

Cost of Living Crisis

Impact Assessment

November 2022

Version history

Version name	Date	Main changes
v1.0	06.05.22	
v2.0	15.06.22	<ul style="list-style-type: none"> - Updates after the Chancellor's additional cost of living support measures announced 26.05.22 - Changes to wording from feedback from cost of living co-ordination oversight group. - Data added on free school meals, pre-payment meters, food bank use, homelessness referrals
v3.0	30.11.22	-Re-structured, inclusion of new data sources and information, updated risk index, updated at risk groups, added summary of Government response

Authors:

Adele Mildon, Senior Public Health Specialist

Alasdair Wood, Public Health Registrar

Chris Duncan, Policy and Public Affairs Officer

Mark Allen, Senior Public Health Specialist

Penny Germon, Head of Service Neighbourhoods and Communities Service

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Executive summary

Since late 2021, the UK has been experiencing a rapidly intensifying cost of living crisis. While the rising cost of living will impact most households, the impact will be greatest on those already living below the poverty line, and those on low incomes. Even with the Government's intervention offering household support and an Energy Price Guarantee, this coming winter will be challenging for many people, businesses and organisations.

Local Impact

The cost of living crisis is expected to drive some households further into poverty and is already resulting in households spending less money¹ on food and using less gas to save money². This is predicted to directly impact citizens and communities through:

- Increased child poverty, fuel poverty and food insecurity
- Poorer mental health and emotional wellbeing - including stress, anxiety and mental health problems
- Wider social impacts on communities – including reduced social cohesion, increased crime, hate-crime, domestic violence, substance misuse, homelessness and negative impacts on children's education learning and development.

The rising cost of living is not impacting on everyone equally. People who are already experiencing inequity and poverty will be disproportionately impacted. The following groups have been identified as being disproportionately impacted by the cost of living crisis:

- People on the lowest incomes
- Parents and young families
- Disabled people
- Black, Asian and Minoritised Ethnic groups
- Social and private renters
- Households with pre-payment energy meters
- Women
- Neighbourhoods

¹Office of National Statistics (2022), [Personal and household finances](#)

²Quaker Social Action (2022), [Poverty in the UK | quakersocialaction.org.uk](https://quakersocialaction.org.uk)

The October 2022 risk index identified the following neighbourhoods as more at risk of the impact of the cost of living crisis: Lawrence Hill, Hartcliffe & Withywood, Filwood, Lockleaze, Ashley, Southmead*, Easton, Avonmouth & Lawrence Weston, Hillfields and Eastville.

These experiences are likely to intersect. People's multiple and overlapping identities and circumstances might come together to contribute to an overall (and compounded) experience of poverty and disadvantage.

Government response

Central government have responded to the cost of living crisis with a series of policy interventions, which have included almost universal measures such as a £150 council tax rebate and the introduction of the Energy Price Guarantee. Households most at risk of the rising cost of living have been supported by the introduction of a Household Support Fund (administered by each local authority) and means tested direct payments.

While these direct interventions have been welcomed, it is debatable whether the support is comprehensive enough to protect households from the impacts of rising costs. Additionally, changes to taxation – such as the prolonged freeze to the basic income tax threshold – will contribute to lower real terms incomes for most households.

Principles of the impact assessment

This document aims to estimate the impact of the cost of living crisis on Bristol by collating available data, research, articles, and predictions to try to understand:

- The impact on Bristol residents
- How the crisis will unequally impact different communities and identify those who will be most impacted by geography and demographic group
- The health impacts of poverty and the cost of living crisis
- How the latest government announcements will support communities

It is a changing situation with government announcements, modelling and new research emerging regularly, therefore this assessment is intended to be a 'live' document and will be updated on a regular basis.

The main text of this report will summarise the estimated impact and draw conclusions from the available evidence base.

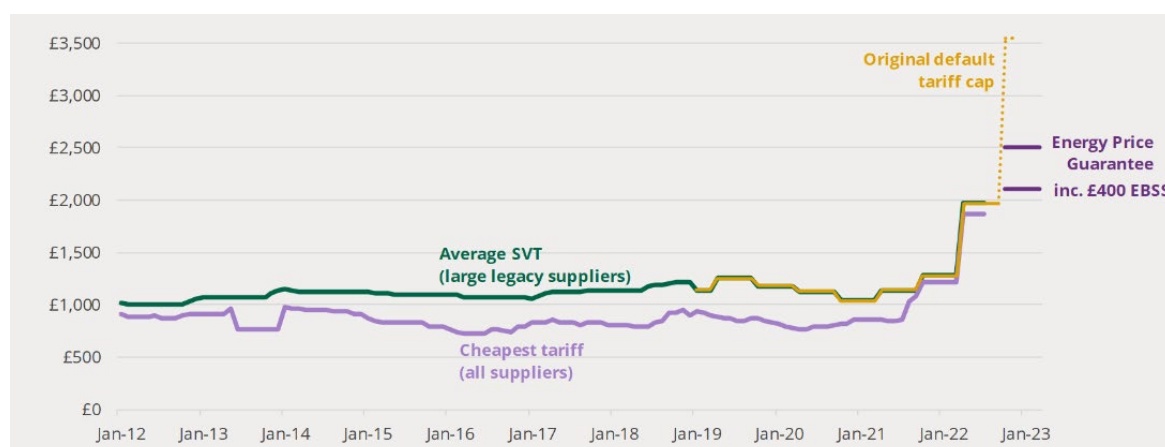
National summary

Since late 2021, the UK has been experiencing a rapidly intensifying cost of living crisis. Slow growth in wages and benefits have been increasingly outstripped by rapid inflation and compounded by rising interest rates and wider economic uncertainty. The impact of the COVID 19 pandemic on global supply chains, and the depletion of gas supplies as a result of Russia's invasion of Ukraine, have significantly contributed to increasing energy prices³.

Energy prices have **increased** by approximately over £1,000 for a typical household when compared to prices in September 2021 when the average energy bill was £1,472⁴. The new Energy Price Guarantee will mean that prices people pay for gas and electricity from 1 October 2022 will be less than original forecasts, however households will still see a big increase in their bills as shown in Figure 1.

While the rising cost of living will impact most households, the impact will be greatest on those already living below the poverty line, and those on low incomes. Even with the Government's intervention this coming winter will be challenging for many people, businesses and organisations.

Figure 1: Average annual direct debit dual fuel bill for typical levels of consumption, cash prices, Great Britain⁵



For an overview of rising prices, particularly food, energy and fuel prices, including the effect of the conflict in Ukraine, visit the latest [House of Commons research briefing \(September 2022\)](#).

³ [Cost of living crisis | The Institute for Government](#)

⁴ Resolution Foundation, A chilling crisis: [A-chilling-crisis.pdf \(resolutionfoundation.org\)](#)

⁵ House of Commons (2022), [Domestic energy prices - House of Commons Library \(parliament.uk\)](#)

Local context

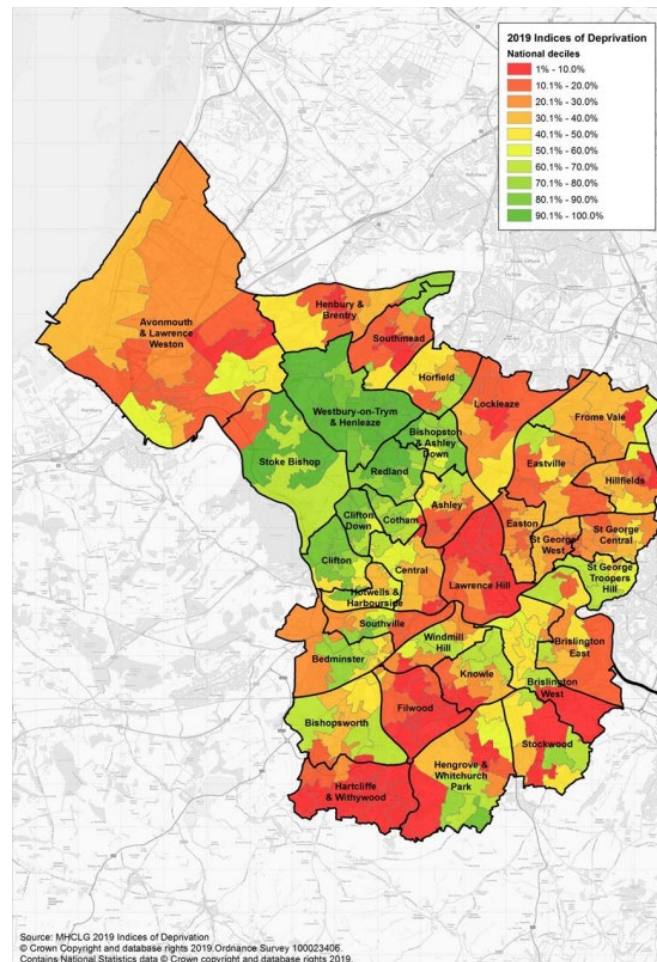
Bristol is a city of contrasts, where some of the most deprived areas border the most affluent, the city continues to wrestle with challenges such as climate and ecological emergencies and an ongoing housing crisis. Key facts about Bristol are available [here](#).

In 2019, 15% of Bristol's population lived in the most deprived 10% of areas in England⁶ and Bristol continued to have deprivation 'hot spots' that were amongst some of the most deprived areas in the country, yet were adjacent to some of the least deprived areas in the country,⁷ as seen in Figure 2. This data is based on the Indices of Multiple Deprivation (IMD) which is a combined measure of deprivation based on a total of 37 separate indicators relating to deprivation experienced by individuals living in an area.

⁶ Bristol City Council. JSNA Health and Wellbeing Profile 2021/22 – 2020/21

⁷ Bristol City Council. JSNA Health and Wellbeing Profile 2020/21 – Deprivation

Figure 2: 2019 National Deprivation Deciles in Bristol by Lower Layer Super Output Area (LSOA) (Source: Strategic Intelligence and Performance using MHCLG 2019 Indices of Deprivation)



Poverty is a key determinant of poor health. The Health Foundation⁸ describes how an inadequate income can cause poor health due to the difficulty to:

- avoid stress and feel in control
- access experiences and material resources
- adopt and maintain healthy behaviours
- feel supported by a financial safety net

Inequality between the most and least deprived groups in Bristol is seen across a range of mental and physical health behaviours and outcomes⁹. These include life expectancy, low life-satisfaction score, emergency hospital admissions for self-harm, excess weight, alcohol-related hospital admissions, incidence and mortality rates of cancer, cardiovascular disease, domestic abuse, and suicide deaths.

⁸ The Health Foundation (2018), [Poverty and Health](#)

⁹ Bristol City Council. JSNA Data Profiles. Bristol City Council

Black, Asian and Minoritised ethnic groups are disproportionately affected by socio-economic deprivation, a key determinant of health status in all communities. There is limited local data availability to understand if the relationship applies equally across all ethnic groups.

For more information visit the [Joint Strategic Needs Assessment](#) data profiles.

Local impact

The think tank Centre for Progressive Policy produced a new vulnerability index in April to measure which areas of England are most at risk to the impacts of the cost of living crisis. This is based on two main drivers of risk¹⁰:

- people on low incomes that will be proportionally more affected
- evidence of pre-existing impacts of poverty and other forms of systemic inequity that will be made worse by this crisis

Their index is comprised of six indicators: fuel poverty, food insecurity, child poverty, claimant count, economic inactivity and low pay.

The index was updated in September to reflect changing risk. In the September index, Bristol ranked in the top 45 per cent of areas at greatest risk of the impacts of the cost of living crisis (ranked 132 of 307). When compared to the 8 other Core Cities included in the dataset* (shown in Table 1), Bristol was predicted to have a lower risk of the impacts of the cost of living crisis. This reflects our relative wealth, but we also know poverty and inequity is very real for many Bristol citizens and communities.

¹⁰ The Centre for Progressive Policy (2022), [The levelling up outlook #5 | CPP \(progressive-policy.net\)](#)

Table 1: Cost of living vulnerability index or Core Cities in England* (Centre for Progressive Policy, September 2022¹¹)

City	Total Local Authority Ranking	Poverty-Based Vulnerability Rank	Work-Based Vulnerability Rank
Birmingham	17	13	32
Nottingham	25	35	27
Manchester	34	21	74
Liverpool	46	26	112
Leeds	49	30	90
Newcastle upon Tyne	70	68	105
Sheffield	90	69	145
Bristol, City of	132	62	232

*There are 11 Core Cities in the UK. The Centre for Progressive Policy index is only available for cities in England.

The cost of living crisis is expected to drive some households further into poverty and is already resulting in households spending less money¹² on food and using less energy to save money¹³. This is predicted to directly impact communities through:

- Increased child poverty, fuel poverty and food insecurity
- Increased poor mental health and wellbeing
- Wider social impacts on communities

Increased child poverty

Living in poverty can negatively impact outcomes for children and may mean that families are less able to make healthy lifestyle choices than more affluent families. Poverty is

¹¹ The Centre for Progressive Policy (2022), [CPP | Hard Up \(progressive-policy.net\)](https://progressive-policy.net)

¹² Office of National Statistics (2022), [Personal and household finances](https://www.ons.gov.uk/personal-and-household-finances)

¹³ Quaker Social Action (2022), [Poverty in the UK | quakersocialaction.org.uk](https://quakersocialaction.org.uk)

associated with worse cognitive, social-behavioural and health outcomes¹⁴, including lower birth weight, asthma, obesity and mental health problems, and poorer 'life chances'¹⁵.

Child poverty is commonly measured using the children low-income families measure produced by the Department for Work and Pensions. This provides an indicator of the children living in low-income households, but it should be noted that it is based on income alone and does not take account of outgoings which vary for every family.

Income based measures like this do not therefore necessarily identify those households unable to afford the resources they require for an adequate standard of living, but are a reliable indicator of likely material deprivation, particularly at a population level.

The Department for Work and Pensions produce two measures, which are both based on a low-income household being a household which earns less than 60 per cent of the median household income, but take different approaches:

- **Relative low-income:** Uses the median household income in the UK for the year in question. This approach looks at the resources people have and compares them to what everyone else has – therefore is highly influenced by changes to the income of all households year to year.
- **Absolute low-income:** Uses the median household income in the UK for 2010/11 and adjusts to reflect cost inflation since 2010/11 as its benchmark. This approach considers households with an income below 60 per cent of the level set as lacking the resources required to have a decent standard of living, regardless of what everyone else in the population has – therefore is less influenced by changes to the income of more affluent households over time, and any potential inequality in income growth since 2010/11.

As it takes account of rising costs through changes in inflation, absolute low-income may be a better and more focussed measure to understand the impacts of the rising cost of living.

Current situation: In 2021, there were 11,900 children under 16 living in absolute low-income families in Bristol, representing 13.9 per cent of all children in the city.

Rates in Bristol are lower than the United Kingdom average of 15.1 per cent but there are inequalities across the city at ward level.

¹⁴ Joseph Roundtree Foundation (2013), [Does money affect children's outcomes?](#)

¹⁵ BMA (2017), [Health at a price](#)

Predicted impact: The Resolution Foundation has estimated that levels of absolute child poverty could rise by five per cent points in 2022/23¹⁶.

Applying this projection to the latest estimates of children in absolute low-income households (after housing costs) from 2021 show that **the number of children in poverty in Bristol could increase by over 4,000 in the next year**, meaning over 16,000 children across the city could be living in poverty (approximately 18.9 per cent).

This is expected to widen the existing inequalities across the city. Resolution Foundation also estimate that rates of relative poverty will increase alongside the number of children in the household, estimating that over 70 per cent of children in the largest households (four or more children) may already be living in relative poverty nationally.

Increased fuel poverty

Fuel poverty is a term that is typically used to describe a person on a low income who's struggling to afford their energy costs. The drivers of fuel poverty are being on a low income, living in a home with poor energy efficiency and high energy prices.

Living in fuel poverty and experiencing a cold home have been shown to have a significant impact on mental and physical health including: increased blood pressure, suppression of the immune system, mental health and reduced educational and employment attainment¹⁷. The Marmot review estimates that excess winter deaths are almost three times higher in the coldest quarter of housing than in the warmest quarter.¹⁸ Older people may be particularly at risk of these direct health impacts.

Current situation: In 2020, it was estimated that 29,045 households in Bristol were in fuel poverty, representing 14.4 per cent of all households¹⁹.

Rates of fuel poor households vary across the city. The wards showing the highest rates of fuel poverty maps largely to the areas of highest deprivation (see Figure 3), but with some notable exceptions in areas of central areas around Clifton, Bishopston, and Cotham. This is most likely related to these areas having high rates of shared housing, large student populations and older energy inefficient housing stock.²⁰

¹⁶ Resolution Foundation (2022), [Living-Standards-Outlook-2022.pdf \(resolutionfoundation.org\)](https://www.resolutionfoundation.org/publications/2022/03/living-standards-outlook-2022/)

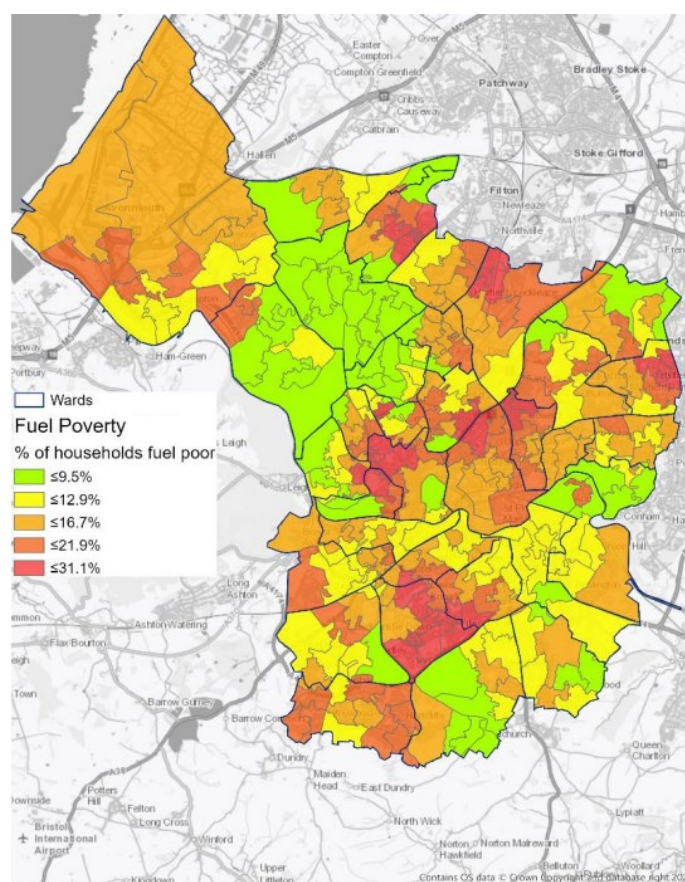
¹⁷ Bristol City Council, [JSNA Fuel poverty 2021.22 \(bristol.gov.uk\)](https://www.bristol.gov.uk/media/2021/12/jsna-fuel-poverty-2021-22/)

¹⁸ Institute of Health Equity (2022), [The health impacts of cold homes and fuel poverty](https://www.instituteofhealthequity.org/publications/2022/03/the-health-impacts-of-cold-homes-and-fuel-poverty/)

¹⁹ Bristol City Council, Fuel poverty JSNA chapter [JSNA Fuel poverty 2021.22 \(bristol.gov.uk\)](https://www.bristol.gov.uk/media/2021/12/jsna-fuel-poverty-2021-22/)

²⁰ Bristol City Council, Fuel Poverty Action Plan 2020-2030

Figure 3: Percentage of households in Fuel Poverty by LSOA (based on low income, low energy efficiency definition) (Source: Business for Business, Energy & Industrial Strategy 2020 data)



Predicted impact: The predicted rise in fuel poverty is changing regularly, the latest predictions were from August which estimated that three in four households would be in fuel poverty by January 2023, prior to the recent announcement of the Energy Price Guarantee²¹.

To understand the impact of the Energy Price Cap on Bristol households, we have applied the Price Cap to energy usage data for 2020²². This estimates that based on 2020 usage, the average energy bill in Bristol would be £2,470, ranging from £2,150 to £4,400.

Energy usage varied considerably across the city in 2020 which could be due to several reasons, including ability to afford energy bills, whether a household has a pre-payment energy meter, size and energy efficiency of home.

²¹ University of York (2022), [More than half of UK households to be in fuel poverty by the new year, according to new report - News and events, University of York](#)

²² Department of Business, Energy and Industrial Strategy (2019), [Sub-national gas consumption data – GOV.UK \(www.gov.uk\)](#)

We already know that in 2020, it was estimated that 29,045 households in Bristol were in fuel poverty, representing 14.4 per cent of all households. These households were living in cold homes and struggling to afford their energy bills before the price increase. Therefore, it is important to note that the forecasted energy bills are not the true cost to maintain a warm home, which is likely to be much higher than this.

Usage data clearly shows that energy usage decreased as deprivation increased. Applying the Price Cap to 2020 usage estimates that the average energy bill in the most deprived areas of Bristol would be £2,460, compared to £3,150 in the least deprived areas (as shown in Table 2) – for many households this usage is not sufficient to maintain a warm home and they will be living in fuel poverty.

This shows that the least deprived households are likely to see bigger increases in their energy bills due to higher usage, however household income is lower in more deprived areas meaning households are more likely to be spending a larger proportion of their income on their energy bills²³. These households may not be able to afford the increased costs, falling into debt and others might reduce their usage to reduce costs, increasing the number of people living in cold homes.

Table 2: Average energy bill in 2022 in Bristol based on 2020 usage data and Price Cap, by deprivation **

Deprivation (IMD 2011)	Average gas consumption (kWh per meter) (2020)	Average electric consumption (kWh per meter) (2020)	Average estimated total energy bill based on 2020 usage data and Price Cap (rounded)
1-Most deprived	10,306	3,408	£ 2,460
2-More deprived than average	11,122	3,391	£ 2,540
3-Average deprivation	11,678	3,448	£ 2,610
4-Less deprived than average	12,624	3,429	£ 2,700
5-Least deprived	15,702	3,852	£ 3,150

****Caveats:**

- Rates are averages and will vary by region, payment method and meter type.

²³ The Resolution Foundation (2022), [A-chilling-crisis.pdf \(resolutionfoundation.org\)](https://www.resolutionfoundation.org/publications/energy-chilling-crisis/)

- These estimates are based on 2020 usage data (mid-May 2020 to mid-May 2021) which may vary due to COVID-19
- This data is based on data from each supply meter, therefore does not take account of household size
- The gas meters are classified as being domestic or non-domestic according to their (weather-corrected) gas consumption. Those with an annual consumption less than the industry cut-off of 73,200 are classified as domestic and the rest are classified as non-domestic. This means that some small industrial and commercial consumers will be classified as domestic.

Ofgem estimate that typical energy usage is as follows²⁴:

Gas and electricity usage	Average annual consumption	
Low (flat or 1-bedroom house / 1-2 people)	Gas: 8,000 kWh	Elec: 1,800 kWh
Medium (3-bedroom house / 2-3 people)	Gas: 12,000 kWh	Elec: 2,900 kWh
High (5-bedroom house / 4-5 people)	Gas: 17,000 kWh	Elec: 4,300 kWh

On average, households in the most deprived areas used between low to medium gas usage in 2020, yet many were living in fuel poverty. A 'medium energy user' is described as a household which:

- Lives in a medium sized property, such as a three bedroom house with three to four people live in the property,
- Children at school and parents are at work during the day, with everyone home in the evening,
- Typically using the washing machine a few times a week,
- Has the heating on regularly,
- Occasionally use the dishwasher,
- Have TV and electrical appliances on in the evenings.

The estimated 70 per cent increase in energy bills may result in households moving to low usage which may include²⁵:

- Typically using the washing machine once a week,
- Only using the heating occasionally,
- Not using a dishwasher or tumble dryer,
- Having the TV and electrical appliances on less in the evenings.

²⁴ British Gas, [What is the average annual gas and electricity bill – British Gas](#)

²⁵ The Resolution Foundation (2022), [A-chilling-crisis.pdf \(resolutionfoundation.org\)](#)

We expect to see an increase in households living in fuel poverty across the city.

NICE guidelines state that hospital inpatients should not be discharged to a cold home, as this is likely to exacerbate their condition and risk repeat admission.²⁶ This means that we expect to see an additional financial impact to the healthcare system caused by delayed discharges if the rates of fuel poverty increase in the city.

Increased food insecurity

The terms food poverty and food insecurity are often used interchangeably. There is no universally accepted definition, but it is generally interpreted as being unable to consume an adequate quality or sufficient quantity of food for health, in socially acceptable ways, or the uncertainty that one will be able to do so.

The causes of food insecurity are complex. These include:

- financial environment – relating to income (amount and consistency), price and affordability of locally available food
- social environment – relating to cultural norms, food and cooking skills, social networks, and the impact of marketing of unhealthy foods
- physical environment – cooking facilities, access to shops and cafes selling affordable healthy food, and/or transport required to access these facilities.

Food insecurity causes a range of health, economic, social and environmental effects. Food insecurity results in a poorer quality diet which can contribute to overweight and obesity, several physical and mental health problems.²⁷ It could also contribute to undernourishment, caused by a lack of calories consumed and by poor nutritional diet content, can result in underweight (BMI below 18.5) which is associated with several serious health effects, including osteoporosis, menstrual cycle irregularity, fertility issues, and poor mental health²⁸.

Current situation: Measuring food insecurity is difficult as it encompasses such a broad range of causes, circumstances, and similarly varied outcomes.

Based on responses to the 2021/22 Bristol Quality of Life Survey, an estimated 4.6 per cent of households in Bristol have experienced moderate to severe food insecurity in the past 12

²⁶ NICE, <https://www.nice.org.uk/guidance/ng6>

²⁷ Bristol City Council. Food inequality needs assessment for Bristol. 2021

²⁸ Bristol City Council, [JSNA 2020/21 - Food Poverty \(bristol.gov.uk\)](https://www.bristol.gov.uk/jсна-2020/21-food-poverty)

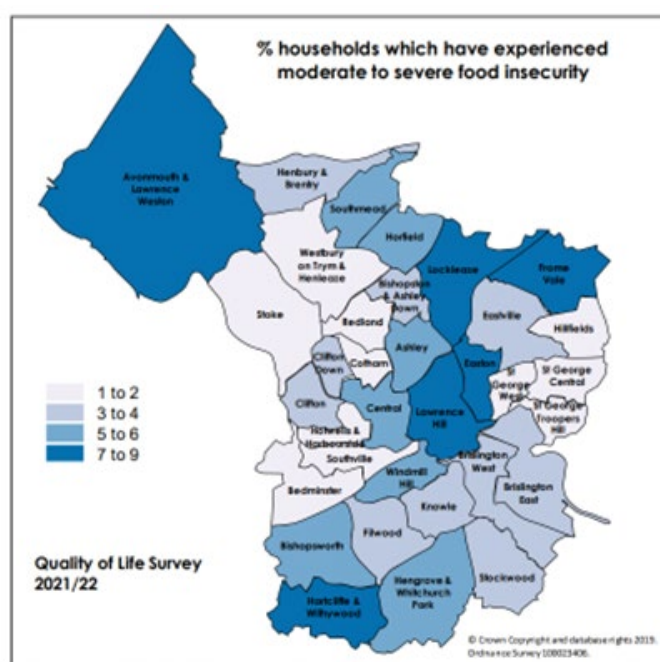
months and 1.7 per cent have experienced severe food insecurity – this estimates approximately 13,000 households across Bristol experienced food insecurity in 2021/22*.

This compares to approximately 14 per cent of households in the UK (equivalent to 9.5 million people) having experienced some level of food insecurity during 2019 to 2020.

There is considerable variation across the city, associated largely with income deprivation. There is a strong association between deprivation and both the likelihood of reporting severe and moderate/severe food insecurity and accessing emergency food services (Figure 4).

* Applying the rate to the number of properties (2021) however there can be more than one household in a property.

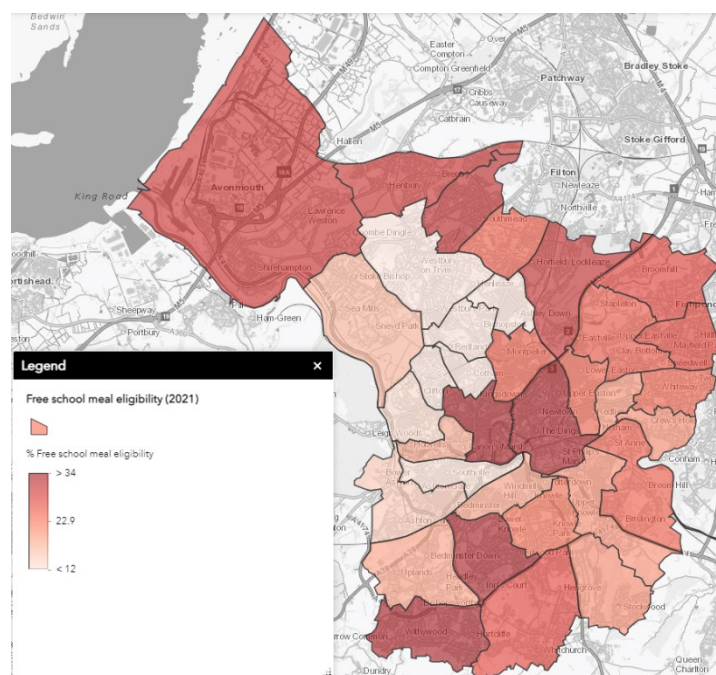
Figure 4: Moderate to severe food insecurity in Bristol. Source: Quality of Life survey 2021/22



Compared to an average of 4.6 per cent across the whole of Bristol, 20.5 per cent of single parent households reported that they had experienced moderate to severe food insecurity in the last 12 months; 16.1 per cent of disabled people; 9.8 per cent of Black, Asian and Minority Ethnic people; 10.6 per cent of people aged 16-24 years; 6.4 per cent of carers; 8.8 per cent of LGB people.

An additional indirect measure of food insecurity is the eligibility for free school meals across the city. This is presented as Figure 5.

Figure 5: Eligibility for Free School Meals (Department For Education, provided by Bristol City Council, 2022)



The COVID-19 pandemic has had an impact nationally on food insecurity. The indications are that it has both exposed and exacerbated underlying food insecurity risks in our society. The Trussell Trust (who manage more than half of all food banks in the UK) have reported that between 2019/20 and 2020/21 there has been a **33 per cent increase in food parcels** distributed in just one year. And around half of those using food banks were doing so for the first time because of unemployment and financial insecurity caused by the pandemic.²⁹

Predicted impact: Rising prices are affecting household budgets, which means more households are experiencing food insecurity³⁰.

The increase in the cost of living has increased household food insecurity. In June to July 2022, of the 91 per cent of adults in Great Britain who reported an increase in their cost of living, 95 per cent saw the price of their food shopping go up, and 44 per cent had started spending less on essentials including food³¹.

This is expected to widen the existing inequalities across the city.

²⁹ Bristol City Council. JSNA Health and Wellbeing Profile 2020/21 – Food Insecurity

³⁰ House of commons (2022), [Food poverty](#)

³¹ Office of National Statistics (2022), [Public opinions and social trends, Great Britain](#)

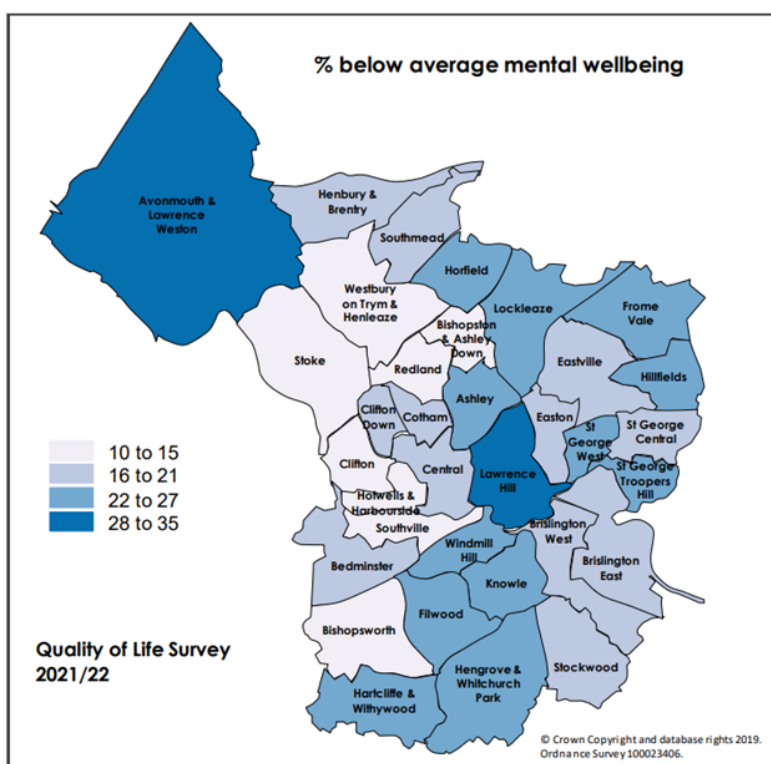
Poorer mental health and emotional wellbeing

The cost of living crisis is likely to have both immediate and longer-term impacts on mental health and emotional wellbeing. In the short term, worries about money can increase feelings of stress and anxiety, and there is a strong association between debt and poor mental health. Poverty is associated with higher rates of mental health problems and can be both a cause and a consequence of mental ill health.

Current situation: In England, 46 per cent of people in problem debt have a mental health problem compared to 14 per cent of people without debt.³²

In 2021/22, 20 per cent of Bristol Quality-of-Life survey respondents have below average mental wellbeing, higher than the previous year (15 per cent), but in the most deprived areas this rises to 32 per cent (previously 21 per cent) (Figure 6).³³ The occurrence of suicide and undetermined death in Bristol over the last decade (2011-2020) has been highest amongst people living in the most deprived areas of the city.³⁴

Figure 6: Mental wellbeing in Bristol by ward (Bristol Quality of Life survey 2021/22)



³² Holkar M. Mental health problems and financial difficulty. Money and Mental Health Policy Institute. 2019. Derived from Adult Psychiatric Morbidity Survey 2014

³³ Bristol City Council, JSNA 2020/21 - Mental Wellbeing (bristol.gov.uk)

³⁴ Bristol City Council, JSNA 2021.22 – Suicide deaths (bristol.gov.uk)

Predicted impact: six in ten UK adults say that the cost of living crisis has had a negative impact on their mental health, such as leaving them feeling anxious, depressed, or hopeless³⁵. People with mental health problems are more likely to say that the increasing cost of living has negatively affected their mental health and are also more likely to have borrowed money or cut back on spending in response.³⁶

The Royal College of Psychiatrists has warned that the cost-of-living crisis poses ‘a threat of pandemic proportions to the nation’s mental health’. With mental health referrals at record levels of 4.3 million last year and a backlog of 1.4 million people still waiting to start treatment, pressure on the NHS is likely to reach new unprecedented levels.³⁷

In Bristol, the number of referrals to acute community mental health services is considerably higher than before the COVID-19 pandemic.³⁸

Wider social impacts on communities

The impacts of the cost of living crisis will be wide ranging, including:

- Social cohesion – Income inequality and differences in the standard of living can lead to a breakdown of social cohesion³⁹. Social cohesion refers to the strength of relationships and the sense of solidarity among members of a community and is a key social determinant of health. Social networks are important for social and practical support especially in times of need⁴⁰.
- Crime – It is expected to result in increased rates of crime, including theft, gang crime and scams. Children from low income families are found to be 13 times more likely to commit violent crime as young adults⁴¹.
- Hate crime – Rates of hate crime have increased by 26 per cent in England and Wales between March 2021 and March 2022, which is partly driven by improvements in crime reporting⁴². Research found that for each £100 loss per working age adult, racially or religiously motivated crimes rose by approximately five to six per cent in

³⁵ Money and Mental Health Policy Institute (2022), [Cost of living crisis effect on mental health](#)

³⁶ Money and Mental Health Policy Institute (2022), [Cost of living policy note](#)

³⁷ Royal college of Psychiatrists (2022), [Cost of living threat](#)

³⁸ Mental Health Services Dataset via NHS Bristol, North Somerset & South Gloucestershire ICB

³⁹ [Health and social cohesion: why care about income inequality? - PMC \(nih.gov\)](#)

⁴⁰ Healthy people 2030, [Social Cohesion - Healthy People 2030 | health.gov](#)

⁴¹ LocalGov (2018), [Poverty can lead to self-harm and violent crime, study shows](#)

⁴² Home Office (2022), [Hate crime, England and Wales, 2021 to 2022 - GOV.UK \(www.gov.uk\)](#)

2013/14 and 2014/15. Areas which experienced the greatest impact of welfare cuts were found to experience higher levels of hate crime due to a sense of competition for resources, negatively impacting social cohesion⁴³. The cost of living crisis is therefore likely to increase hate crime, particularly in areas most impacted by the crisis.

- Domestic violence – The West Midlands are already finding a worrying trend that more women feel unable to leave their abusers as they are either being economically abused, or unable to get enough resources together to flee to safety⁴⁴.
- Substance misuse – Addiction and financial hardship are often seen as connected. Financial issues can lead to people feeling low and isolated which can result in them using substances or alcohol⁴⁵.
- Homelessness – With the rising cost of living, households may fall into debt⁴⁶ and there is a risk that more people become homeless⁴⁷.
- Children's education, learning and development – Teachers are already reporting that children are coming to school hungry, lacking equipment needed for lessons and without adequate clothing, seeing lessened ability to concentrate and increased behaviour problems⁴⁸.

Identifying those who will be disproportionately impacted

The rising cost of living is not impacting on everyone equally. People who are already experiencing inequity and poverty will be disproportionately impacted.

Groups

To understand which groups will be disproportionately impacted research, data and forecasts have been collated to predict which groups will be disproportionately impacted in Bristol. These groups are likely to intersect. People's multiple and overlapping identities

⁴³ [Austerity, welfare cuts and hate crime: Evidence from the UK's age of austerity - ScienceDirect](#)

⁴⁴ West Midlands Police and Crime Commissioner (2022), [Cost of living crisis having major impact on female victims of abuse](#)

⁴⁵ Kennedy Street Recovery (2022), [Addiction & The Cost of Living Crisis | Kennedy Street Recovery](#)

⁴⁶ St Mungos (2022), [The cost of living crisis and homelessness](#)

⁴⁷ The Kerslake Commission (September 2022), [Homelessness and rough sleeping](#)

⁴⁸ [NASUWT | Cost of living crisis harming pupils' education](#)

might come together to contribute to an overall (and compounded) experience of disadvantage.

The following groups have been identified as being more at risk:

- **people on the lowest incomes.**

The rising cost of living will impact most households but the greatest impact will be on those already living below the poverty line and those on low incomes⁴⁹. The cost of living crisis is expected to drive households further into poverty and is already resulting in households reducing their spending⁵⁰. Households on the lowest incomes are more likely to spend a larger proportion of their income on energy and food and have less available income to afford the rising cost of living⁵¹.

Low-income households are also more likely to pay more for their services as a result of the 'poverty premium', facing higher premiums, being more likely to pay bills monthly and have higher interest loans⁵². These households are also more likely to use pre-payment energy meters⁵³.

Local impact: We estimate that nearly 1 in 4 households in Bristol (24 per cent) fall into the lowest income household category – representing approximately 50,000 households across the city*.

* Rate applied to the number of properties (2021), but there can be more than one household in a property.

- **Parents and young families**

Families with a low household income and single parents are more likely to find it difficult to manage financially, experience food⁵⁴ and fuel poverty⁵⁵. A recent study found that parents of young children are more likely to seek credit and alternative support as they are less able, on average, to afford an unexpected expense⁵⁶.

⁴⁹ Joseph Rowntree Foundation (March 2022), [600,000 will be pulled into poverty as a result of Chancellor's inaction](#)

⁵⁰ Trussell Trust (March 2022), [The true cost of living](#)

⁵¹ House of Commons (September 2022), [Rising cost of living in the UK](#)

⁵² Fair by Design (2022), [Poverty premium](#)

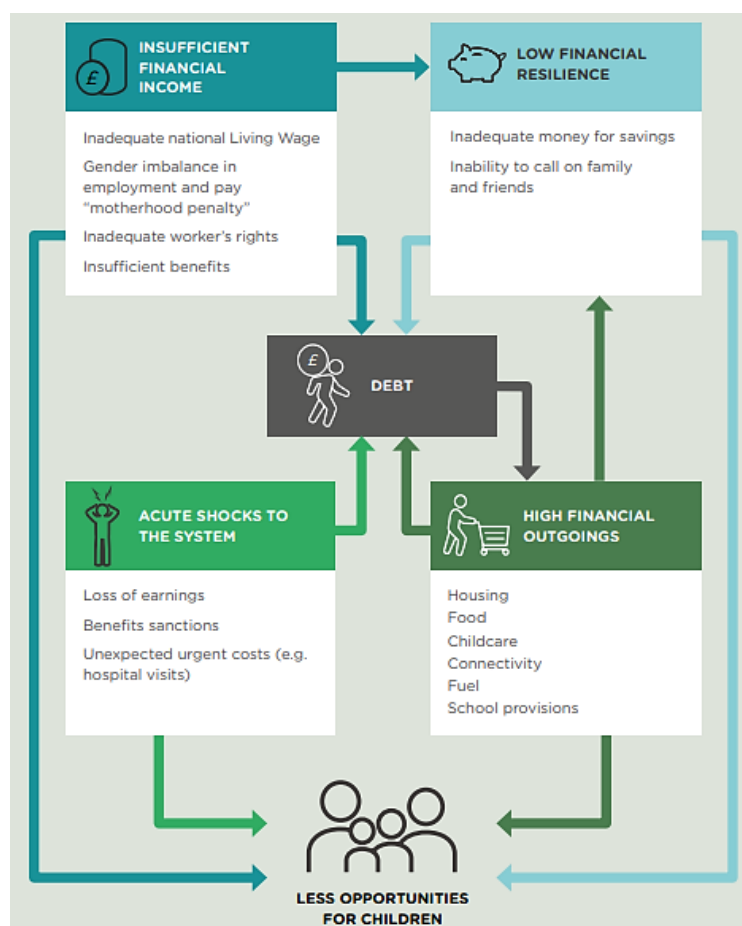
⁵³ Joseph Rowntree Foundation (August 2022), [Resolution Foundation, A chilling crisis](#)

⁵⁴ House of Commons (September 2022), [Food poverty: Households, food banks and free school meals](#)

⁵⁵ Department for Business, Energy and Industrial Strategy (February 2022), [Fuel Poverty Statistics](#)

⁵⁶ ONS (September 2022), [Parents more likely to report increases in cost of living](#)

Figure 7: Factors influencing financial resilience of families with dependent children
(Source: Lee et al., 2022)



It is estimated that half of all children in lone-parent families are in relative poverty⁵⁷, with more than one in four single parents reported finding it difficult to manage financially in 2021⁵⁸. Single parents experience higher rates of fuel poverty and food insecurity⁵⁹. Single parent households are also likely to have a low income⁶⁰, with approximately 90 per cent of single parents being women⁶¹.

Local impact: In 2020/21, there were 12,600 children under 16 living in absolute low-income families in Bristol. Figure 7 below depicts the factors that result in families with dependent children being more likely to have low financial resilience and to be more susceptible to poverty⁶².

- **Disabled people**

⁵⁷ Institute for Fiscal Studies (July 2022), [Pre-pandemic relative poverty rate for children of lone parents almost double that for children living with two parents](#)

⁵⁸ Bristol Quality of Life survey 2021/22

⁵⁹ Bristol Quality of Life survey 2021/22

⁶⁰ Office of National Statistics (2021), [Gender pay gap](#)

⁶¹ Gingerbread (2019), [Single parents: facts and figures | Gingerbread](#)

⁶² Institute of Health Equity (2022), [Fuel poverty, cold homes and health inequalities in the UK](#)

Evidence shows that people are finding it ever harder to make ends meet. Disabled people are more likely to find it difficult to manage financially⁶³, experience food⁶⁴ and fuel poverty⁶⁵. Poverty rates among disabled people have consistently been above those of non-disabled people⁶⁶. Many face difficulties accessing jobs or sufficient financial support, and this is often compounded by the higher everyday costs to meet the same or equivalent living standards as non-disabled people.

Disabled people often have higher living costs due to higher energy needs including, using more electricity to power vital equipment and having to keep the heating on⁶⁷. It was estimated that UK households that include disabled children pay on average £600 more for their energy bills than an average household⁶⁸.

Local impact: In the UK, one in five people report having a disability. As defined by the Equality Act 2010, a person is considered to have a disability if they report a long-standing illness, disability or impairment which causes substantial difficulty with day-to-day activities⁶⁹. According to the 2011 Census, 16.7 per cent of Bristol residents reported that their day-to-day activity is limited, equating to almost 72,000 people⁷⁰. Bristol City Council is committed to the Social Model of Disability which says that people are disabled by barriers in society not by their impairment or difference, whether that impairment or difference is physical, mental, or cognitive.

- **Black, Asian and Minority Ethnic groups**

Research from The Runnymede Trust shows that Black and Minority Ethnic households are more likely to be in deep poverty and currently experience much higher levels of food insecurity, material deprivation and fuel poverty⁷¹.

Black, Asian and Minority Ethnic groups are overrepresented in the most deprived neighbourhoods nationally⁷². Black, Asian and Minority Ethnic groups were twice as likely to

⁶³ Bristol Quality of Life survey 2021/22

⁶⁴ House of Commons (September 2022), [Food poverty: Households, food banks and free school meals](#)

⁶⁵ University of Bristol (September 2022), [Disabled households twice as likely to be struggling with cost of living crisis](#)

⁶⁶ Joseph Roundtree Foundation (2022). [Comparing poverty rates for disabled and non-disabled people](#)

⁶⁷ Sense (July 2022), [Energy and food costs for disabled people](#)

⁶⁸ Contact (April 2022), Out of Energy: Tell the government to act now

⁶⁹ Department for Work and Pensions (2016/17), [Family Resources Survey 2016/17 \(publishing.service.gov.uk\)](#)

⁷⁰ Bristol City Council, Census 2011 [Disability \(by Ward\) — Open Data Bristol](#)

⁷¹ The Runnymede Trust (2022), [Falling faster amidst a cost of living crisis](#)

⁷² Race on the Agenda (May 2022), [Cost of Living Crisis threatens to increase inequality](#)

report finding it difficult to manage financially⁷³, more likely to be in food poverty⁷⁴ and fuel poverty. There is an ethnicity pay gap in England, with many ethnic groups earning less than White British counterparts, including Bangladeshi, Pakistani and Arab⁷⁵.

Gypsy, Roma and Travellers are also more likely to be at risk. Those living in caravans or mobile homes are invariably different to those living in bricks and mortar. Many are reliant on gas cylinders which are more expensive, therefore pay more for their energy when compared with 'settled' energy consumers⁷⁶.

Local impact: In 2011, 22 per cent of the Bristol population were not 'White British', with six per cent White Minority Ethnic, six per cent Black, six per cent Asian, four per cent Mixed and one per cent Other (all rounded to nearest one per cent) (2021 Census data available in late November 2022).⁷⁷



- **Households with pre-payment energy meters**

Households with pre-payment energy meters often pay above-average costs for their fuel, paying higher rates than customers on Direct Debits⁷⁸. As billing is based on usage, they face a significant rise in their monthly bills in autumn and winter with increased energy usage as they do not benefit from the 'smoothing effect' of Direct Debits which spread usage costs evenly across the year⁷⁹. Households with pre-payment energy meters are therefore likely to be disproportionately impacted by the rise in energy prices and facing high bills in autumn and winter. However, some households prefer having a pre-payment energy meter as it allows more control over energy usage and bills.

Prepayment energy meters are usually installed into homes that have slipped into debt with their energy supplier at some point, to help them manage their debt and therefore budget more effectively. Some landlords install them in their rental properties to try and cut the risk

⁷³ Bristol Quality of Life survey 2021/22

⁷⁴ House of Commons (September 2022), [Food poverty: Households, food banks and free school meals](#)

⁷⁵ Office of National Statistics (2020), [Ethnicity pay gaps: 2019](#)

⁷⁶ Friends, Families & Travellers (August 2022), [Gypsy and Traveller organisations ask Government to address impact of energy cost crisis](#)

⁷⁷ Bristol City Council (2022), [Bristol Key Facts 2022 - July 2022 update](#)

⁷⁸ The Institute of Chartered Accountants in England and Wales (September 2022), [The Energy Cap increase](#)

⁷⁹ Fuel bank foundation (2022), [Fuel Crisis Report](#)

of their tenants running into debt⁸⁰. Therefore, they are likely to be unequally distributed across the city, being more common in areas of higher deprivation and more rented properties.

Local impact: The latest available data is from 2017, when it was estimated that over 28,000 households in Bristol had a pre-payment energy meter⁸¹.

- **Social and private renters**

Social* and private renters were found to be more likely than owner occupiers to report finding it difficult to manage financially, be in food poverty and fuel poverty⁸².

One in three spend at least half their household income on rent⁸³. It is estimated that 69 per cent of low-income private renters in England will be forced to go without food and heating at least one day per week to meet rising housing and living cost⁸⁴. Private rented homes may also be of a lower standard, increasing rates of fuel poverty, excess cold and disrepair⁸⁵.

Research shows that social renters had the lowest median income both before and after housing costs. Private renters saw the largest gap between income before housing costs and after they were deducted, which means private renters spend the largest proportion of their income on housing⁸⁶. Nationally, individuals in social housing are more likely to be Black African, Mixed White and Black African and Black Caribbean households were most likely to rent social housing out of all ethnic groups⁸⁷

*a social renter is someone who rents their home from the housing association or council.

Local impact: In 2020, social and private rented homes represented half of homes in the city⁸⁸. 30 per cent of homes were privately rented and 20 per cent were social rented.

In Bristol over the last decade, private rents in Bristol have increased by 52 per cent, while wages have only risen by 24 per cent⁸⁹.

⁸⁰ U switch (2022), [Pre payment meters](#)

⁸¹ Department for Business, Energy and Industrial Strategy (2019), [Electric prepayment meter statistics - GOV.UK \(www.gov.uk\)](#)

⁸² Bristol Quality of Life survey 2021/22

⁸³ Shelter (2022), [The cost of living crisis - Shelter England](#)

⁸⁴ Crisis (March 2022), [Families at risk of eviction as cost-of-living crisis escalates](#)

⁸⁵ [BRE Housing Stock Model Report \(bristol.gov.uk\)](#)

⁸⁶ House of Commons (2021), [Who has the highest and lowest household incomes? \(parliament.uk\)](#)

⁸⁷ Ministry of Housing, Communities and Local Government (2019), [Renting social housing - GOV.UK Ethnicity facts and figures \(ethnicity-facts-figures.service.gov.uk\)](#)

⁸⁸ [BRE Housing Stock Model Report \(bristol.gov.uk\)](#)

⁸⁹ Bristol City Council, [Tackling the rent crisis \(bristol.gov.uk\)](#)

- **Women**

Research suggests that women are likely to be disproportionately impacted by the cost of living crisis, due to being more likely to be in low paid jobs, more likely to work part-time⁹⁰ and generally having a lower pension than men on average⁹¹. Jobs held by women account for almost 60 per cent of all jobs paid below the Living Wage⁹².

Due to caring responsibilities women are more likely to rely more on public services and social security⁹³ and also may have disproportionate responsibility for household shopping and managing the family budget, feeling the stresses of changing prices more acutely⁹⁴. Research finds that women are more likely to skip meals to cope with rising costs and provide for their children⁹⁵.

Many women who face domestic abuse already experience economic control by their abuser. A survey by Women's Aid found that two thirds (66 per cent) of survivors reported that abusers are now using the cost of living increase and concerns about financial hardship as a tool for coercive control⁹⁶.

Local impact: Half of the population of Bristol are women⁹⁷.

- **Underserved populations**

Some populations that are not typically well represented in data and research, such as refugees and asylum seekers and people experiencing homelessness and are likely to also face increased risk from rising cost of living.

Neighbourhoods

We know there are also geographical inequalities across Bristol.

To understand which neighbourhoods may be more at risk to the impact of the cost of living crisis, Bristol City Council has developed a risk index based on the Centre for Progressive Policy's vulnerability index.

⁹⁰ Office of National Statistics (2022), [Gender pay gap in the UK](#)

⁹¹ House of Commons (2022), [The Gender Pension Gap](#)

⁹² Living Wage Foundation (2022), [Low paid work and cost-of-living crisis disproportionately affecting women](#)

⁹³ Womens Budget Commission (2022), [The cost crisis: A gendered analysis](#)

⁹⁴ Living Wage Foundation (2022), [Low paid work and cost-of-living crisis disproportionately affecting women](#)

⁹⁵ Young Women's Trust (2019), [One in four young mums skips meals](#)

⁹⁶ Women's Aid until women & children are safe (August 2022), [The cost of living](#)

⁹⁷ Bristol City Council (2022), 2021 Census [First results from Census 2021 \(bristol.gov.uk\)](#)

This is based on two main drivers of risk:

- People on low incomes that will be proportionally more affected
- Evidence of pre-existing impacts of poverty and other forms of systemic inequity that will be made worse by this crisis

The index aims to help us to understand which neighbourhoods might be more at risk to the impacts of the cost of living crisis by collating data about existing the impacts of poverty. The index will be reviewed as new data is published to reflect changing risk. The risk index produced in May was calculated using local data about: food insecurity, fuel poverty, absolute child poverty, claimant count and income deprivation.

The October risk index incorporates an indicator for mental wellbeing which is identified as a key impact as part of this impact assessment. For full details of the update and methods used visit Appendix 1.

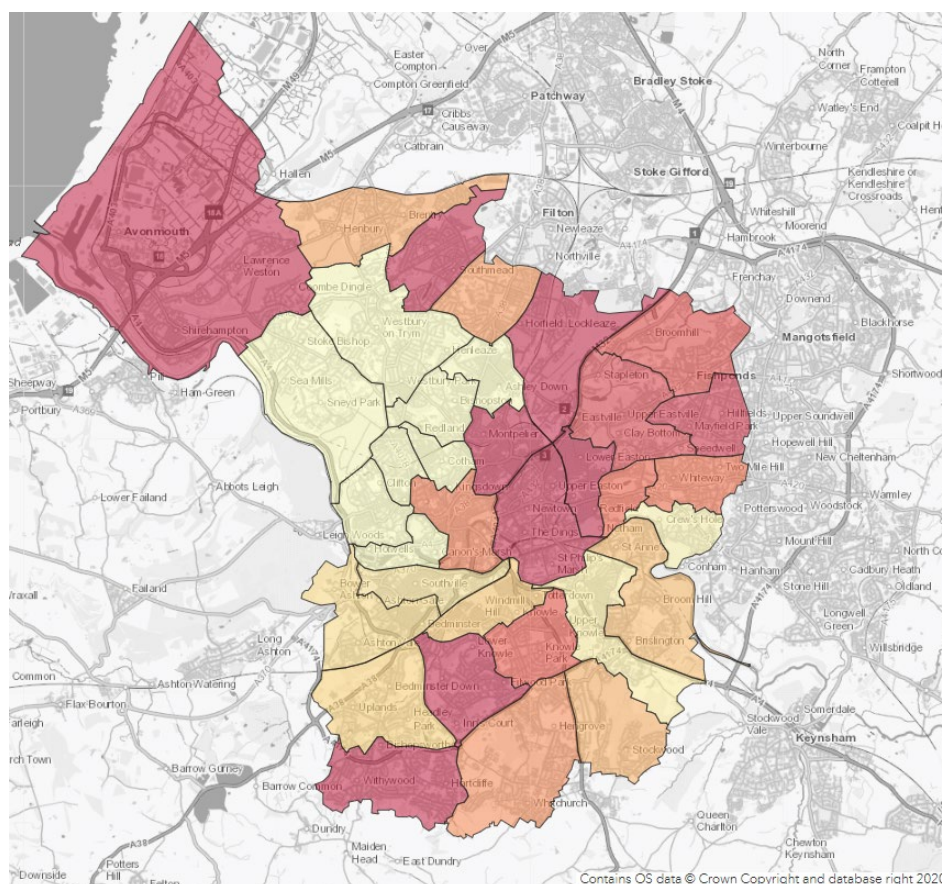
As illustrated in Figure 8, the index estimates that the following wards are more likely to be at greatest risk to the impacts of the cost of living crisis:

- | | |
|----------------------------|---------------------------------|
| • Lawrence Hill | • Southmead* |
| • Hartcliffe and Withywood | • Easton |
| • Filwood | • Avonmouth and Lawrence Weston |
| • Lockleaze | • Hillfields |
| • Ashley | • Eastville |

* Please note: Data for Southmead has been revised following a coding error therefore is now identified as having a higher risk to the cost of living crisis than identified in the previous risk index.

To explore the demographics and data about these wards visit the [ward profiles](#).

Figure 8: risk index for Bristol, by ward (October 2022)



An interactive map where the index, each indicator and additional relevant data is available at:

<https://bcc.maps.arcgis.com/apps/webappviewer/index.html?id=decc0b3b0ec8415d82dc21266dc4f695>

The risk index relates heavily to overall deprivation in Bristol,⁹⁸ but contains some slight differences due to specific higher rates of poverty impacts in certain areas. For example, fuel poverty generally maps closely to areas of high deprivation, however, there are a few exceptions where we see high rates of fuel poverty in more affluent areas due to higher student populations and older and large homes which are more expensive to heat.

Caveats

- The risk index combines the latest available data (at time of calculation) for each indicator, therefore the data used does not all refer to the same time period.
- The data sources and indicators used do vary due to local data availability therefore is not directly comparable to the national findings.

⁹⁸ Bristol City Council, [Deprivation](#)

- As this analysis was conducted at ward level, areas which have pockets of deprivation (LSOA level) may not be captured.

Government response

The government's first specific cost of living intervention was announced in early February 2022. Since then, government have committed to a range of short and longer-term interventions, with spending on welfare alone estimated [to reach £234 billion in 2022/23](#). Some of the interventions are universal, while others have been specifically targeted at some of the most impacted groups mentioned in this assessment.

Table 3 below groups these policy measures by theme, outlining which households have been targeted and how this may impact on these groups.

Note: This table only covers policy interventions which are likely to directly impact those most at risk from the cost of living. So for instance, there is no assessment of the recent change to the income tax additional rate threshold.

Table 3: National cost of living intervention and predicted impact

Theme	Measure	Universal/ Targeted	Impact
Energy	Reducing VAT on energy saving materials from 5% to 0% for 5 years.	Universal	Unlikely to affect lower-income households who will not be in the position to afford the introduction of energy saving measures in their homes.
	£400 Energy Bills Support Scheme (October 2022 – March 2023)	Universal	The EPG has limited October's price rises to 27% and a further price rise in April 2023 of 20% ⁹⁹ .
	<p>Energy Price Guarantee (EPG): a cap on the unit price of gas and electricity:</p> <ul style="list-style-type: none"> - October 2022 – April 2023: Average bills to be £2,500 per annum - April 2023 – April 2024: Average bills to rise to £3,000 per annum 		<p>Even with the EPG, the lowest income households are expected to face inflation rates 3 points higher than the average¹⁰⁰.</p> <p>It is expected that 23% of UK households (i.e. larger families and those in fuel inefficient homes) will still face energy bills over £4,000 next year¹⁰¹.</p> <p>The original EPG was due to last, universally, for two years. The change in policy is expected to see the number of households in fuel poverty rise from 7 million now to 8.7 million by April 2023¹⁰².</p>

⁹⁹ Commons Library (2022), *Domestic Energy Prices*. [Domestic energy prices - House of Commons Library \(parliament.uk\)](https://commonslibrary.parliament.uk/domestic-energy-prices/) (Last accessed: 29th Nov 2022)

¹⁰⁰ [Even with inflation uprating, benefits next year are on course to be 6% below their pre-pandemic levels | Institute for Fiscal Studies \(ifs.org.uk\)](https://ifs.org.uk/even-with-inflation-uprating-benefits-next-year-are-on-course-to-be-6%-%20below-their-pre-pandemic-levels/)

¹⁰¹ Resolution Foundation (2022), *Help Today, Squeeze Tomorrow*. [Help-today-squeeze-tomorrow.pdf \(resolutionfoundation.org\)](https://www.resolutionfoundation.org/publications/help-today-squeeze-tomorrow/) (last accessed: 29th November 2022)

¹⁰² [News – End Fuel Poverty Coalition](https://www.endfuelpoverty.co.uk/news/)

Theme	Measure	Universal/ Targeted	Impact
			Pre-payment meter users will still need to find an average £264 extra in January 2023 to cover rising bills and £400 in January 2024 ¹⁰³ .
	Energy Bill Relief Scheme (EBRS): An equivalent scheme for non-domestic energy customers to last 6 months.	Universal (for non-domestic customers)	Oasis Community Learning have recently announced that – even with the EBRS in place – the average Oasis primary school will be facing an additional £67k-a-year increase in energy bills compared to October 2021.
Financial support	A non-repayable £150 rebate for households living in council tax properties A-D.	Most households	In September 2022, 73% of respondents to an ONS survey ¹⁰⁴ claimed the cost of living had risen in the last month. This is likely to reflect the fact that the EPG and £400 Energy Payment had not started at this point.
	Household Support Fund (HSF): third 6-month tranche £4m for Bristol confirmed for Oct 22 – Mar 23.	Targeted	73,340 individuals in Bristol have been supported via the HSF. Government have recently committed to the same level of funding for 2023/24.
	£150 Disability Cost of Living Payment: To be paid to 6 million	Targeted	

¹⁰³ [A-blank-checkue.pdf \(resolutionfoundation.org\)](#)

¹⁰⁴ [Public opinions and social trends, Great Britain - Office for National Statistics](#)

Theme	Measure	Universal/ Targeted	Impact
	people receiving disability benefit. Repeated in 2023/24.		<p>IFS estimate the lowest income households will still face inflation rates of up to 17.1% in Q4 of 2022¹⁰⁵. This does not account for the positive effects of the EPG.</p> <p>According to the House of Commons Library, a single parent with two children, with earnings of £18,000 would be £129 a month worse off from October 2022¹⁰⁶¹⁰⁷.</p> <p>It is estimated that 2.3 million of the poorest fifth of UK households will miss out on these payments because they are not eligible for means tested benefits¹⁰⁸.</p>
	£650 Cost of Living Payment for those on benefits: 8 million households on means tested benefit to receive two payments. Repeated and increased to £900 in 2023/24.	Targeted	
	£300 Pensioner Cost of Living Payment. Repeated in 2023/24.	Targeted	
Taxation	Raising the threshold for paying National Insurance Contributions (NIC) from £9,880 to £12,570 from July 2022	Universal	This is estimated to have taken 2 million lower-income workers out of NIC payment ¹⁰⁹ .

¹⁰⁵ [The long squeeze: rising inflation and the current government support package | Institute for Fiscal Studies \(ifs.org.uk\)](https://ifs.org.uk/publications/105)

¹⁰⁶ [The impact of high inflation on benefit claimants \(parliament.uk\)](https://parliament.uk/debates/articles/the-impact-of-high-inflation-on-benefit-claimants)

¹⁰⁷ This does not factor in the Energy Price Guarantee or £400 Energy Payment. This takes into account the lower real terms value of benefits when compared with rising inflation.

¹⁰⁸ [Help today, squeeze tomorrow • Resolution Foundation](https://www.resolution-foundation.org.uk/help-today-squeeze-tomorrow/)

¹⁰⁹ [Happy new tax year? • Resolution Foundation](https://www.resolution-foundation.org.uk/happy-new-tax-year/)

Theme	Measure	Universal/ Targeted	Impact
	Scrapping April's 1.25 rise to NIC: Known as the Health and Social Care Levy	Universal	The IFS estimate that this will save the poorest 10% of households just £7.66 a year on average ¹¹⁰ . People earning below the NIC threshold will see no material benefit.
	Extending the freeze to the basic rate of income tax threshold until 2027/28.	Universal	Without a freeze, the threshold is estimated to reach £15,400 by 2027/28, meaning the average household will lose out on £600 per annum in taxes until then. Although, the freeze will be less impactful from 2025/26 as inflation is expected to reach 0%.
	Councils allowed to increase Council Tax by up to 5% annually without a local referendum (3% Council Tax + 2% Adult Social Care precept)	Universal	Increasing Council Tax by 2.99% in Bristol would raise a further £7.5m but would disproportionately impact lower income households. The LGA have called for a longer-term solution to addressing growing gaps in local government finance ¹¹¹ .

¹¹⁰ [Mini-Budget response | Institute for Fiscal Studies \(ifs.org.uk\)](#)

¹¹¹ [Autumn Statement 2022: LGA briefing | Local Government Association](#)

Theme	Measure	Universal/ Targeted	Impact
	<p>Policy U-turns:</p> <ul style="list-style-type: none"> - The 45% top rate of Income Tax will not be abolished, - The basic rate of Income Tax will stay at 20% indefinitely, - Corporation Tax will rise from 19% to 25% in November 2022. 	Universal	<p>The average household will see their income fall by £1,000 by 2025-26, compared to £780 when compared with announcements made in the mini-budget¹¹².</p> <p>As interest rates rise, it has been estimated that the median increase in mortgage payments between 2020/21 and 2022/23 will be £470 per month. The lowest earning mortgage holders could end up spending 43% of their income on household costs.</p> <p>This could lead to 300,000 homeowners being drawn into poverty¹¹³.</p>

¹¹² [Cutting-tax-cuts.pdf \(resolutionfoundation.org\)](#)

¹¹³ Twitter - @JRF (7th October)

Theme	Measure	Universal/ Targeted	Impact
	Raising the threshold at which stamp duty is paid on residential properties from £125,000 to £250,000. It rises from £300,000 to £450,000 for first time buyers.	Universal	It is expected that house sales could increase by up to 26% in the short-term ¹¹⁴ , leading to higher demand and an increase in inflation and house prices in the longer-term ¹¹⁵ . The cost of these increases is likely to be passed on to private renters.
Benefits	Benefits and overall cap uprated 10.1% (in line with inflation) from April 2023.	Targeted	Even though benefits are being uprated by 10.1% in April 2023, it is expected that benefits will be 6% below pre-pandemic levels (in real terms) ¹¹⁶ . The increase in the overall cap on benefits (with inflation) is set to increase the average household income by £168 a month. However, since the cap was lowered and frozen in 2016, overall costs have risen by 23% ¹¹⁷ .
	Universal Credit taper: Individuals on UC who earn above this threshold will now have 55p deducted for every £1	Targeted	The poorest one-fifth of households are expected to be £90 better-off a year by 2026/27 ¹¹⁸ .

¹¹⁴ [Stamp duty cut set to boost property market as analyst 'highly sceptical' of demand-side push \(cityam.com\)](#)

¹¹⁵ [Stamp duty cut will benefit UK's wealthier and raise inflation, say experts | Stamp duty | The Guardian](#)

¹¹⁶ [Even with inflation uprating, benefits next year are on course to be 6% below their pre-pandemic levels | Institute for Fiscal Studies \(ifs.org.uk\)](#)

¹¹⁷ [Help-today-squeeze-tomorrow.pdf \(resolutionfoundation.org\)](#)

¹¹⁸ [Blowing-the-budget.pdf \(resolutionfoundation.org\)](#)

Theme	Measure	Universal/ Targeted	Impact
	over the threshold earned instead of 63p.		
	Universal Credit earnings threshold: Raising the amount at which an individual has their UC payment reduced by £500-per-annum.	Targeted	We are yet to receive figures on the number of people in Bristol who will be affected. We know that those affected are likely to need to take on more hours of work in order to bring their earnings above the threshold.
	Universal Credit Administrative Earnings Threshold: The point at which someone working comes off the DWP's 'Intensive Work Search' scheme will rise from Sep and again in January 2022.	Targeted	<p>This is likely to affect working parents and larger families most adversely because of how childcare affordability limits work opportunities.</p> <p>This is likely to mean more claimants are subject to additional job centre visits and having to prove they are looking for more work.</p>
Long-term policy change	An additional £6bn for home energy efficiency and retrofitting will be made available between 2025-28.	Targeted	<p>The LGA have welcomed additional funding but called on government to accelerate deliver up to 2025¹¹⁹.</p> <p>It is estimated that current levels of funding are only a fifth of what is needed to deliver a full programme of building energy efficiency measures¹²⁰.</p>

¹¹⁹ [Autumn Statement 2022: LGA briefing | Local Government Association](#)

¹²⁰ [Closer to home: governing the pivot from national net zero ambition to local delivery - E3G](#)

Theme	Measure	Universal/ Targeted	Impact
	Energy Security Bill: Introducing £100bn private investment into energy infrastructure by 2030 to deliver net-zero energy.	Universal	Will have no short-term impact on households.
	Expanding the Energy Company Obligation scheme: to drive energy companies to install more energy efficiency measures in fuel-poor homes.	Targeted	LGA analysis shows that fuel poor households pay £250 a year on average extra on their energy bills ¹²¹ . Driving energy efficiency will lead to a decrease in this additional cost.

¹²¹ [LGA statement on Queen's Speech: Energy Security Bill | Local Government Association](#)

Future government intervention

The Autumn Statement (17 November 2022) was the government's most recent fiscal and policy event. The next major event is the local government finance settlement which is expected to be announced in mid-December. The settlement will outline how much funding local authorities will have from central government in 2023/24.

The government had initially committed to outlining a two-year (rather than single year) settlement, which would have helped local authorities with longer term financial planning. It is unlikely that this will happen now that successive local government ministers come and gone. It was also expected that the government would conduct a review into the Fair Funding formula for local government as it is based on 2013-14 levels of spending needs. The government have confirmed that this will be delayed indefinitely.

In the local government finance settlement 2022/23, councils received an overall real terms uplift in funding of four per cent. This has been undermined and reversed by rising inflation from December 2021 onwards.

At the Autumn Statement, the chancellor announced that the government would conduct a review into the Council Tax system. It is expected that the local government minister will report back to Parliament on his review in the new year.

Framework for monitoring the impacts of the cost of living crisis

The data presented above collates information to understand the risk of the cost of living crisis and predicted impacts.

To understand the actual impact of the crisis on residents in Bristol we have developed a monitoring framework. This will help us to more accurately identify and react to the acute need presents challenges.

However, there is no one existing data source that will allow us to monitor the impact of the crisis and there is limited data availability at a local level. Living expenses, such as the cost of energy and food, will rise but this is hard to measure locally. Most indicators included in the reporting measure applications for benefits and requests for support services as this is the data available at a local level.

The principles of this monitoring framework are:

- Monitoring the use of front-line services can be used as a proxy for the expressed need in the population
- Narrative evidence provided by front line services is a valuable method of scoping and understanding the broader impacts of the crisis, especially if similar findings are being reported in multiple services and sectors across the city.

The monitoring report will be published at least monthly and continually reviewed and developed to ensure the indicators present as full a picture as possible. At current the report includes:

- Benefits data: Discretionary Housing Payments (DHP) applications, Local Crisis Prevention Fund (LCPF) applications and Council Tax Reduction (CTR)
- Rent arrears data: households in BCC housing
- Number of people seeking support from Citizens Advice Bureau
- Mental health referrals for IAPT and secondary care services
- Number of people not attending hospital appointments at North Bristol Trust

Local support

For more information about local support visit: [Cost of living support \(bristol.gov.uk\)](https://bristol.gov.uk/cost-of-living-support)

Appendix

Appendix 1

Risk index methodology

The methodology used to develop the Bristol risk index mirrors that developed by Centre for Progressive Policy to calculate their national vulnerability index to reflect risk to the impacts of the cost of living crisis¹²².

Methodology

May 2022:

The indicators used to calculate the index locally were:

- Food insecurity – percentage of Bristol residents who experience food insecurity (Bristol Quality of Life survey 2021)
- Fuel poverty - percentage of households in fuel poverty (Department for Business, Energy and Industrial Strategy 2019)
- Relative child poverty - percentage of children in low-income families (Office for National Statistics, 2021)
- Claimant count – number of residents claiming unemployment benefits (Office for National Statistics, 2022)
- Income deprivation score (domain of Indices of Multiple Deprivation) - percentage of the population in an area experiencing deprivation relating to low income (Ministry of Housing, Communities and Local Government, 2019).

Each indicator was given a rank for how it compares to the other wards in Bristol. The ranks for each indicator were added together to give a final composite risk score.

It is important to note that the data sources and indicators used do vary due to local data availability therefore is not directly comparable to the national findings, for example data about low wages was not available locally.

October 2022:

The risk index was revised to incorporate:

- Food insecurity - revised to three-year average (2019 to 2021)
- Child poverty – revised to absolute child poverty from relative child poverty as estimated to be better measure of impact of cost of living crisis

¹²² Centre for Progressive Policy (2022), [CPP | Hard Up \(progressive-policy.net\)](https://progressive-policy.net)

- Claimant count – updated to latest data (October 2021 to September 2022)
- NEW mental wellbeing measure as identified as key impact - percentage of Bristol residents who reported having below average mental wellbeing (Bristol Quality of Life survey three-year average 2019 to 2021).

Full indicator breakdown by ward in Bristol (October 2022) (lowest rank = highest rates/risk).

Ward	Food insecurity rank	Fuel poverty rank	Child poverty rank	Claimant count rank	Income deprivation rank	Mental wellbeing rank	Risk index (October 2022)
Lawrence Hill	2	6	1	1	2	2	1
Hartcliffe and Withywood	1	5	9	2	1	1	2
Filwood	4	1	5	4	3	4	3
Lockleaze	6	3	8	9	5	13	4
Ashley	7	12	3	5	10	14	5
Southmead	14	7	4	8	4	16	6
Easton	11	2	7	3	8	23	7
Avonmouth and Lawrence Weston	3	21	13	11	7	3	8
Hillfields	15	8	6	10	9	11	9
Eastville	8	20	10	6	14	22	10
Frome Vale	5	27	11	14	13	10	11
Knowle	23	4	14	16	11	17	12
St George West	17	11	23	7	15	12	13
St George Central	26	14	12	12	12	9	14
Central	16	13	2	27	20	7	15
Hengrove and Whitchurch Park	9	31	15	15	17	5	16
Horfield	10	17	21	21	19	6	17
Henbury and Brentry	19	26	18	13	6	15	18
Stockwood	12	28	19	18	16	8	19
Brislington East	21	25	16	17	18	19	20
Windmill Hill	20	9	22	19	23	25	21
Bishopsworth	18	23	17	24	21	20	22
Bedminster	30	10	24	25	25	24	23
Southville	24	16	30	20	22	27	24
Brislington West	25	24	26	22	24	18	25
St George Troopers Hill	27	33	20	23	26	21	26
Bishopston and Ashley Down	22	19	28	26	29	31	27
Clifton	13	22	29	32	30	29	28
Cotham	32	15	31	29	31	26	29
Hotwells and Harbourside	29	29	25	28	28	28	30
Clifton Down	28	18	32	33	33	30	31
Stoke Bishop	31	32	27	30	27	34	32
Redland	33	30	34	31	34	33	33
Westbury-on-Trym and Henleaze	34	34	33	34	32	32	34