



**Fairness & Wellbeing
Commission**

James Wood

Chief Executive
Citizens Advice Doncaster

**citizens
advice**

**Doncaster
Borough**

Doncaster Fairness
and wellbeing
commission;
session 4

May 2023

Welcome



Issues facing working people

The data I am going to discuss outlines distressing levels of debt, arrears, and hardship across Doncaster.

Many people hardest hit are in work, or living in working households.

In-work poverty is on the rise

What is in-work poverty? 'In-work poverty' looks at people who are in work, but are still falling below this relative poverty line of 60% of median income after housing costs. But what really matters about in-work poverty, beyond this technical measure, is that so many people are working but are still struggling to make ends meet and feel secure.

While being in work does reduce people's chance of being in poverty,
too many workers are still struggling to get by.

What are we seeing at in Doncaster



12,467

Client contacts in 2022/23

Increase of
30%
on 21/22



37,784

Separate issues dealt with in

22/23

Increase of
48%
on 21/22



£10.7 MILLION

In debt handled in 2022/23

Up from £5.1 Million in 21/22

Welfare rights Advice including
Universal Credit

67%

Increase in clients contacting us for
Energy and Utility related problems

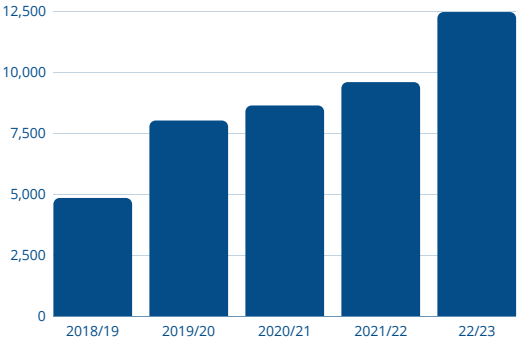
136%

Number of clients contacting us for
debt advice

45%

YEAR ON YEAR INCREASES IN DEMAND

Bar chart outlining the yearly increases in demand for our services.



1,441 in work clients - up 53%

1,961 Clients disabled or with LTH - up 53%

1,008 Clients with a mortgage or homeowners - up 63%

191

**DEBT
RELIEF
ORDERS**

both higher than the National Average

428

**BREATHING
SPACE
APPLICATIONS**

643

FUEL VOUCHERS ISSUED

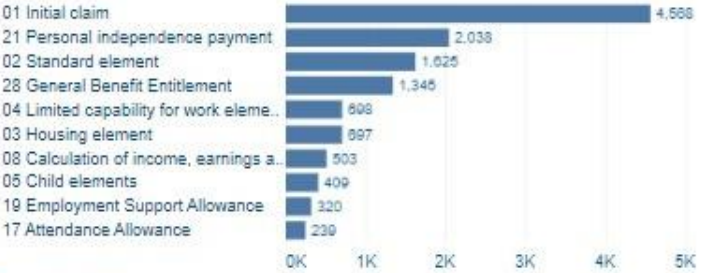
since setting this up in April 2022. We are currently issuing on average 76 vouchers a month.

Debt Written off
£2.5 million

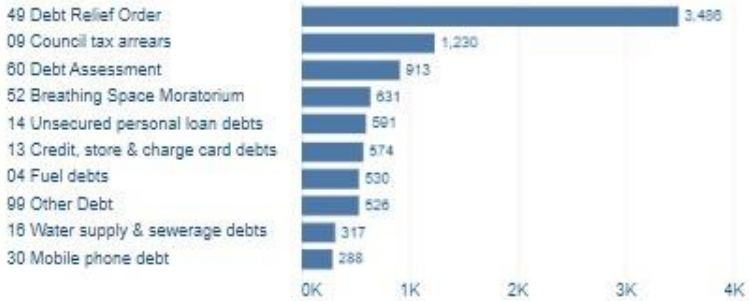
Issues

Issues	Clients
Benefits & tax credits	2,247
Benefits Universal Credit	2,351
Charitable Support & Food Ban..	528
Consumer goods & services	317
Debt	2,015
Education	37
Employment	373
Financial services & capability	248
GVA & Hate Crime	36
Health & community care	109
Housing	593
Immigration & asylum	137
Legal	234
Other	242
Relationships & family	265
Tax	67
Travel & transport	105
Utilities & communications	953
Grand Total	37,784

Top benefit issues



Top debt issues

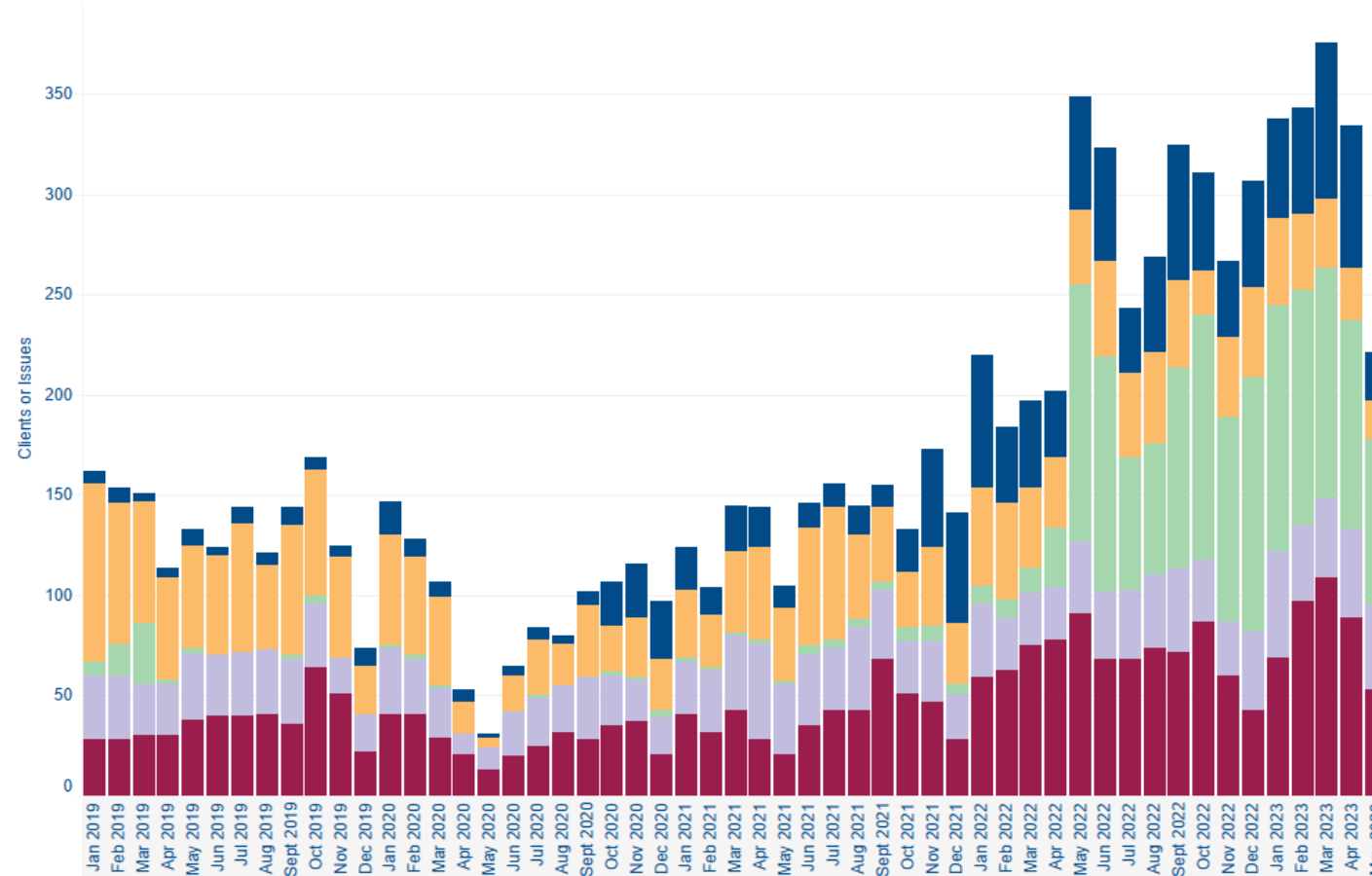


1) Five key cost of living Issues

citizens
advice

Charitable support & Food Banks Energy Personal independence payment
Council tax arrears Energy debts

Five Key cost of living issues



This report is to show the number of clients per month with the selected issue/s

Filters

Date
01/01/2019 00:00:00 to 22/0..

Government Region
All

Member
Citizens Advice Doncaster ..

Funder
All

Local Authority
All

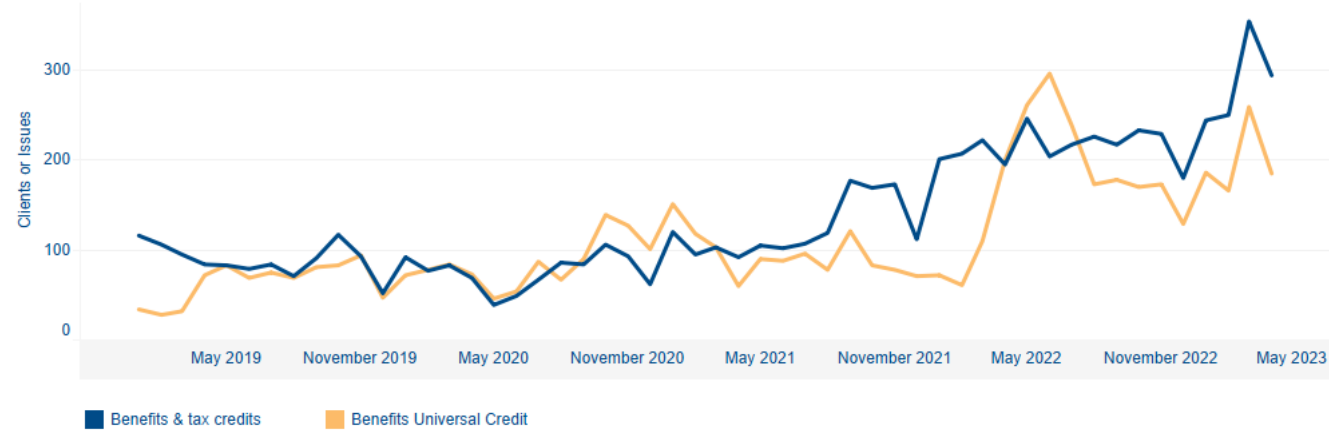
Select Issue

- ☒ Charitable support & Food ..
- ☒ Council tax arrears
- ☒ Energy
- ☒ Energy debts
- ☒ Personal independence pay..

Select an issue above, if all issues is selected the graph will be stacked and the same client may be counted in more than one issue

2) Benefits

Benefits & UC



Filters

Date
01/01/2019 00:00:00 to 30/0...

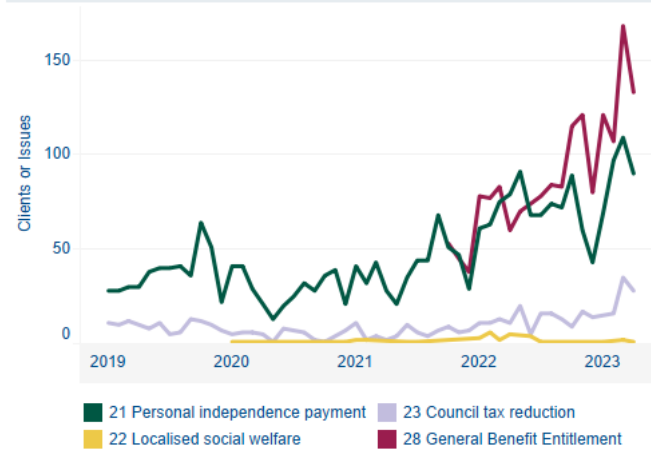
Government Region
All

Member
Citizens Advice Doncaster ...

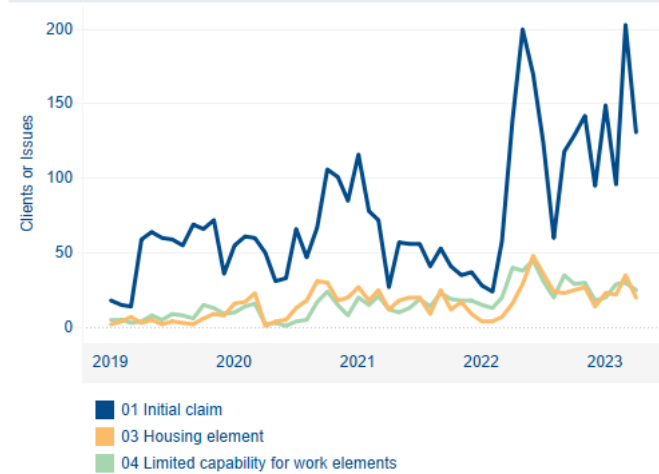
Local Authority
All

Funder
All

Benefits & Selected Tax Credits

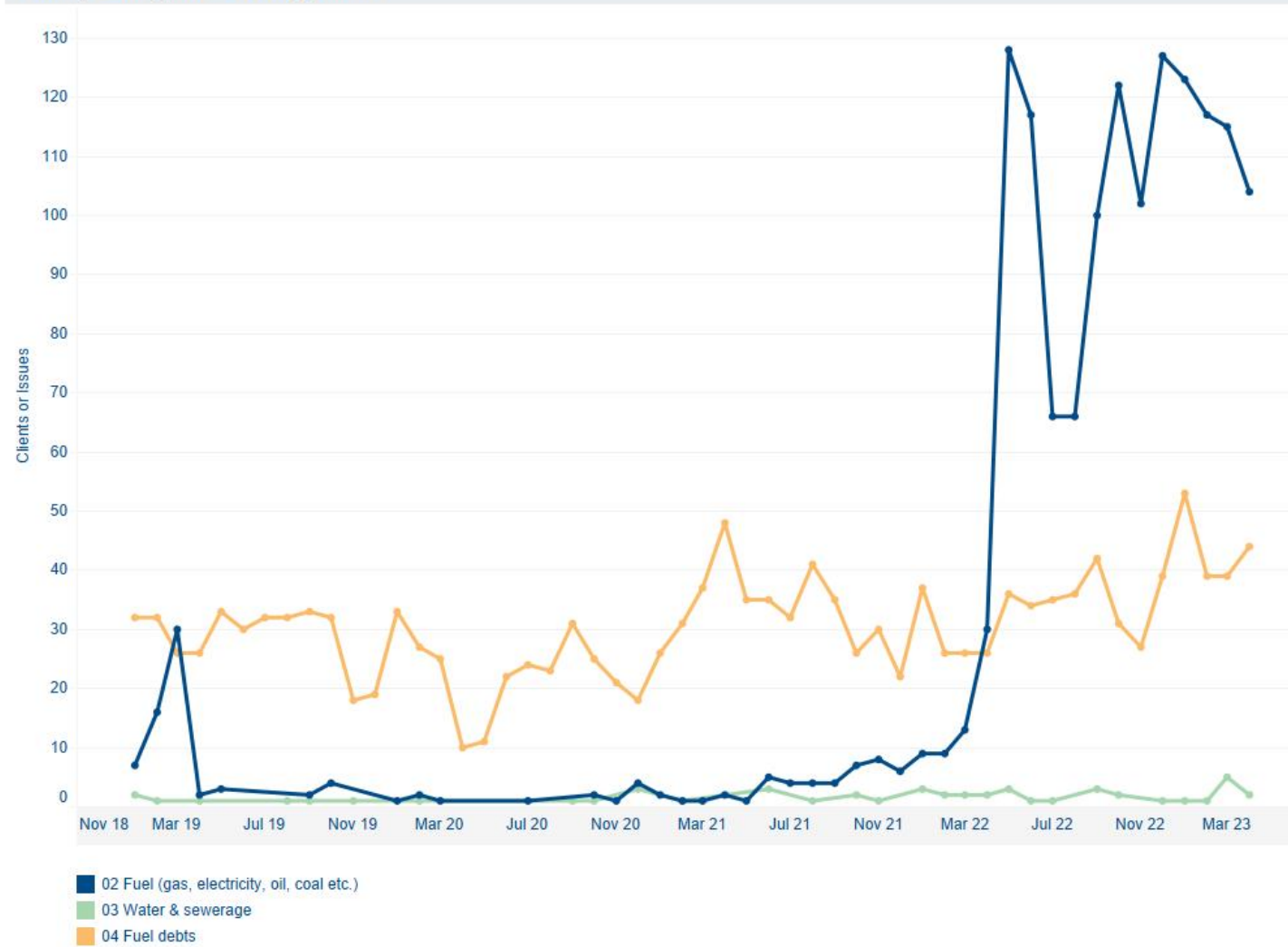


UC Selected Issues



3c) Utilities & Debt

Water, Energy and Energy debts



Filters

Date
01/01/2019 00:00:00 to 30/0...

Government Region
All

Member
Citizens Advice Doncaster ..

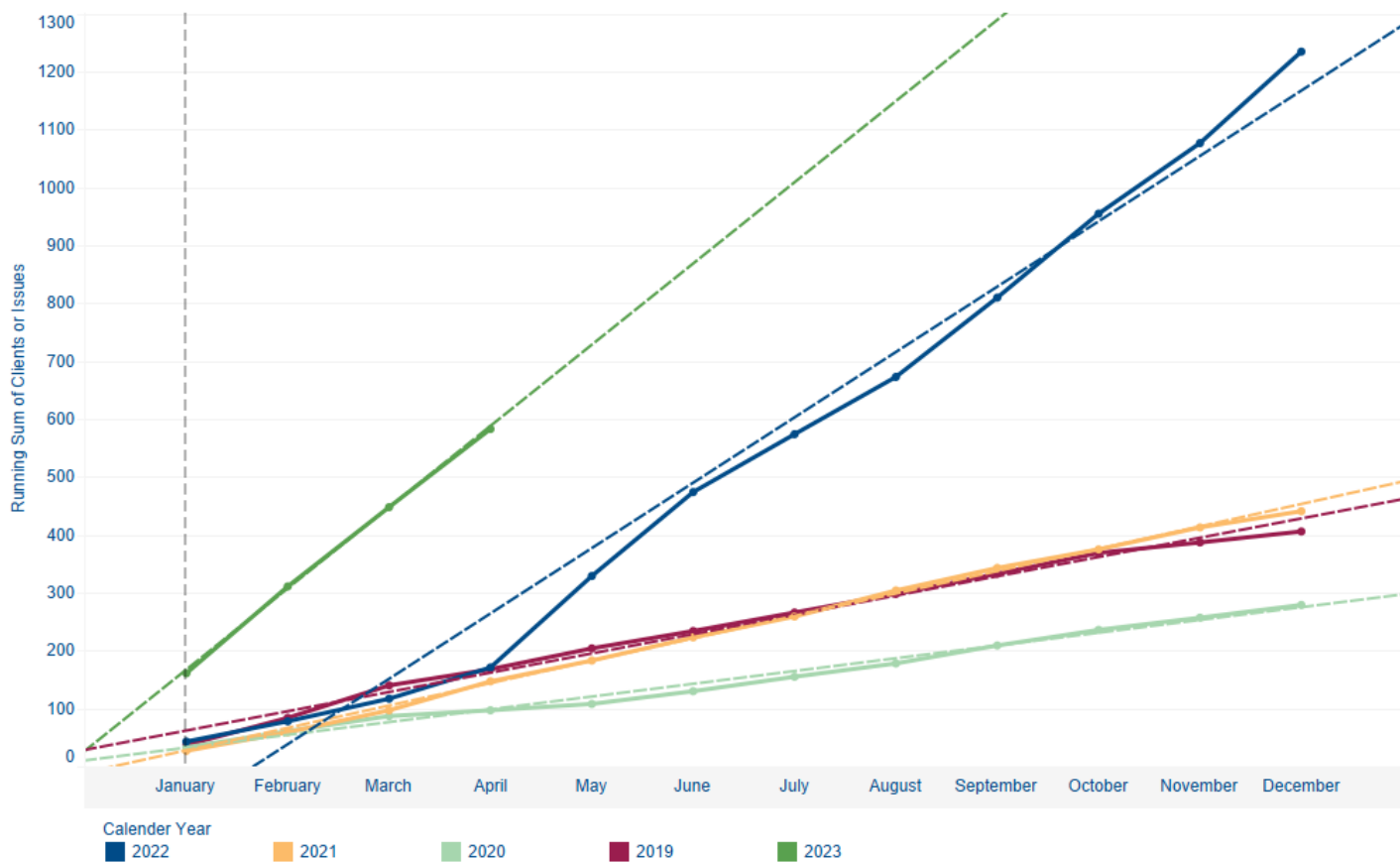
Local Authority
All

Funder
All

3d) Energy year on year

This shows cumulative energy clients by year with trend lines. The trend line for the current year indicates how many clients we might see later in the year based on historic data.

Cumulative number of people who we've helped with energy issues each year



This includes a range of issues, including energy bill affordability, debt recovery action, issues with billing and customer service

Filters

Date
01/01/2019 00:00:00 to 30/0...

Government Region
All

Member
Citizens Advice Doncaster ..

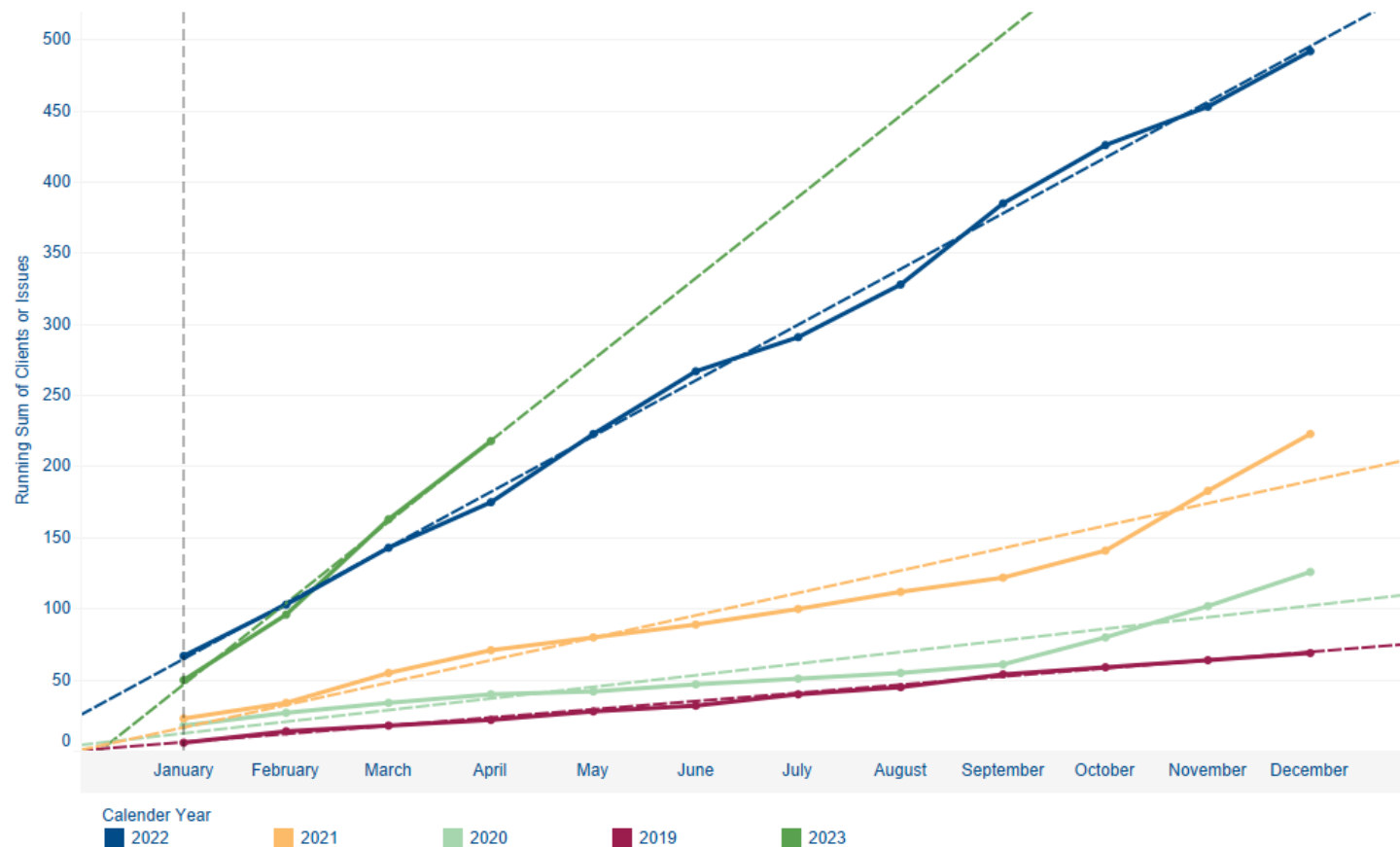
Select month for
dotted reference line

- Month
- ☒ Jan
 - ☐ Feb
 - ☐ Mar
 - ☐ Apr
 - ☐ May
 - ☐ Jun
 - ☐ Jul
 - ☐ Aug
 - ☐ Sep
 - ☐ Oct
 - ☐ Nov
 - ☐ Dec

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.

Crisis | Charitable support & foodbanks & Localised social welfare



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

Filters

Date
01/01/2019 00:00:00 to 30/0..

Government Region
All

Member
Citizens Advice Doncaster ..

Select month for
dotted reference line

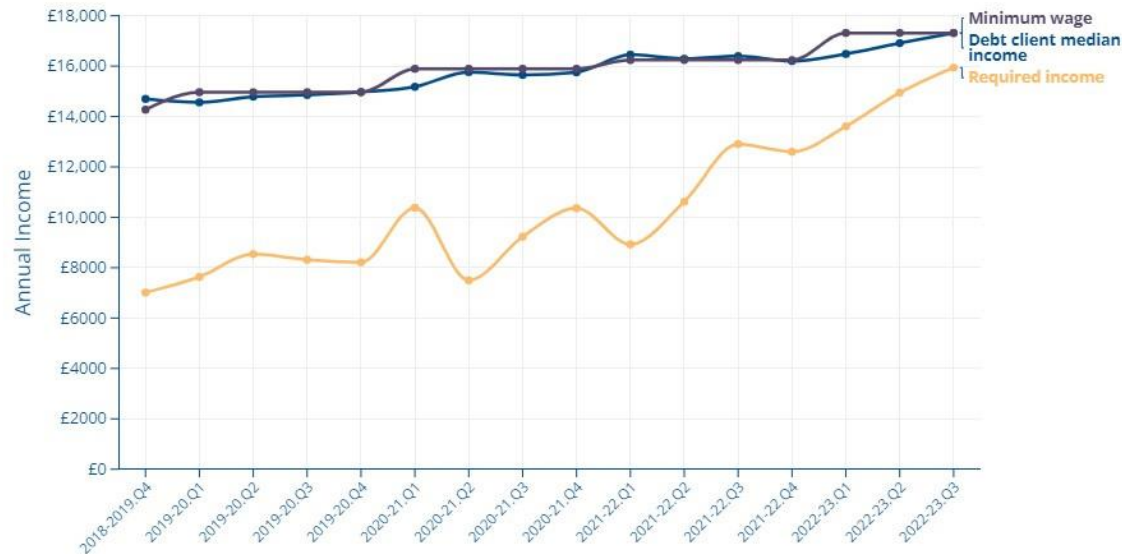
- Month
- ☒ Jan
 - ☐ Feb
 - ☐ Mar
 - ☐ Apr
 - ☐ May
 - ☐ Jun
 - ☐ Jul
 - ☐ Aug
 - ☐ Sep
 - ☐ Oct
 - ☐ Nov
 - ☐ Dec

In this graph we explore the average income our debt clients need to avoid falling into a negative budget, over time.

Over the last 4 years, the average annual income needed to avoid a negative budget has more than doubled. At the same time, the minimum wage and the average incomes of our debt clients have only increased modestly.

Income needed to have a higher chance of avoiding a negative budget

Relative to median quarterly income of debt clients and national minimum wage since 2019.

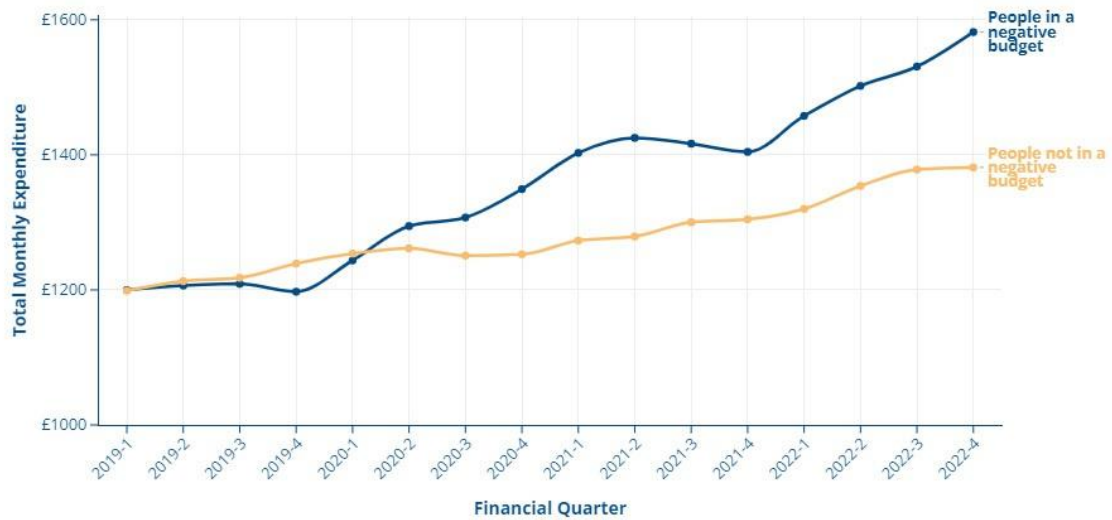


In this chart we look at the median essential spending for the people we help with debt advice.

You can see that there is a particularly steep rise in essential spending for people in a negative budget (i.e. their income doesn't cover their essential costs).

The rising cost of essential spending is driving the rise in negative budgets among the people we help with debt advice

Median total monthly expenditure (£) by budget status (Positive/Negative) since 2019.



74.6%

have needed to cut back on spending due to the rising cost of living



92%

Are worried about the cost of living and energy crisis



87%

Are cutting back on heating usage



75%

are skipping meals or cutting back or eating less



45%

are regularly borrowing to cover essential costs



46%

Are showering or bathing less to save money



62%

have said the cost of living & energy crisis has negatively impacted mental health

The National picture

Work does not guarantee a route out of financial strife: among low-income working-age households, the same proportion are in arrears (half) and going without essentials (seven in ten) whether or not anyone in the household works.

Not meeting the bills: 4.6 million low-income households are in arrears on at least one kind of bill such as rent, council tax or utilities, or they're behind on borrowing repayments. This is up a fifth since October 2021.

Neither heating nor eating: 5.2 million low-income households (45%) have either cut down on or skipped meals, or gone hungry because there was not enough money for food in the previous 30 days. Some 3.2 million (27%) have been unable to adequately heat their home since the start of 2022. Rather than having to choose between heating or eating, 2.3 million households (21%) have gone without both.

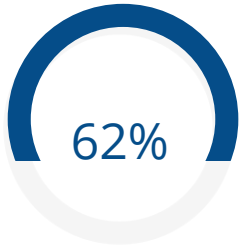
Taking on high cost debt: low-income households report owing around £22 billion in debt, with £12.5 billion of new debt being taken on this year. Of that £22 billion, £3.5 billion of it is owed to high-cost credit providers such as doorstep loans (£900 million), pawn brokers (£790 million), and loan sharks (£870 million). A further £2.3 billion is with buy now, pay later providers.

Caught in cross-currents of hardship: almost nine in ten (88%) low-income households in arrears are also going without at least one essential. Around three quarters of households in arrears have taken on new or increased borrowing in 2022.

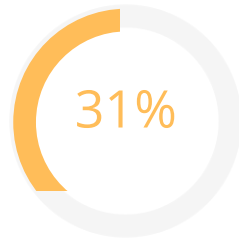
Going without essentials: 7 million low-income households, the equivalent of twice the number of households in greater London, or the whole of the North of England (North East, North West and Yorkshire and the Humber) have either gone without enough food in the previous 30 days, or gone without at least one essential such as a warm enough home or basic toiletries because they can't afford it, since the start of 2022. Three quarters of these families have gone without more than one of the essentials we asked about, a third have gone without four or more.

Impacts on health

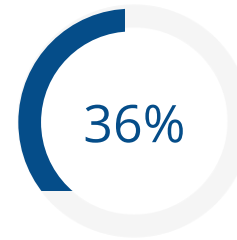
Health is one of those areas. The issues that we advise people on - debt and welfare, housing and discrimination - are widely recognised as the determinants of health. By acting early and helping people to find their way forward, we not only improve health outcomes but also ease the burden on health services; enhancing the quality of life and saving public money.



They struggled to get on with day to day life



of our clients had problems with Benefits or Universal Credit.



Their problems caused an unstable housing situation

Our clients are disproportionately affected by disability and health inequality; low income and poor living conditions affecting their health and wellbeing.

- 8 in 10 clients do not meet the minimum income standard (MIS)
- Over a third are disabled or have a long term health condition
- Mental health is the number 1 health issue for our clients

MIS represents a budget standard in its specification of the level of disposable income households need in order to achieve an adequate standard of living.

Challenges on the horizon



The impact Managed migration would have on the city and claimants dealing with cost of living issues. 11,760 claimants due to be migrated by 2025 in Doncaster constituencies. recent trials of the roll out have shown 12% missed the claimant deadline.



A future Debt Crisis - This is happening because wages and benefits are not keeping up with costs of essentials, pushing more and more households under - into a 'negative budget', including working households. The number of people in a negative budget is growing, as is the number of people who are on the edge - with less than £50 per week after spending on their essentials. with growing numbers of households are likely turning to credit cards, loans and Illegal lending "to plug the gap between their income and outgoings" we worry more households could become trapped in a cycle of debt.



The removal of the Work Capability Element may lead to more clients with disabilities or long term health conditions failing to meet the criteria for PIP because WCA will be linked to PIP so the claiming processes may be more complex, more clients will be turned down and this will lead to increased demand for assistance with mandatory reconsideration's and appeals in a climate where demand for welfare rights advice exceeds supply.



Housing costs - Local Housing Allowance (LHA) increasingly becoming less effective as the level of support is out of sync with the housing market. LHA will continue to contributing to the wider cost-of-living pressures people are currently facing. As more of those who've fallen behind on their rent don't have the money to pay down their arrears, or are being forced to make alarming decisions about how they spend the income they have, some not eating or heating their home other resorting to illegal money lenders to bridge the gap in personal finances, this issues also leads to increases in evictions, and pressure on local housing providers