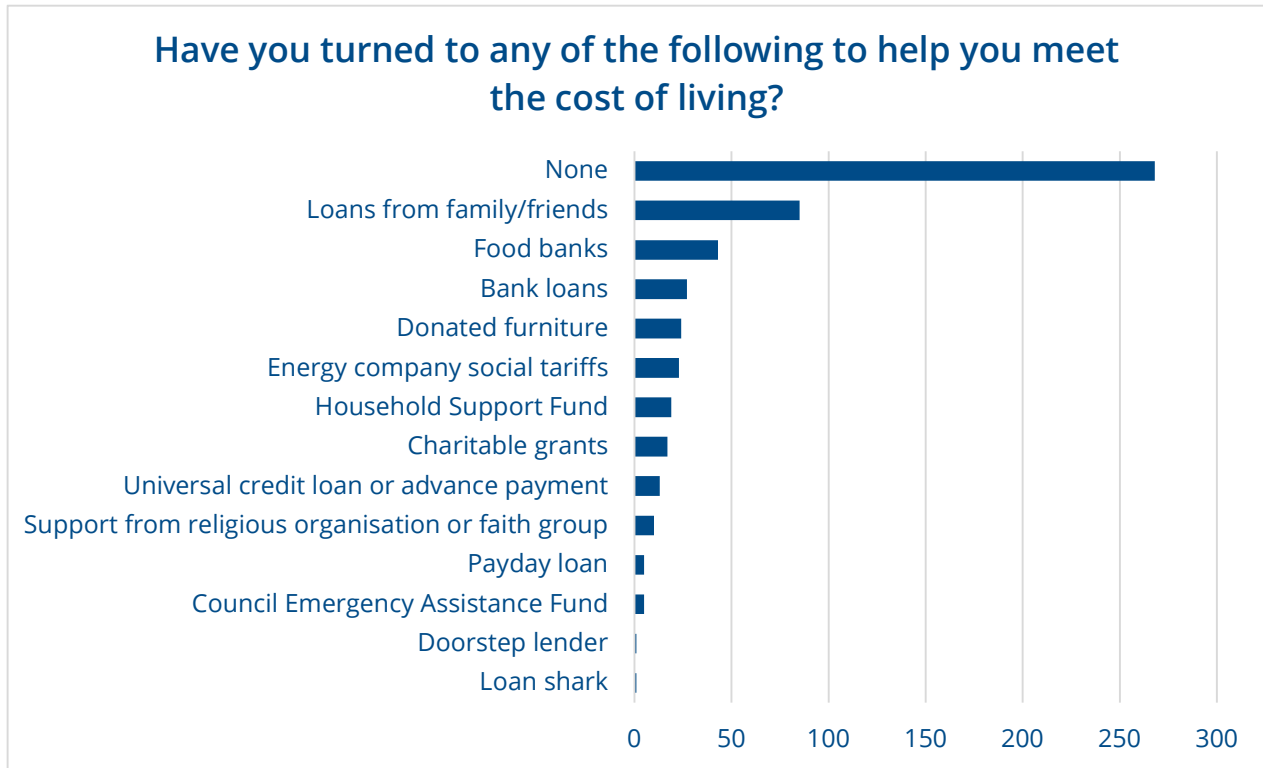
Behavioural changes



We asked clients if they had reduced spending in any areas to save money and combat rising prices. Only 23 of 411 respondents (6%) said that they have not yet made any changes to their spending habits to counter the rising prices, a statistic that clearly displays just how pervasive the cost-of-living crisis has become.

For those who have altered their spending, the most common changes made were reducing energy usage (69%), reducing spending on clothes (63%), and reducing expenditure on food by buying less (61%). 229 respondents (56%) told us they had changed brands or supermarkets to save money on groceries. 176 respondents (43%) said that they had no other areas where they would be able

to save money, while only 37% were confident there were additional areas of spending they could cut back on if necessary.



Only 35% of respondents turned to any of the available support while 65% had not. It is also notable that of those who had turned to some form of financial or charitable support, the most common form of support was informal loans from family or friends, as opposed to formal institutional support.

This supports the sentiment expressed in the free comment section of both this year’s and last year’s survey, that people who are on low incomes but are not eligible for benefits are not aware of what non-means tested support is available and are therefore not receiving any help with the cost-of-living crisis; only 19 respondents (4.6%) said they had received help from the Household Support Fund, despite the fact that the only eligibility criteria for this grant is demonstrating financial hardship.

Mental health

Of the total 206 respondents who said their mental health has been affected by the cost-of-living crisis, 132 (64%) had a long-term health condition or disability. In terms of the severity of the impact on respondents’ mental health, over one third of all respondents with a disability or long-term health condition said that

their mental health was much worse, which was three times higher than respondents without a disability or health condition. This is clear evidence that the cost-of-living crisis is having a hugely disproportionate impact on the mental wellbeing of Arun and Chichester residents with long-term health conditions and disabilities.

68% of all respondents with a disability or long-term health condition were 'very worried' about the rising cost of living; for respondents whose health conditions impact their daily lives 'a lot', this figure increased to 85%. By comparison, only 46% of respondents without any health conditions said they were very worried.

That said, although respondents without health conditions were on average less worried about the cost of living, the overwhelming majority was still at least somewhat concerned, with 94% of respondents without any health conditions being either a little or very worried about rising prices.

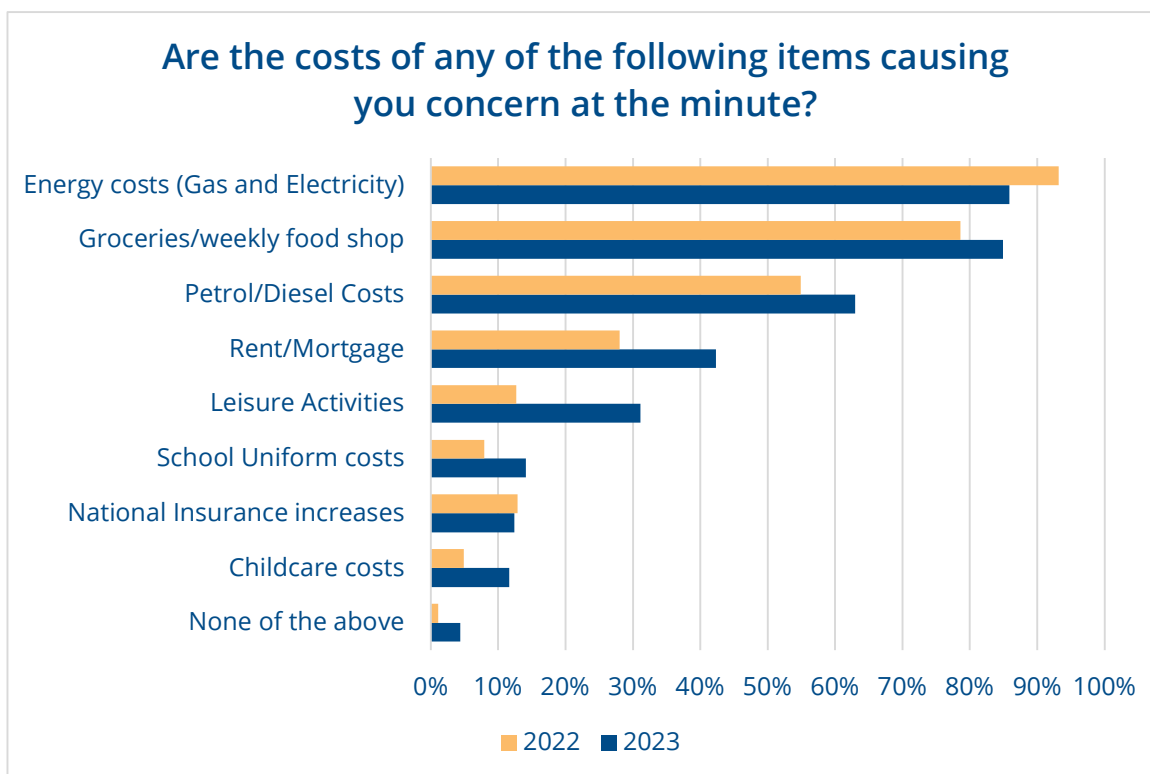
Physical Health

A significant proportion (51%) of respondents with a disability or long-term health condition said that their physical health has been impacted by the cost-of-living crisis, compared to just 15% of respondents without a health condition or disability.

31% of respondents with a long-term health condition or disability said that their physical health was 'a little worse' due to the cost of living, and 18% said that their physical health was 'much worse', compared to just 11% and 3% of respondents without a health condition or disability respectively.

2023 in comparison to 2022

The general trends of costs that are causing people concern have remained consistent across the two surveys. In both 2022 and 2023, energy costs were the top cause of concern, followed closely by groceries. Motor fuel, rent or mortgages and leisure activities were also top concerns. People in 2023 were slightly less concerned by energy prices than in 2022, which is not surprising given that energy prices have fallen since the winter of 2022. Concerns about childcare costs and leisure activities, however, have more than doubled compared to 2022, and concerns about rent and mortgages have increased by a third – a reflection of the high mortgage rates that were present throughout 2023, especially during the first half of year.



Furthermore, more people have turned to external sources of support in 2023 than in 2022, however much of this increase has come from people relying more on informal loans from friends and family, as opposed to institutional support such as the Household Support Fund. Uptake in energy company social tariffs – while still very low – has more than doubled since 2022, which means more people are taking advantage of support for their energy bills.

Lastly, the percentage of respondents with debts has risen markedly since 2022, most notably credit and store debt, as well as debts to friends and family. In 2022, over half of all respondents had no debts whatsoever, while in 2023 55% of respondents had at least one type of debt. Clearly, more and more people are taking out loans or accumulating debts to cope with the cost of living, which is, in turn, creating a new crisis of its own.

Free Comments

We had two questions in the survey where participants were asked if they had any additional thoughts or comments they would like to share. Many respondents expressed fear that the behavioural changes they have had to enact to cope with rising prices will have long-term implications for their future, as they are burning through savings to keep up with rising prices. People who had been trying to work towards savings for their future security or a house

deposit said they have used up all their savings to keep them afloat during the cost-of-living crisis and have now lost their safety net. With these resources now being fully used up by many households, this will have severe financial implications if the crisis continues.

Another key theme that emerged was the overwhelming stress of making ends meet and how this leads to changes in social behaviours. Many respondents said it has become more difficult to engage in their normal day-to-day activities. The increased costs of necessities have caused many to cut back on their usual social events, and they now stay home and avoid any extra expenditure they cannot afford.

Pensioners also felt forgotten during this crisis. They highlight that being on a fixed income means you have no flexibility or leeway to cope with inflation and rising prices. Multiple comments reveal that pensioners are extremely worried and feel unable to fight to improve their living conditions, unlike those in work who can go on strike for better pay.

Finally, similarly to our 2022 survey, the effects of the cost-of-living crisis have been keenly felt by those who are just above the income threshold for benefits but are still on low incomes and are struggling to cope with price rises. This group described how they were just managing to get by before the crisis, but are now falling through the gaps and being left with no support, as they believe that most of the available support is being directed towards people on benefits.

Conclusion

The conclusions to this year's survey are, in many ways, very similar to last year. The general trends of which costs are causing people concern have remained consistent across the two surveys, demonstrating that the same cost-of-living issues have persisted despite efforts from the government and local authorities to help those in need. There is also a key group of residents in Arun and Chichester who feel ignored in this crisis, which is people who are on low incomes but are not eligible for any benefits or means-tested financial support.

Furthermore, our 2022 survey revealed just how acutely some people are experiencing the crisis, especially those with long-term health conditions and disabilities. This is a finding which has remained consistent in 2023: people with health conditions and disabilities are more worried about the rising cost of living but are less able to cut back on spending to make savings. Additionally, the physical and mental wellbeing of disabled people and people with long-term health conditions has been disproportionately negatively affected by the crisis.

Recommendations

While we welcome the decision by the government to extend the Household Support Fund (HSF) for another phase, we strongly recommend that a longer-term plan be put in place to support people through the cost-of-living crisis, as opposed to ad hoc extensions of the HSF. In the context of prices rises and inflation, HSF has indeed provided a much-needed lifeline for many who would otherwise have been left on the brink of destitution, yet, in the same breath, the uncertainty of whether these discretionary payments will continue has caused substantial distress for recipients as well as difficulties for those distributing the fund. A more sustainable, long-term plan for localised welfare will enable local authorities to plan ahead and will ensure consistent support that residents can rely on.

Secondly, Arun & Chichester Citizens Advice need to work alongside the district and borough Councils and other charitable organisations in the community to better publicise available support. More work needs to be done to spread awareness of non-means tested support to help those households that are not eligible for benefits but are still struggling to make ends meet. There is a particular need for a targeted approach when it comes to supporting the most vulnerable in our communities.

We also need to work to increase the uptake of disability-related benefits, working with the DWP and other local organisations to help overcome the various administrative challenges that prevent many people with disabilities and long-term health conditions from accessing the support they are entitled to.

Lastly, we recommend the adoption of a comprehensive anti-poverty strategy by the local authorities which will help those who are most vulnerable to the effects of the cost-of-living crisis by tackling poverty at its roots.

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