

CRUSHED BY THE COST-OF-LIVING CRISIS

THE TIME TO ACT IS NOW

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Cost of Living Briefing #CrushedbyCOL
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Northern Ireland Statistics

Energy:

- 1 in 10 households admitted that in order to pay for rising energy costs they had to cut back on food or skip meals altogether (NEA, June 2022).
- 75% of households in NI have worries about paying for energy either currently or during the winter ahead (NEA, June 2022).
- When we asked households if they thought politicians in NI were doing enough to address the Cost-of-Living Crisis an overwhelming 85% of respondents said no ([Lucid Talk Omnibus Poll Project, NEA, June 2022](#))
- As of June 2021, 45% of NI households were found to be in Fuel Poverty ([University of York, 2022](#))
- Northern Ireland is set to be **worst affected** part of the UK in terms of fuel poverty levels with **76.3% of families falling into fuel poverty by January 2023** (this research also found that Single parent households across the UK with two or more children will bear the brunt at 90.4% ([University of York, 2022](#)))
- Even **before the current cost of living increase**, a quarter of households could not afford to pay an unexpected £500 bill and just over **24% of households reported having turned down or off heating**, even though the house was cold. Younger age groups - those most likely to have children in the household – were most likely to say they had had to turn the heating down or off ([NILT, 2022](#))

Energy prices in the past 12-18 months

- The Consumer Council's [Energy Price Comparison Tool](#) allows consumers to compare electricity and gas tariffs and the [Home Heating Oil Price Checker](#) allows consumers to check the current price of home heating oil.
- An average electricity bill has increased by 55% since July 2021, while depending on where you live, an average gas bill has increased by between 210 – 354%. An average oil bill has increased by 148%.

- This means annual energy costs [1] have increased from £1125 to £2539 (gas, Greater Belfast), £1129 to £3296 (gas, Ten Towns) and £1351 to £2784 (oil). Energy bills are more than double what they were a year ago, and in some cases, almost three times what they were.

	Typical annual bill[2]			
	July 2021	October 2022	Increase (£)	Increase (%)
Electricity[3]	£610.24	£944.64	£334.40	54.8%
Gas – Greater[4] Belfast	£514.28	£1593.96	£1079.68	209.94%
Gas – Ten Towns[5]	£518.46	£2351.46	£1833.00	353.55%
Oil[6]	£740.83	£1839.30	£1098.47	148.28%

[1] Annual energy costs combining electricity and heating costs (gas, Greater Belfast and Ten Towns; oil)

[2] Based on electricity usage 3,200kWh, gas usage 12,000kWh, oil usage 1,700 litres

[3] Based on Power NI standard tariff credit meter effective from 1/7/21 and 1/7/22 (regulated supplier)

[4] Based on SSE Airtiricity standard tariff credit meter effective from 1/4/21 and 1/10/22 (regulated supplier)

[5] Based on firmus energy standard tariff credit meter effective from 1/4/21 and 1/10/22 (regulated supplier)

[6] Based on Consumer Council Home Heating Oil Price Checker

(<https://www.consumer council.org.uk/homeheatingoilpricechecker/tool>).

Price for 500 litres on 1/7/21 (£217.87) and 8/9/22 (£540.97).

It is difficult to estimate typical annual usage as no data collected, however Consumer Council research (The Consumer Council, A Review of Fuel Poverty Levels in Northern Ireland (May 2022)) suggests annual household usage to be around 1700 litres.

Poverty and destitution:

- The Family Resources Survey 2019-20 found that 36% of households have no savings.
- The National Institute of Economic and Social Research predict that **destitution could rise by as much as 67% - double the rate of the headline figure of 30% in other parts of the UK**. This equates to 25,000 destitute households ([NIESR, February 2022](#))
- The fieldwork for the [Northern Ireland Life and Times survey](#) on attitudes to poverty, economic hardship and social security took place during the final quarter of 2021, just before an Omicron wave of COVID-19. **It found that 26% of the 501 respondents participating reported a decline in household income.**
 - The most common means of dealing with dealing with financial hardship was to borrow from friends and family (44.6%) or to increase credit card debt (26.6%).
 - Around 25% of households could not afford to pay an unexpected £500 bill.
 - Looking at what groups would struggle the most with an unexpected, but necessary, expense of £500, fewer than one in ten of those over 65 said they could not afford this, rising to 40 per cent of those aged 18-24, 36 per cent of 25-34 year olds and 33 per cent of 35-44 year olds.
 - Just over 90% of respondents agreed that 'Social security benefits should enable an individual or family to meet their basic living needs'. 60% agree with the more ambitious statement that 'Social security benefits should enable an individual or family to have a normal standard of living', while 80% thought 'Social security benefits should enable an individual or family to live a life in dignity'.

Housing:

- 82% of private renters relying on Universal Credit to afford their rent have a shortfall between the amount of support they receive from UC and the amount of rent they owe. The average shortfall is £119 per month ([AQW 2508/22-27](#))
- JRF research found that Northern Ireland has a greater proportion of home-owners in poverty than the rest of the UK. And that twice as many of Northern Ireland's mortgaged households were behind with their mortgage repayments (14%) compared to the whole of the UK (7%) ([JRF, 2018](#)).

In the UK:

- Between 2002/03 and 2019/20 the risk of living in very deep poverty has:
 - Increased by over half for people living in large families (three or more children), to reach 18% or 1.1 million people;

- Increased by a third for people in families with a disabled person, to reach 15% or 2.3 million people;
- Increased by a third for people in lone-parent families, to reach 19% or 900,000 people ([JRF, June 2022](#))

Inflation

- Inflation predicted to be 18% by 2023 ([Citi Bank prediction, August 2022](#))
- If Bank of England is right and inflation hits 13% in October then the poorest fifth of households will experience inflation of **c.18%**. That's because they spend such a large fraction of their budgets on energy and food, prices of which are rising so fast ([IFS, August 2022](#))

Four Emergency Policy Interventions

The overarching message that is bringing us together is the lack of an anti-poverty strategy in NI. This sets the context for the 'emergency responses' we are asking for. We need to see long-term measures that will provide adequate protection should any future crises happen.

All measures are emergency interventions and should be activated for six months (October 2022 – March 2023).

- **PAUSE SOCIAL SECURITY DEBT FOR SIX MONTHS**

Stop social security debt deductions from low-income households to maximise monthly income.

- **REINSTATE THE £20 UPLIFT TO UNIVERSAL CREDIT AND EXTEND IT TO LEGACY BENEFITS**

Target more cash to working and non-working households to give families the dignity of affording basic essentials.

- **A ONE-OFF PAYMENT OF £500 TO THOSE ENTITLED TO DISABILITY BENEFITS OR CARER'S ALLOWANCE**

Those entitled to Child DLA, Personal Independence Payment, Attendance Allowance and Carers Allowance will receive a £500 payment to recognise additional costs.

- **REMOVE THE TWO-CHILD LIMIT FOR UNIVERSAL CREDIT AND CHILD TAX CREDIT**

All children in a family should receive benefit entitlement to ensure that no child goes hungry this winter.