

Cost of living crisis

Impact on Citizens Advice Sutton clients and Sutton residents

Introduction

Citizens Advice Sutton (CAvS) advises Sutton residents on issues such as welfare benefits, debt, and housing. Residents can directly access our service by telephone (020 8405 3552) Monday to Friday 9.00 am to 5.00 pm, by dropping into our Sutton office Monday to Friday 10.00 am to 3.00 pm or online at www.citizensadvicesutton.org.uk.

Table 1. Enquiries 2021 / 2022	No.	%
Benefits & tax credits	2734	20.9%
Benefits Universal Credit	1106	8.4%
Consumer goods & services	429	3.3%
Debt	1199	9.2%
Discrimination / Hate / GVA	299	2.3%
Education	115	0.9%
Employment	727	5.6%
Financial services & capability	94	0.7%
Health & community care	426	3.3%
Housing	2098	16.0%
Immigration & asylum	623	4.8%
Legal	545	4.2%
Other	1263	9.6%
Relationships & family	790	6.0%
Tax	83	0.6%
Travel & transport	262	2.0%
Utilities & communications	306	2.3%
Total	13099	100.0%

We set out in Table 1 a breakdown of the types of issue that we handled in the year 1st April 2021 to 31st March 2022. In the year 2021 /2022, we recorded contact with over 8,000 Sutton residents. We recorded contact with 6,045 named clients, plus 2,523 anonymous contacts (most of which would be 'one-off' contacts), plus several hundred debt clients who directly contacted our debt team.

Our service produces financial outcomes for our clients. In 2021/22, we produced financial gains of £1,374,679 in welfare benefits etc, £973,503 financial gains from debt write offs etc – a total of £2,348,182.

Government pandemic response measures reduced demand for our service in 2020/21 and 2021/22. Many people contact Citizens Advice Sutton in response to an unfavourable third-party action such as a creditor enforcing a debt, the DWP rejecting a claim for benefits or a landlord seeking possession of a property. The government measures to support people during the pandemic such as restrictions on debt enforcement, extension of benefit awards and the 'eviction ban' reduced the numbers of people contacting us in these years to below the numbers of previous years. These measures / concessions continued into 2021/22, with for example, the eviction ban continuing until the end of May 2021 (but with a court backlog) and the Universal Credit Covid 'uplift' ending in October 2021.

Table 2. Annual clients	2020/21	2021/22
Total including anonymous	7059	8568
Named clients	5905	6045

Cost of living crisis

Several factors, over several years, have combined into the current 'crisis.' The £20.00 per Universal Credit Covid uplift, ended in October 2021, reducing incomes of Universal Credit claimants by up to £86.66 per month. The impact of this reduction is clear when a loss of up to £86.66 per month is compared with the current Universal Credit standard allowances. The standard allowances are the basic amounts of UC, *not* including housing costs, additional amounts for children, disabilities, or Council Tax Reductions. In other words, the standard allowances are the amounts that single adults or couples are expecting to live on, excluding housing costs and Council Tax. The Standard Allowances per month are currently:

Single and under 25	£265.31
Single and 25 or over	£334.91
Couple both under 25	£416.45
Couple 25 or over	£525.72

Many people on modest incomes who live in Private Rented Accommodation need Universal Credit or Housing Benefit to help with rent. A very significant proportion of these people have a substantial shortfall between their rent and the maximum amount that can be included for rent in their benefit. The amount of rent that can be included in Universal Credit or Housing Benefit, is based on the bottom 30% of rents in a [Broad Rental Market Area](#)– which is much lower than the average rent for the area. For example, the average rent, for a two-bedroom property in the Centre of Sutton -the SM1 post code areas – is approximately £1,450 but the Local Housing Allowance for the area is only £1,097 per month.

The Energy Price cap increased from 1 April 2022. The cap for customers on default tariffs paying by direct debit increased by £693 from £1,277 to £1,971 per year. The cap for prepayment customers increased by £708 from £1,309 to £2,017. Many commentators expect the price cap to [increase further in October to £2,980](#).

Inflation is at the highest level for 40 years. The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 7.9 % in the 12 months to May 2022, up from 6.2% in March. The effective rate of inflation for people on low incomes is higher, as people on low incomes must spend a high proportion of income on food and fuel. With UK food price rises [expected to increase by 15% this summer](#), people on low incomes will experience a higher level of price inflation than people on higher incomes.

Most benefits for people of working age were frozen between April 2015 and March 2020. In April 2021, benefits increased by 1.7%. and by 3.1% in April 2022, in line with the Consumer Prices Index (CPI) inflation rate in September 2021 - but far below the current rate of inflation.

Many Sutton residents have reasonably well-paid jobs that are based *outside* of Sutton. 20.8% of Sutton residents are in low paid jobs, almost in line with the 20.2% of people in London. Sutton is however, the sixth worst borough in London for low paid jobs. 33.5% of jobs *in* Sutton pay below, the London Living Wage.

Universal Credit can include support with Child-care costs. The amount of childcare costs that can be included in the calculation is subject to a cap – but the level of the cap has been frozen since 2005. The number of women deciding not to return to work after taking maternity leave increasing – possibly because of problems meeting the costs of childcare.

The long-term impacts of the pandemic for people on low incomes were different to the impact for people on higher incomes. People on middle or higher incomes were more likely to have worked from home on full pay and saved money or paid down debt, while people on lower incomes were [more likely to have increased debt](#).

Demand for our service

The demand for Citizens Advice Sutton services has increased since autumn 2021. The numbers of clients contacting us through our drop-in centre and our telephone contact centre provide a clear measure of demand for our service. Most of our clients contact us directly by telephone, dropping into our Sutton office or through our website. A small proportion of clients are referred to us by partner organisations, access our service at outreach locations such as the Jocentre*plus* office or directly contact our specialist debt or housing teams.

Drop in service

The number of visitors to our Sutton office is more than 100% higher than before the pandemic. We have maintained a constant level of staff and volunteers in the Drop-In Centre, and it has, except for pandemic measures, public holidays and a one-week closure at Christmas, remained open during its advertised hours. Client numbers increased in the autumn of 2021, around the time that Universal Credit payments were reduced by up to £20.00 per week. In the period 3rd May 2021 to 26th September 2021, our average weekly number of Drop-In Centre visitors was 129.7 visitors. In the period 27th September 2021 to 12th June 2022, our average weekly number of visitors was 169.5.

May 2019	May 2020	May 2021	May 2022
375	N/A C19	512	866

and volunteers in the Drop-In Centre, and it has, except for pandemic measures, public holidays and a one-week closure at Christmas, remained open during its advertised hours. Client numbers increased in the autumn of 2021, around the time that Universal Credit payments were reduced by up to £20.00 per week. In the period 3rd May 2021 to 26th September 2021, our average weekly number of Drop-In Centre visitors was 129.7 visitors.

Telephone Contact Centre

The numbers of people telephoning our Telephone Contact Centre is more than 21% higher than before the pandemic. We have maintained a constant level of staff and volunteers in the contact centre which has except for public holidays and a one-week closure at Christmas, remained

open during its advertised hours. We operated the Contact Centre during the lockdowns with staff and volunteers taking calls at home. Client numbers increased from the autumn of 2021. In the period 3rd May 2021 to 26th September 2021, our average weekly calls were 210.8. In the period 27th September 2021 to 12th June 2022, our average weekly calls were 244.2

In the week commencing 23rd May 2022, we answered 282 calls, the second highest weekly number that we have recorded. We recorded the highest number of weekly calls – 292 – in the week commencing 11th October – the approximate time that residents started to ‘prepare’ for the Universal Credit cut.

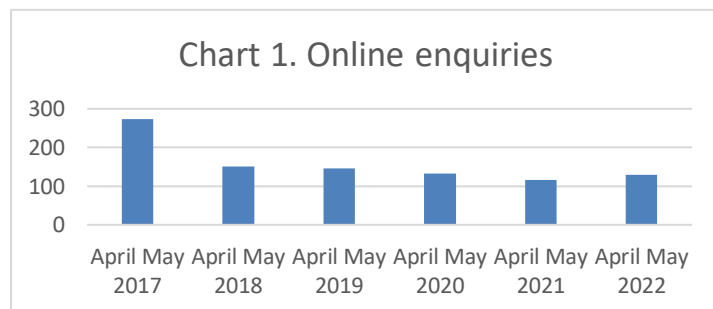
Table 4. Phone calls to Contact Centre			
May 2019	May 2020	May 2021	May 2022
934	531	806	1130

Total client contacts

We record contacts with clients who telephone our contact centre, contacts with clients who drop in, contacts from clients who directly contact an adviser about casework and contacts made by the advisers to clients to for example, update them on progress of a case. The total number of clients we communicate with in a particular period is a good indication of total activity level. The number of clients who have a contact with us each month has increased. In May 2021, we had contact with 999 individual people. In May 2022, we had contact with 1,276 individual people. We believe that the total number of residents with at least one recorded contact with us in each month, is now significantly higher than the number pre-pandemic levels but cannot provide a comparison figure because of changes in our method of recording our debt advice work.

Website contacts

Our website enquiries have generally decreased over the last six years as shown in the chart below. The decrease in website enquiries is a



long-term trend. We believe that this trend is driven by several factors. More people have become confident to access online information and the quality and quantity of online, public information websites has increased. People who are confident to access online information are more likely to find that information directly, rather than submit an enquiry to Citizens Advice Sutton, through our website. This trend has increased the proportion of complex enquiries and the proportion of clients who have vulnerabilities and /or digital exclusion.

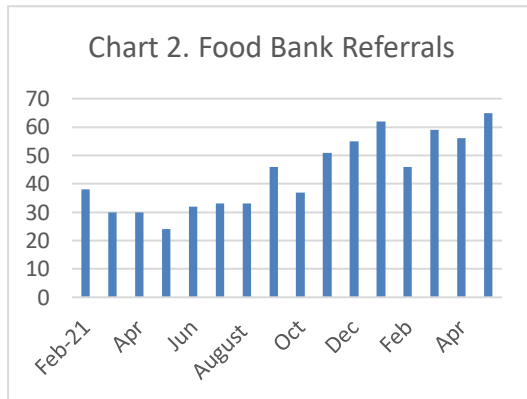
The pandemic accelerated the expectation that people [access services online](#).

However, many people, for diverse reasons cannot cope with online services. We estimate that 35% of people calling into our Sutton drop-in service need to our help because they are unable to cope with online services such as managing their Universal Credit claim. People who are digitally excluded are unlikely to contact us online while people who are digitally confident are more likely to directly find the answer to their enquiry online, rather than ask us online for assistance.

We have in recent years improved telephone and face to face access. We know that some people contact us online if they cannot quickly make telephone contact with us (our answerphone advises people of the option of contacting us online). The increase in demand on our phone service in May 2022 may explain the slight increase in website enquiries in April / May 2022 compared with the previous year. Three out of the five busiest weeks in our Contact Centre in the last year were in May 2022.

Changing client need

We have since before the pandemic, recorded a clear increase in the numbers of people contacting us in a state of crisis. This increase started before the pandemic, but the trend has accelerated since the ending of the £20.00 per week Universal Credit Covid uplift.



We have seen a sharp increase in the number of people that we need to refer to the foodbank. In October 2021, we referred 37 clients to the food bank. In November, following the cut to Universal Credit, we referred 51 clients to the foodbank and referred 55 clients in December. The situation has continued to deteriorate – in May 2022, we referred 65 clients to the foodbank.

We have a facility to issue fuel vouchers to people with pre-payment meters who cannot afford to charge it. We have, since we started offering this facility, seen a very significant increase in the number of vouchers that we issue. In February, March, April and May we have issued five, five, nine and 14 vouchers respectively.

Table 3 shows the types of enquiries that we handled in the month of May in the years 2019 to 2022. The table is based on the Advice Issues Codes that we use to record the nature of our enquiries. The total number of enquiries significantly increased from 693 in May 2019 to 1,276 in May 2022. Despite the obvious increase in the number of enquiries, the composition of the enquiries has not substantially changed. In May 2019, benefits including Universal Credit made up 28.9% of enquiries and in May 2022, made up 29.8%. The apparent fall in the number of debt enquiries is not, as we set out below, is not an indication of falling debt advice demand, but a consequence of more debt clients contacting the debt team directly. We have seen a substantial increase in housing enquiries.

Advisers report that a significant factor in the increase in the total number of enquiries is the increase in the numbers of people encountering difficulties with a wide range of public services, many of which are now digital by default. People are contacting us because of issues with a wide range of public services such as passport /visa applications and private services such as utility suppliers. In many cases, people who are unable to access the service online struggle to resolve the issues with understaffed and ineffective telephone contact centres.

We have also seen an increase in the numbers of people contacting us because they tell us that they do not trust 'official' sources of information and increased numbers of people calling us because they appear to be lonely, isolated, or anxious. We believe that as more

	May-19	% May 19	May-20	May-21	May-22	% May 2022
Benefits & tax credits	146	21.1	205	207	276	21.6
Benefits Universal Credit	54	7.8	87	78	105	8.2
Consumer goods & services	28	4.0	20	37	44	3.4
Debt	145	20.9	37	98	131	10.3
Discrimination / Hate / GVA	7	1.0	10	22	31	2.4
Education	3	0.4	2	9	18	1.4
Employment	63	9.1	83	56	59	4.6
Financial services & capability	6	0.9	3	12	10	0.8
Health & community care	32	4.6	25	30	32	2.5
Housing	66	9.5	103	156	194	15.2
Immigration & asylum	15	2.2	15	68	51	4.0
Legal	23	3.3	11	49	51	4.0
Other	52	7.5	69	92	119	9.3
Relationships & family	43	6.2	28	67	70	5.5
Tax	1	0.1	3	7	16	1.3
Travel & transport	6	0.9	10	32	25	2.0
Utilities & communications	3	0.4	17	16	44	3.4
Total	693	100	728	1036	1276	100.0

people are financially struggling, more people are contacting us about issues that in the past they would have accepted. For example, we have seen a significant increase in people contacting us about motoring penalties. Some people who in the past would have simply paid the PCN are now seeking to challenge the PCN because they cannot easily afford such unplanned expenditure.

We have seen some very substantial increases in very specific areas. In the period April /May 2019, we recorded five enquiries from women who were or recently had been experiencing domestic abuse from a male partner or ex-partner. In April/May 2022, we recorded 35 such enquiries. This increase is in part due to our improvements in the identification of domestic abuse cases, but regardless of our procedural improvements, [domestic abuse has increased](#) with reported domestic abuse cases in London in the year ending October 2021 being 9% higher than the year ending October 2020.

We have a significant increase in immigration enquiries. We are registered with the OISC to provide [level one immigration advice](#). Some of these enquiries relate to Brexit but other enquiries relate to movement to or from non-European countries.

In the period April/May 2019, we only recorded one enquiry about ‘fuel.’ In April /May 2022, we recorded 60 fuel enquiries. These fuel enquiries were in addition to fuel debt enquiries which doubled in the same period (See below). The 60 fuel enquiries that we recorded in April/May 2022 were mainly from people who were worried about paying bills or needed advice on support / reducing costs but did not necessarily have actual fuel debts.

Debt advice

The demand for our debt advice is currently so high that our Contract Centre team are booking appointments ten working days in advance – even though we have 5 FTE debt advisers providing 32 appointments a week. We estimate that approximately 70% of our debt advice clients

Table 4. Numbers of clients by type of debt.			
April May 2019		April May 2022	
Council tax arrears	20	Council tax arrears	32
Credit, store & charge card debts	14	Credit, store & charge card debts	24
Fuel debts	11	Unpaid parking penalty & congestion. Charge.	24
Unsecured personal loan debts	8	Fuel debts	22
Bank & building society overdrafts	7	Rent arrears - private landlords	11
Overpayment of Housing & Council Tax Benefits	7	Bank & building society overdrafts	9
Water supply & sewerage debts	7	Unsecured personal loan debts	8
Rent arrears - private landlords	6	Mortgage & secured loan arrears	8
Rent arrears - housing associations	5	Rent arrears - housing associations	7
Arrears of income tax, VAT or NI contributions	3	Water supply & sewerage debts	6
Magistrate fines	3	Rent arrears - LAs or ALMOs	6
Total		Total	

have ‘deficit budgets’ – that is their income is insufficient to meet basic expenditure, with no funds available for creditors. The equivalent proportion before the pandemic was approximately 60%.

The increase in the proportions of debt advice clients with deficit budgets is reflected in the numbers of clients opting for a Debt Relief Order. A DRO is a low-cost insolvency measure. People can only obtain a DRO by working with an ‘approved intermediary’ such as a member of the Citizens Advice Sutton debt advice team. Our debt team is currently providing an average of 12 DROs a month compared with an average of seven DROs before the pandemic.

Table 4 shows the numbers of clients with the most common debts. Nearly all clients have more than one debt. In both April /May 20219 and April May 2022, the two most common debts were Council Tax arrears and credit/ store cards. In 2019, we recorded very small numbers of clients with motoring penalty notices, but in 2022, these debts were the fourth biggest debt. This may be reflective of people’s limited disposable incomes. We suggest that in 2019, public authorities were issuing few motoring related penalties and many people who did receive

such penalties would have simply paid them. By 2022, public and private bodies were issuing more penalties relating to parking and motoring and a higher number of people struggled to find the money to pay. Rent arrears to private landlords also became a more common debt as rent increases. Rent in London increased by [14% in the year to April 2022](#). However, despite this high demand for rented accommodation, Universal Credit can only cover rents that are in the bottom 30% of rents in an area.

Housing advice

Our number of housing enquiries in April /May 2002 was considerably higher than the number in the equivalent months of 2019 – 152 compared with 107 respectively. Table 5 below provides a breakdown of the enquiries. The breakdown of housing enquiries has not

April / May 2019		April /May 2022	
Private sector rented property	18	Private sector rented property	84
Actual homelessness	10	Threatened homelessness	58
Environmental & neighbour issues	9	Housing assoc. property	44
Threatened homelessness	9	Environmental & neighbour issues	42
Local Authority housing	7	Other housing issues	34
Other housing issues	5	Local Authority housing	33
Housing assoc. property	3	Access to & provision of accommodation	27
Owner occupier property	3	Owner occupier property	21
Access to / provision of accommodation	2	Actual homelessness	13

substantially changed, although the numbers of enquires has increased in every category.

We have seen a very substantial increase in the numbers of people contacting us about private rented accommodation repairs and maintenance. In April /May 2019, we only recorded one such enquiry, but in April May 2022, we recorded 22 such enquiries.

Welfare benefits advice

The number of welfare benefit enquiries has increased. Table (6) below, shows the numbers of clients with the most common benefit issues in April /May 2019 compared with April /May 2022. The ranking of enquiries is quite consistent although the numbers have significantly increased.

In April/May 2022, the second largest type of enquiry was other benefit issues. These enquiries were mainly people asking about possible benefit entitlements – which reflects the increased numbers of people struggling to make ends meet. The *proportion* of welfare benefit clients

with a Housing Benefit enquiry decreased as the numbers of people of working age accessing Universal Credit (rather than Housing Benefit) for help with rent, increased.

The limited capability for work element is an increase in Universal Credit for people with long term physical or mental health problems which impacts on their ability to work. A successful claim for the limited capability for work element can increase Universal Credit by £354.28 per week – which nearly doubles the amount of Universal Credit payable to a person only in receipt of the standard allowance of £334.91 per month.

Table 6. Numbers of client by types of welfare benefit enquiry			
April / May 2019	No	April / May 22	No
Personal independence payment	48	Personal independence payment	144
Initial claim (for Universal Credit)	26	Other Benefit Issues	132
Other Benefit Issues	25	Initial claim (for Universal Credit)	77
Council tax reduction	16	Limited capability for work elements	41
Limited capability for work elements	13	Employment and support allowance	33
Employment and support allowance	11	Council tax reduction	30
Housing Benefit	11	Carers Allowance	23
Carers Allowance	8	Housing element	23
Attendance Allowance	6	Pension Credit	21
Disability Living Allowance	6	Housing Benefit	17
Child Benefit	5	Attendance Allowance	15
Pension Credit	5	Deductions	15
Housing element	5	Child Benefit	14
Total		Total	

Personal Independence Payment is a non-means tested benefit for working age adults, who have long -term physical or mental health difficulties that give rise to problems with daily living and /or 'getting around.'

A PIP award is worth at least £24.45 per week (for the standard rate of the mobility component). An award of both the daily living component and mobility component at the enhanced rate is worth £156.90 per week. The bulk of our work on Personal Independence Payment was / is supporting clients with challenges to unfavourable decisions from the DWP on entitlement.

Profile of our clients

Sex/ gender

The proportion of men and women accessing our service appears to have changed. Women have always made a higher proportion of clients than men, but that imbalance has increased. We have not significantly changed our service delivery model or established new services targeted at women, there appears to be an increase in demand from women, which in turn may result from the cost-of-living crisis. See for example, government statistics showing that the proportion [of Universal Credit claims by women has increased](#) and this report from the Living Wage Foundation, confirming that the cost of living crisis has [disproportionately impacted on women](#)

Table 6. Sex of clients	May 2019	May 2022
Female	61.8%	64.1%
Male	38.2%	35.0%

Age

We have some evidence that the cost-of-living crisis has increased demand from people with young families. In May 2019, 39.1% of our clients were aged between 16 and 44. In May 2022 this groups of clients made up 43.1% of clients. This is consistent with the report from [Nuffield Foundation](#) that found that ‘pressures on many parents of young children have been increasing over the last 20 years and have intensified during the pandemic. Some of these pressures are financial and will be increased further by the cost-of-living crisis, putting young children’s well-being and development at risk’.

Ethnicity

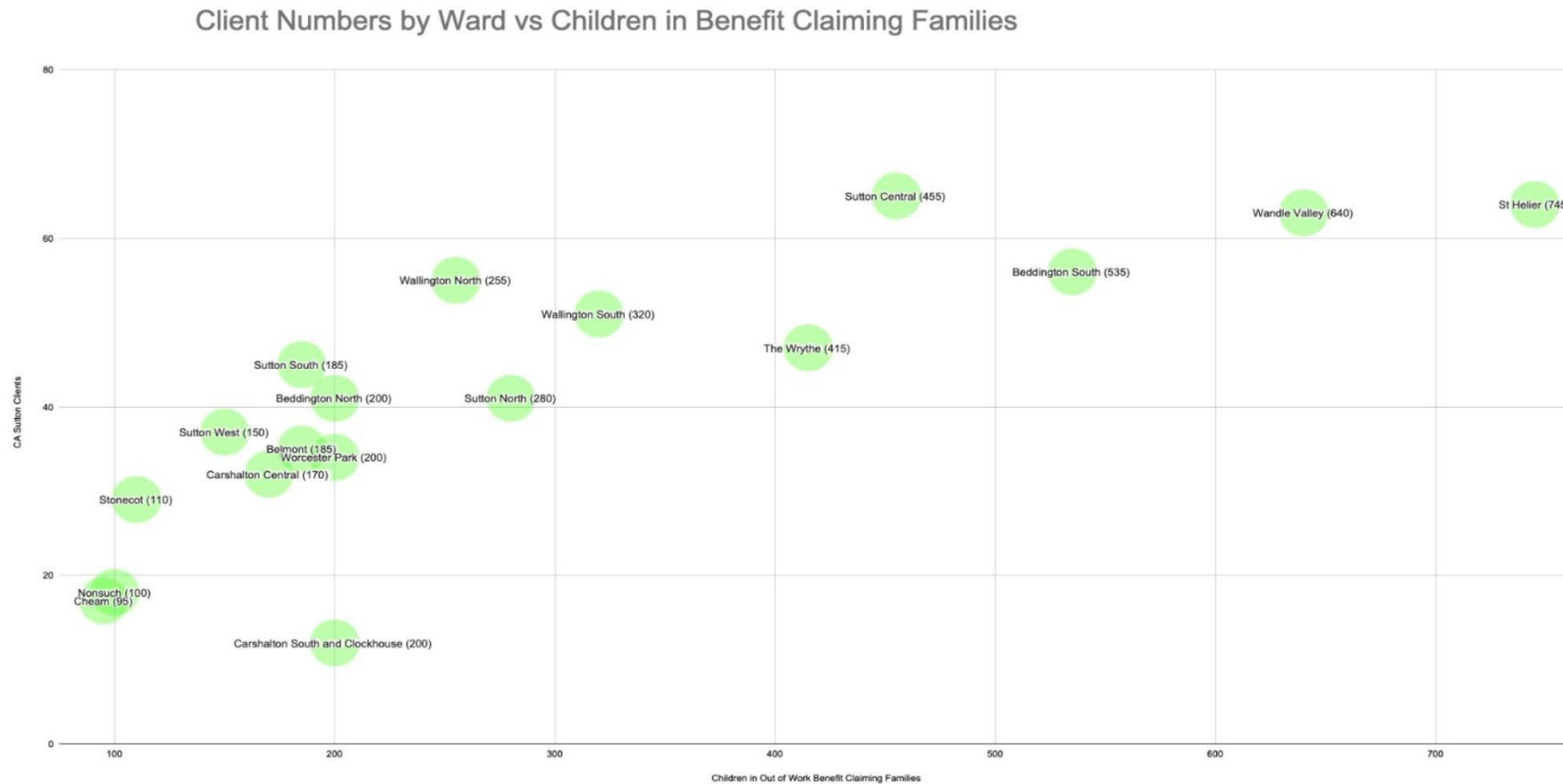
We have compared the ethnicity of our clients in the period 1st April 2019 to 13th June 2019 to the ethnicity of our clients in the period 1st April 2022 to 13th June 2022. We did not find evidence of significant change.

Table 7. Ethnicity of clients		
	2019	2022
Asian	13.3%	13.9%
Black	14.5%	12.5%
Mixed	2.8%	3.2%
Other	1.5%	3.8%
White British	56.1%	56.3%
White Other	11.7%	10.4%
Total		

The changes in gender and age seem to be more significant than changes in ethnicity and those changes that are observable may be related to factors other than the cost of living. For example, the decrease in clients who identify as white other may be a consequence of Brexit. The application deadline for the EU Settlement scheme was 30th June 2021.

Clients across the borough

People resident in the low-income wards of the borough are more likely to access our service. Chart 3 shows the numbers of clients from each Sutton ward in April/May 2022. The numbers next to each dot show the number of children in families claiming out of work benefits in that ward. The vertical axis shows the number of clients from that ward in May 2022.



The horizontal axis shows the number of children in that ward living in a family in [receipt of out of work benefits](#).

We believe people who live in private rented accommodation are more likely to access our service, with 65 residents of Sutton Central accessing our service. Sutton Central has both high numbers of children in families claiming out of work benefits and high numbers of people living in Private Rented Accommodation. Table seven presents this in a tabular format

Table 7. Clients from each ward 2021/2022			
Ward	Children in out of work benefit claiming families	No. of clients May 2022	0.2
Cheam	95	17	2.3
Nonsuch	100	18	2.4
Stonecot	110	29	3.9
Sutton West	150	37	5.0
Carshalton Central	170	32	4.3
Belmont	185	35	4.7
Sutton South	185	45	6.1
Beddington North	200	41	5.5
Carshalton South and Clockhouse	200	12	1.6
Worcester Park	200	34	4.6
Wallington North	255	55	7.4
Sutton North	280	41	5.5
Wallington South	320	51	6.9
The Wrythe	415	47	6.3
Sutton Central	455	65	8.8
Beddington South	535	56	7.5
Wandle Valley	640	63	8.5
St Helier	745	64	8.6
Total	5240	742	100.0

We have some evidence that the proportions of clients from the historically low-income wards is decreasing and the proportions of clients from the middle-income wards is increasing.

In May 2019, 45% of our clients lived in the five wards of St Helier, Sutton Central, Wallington North, Wallington South, and Wandle Valley. These five wards are in the worst eight wards of the borough in terms of the numbers of children living in families claiming out of work benefits

In May 2022, the proportion of clients resident in these wards was only 40%. While the proportion of clients resident in these wards had fallen in three years, the proportion of clients resident in the wards of Belmont, Sutton South, Beddington North, Worcester Park, The Wrythe and Beddington South increased from 29% to 35%.

New and repeat clients

The proportion of *new* clients (as opposed to previous clients returning) has decreased. In the period 1st April 2022 to 13th June 2022, 51.2% of residents who contacted us had not previously contacted us (or at least not contacted us in the last six years). In the same period of 2019, 58.3% of residents who contacted us had not previously contacted us. Many people who contacted us in 2019 are still needing to contact us but new people are now contacting us too.

There are some variations between wards which suggest that the cost-of-living crisis is creating new demand from residents of middle-income wards. In the period April/May 2019, 9.6% of people contacting Citizens Advice Sutton *for the first time* were resident in St Helier. In the same period of 2022, only 5.5% of people contacting us for the first time were resident in St Helier.

In April/May 2019, only 5.6% of people contacting us for the first time were Sutton South residents. In April /May 2022, this had increased to 10.1%.

In April /May 2019, 44% of clients from St Helier were contacting us for the first time. In April/May 2022, only 20% of clients from St Helier were new clients. In April/May 2019, 25% of clients from Beddington North were 'new clients.' In April /May 2022, 34% of clients from Beddington North were new clients.

It therefore seems that people from low-income wards who were accessing our service in 2019, are continuing to access our service with relatively small numbers of people from these wards being new to our service. People from higher income wards were less likely to access our service in 2019 but are now more likely to contact us as the cost-of-living crisis impacts on people who were not previously struggling.