

Cost of Living Briefing Paper for West Essex

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Intended circulation	Essex Health & Well Being Board West Essex Health Inequalities Socio-economic Work stream Chairs West Essex Cost of Living Summit attendees West Essex Health Inequalities and Prevention Committee	May 2022 May 2022 May 2022 May 2022
Approval	Gill Wallis West Essex Health Inequalities and Prevention Committee Chair Peter Fairley West Essex Health Inequalities and Prevention Committee Vice Chair Ian Tompkins Director of Corporate Services West Essex CCG	Approved Approved Approved

In the first section of this briefing are key statistics and trends in respect of the rising cost of living in the UK. These findings are from a UK Government Commons Library Research Briefing, 16th March 2022. This section also highlights how the socio-economic conditions people live within impacts upon health equity and overall wellbeing.

The second section of the paper provides an overview of themes that arose from a recent One Health and Care Partnership, Health Equity, Cost of Living and Health and Well Being Summit which took place in early March 2022 and further highlights socio-economic needs and the challenges for health equity and overall wellbeing.

This section also highlights West Essex Citizens Advice service demand and activity for the periods covering; 2019, 2020, 2021.

Section three proposes several next steps as a call to action.

Rising cost of living in the UK

The cost of living has been increasing across the UK since early 2021 and, in January 2022, inflation reached its highest recorded level since 1992, affecting the affordability of goods and services for households.

This briefing gives an overview of rising prices, particularly food, energy and fuel prices, including the potential impact of the conflict in Ukraine.

In addition, other pressures on household budgets, like changes to taxes and benefits, are discussed, along with the effect of the rising costs of living on low-income households, which are likely to be disproportionately affected.

The Ukraine conflict is pushing up energy prices, as measured by the Consumer Prices Index (CPI), which were 5.5% higher in January 2022 than a year before. A particularly important driver of inflation is energy prices, with household energy tariffs increasing and petrol costs going up.

In the year to January 2022, domestic gas prices increased by 28% and domestic electricity prices by 19%, due in part to a return of global gas demand as pandemic restrictions are lifted and lower than normal production of natural gas. On 3 February, the regulator Ofgem announced that the domestic energy price cap would increase from its current equivalent annual level of £1,277 per year to £1,971 in April; a 54% increase.

As well as the military, political and humanitarian impact of Russia's invasion of Ukraine, there will also be implications for the world economy. For the UK, the most likely economic effects, at least initially, will come through higher energy prices. Oil and gas prices on international markets have risen sharply since the invasion.

Higher energy prices will first be felt in petrol prices and then potentially energy bills (for businesses, as well as households). There has been much speculation that the domestic price cap will have to be increased substantially later in the year.

1.5 million households with a reliance on oil fuelled heating are also experiencing significant price surges amid a spike in demand and war in Ukraine – and they are not covered by the energy price cap.

Russia and Ukraine are also large producers and exporters of agricultural products, such as wheat, and some metals. Prices for these products have also risen on financial markets, potentially leading to future increases in food and material prices in the UK.

Prior to the conflict in Ukraine, inflation was expected to peak in April 2022. This is when the new default price cap on household energy bills comes into effect in Great Britain.

In early February, the Bank of England was forecasting the CPI inflation rate to peak at 7¼% in April 2022. The inflation rate had been expected to ease somewhat over the course of 2022.

Since the Russian invasion of Ukraine, price rises in many commodities markets has led economic forecasters to raise their expectations for consumer price inflation, not just in the near term but also that it will be higher for longer.

On 2 March, the National Institute for Economic and Social Research think tank released new forecasts that included an expectation that UK inflation would peak at 8.1% in Q3 2022. Some economists have suggested that the inflation rate could hit 10%. Much will depend on the path of energy and other commodity prices.

Tax and benefit changes

As well as likely higher inflation, household budgets may be squeezed by changes in taxes and benefits in the coming months. This includes an increase in National Insurance Contributions from April 2022 and changes to income tax. Wages are also forecast to rise more slowly than inflation, which will affect household incomes.

On 3 February, the Chancellor announced Government support in relation to rising energy prices, including a £200 energy bills rebate loan, a £150 Council Tax rebate and an expansion of the Warm Home Discount scheme.

Low-income households

Low-income households spend a larger proportion of their income than average on energy and food so will be more affected by price increases.

Benefits will increase (uprated) in April 2022, based on the figure for inflation in September 2021 (3.1%), so households will see a fall in the value of their benefits in real terms.

Health Equity and Overall Health and Well Being

In Health Equity in England – The Marmot Review 10 years on – an executive summary, published in 2020, Sir Professor Michael Marmot makes clear the links between poverty, social deprivation and health outcomes.

In summary the report notes that poverty is associated with long-term physical and mental health and low life expectancy. Living in poor quality housing, being exposed to poor quality environmental conditions, poor quality work and unemployment, not being able to afford nutritious food and sufficient heating for example, all impact upon health. Poverty is also stressful. Coping with day-to-day shortages, facing inconveniences and adversity and perceptions of loss of status all affect physical and mental health in negative ways.

The report also argues having control of one's life is critical to an individual's health and well-being and the thrust of the report is that social disadvantage is not only lack of money. Life is worse for people lower down the social hierarchy when set against the social determinants of health, having money and resources to live a healthy life is central to reducing poverty in all its forms and to improving health.

Health and Wealth – Key Statistics

Key statistics on a well established link between money and resources (income or wealth) and variations in Health, from the Health Foundation show; Poverty is associated with worse health outcomes, and this is especially for persistent poverty.

- £1000 – An increase in household income is associated with 0.7 year increase in female life expectancy
- 32% of people in the lowest income category report less than good health. For the highest category the figure is 11%
- 14.5 million people live in poverty, equivalent to around 22% of the population.
- 5.1 years is the average increase in life expectancy for every 10 percentage points higher the employment rate in an area
- 11% of all employees report their health less than good. Employees with low job security and low job satisfaction are most likely to report poor health
- 28% of private renters in non-decent homes rate their health as less than good, compared with 22% living in decent homes
- Children in poverty were almost twice as likely to have moved three or more times by the age of 14 as children not in poverty
- Poor quality housing, particularly damp and cold homes, directly harm physical and mental health. 21% of adults in England said a housing issue had negatively impacted their mental health, even when they had no previous mental health issues, and housing affordability was the most frequently stated reason. The stress levels resulting from falling onto arrears with housing payments was comparable to unemployment (Marmot Review)
- Cold homes are bad for health. If you are struggling to pay your heating bills and your home is cold and damp, your health may suffer. Problems and diseases linked to the cold range from blood pressure increases and common colds to heart attacks and pneumonia.
- Those with existing health conditions are especially vulnerable to the cold. This includes physical conditions, such as circulatory problems, diabetes, and arthritis; and mental health illnesses such as depression and anxiety.
- Respiratory conditions, like asthma, can be exacerbated by the cold, even more so if there are damp and mould issues in living spaces.
- People with certain disabilities, children and the elderly also fall into higher risk categories

West Essex

The impact on the health and wellbeing of the rising cost of living for the West Essex population

On the 9th March 2022, a Cost of Living and Health and Well Being Summit was convened by Ian Tompkins, WECCG Corporate Director and attendees included representatives from Citizens Advice (Epping, Harlow & Uttlesford); Essex County Council; Epping Forest, Harlow and Uttlesford District Councils; the colleagues from the VCSF Sector; Rainbow Services; EFVA and CVS Uttlesford; Anglia Ruskin University; and NHS colleagues from EPUT and West Essex CCG.

A round table discussion held virtually was partly prompted as a response to concerns from GPs in West Essex, and elsewhere in the ICS, who are seeing an increase in patients presenting with health issues relating to money worries. Local Citizens Advice Services are also reporting a surge of demand relating to debt and families trying to manage the costs of living increases.

Themes that arose from the Summit were as follows.

- Fuel and energy poverty is no longer a winter issue but an all-year round concern
- 24% of households in Harlow have less than £30 per month disposable income (9% in Epping Forest and 7% in Uttlesford); 37% have between £31 and £125 per month disposable income (21% in Epping Forest and 20% in Uttlesford); 81% have less than £250 per month disposable income (19% in Epping Forest & 20% in Uttlesford). Source Essex County Council Strategy and Insight.
- All three Citizens Advice services in west Essex are experiencing a huge demand for services and are seeing clients with an increase in mental health and anxiety and worries about money and debt.
- New families are being seen post Covid. These are being referred to as the 'working poor' with low wages and are reporting experiencing money worries for the first time – it is estimated that 40-53,000 new households across Essex have experienced a drop in income that will need further support. Source Essex County Council Strategy and Insight.
- In Harlow there is an increase in Universal Credit claimants
- A range of delivery partners are working in partnership at grass roots level. Organisations such as MIND, ISS, Food Banks, Citizens Advice, Rainbow Services, CVSSs, and all are reporting huge demand on services, which is rising.
- Harlow District Council reported they are seeing an increase in residents defaulting on council tax payments and are projecting decreased revenue from this and from rent payments.
- All the delivery partners in receipt of Contain Outbreak Management Fund (COMF) monies reported this fund was invaluable to help develop and sustain services.
- In Epping Forest there are reported trends in increased mental health need and debt management need and the success of the Community Hub developed in Epping Forest (Waltham Abbey) (with COMF) monies was cited as a good example of diverting funds to pockets of severe deprivation to grass roots level which has been pro-active and effective.
- There were concerns that continued stress on the population caused by the cost of living rising may increase alcohol consumption and obesity as people use unhealthy behaviours to manage this situation
- There is interest from Anglia Ruskin University to support in conducting local research through the Harlow Innovation Hub Space
- Another trend was related to Foodbank usage, which is increasing but it was observed public donations are declining as all sections of society are managing the financial squeeze with less donations being received to the local Foodbank network
- From all partners it was felt by adopting an agile approach, going to where the need/people are, as well as delivery partners working together this can meet some need.
But the question of rising demand and less resource was flagged time and again.

This section highlights service activity, demand and the types of enquires for the period from 1st April 2021 until March 2022.

This is combined for Epping Forest, Harlow & Uttlesford Citizens Advice Services.

Summary

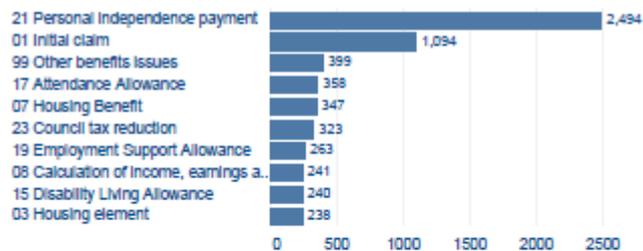
Clients	4,326
Quick client contacts	
Issues	20,319
Activities	27,925
Cases	5,347

Outcomes

Income gain	£535,961
Re-imbursments, services, loans	£9,973
Debts written off	£359,750
Repayments rescheduled	£81,020
Other	£2,750,853

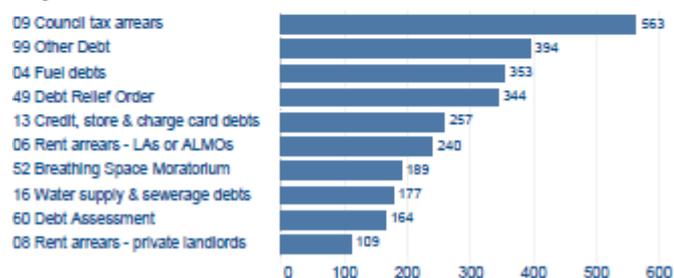
The Financial gains achieved for West Essex Citizens in; 2021-22 were £2.7M

Top benefit issues



Health related benefits issues account for 3092 enquiries – this equates to 48% of all enquiries

Top debt issues



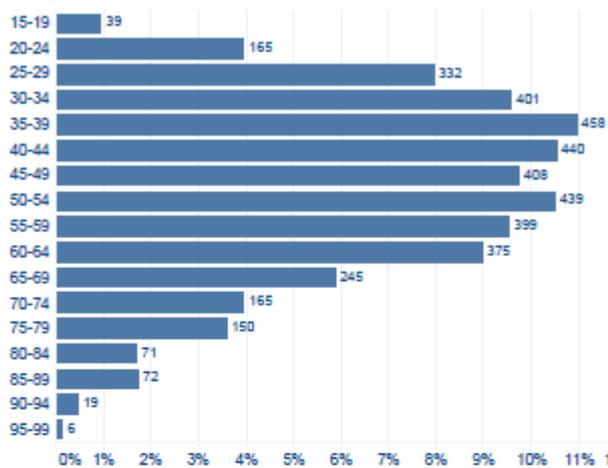
There were 530 Fuel & 912 Housing debt enquiries

Issues

	Issues	Clients
Benefits & tax credits	5,266	1,694
Benefits Universal Credit	2,276	757
Consumer goods & services	326	221
Debt	3,850	945
Education	82	53
Employment	684	335
Financial services & capability	969	685
GVA & Hate Crime	70	47
Health & community care	341	242
Housing	1,977	868
Immigration & asylum	225	103
Legal	373	262
Other	1,161	613
Relationships & family	892	503
Tax	142	113
Travel & transport	241	173
Utilities & communications	1,424	547
Grand Total	20,319	

Financial income, debt & financial capability equates to 13,785 issues dealt with

Age



Those aged 35-39 years are the largest age group presenting for CA services closely followed by the 40-44-year age group.

This correlates to the intelligence partners are reporting that there is increased demand for services from working families who have not accessed Citizens Advice services before.

Disability/Long term-health account for over half of all enquiries

54% in comparison to 46%.

More women are presenting for help.

86% are defined as White

8% are defined as Black

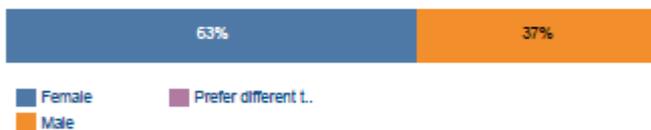
4.5% are defined as Asian

2.7% are defined as Mixed

3% are defined as Other I

Incidentally there was only 8 clients recorded across the whole Essex District recorded from the Traveller community.

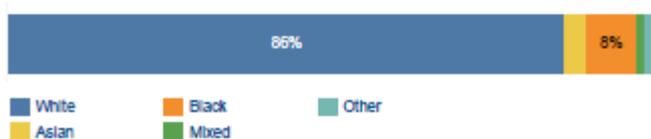
Gender



Disability / Long-term health



Ethnicity



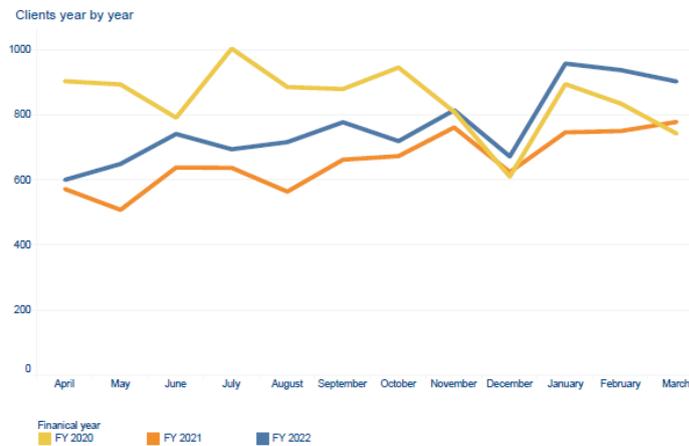
Issue - Year on year comparison | Clients



Date: 4/11/2019 12:00:00 AM to 3/1/2020 and Null values
 Part: All
 Count issues or clients: Clients
 Office Group: Multiple values
 Issue Type: All

Click on an issue name below to filter the report

FY = financial year ending March of year



AICPart1	FY 2020	FY 2021	FY 2022	Grand Total
Benefits & tax credits	2,406	1,736	2,177	5,483
Benefits Universal Credit	1,797	1,446	1,186	4,181
Housing	1,110	1,014	1,295	3,207
Debt	1,214	856	1,139	2,779
Relationships & family	847	638	719	2,104
Employment	607	868	623	2,051
Other	617	647	767	1,702
Financial services & capability	275	299	795	1,295
Legal	543	388	398	1,290
Utilities & communications	183	360	597	1,059
Consumer goods & services	346	334	349	1,001
Health & community care	250	296	290	785
Travel & transport	262	167	218	618
Immigration & asylum	184	120	196	483
Tax	185	112	146	427
GVA & Hate Crime	121	136	66	318
Education	47	44	72	158
Grand Total	6,771	5,589	6,168	16,158

This chart shows clients year by year covering the years 20/21/22. This illustrates spikes in service demand in July 2020, January 2021 and January 2022 with the current trend not showing the same rate of decline.

Proposed Next Steps for West Essex

There is a need to consider demand and system capacity and current and predicted demand of the impact of the rising costs of living.

The service activity data from the West Essex Citizen Advice services highlights the majority of client seen in 2021/22 have a **disability or long term-health need and this accounts for over half of all enquiries.**

It is likely there will be a need to increase capacity of Citizens Advice services as well as the wider VCSF in order to help support the health and social care needs of West Essex residents.

Other responses

As part of the West Essex Health Inequalities and Prevention Committee and specifically the Socio-economic workstream the following priorities have been identified.

- 1. Income maximisation** - to ensure there is clear, accessible Information, advice and guidance available/co-ordinated/disseminated - this will include information on financial support and non-financial support (food bank & fuel vouchers etc), to support financial inclusion and improve health and wellbeing.

Epping Forest District Council and Uttlesford District Council have collated some information sources already which will support this.

In addition, there are links being established with the ECC lead for Financial Well Being as part of the Levelling up focus, Clare Burrell to explore the feasibility for Test and Learn pilot to design, develop and test a financial/debt management screening tool for families across west

Essex. It is envisaged this initiative could be supported with strategic oversight through the West Essex Health Equity Socio-economic workstream which is Co-chaired by Julie Houston, Assistant Director, Community Resilience, Harlow District Council and Jo O'Boyle, Chief Officer, Citizens Advice, Epping Forest.

2. **Debt Management support** – to ensure there is information/tools/ support for available to prevent/manage debt problems.
3. **Communication of advice materials** – ensure all materials are clearly accessible in formats which do not exacerbate health inequalities.
4. **Explore expressed interest** from several GPs in West Essex Primary Care Network (PCN) to place Citizens Advice resource (Advisors) into the local community within GP surgeries.
5. **West Essex CCG** will work with the 6 Primary Care Networks to monitor and record GP appointments where patients present, and conversations lead to the identification of financial concerns.
6. **The West Essex Health Inequalities and Prevention Committee**, Socio-economic Workstream group will work closely with colleagues from ECC Public Health to analyse and understand the forthcoming Census data gained from the national Census undertaken in 2021. This will be to identify any changes in population trends in the following demographic areas; Black, Asian Minority Ethnic groups, Gender, Age, Disability and Ill Health prevalence.
7. **Geographic Assurance Process** – work through each of the high need geographic ward areas where there is council debt default (as advised by local district councils), to check that in each of these areas there is satisfactory access to Citizens Advice and DWP services and satisfactory access to food banks.
8. **Gain understanding** from community leaders/voluntary sector partners on the strengths and deficits of the voluntary sector services and statutory services.

ENDS