

Senedd Economy, Trade and Rural Affairs Committee inquiry into the economic and rural impact of the cost of living pressures

Action in Caerau and Ely is a local community development charity based in the heart of two of the most deprived wards of Cardiff. Our vision is of a happy community, one characterised by co-operation, equality and social justice. We believe that poverty should not be accepted as a fact of life and that social injustice should be challenged and changed.

We are grateful for the opportunity to submit written evidence to the committee as part of its enquiry into the cost of living pressures. Our submission draws on the research we have conducted in collaboration with The Bevan Foundation to determine peoples lived experiences of poverty through a series of focus groups with local participants. The purpose of the project is to gain a better understanding of how people are coping, what coping looks like for them, and what their concerns are for the future. We thank those who participated for their honest and valuable input.

Our submission is divided into 4 sections to reflect our key arguments:

- Lack of financial resource to afford even the basics
- Housing
- Impact on health and wellbeing
- Existing support

Lack of financial resource

Many families reported that they were experiencing financial hardship before the increased fuel costs. The main reason for this is attributed to the increased food costs,

spending more time at home during the covid 19 restrictions, furlough and loss of employment. Whilst it was acknowledged that the UC uplift payment was beneficial, this only mitigated against those additional costs and didn't necessarily put any extra money in anyone's pockets. Whilst this temporary increase has now been removed, prices have not reduced, rather they have increased. The scheme was limited to those on Universal Credit and anyone in receipt of a legacy benefit did not benefit from any additional support. These families report that they have struggles to get back on their feet ever since. Our families report that they are unable to afford the basics, let alone anything beyond that and that they are living pay check to pay check, with the slightest increased cost, unexpected bill or emergency likely to push them into crisis. Family support is not an option simply because the vast majority of those within these communities are in the same situation and don't have the resources to help themselves let alone anyone else. Families report that they coped before, they would batch cook, cut back wherever possible, grow and keep food waste to a minimum.

It is not a case of simply budgeting better, you can't cook with nothing, you can't buy cheap food with nothing. ACE have seen an unprecedented increase in demand for crisis support. In response to the growing and urgent need we have launched a daily crisis hour to cope with the demand that is growing week on week. We are issuing more food bank vouchers and fuel vouchers than ever before. This is not sustainable. Those who historically would have placed a few extra tins in their trollies for the food bank donation box, are now accessing food banks themselves.

Families are finding that they are running out of options having maximised the amount of Emergency Assistance Fund Payments (DAF) they can have, and realising that whilst charities want to help, the help only extends so far and that there is a limit on the help available. This is likely to mean that families will become desperate and resort to extreme measures to cope.

Although food costs, council tax, national insurance contributions have risen, the biggest concern for families is the cost of fuel. The vast majority of people in the communities pay for their fuel by prepayment meter and pay a poverty premium to do so. Prepayment customers are at risk of self disconnecting simply because they cannot afford to "top up". Whilst we are seeing this happen already, as we progress

through the year and into the colder months, there is a real concern that with nothing left to ration, there is a real threat to the health and wellbeing of those on low incomes.

Housing

Housing is a contributing factor. Those living in poor quality substandard accommodation are likely to need to spend more to ensure they are sufficiently warm in their homes.

Families we spoke to reported that heat simply escapes from the windows. There has been a lack of investment in local authority owned social housing for many years, the result being that they are not always safe and suitable for tenants to live in, with poor insulation levels, low window quality, high energy lighting/water/heating and likely to have a lower EPC resulting in higher costs.

Many families we spoke to have inefficient appliances that they cannot afford to replace. Many report that they don't have carpet because they simply cannot afford it, although acknowledge that this is a quick way to help retain heat in the home.

Families reported that damp is problem in their homes with significant areas of mould. The problem usually being identified as a lack of ventilation, increased ventilation means less warmth. Less warmth means increased fuel costs and so the cycle continues.

Health and Wellbeing

Living in a cold home increases the chances of circulatory conditions such as blood pressure, heart attacks and stroke. Worsened respiratory conditions such as bronchitis or asthma, exasperated conditions such as diabetes or ulcer and existing

medical conditions can become worse. Those we spoke to with existing health conditions are going cold because they are too scared to put the heating on.

It also greatly impacts a person's sense of wellbeing. Families reported that home doesn't feel like a home, they feel cold, helpless and shame that they are not able to create a safe, warm and happy space for their child/children to develop and thrive. This further impacts a person's mental health, and creates a greater reliance on already stretched mental health support and further burdening the health services. Ben Saltmarsh, Head of Wales, National Energy Action asserts "*This could cause a public health emergency this winter leading to many needless deaths*". There is a link between health and poverty with the life expectancy gap between the most and least deprived parts of the UK being 19 years.

Existing support

It is acknowledged that whilst welfare benefits are not devolved, there does appear to be ways that Welsh Government could be more flexible in its approach to helping families in crisis.

The Welsh Governments package of expanded measures to help people with the cost of living crisis is certainly welcomed, however it is widely felt that the support doesn't go far enough. Those we spoke to stated that it is only of any benefit, if you know about it. Many people who are digitally excluded were not able to apply for it and therefore missed out on this vital payment designed to support families and those most vulnerable in society. Minister for Social Justice Jane Hutt stated "we know some people are facing the incredibly difficult decision about whether they heat or eat. We're in the middle of a cost-of-living crisis, which is getting worse". With bills increasing by 54% (ofgem), food costs increased by 5% (the food foundation), it is not an issue that is affecting those with the lowest incomes, but it is affecting working families and families that were previously coping. Criteria for these support schemes needs to ensure it is meeting the needs of those who need it and not just those on a qualifying benefit.

The Local Welfare Provisions (DAF) need to be more flexible, whilst it has always been assessed and awarded on vulnerability and need, claimants do need to be in receipt of a qualifying benefit. Many families don't qualify for benefits, this doesn't mean that their income is high, they are usually just earning over the amount to qualify them for financial support.

The cost of living pressures are not just squeezing families, rather suffocating them. Our research determined that people are feeling depressed, they have genuine concerns for the future and their ability to not only put food on the table in the coming winter, but money in the electricity meter. These concerns are not limited to benefit claimants, they are widespread across all socio-economical groups and that without urgent intervention from local and national governments across the devolved nations, we are approaching a fuel poverty epidemic.

References

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