

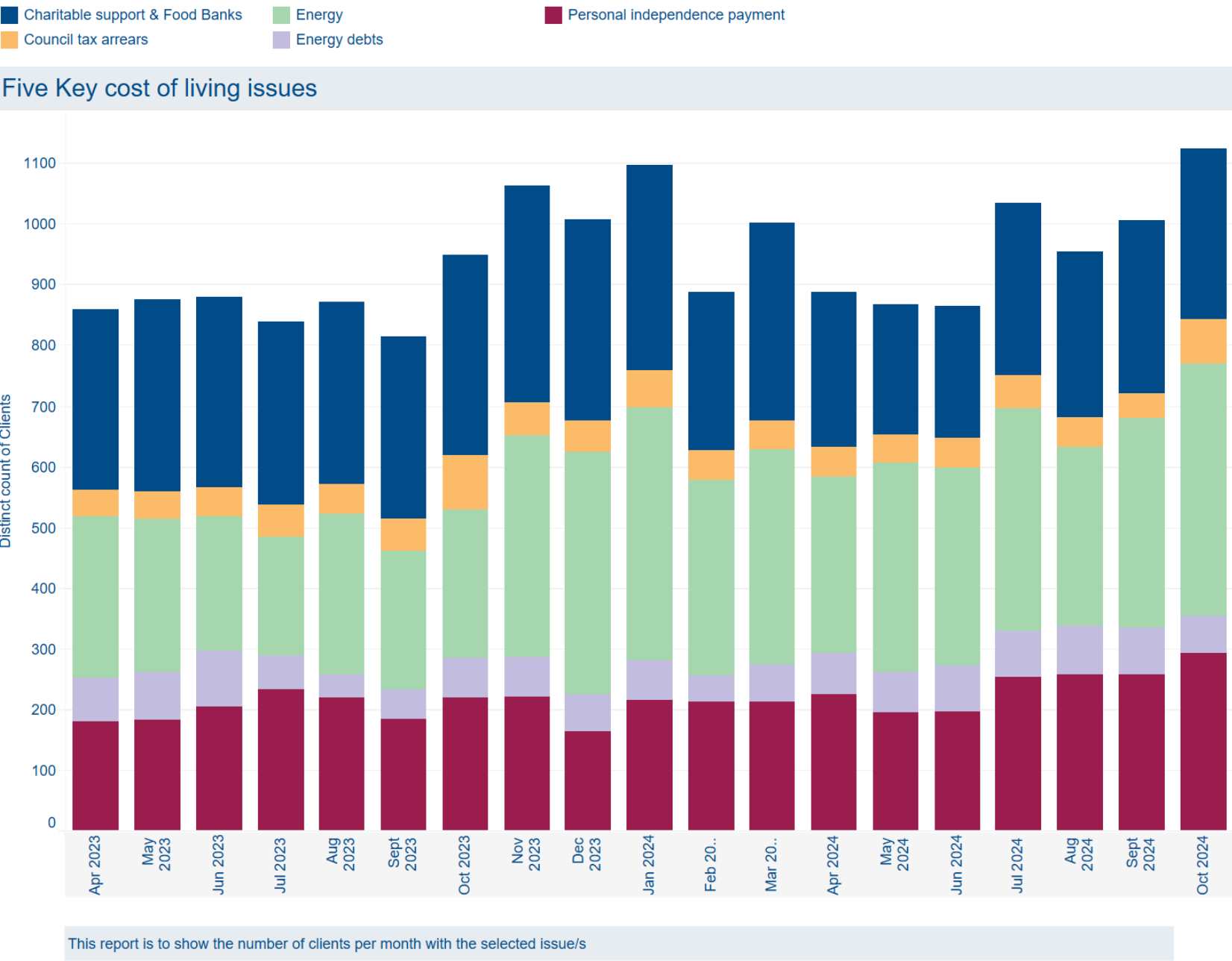
Citizens Advice East Sussex

No end in sight for the Cost of Living Crisis

April 2023-October 2024

The cost-of-living crisis is far from over in East Sussex. This report covering the period from April 2023 to October 2024 shows that Citizens Advice offices across the county have continued to help clients with crisis support, debts and benefits. As we head into another winter, we anticipate life continuing to be hard for many of our clients as they grapple with high energy prices, associated food price hikes, and increasing rents. In the last 12 months, 1 in 4 parents have struggled to provide sufficient food for their child, this is up from 1 in 5 parents in October 2022. This is affecting 3.4 million children around the UK. With cuts to county council services on the horizon, as well as increased utility bills this winter, the picture is looking bleak for many.

1) Five key cost of living Issues



We have continued to see a steady increase in clients coming to us with cost-of-living related issues. In 2023-24, people continued to struggle to pay their energy bills, cover their council tax, and buy essentials such as food and clothing. As expected, we saw an increase in enquiries related to high energy costs in the winter months, we responded by helping clients to manage their energy debts through repayment plans, directed people towards social funds and distributed fuel vouchers for those in immediate crisis, ensuring people could keep warm in their homes.

Case study

A client accessed support from Hasting CA after he was made homeless following the breakdown of his relationship. He had secured permanent accommodation, but was struggling financially due to outstanding utility debts and limited income. Hastings CA was able to provide him with an HSF voucher to clear some of the debts, purchase a fridge and cooker, a bed, bedding and clothes. This enabled his sons to come to stay with him and he continues to be supported to manage his outstanding debts and manage his finances.

It's no surprise that people continue to struggle. Over the past 3 years, overall prices have increased by 20%, food prices are up 30% and energy rates soared by a staggering 75%. These rises, set against rising rents, mean that households are having to make tough choices about which essentials to forego and where to cut costs. Citizens Advice national have calculated that in the UK, nearly 5 million people are in a negative budget, stuck in the red, building up debt to get by.

Another persistent cost of living issue in 2023/24 has been Personal Independence Payment (PIP), the main benefit for people of working age who have a disability or long-term health problem including mental ill-health. Due to the complexity of the process, people need help to understand their eligibility, to fill in the application forms and often to challenge decisions to refuse PIP. Average waiting times for receiving a decision from the DWP peaked at 6 months and is currently at 15 weeks. For LDCA clients, there is now typically waiting 12 months for an appeal hearing where they are challenging PIP decisions.

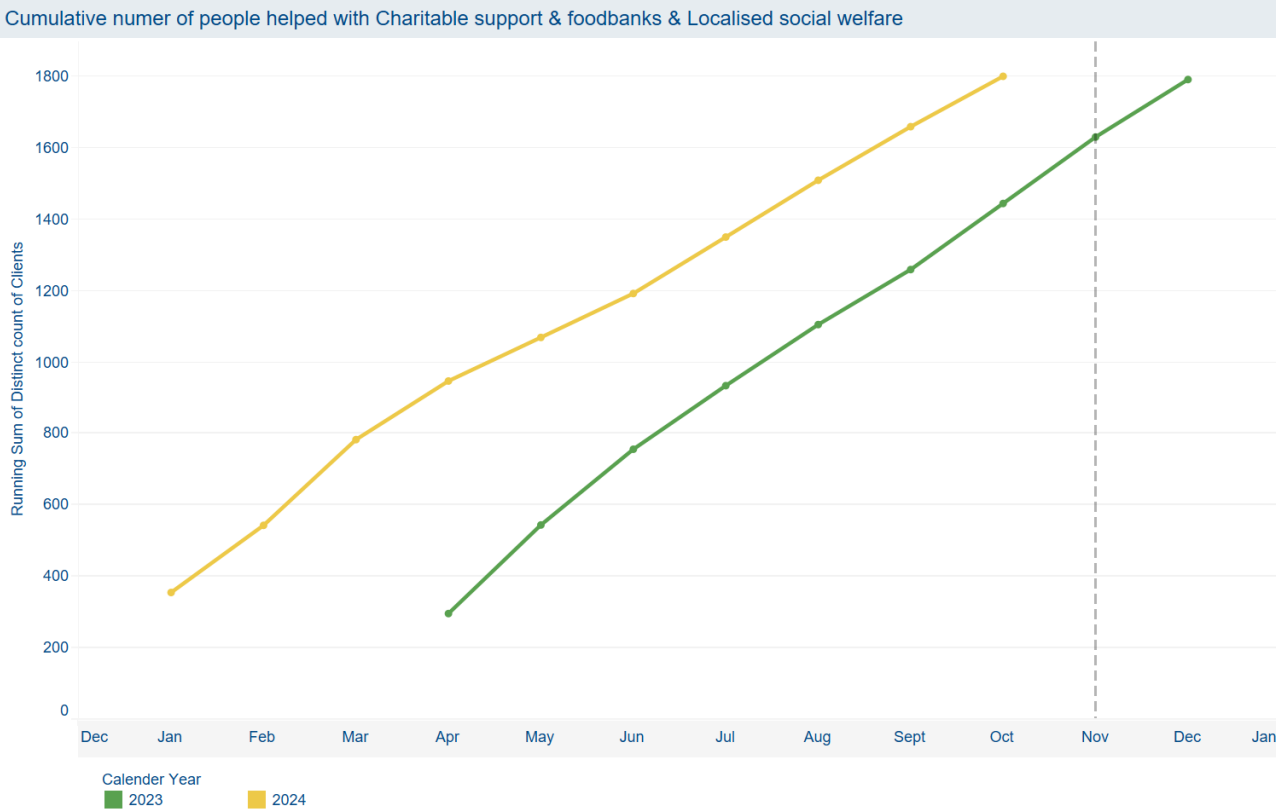
LDCA have a client whose PIP worth £183 pw (£793 pm) was removed in a routine review. This meant her family also lost the UC carer's element of £198 pm. We are challenging the PIP decision as the cl's condition has not changed but we have been waiting 13 months now for a hearing date and the client and her family are really struggling financially.

Charitable support & foodbanks & localised social welfare

Citizens Advice offices across East Sussex have provided critical charitable crisis support to clients over the past year. Similar to last year, this graph is very stark in showing that our provision of charitable funds and foodbank referrals continued to increase steadily. We have provided people with vouchers for fuel, food and other essentials, an amount totaling over £865,000, in addition to helping access other lifelines, such as local foodbanks and charities. We referred 1,229 clients to foodbanks in 2023 and have already referred 595 clients to foodbanks in 2024 (January to September). Nationally, in 2023/24, Citizens Advice helped between 25,000 and 30,000 clients every month with charitable support and foodbank referrals, five times the number 10 years ago and even double the number in 2020. Around the UK 8% of parents have made use of a local food bank, this is up 2% from February 2023. 1 million children’s parents have been to a food bank in 2024.

4b) Crisis Support year on year

This shows number of people coming to us because they can't afford to eat or need other financial assistance. The trend line for the current year indicates how many clients we might see later in the year based on historic data.

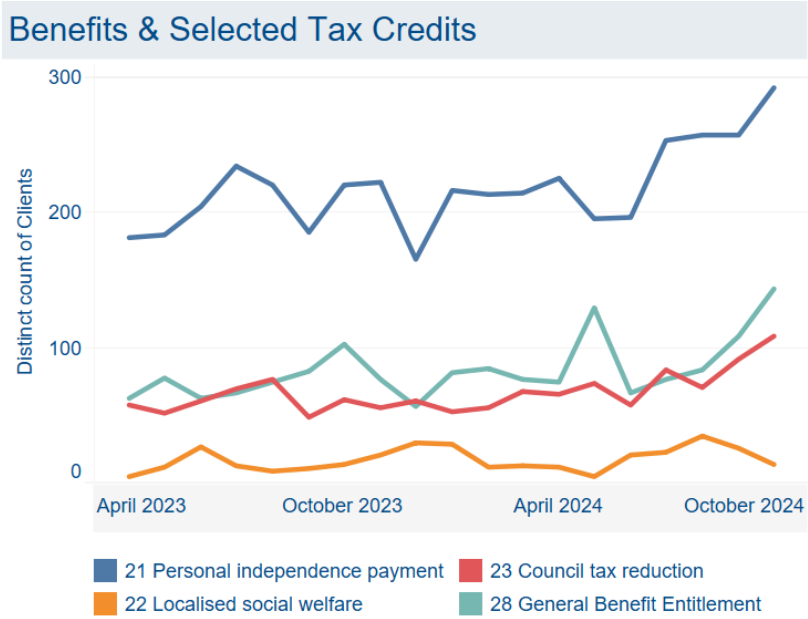
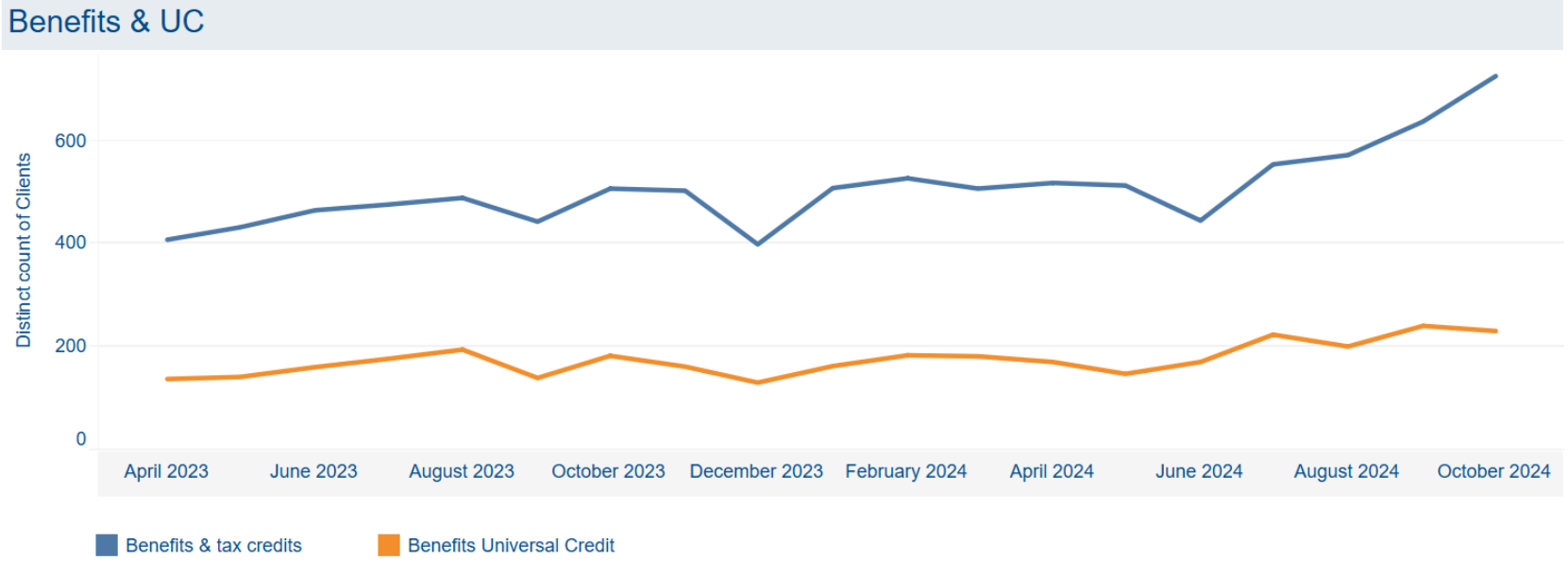


Figures for crisis support represent the number of people Citizens Advice helps with either referrals to food banks' or other charitable support (covers any emergency financial support or support in kind people need to make ends meet) and localised social welfare

What were intended to be short term solutions to the cost-of-living crisis have become long-term support needs which our clients are increasingly dependent. For local Citizens Advice offices, this also has capacity implications, as our small teams of staff and volunteer advisers spend time checking people’s eligibility for charitable funds. It also shifts our focus away from advice. As life continues to be unaffordable and households struggle to afford essentials, sometimes falling into negative budgets, leaving limited solutions that we can support with. The level of benefits is not keeping up with the cost of household essentials, and when rents get too high, the support for council tax reduction and housing benefit is only a sticking plaster.

Demand for local social welfare continues to break Citizens Advice records, not just in East Sussex, but across the country, reflecting the urgent need for continued crisis support. The Household Support Fund has been extended for the sixth time and we are now providing vouchers to those in crisis once again. It is time to think seriously about a permanent crisis fund, that is locally administered.

2) Benefits



Across East Sussex, many clients come to us for help with understanding and accessing the benefits system. As the graphs show, enquiries relating to Universal Credit made up at least half of all the benefit issues we dealt with, with PIP coming in as the second most prevalent. We expect Universal Credit enquiries to rise, as managed migration occurs in 2024. As illustrated in the these graphs, even when people have accessed Universal Credit, we see clients returning to us, as they struggle to pay their bills and to cover food shopping. This is unsurprising given the absence of a formal link between the level at which benefits are set and the actual cost of essentials such as food and rent. The 5-week delay for the first payment along with the two-child limit on Universal Credit are amongst the aspects of the benefit system which penalise those families already on a low income.

LDCA case worker local insight

Those people who are migrating from ESA to UC over the next few months, are often long-term sick or disabled, have been on ESA for years and out of the workforce (and yet getting no help to improve their situation). They often really struggle with managing an online claiming system because of digital exclusion – and in some cases, disabilities that prevent them being able to make telephone claims. They don’t understand their entitlement and don’t know how to challenge it if DWP gets it wrong.

Case study

Complexity and inter-relationship of benefits plus reliance on discretionary funds including need for more form filling.

The client was in receipt of PIP. This was reviewed in December 2023 and as a result her PIP came to an end. In addition to losing her PIP payments, her weekly ESA award was also reduced by £76.40 2023-24 rate / £81.50 2024-25 as the Severe Disability Premium was removed. Payment of the Severe Disability Premium depends on an award of PIP (daily living component).

The client is appealing the PIP decision with the assistance of LDCA but is unlikely to have a hearing before late Spring 2025 as waiting times are currently about 12 months.

The reduction in her benefits means that the client is unable to manage her monthly rent payments as well as other bills. Her rent is about £50 a month higher than the LHA for a 1 bed flat in her area so she had already been making up the difference between her Housing Benefit and the rent before the PIP review decision. She does not want to approach her landlord about her rent in case she loses her tenancy as a result. She has looked at other properties to rent in her town and can find nothing comparable that is cheaper. She had assistance from LDCA applying for Discretionary Housing Payments. This was successful. She had help applying for a payment from the Household Support Fund. She was given funds from the HSF.

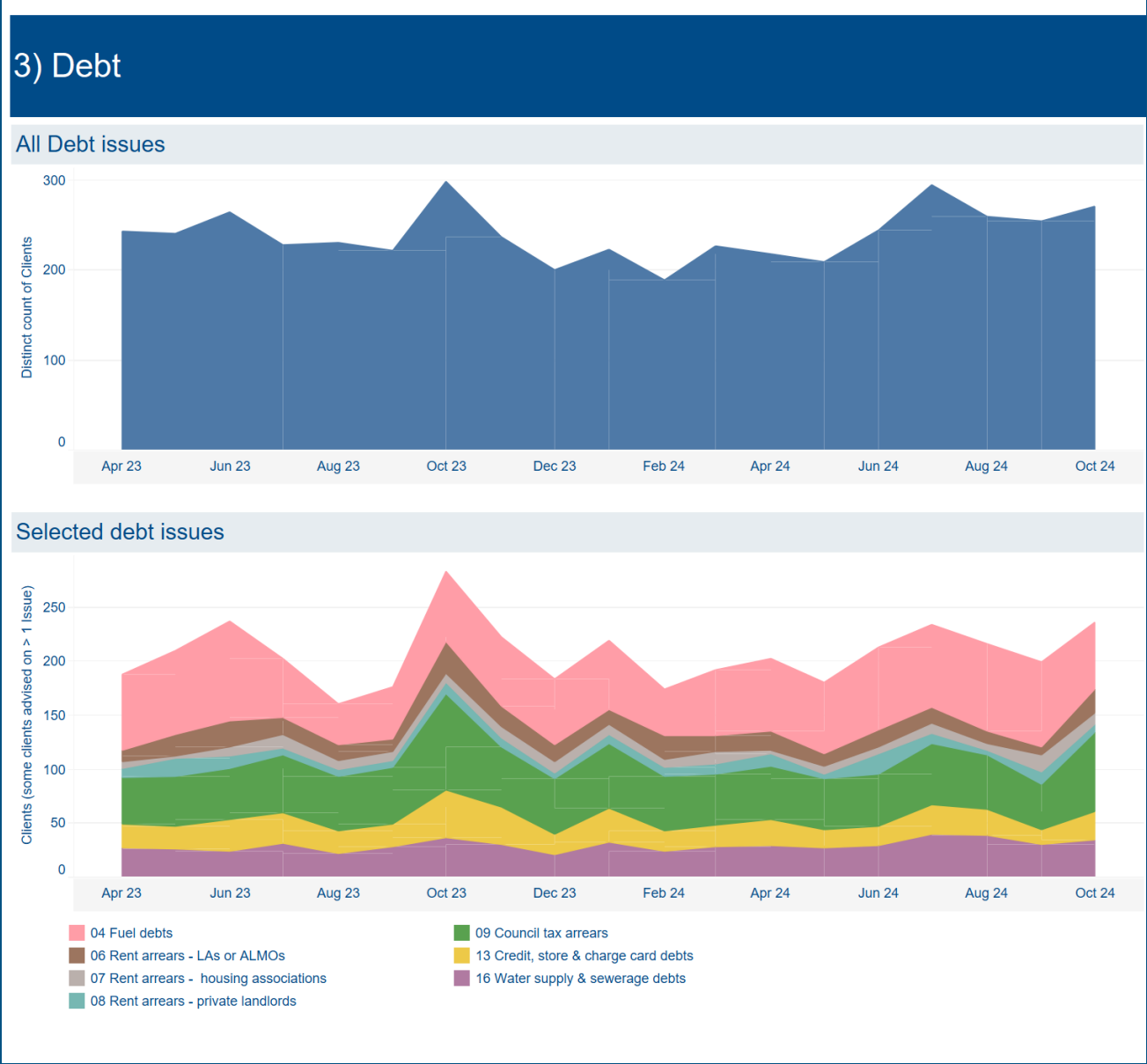
The client has had anxiety about meeting her costs and not being made homeless, she has had additional forms to complete and evidence to provide and has had to rely on discretionary help to stay in her home and pay her bills.

Case study

Outcome from accessing LDCA specialist case worker support for PIP

Due to delays in decision making within the DWP and long delays for Tribunal hearings this meant the time from the date of claim to the Tribunal hearing decision was 87 weeks or one year 7 months and 28 days.

This means there was a large back dated payment to the client of £15976.79 and going forward £184.30 a week. October 2024.



The demand for help with debt has persisted throughout the year, with an average of 200 people coming to us every month for advice on fuel debts, rent arrears, council tax, and other utilities such as water and sewage. As the graph above shows, debts have a knock-on effect, whereby if a client is struggling to pay rent, bills such as gas and electricity and council tax will also be difficult to pay. 1 in 3 parents have cut back on energy bills (e.g. gas, water and electric) to save money, this is up 2% from February 2023.

Case study

A key example of this is a client who came to us for help with her rent, council tax and water debts, as health issues had forced her to reduce her work hours, and her debts were accumulating. Although she qualified for a Debt Relief Order, the client preferred to pay off her debts independently, and we helped her to create a manageable budget as well as arranging repayment plans. The team at Wealden CA helped her to apply for a Discretionary Housing Payment to cover her rent arrears. A repayment plan was put in place for cover remaining arrears, along with council tax debts. The monthly payment for water was reduced by applying for a social tariff. So far, the client is on track with her repayments, and on a stable path to managing all her debts.

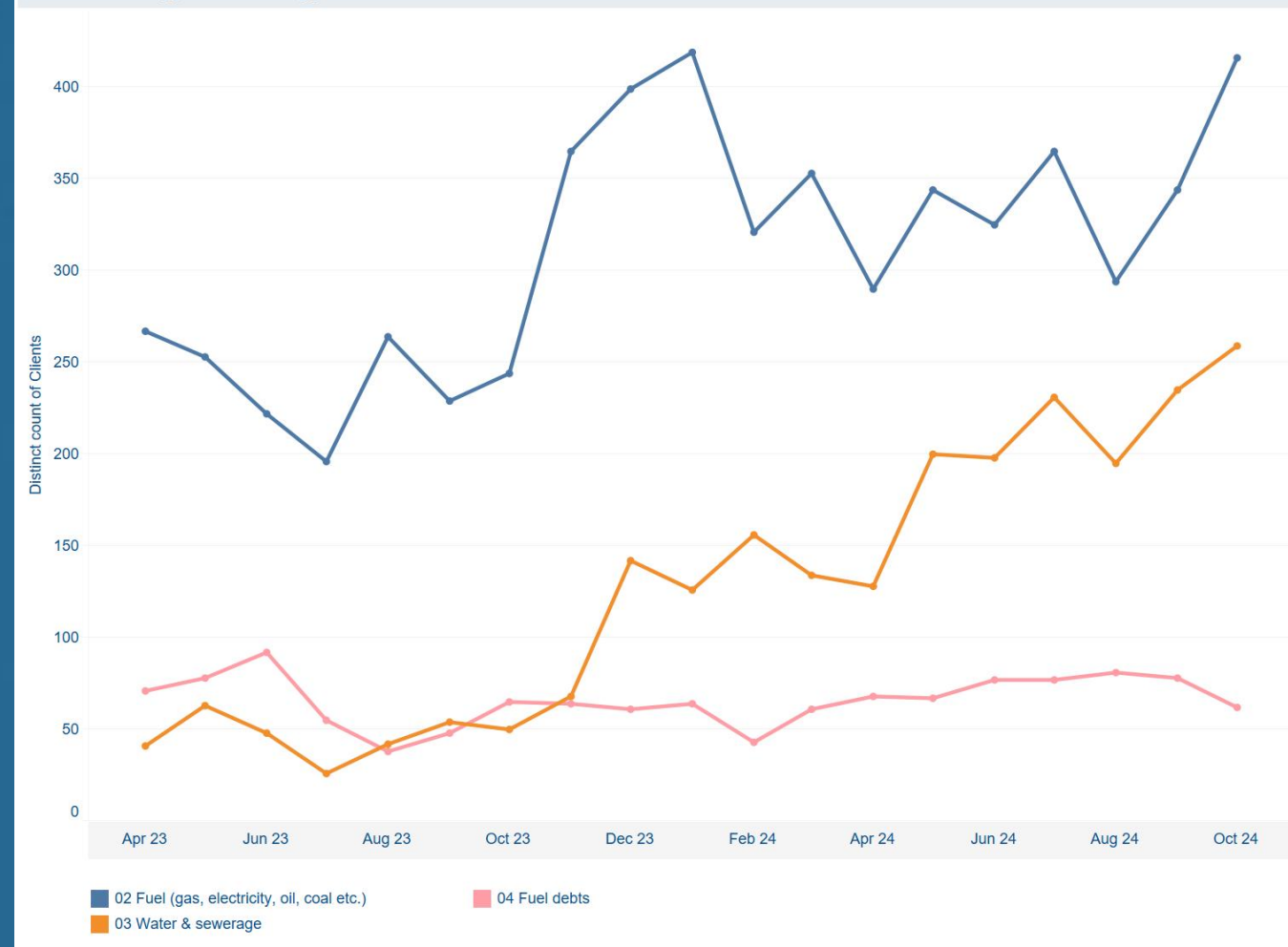
Water, Energy and Energy debts

Queries regarding debts related to utilities has been consistent, peaking at around 300 clients in December 2023, as compares to a peak of 375 clients in winter 2022. Recent years have been particularly hard, as fuel price rises have remained high, with government help only making a small difference. Local Citizens Advice have been able to help by highlighting the social tariffs available, helping clients to access the social funds offered by most energy companies, as well as distributing £155,703 worth of fuel vouchers over the year.

A more unexpected increase in queries has related to water and sewerage debts, from November 2023 onwards. This is likely related to the significant increase in water and sewerage bills in 2023/24. In our area, served by Southern Water, there has been around 11% increase on average bills. It was reported by OFWAT in December 24 that Southern Water customers will be hit by the biggest increase in the coming 5 years, with bills going up 53% - to £642 on average - by 2030.

3c) Utilities & Debt

Water, Energy and Energy debts



Case study

Easing Lilly's* anxiety around a complex financial situation

Lilly is recently widowed, of pension age, living alone in a council property. She is receiving hospice care for a terminal illness. As Lilly's late husband used to deal with the household finances and she is not computer literate, Lilly had accrued a water debt which she was struggling to manage.

Our adviser applied to SE water on Lilly's behalf for the debt to be written off, but was sadly not successful.

However, our adviser did not give up. They negotiated a payment plan and minimal re-payment while a Helping Hands grant application was made. LDCA also issued £400 in Huggs supermarket vouchers, to help ease Lilly's household budget temporarily while the water debt remained unresolved. Lilly has been able to make ends meet in the short term and had her financial anxiety eased, which is very difficult for her to cope with alone and while under hospice care.

While further support will be required to resolve this client's financial issues, the temporary support she received has been a considerable help to her and further, has provided Lilly with something positive during a very difficult time in her life.

(* name of client replaced)

Case study

The client approached Wealden Citizens Advice seeking assistance with her financial difficulties, which included debts related to rent, council tax, and water bills. She was employed part-time but faced health issues that necessitated reducing her work hours. Despite her desire to continue working, her fluctuating income led to arrears with her priority creditors.

Assessment and Initial Support: Our advisors conducted a thorough review of the client's income and expenditure. We identified opportunities for better budgeting, allowing the client to have a small amount of available income. Although the client qualified for a Debt Relief Order, she preferred to repay her debts independently if possible, reserving the DRO as a last resort.

Actions Taken by Wealden Citizens Advice:

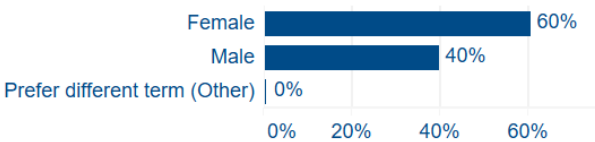
1. Discretionary Housing Payment: Assisted the client in applying for a DHP, resulting in a lump sum payment towards her rent arrears. Arranged a repayment scheme for the remaining rent arrears, making it manageable within her budget.
2. Council Tax Repayment Scheme: Established a repayment plan for her council tax arrears, spreading the payments over an extended period to ease her financial burden.
3. Water Bill Assistance: Set up a repayment scheme for her water debt. Successfully applied for the social tariff, reducing her monthly water bill. Informed the client about the possibility of applying for a grant from South East Water after six months to cover her remaining water arrears.

Outcome: After three months, we confirmed with the client's landlord and the council that she was consistently making the agreed payments on time. This consistent payment record demonstrated her commitment to managing her debts and adhering to the repayment plans.

Clients most affected by the Cost-of-living Crisis

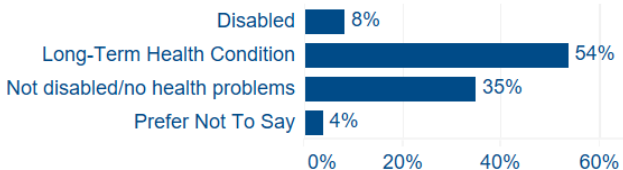
8b) Profiles | Cost of living codes

Gender	All CoL clients	11,865
% of clients with a known value recorded (not all clients)		
	%	Distinct count of ..
Female	60%	6,712
Male	40%	4,392
Prefer different term (Other)	0%	7
Grand Total	100%	11,111



8b) Profiles | Cost of living codes

Disability	All CoL clients	11,865
% of clients with a known value recorded (not all clients)		
	%	Distinct count of ..
Disabled	8%	776
Long-Term Health Condition	54%	5,175
Not disabled/no health problems	35%	3,345
Prefer Not To Say	4%	366
Grand Total	100%	9,662



Women seem to be those most affected by the cost-of-living crisis. 60% of our cost-of-living clients are women, and may be are carers of others, who will also be impacted. The 62% of our cost-of-living clients are either disabled or suffering from a long-term health condition. Again, showing that those managing more complex lives, in need of care and extra assistance, are those suffering the most during this crisis. We can see that of those clients with disabilities or long-term health issues, the majority are coming for cost-of-living help.

Whilst we have clients of all ages, 31% of cost-of-living clients are between 30 to 44 years of age and another 33% are 50 to 64 years old.

Throughout this report we have demonstrated that the cost-of-living crisis within East Sussex is far from over. Over the coming months temperatures will continue to drop and cuts to council services will begin to be felt, it is likely that local Citizens Advice charities across East Sussex will see increases in clients turning to them for cost-of-living support.

Case study

Cost of Living

The client is a 29-year-old, single mother of two. Her eldest child is now attending primary school and her youngest is a year old. The client's sister referred the client to Citizens Advice after the father of her children suddenly stopped paying child maintenance. The client grew up in a stressful and chaotic household, without much parental support and mentors and has tried to create a different situation for her own family. The client has severe dyslexia and low financial literacy. She has memory issues which has an impact on her ability to remember passwords, creating difficulties in accessing services which are online and pay bills on time. She regularly gets locked out of her government gateway portal, CSA and UC account. The challenges she faces have been exacerbated by the cost-of-living crisis.

The client has been living in temporary accommodation for almost five years. Her rent and daily living costs had risen sharply, and she found herself unable to pay her rent and accruing multiple priority debts. She did not understand management of priority debts and the eviction process.

The client had been living in privately rented accommodation and when her relationship broke down, she didn't know what to do, panicked and left the property, as she assumed she was going to be evicted immediately. She was deemed to have made herself intentionally homeless and therefore not eligible to be rehoused. Her case has been referred for pro bono legal advice, but the work is progressing slowly.

In the time that the client has been in temporary accommodation she has to move five times. Firstly, to a hostel with her young child, another move to Eastbourne away from her family and support network and twice when she was heavily pregnant. She is now living in a small one-bedroom property with two children.

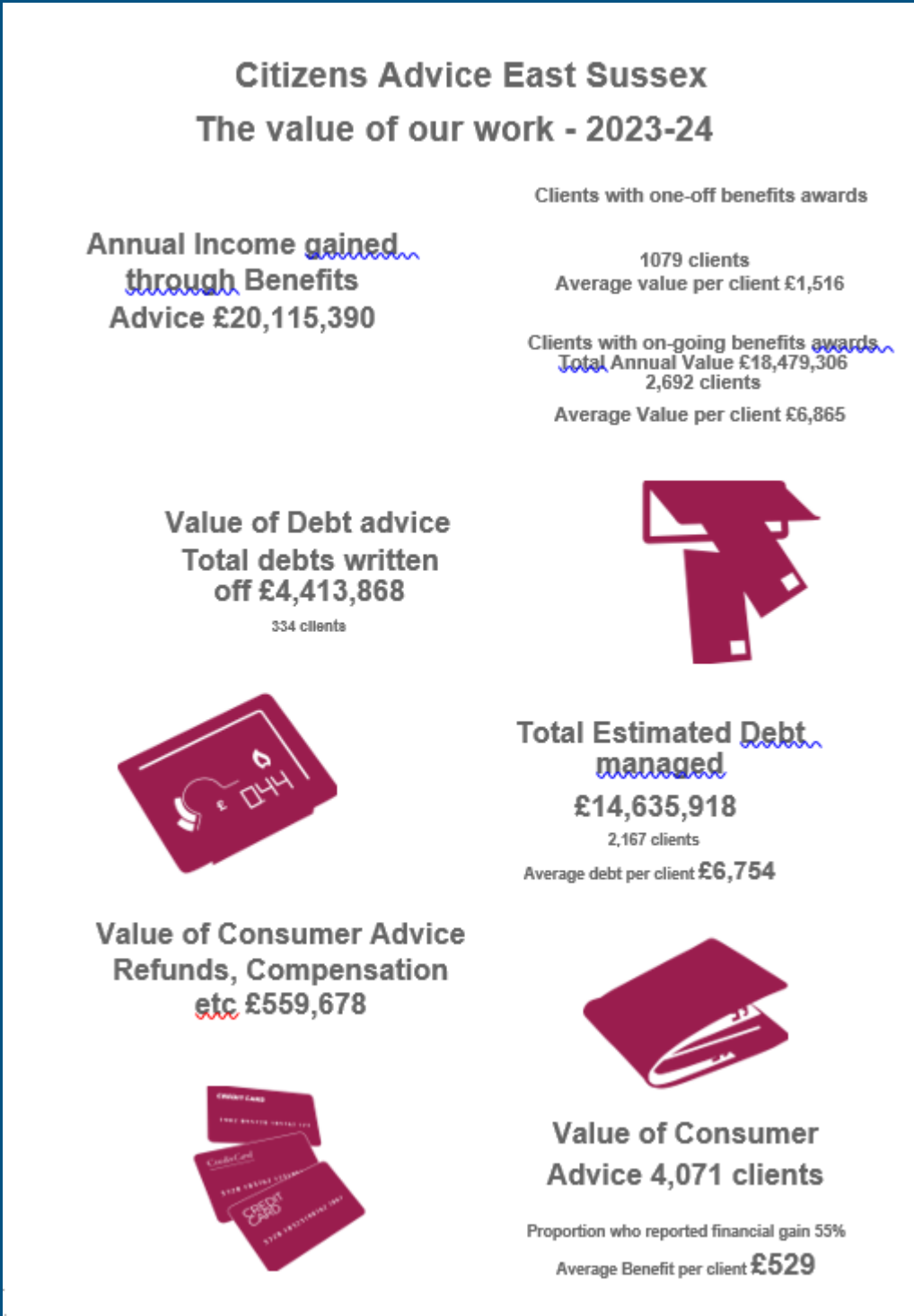
The Child Maintenance Service have been unable to determine how much her ex-partner earns as he is now self-employed and claims he is on a low income, so she continues to subsist on Universal Credit and Child Benefit, plus a small token amount from the father of her daughter. Child support services pay her rent, and she is supported by a social worker and a Housing Officer at East Sussex County Council.

The persistent high cost that impacts her daily budget is her car insurance, but feels she is unable to give up her car as she needs to drop her daughter off at school and to shop at Aldi – which is on the outskirts of town.

Support from Citizens Advice 1066: An adviser regularly attends FSN to support parents living in temporary accommodation with their children. The client now regularly attends the FSN Family Hub and uses The Pantry to help manage her food budget.

- The adviser has supported the client in Managing passwords
- Providing a refurbished laptop and coaching to use it
- Fuel Vouchers
- HUGGS vouchers – Food and clothing
- Budgeting – Referred to the CA 1066 Money Max programme (Multiply)
- Support with a Personal Independence Payment Application.

East Sussex Citizens impact for 23-24 (April 23 –March 24)



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