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# Cost of Living Report

## October 2023

# The Ends Won't Meet: the continuing cost of living crisis for social housing tenants in Wales

# The cost of living crisis is deepening for social housing tenants across Wales

The ongoing cost of living crisis continues to hit social housing tenants hard. Many people who live in social housing are on a low income or fully reliant on welfare benefits, so a large part of their money already goes towards paying for basic essentials.

As food, fuel and energy prices have continued to rise, making ends meet has become a daily challenge, and the situation is unlikely to improve anytime soon.

Living costs are expected to remain high: at the time of writing inflation remains at 4.6%. Previous UK and Welsh Government help in the form of the fuel support scheme and energy bill discount scheme has been withdrawn, meaning that households will receive less support this year<sup>1</sup>. As a result one in four of the poorest households will face energy bills rising by more than £100 this winter<sup>2</sup>.

Many people who live in social housing are unable to escape persistent financial hardship. More and more are falling behind with their energy bills, relying on food banks, slipping into debt, and living with the daily stress of surviving.

Social rented housing is the most common tenure for destitute households, the very deepest form of poverty. People are considered destitute if they have not been able to meet their barest physical needs to stay warm, dry, clean and fed. Two-thirds of those living in destitution in the UK are in receipt of Universal Credit<sup>3</sup>, demonstrating that our social security system is failing people who are facing hardship.

We need the government to **act now** to support tenants who are being pushed further into poverty as a result of the cost of living crisis.

<sup>1</sup> In winter 2022–2023, UK Government gave every household £400 discount on their energy bills and in addition £200 was provided by Welsh Government to eligible households via the winter fuel support scheme.

<sup>2</sup> Resolution Foundation, [Energy bills this winter](#), August 2023

<sup>3</sup> JRF, [Destitution in the UK](#), October 2023



### → **Housing association cost of living survey**

Housing associations are directing significant resources to help their tenants navigate the current cost of living crisis. Preventing and alleviating poverty is an integral part of their core purpose.

In August 2023, Community Housing Cymru issued a survey to all 34 housing associations in Wales, to find out how increasing living costs are affecting tenants and how housing associations have been supporting the people who live in their homes. 24 housing associations (70%) took part in the survey, and as such can be seen as a representative sample of our members. This exercise follows previous research that informed our reports [A lot to lose](#) (2021) and [Time to Act](#) (2022).

### **Housing associations continue to extend their support for tenants at a time when the cost of living crisis continues for people across Wales**

Our research demonstrates that **all** housing associations ensure tenants receive holistic support that both alleviates immediate financial hardship and tackles the underlying causes to help build financial resilience.

Staff build meaningful relationships with tenants and community partners, and are ideally placed to provide high quality personalised financial support. 97% of staff in these services are on permanent contracts, core funded by housing associations. They work with tenants to complete paperwork to access benefits and grants, source food bank vouchers and cash for clothes. They also work with tenants to seek to reduce their energy bills and find funds for fuel bills.

“One tenant received a £5,000 rebate from DWP as a result of the dedicated support provided by staff.”

Housing associations help tenants navigate and access emergency support for housing costs, including help to apply for local authority Discretionary Housing Payments and Discretionary Assistance Funds. Unfortunately, our members tell us that the amount of funds available and the ease of the application process for tenants is often a postcode lottery. In fact, 73% of housing associations noted barriers when applying for these funds. This emergency relief is essential for people and must be protected.

Over a third of housing associations provide in-house debt advice. Demand for these services is also increasing as the cumulative impact of austerity is reflected in tenants' personal debt.

Debt was the third most common area of support required by tenants' between January to June 2023. Our research also demonstrated that tenants who have never needed financial support before are turning to their associations for help.

“The type of increased referral for self-payers have been more debt-based, where clients have fallen behind with credit card payments and priority bills such as rent, council tax and utilities.”

“The cost of living crisis and financial hardship is dominating my workload at present. When I’m focusing on hardship I am mindful that I may be missing early interventions with my rent accounts. ... I’m very proud of the work we do and the difference we make to people’s lives. More and more residents are turning to us as they don’t know where else to turn but my concern is how long can we sustain this for.”

The majority (86%) of housing associations offer a lifeline for tenants in financial crisis in the form of a hardship fund. In total, housing associations provide access to over **£1.3m in hardship relief**, and more than half (59%) have increased the amount of funds available for this financial year.

Between January to June this year, on average individual **tenant income was maximised by over £1,000** when they had been supported by their housing association.

14 housing associations supported tenants to receive over nine million additional income in the same period.

As well as alleviating poverty and financial hardship, these support services help build trust and understanding between tenants and their landlord so that they can receive tailored advice and purposeful support for all areas of their wellbeing.

“(tenants) are having to make a choice between rent, fuel and food ... (this) is having an impact on residents well-being and mental health”

The mental and physical impact of financial hardship are well known. Recent research by the charity Mind has revealed that universal credit claimants are more than three times more likely to consider suicide because of the cost of living crisis<sup>4</sup>. As a result half of housing associations are delivering mental health support to their tenants, either directly or through work with community partners.

<sup>4</sup> [“Mind reveals mental health toll of the cost of living crisis”](#) 27 October 2023



→ **Tenant information campaigns**

Housing associations play a pivotal local role in enabling access to monies that people are entitled to, and are proactively undertaking targeted tenant facing information campaigns to encourage tenants to speak to their landlords if they are experiencing financial difficulties.

We welcome Welsh Government’s support for awareness raising campaigns such as the ‘Claim what’s yours’ advice line. CHC is working with Welsh Government and WLGA to explore targeted messaging under the Wales-wide Here to Help campaign, with the aim that this will encourage those groups of social housing tenants identified through this research to contact their landlord for support as well as access other available advice.

**The demand for financial support is increasing and diversifying**

Between January and June 2023, housing associations worked with **over 14,000 tenants** to access financial support and 74% reported that **this was an increase from the previous six month period.**

The type of tenant reaching for support is diversifying. Housing associations have witnessed an increase in demand for support from tenants with unsteady incomes and smaller households including single occupants or single parents, reflecting the strain placed on households with sole incomes.

Housing associations are committed to providing holistic financial support, however they are struggling to keep up with demand. Frontline services are already at capacity.

“(We are) seeing a trend of people asking for help/support when their benefits are already maximised.”

“(There is) Limited support available at present and short resources so we have to pick up the gap.”

Housing associations also foresee facing additional pressure to support tenants moving onto Universal Credit as managed migration from tax credits and legacy benefits rolls out across Wales.

Housing associations are only part of the puzzle. Our case studies demonstrate what can be achieved from effective local partnerships and collaboration. Housing associations are committed to work with local groups and organisations to create economies of scale and provide access to the full range of support available to their tenants.

## CASE STUDY ONE:

## Adra housing association

Adra housing association, in partnership with Citizens Advice Bureau (CAB) Gwynedd engaged with over 100 tenants throughout the year 2021–22. While many housing associations refer tenants to CAB services, Adra has a special relationship with the Gwynedd team. This includes a data sharing agreement that allows CAB Gwynedd to communicate how their engagement with Adra tenants is going, and feedback directly to tenant engagement teams on a monthly basis.

Adra refers tenants in mid – to high-level debt to CAB Gwynedd, where teams provide advice on debt, advice, budgeting, energy and utility tariffs. CAB will engage with tenants for long periods – sometimes more than 12 months. Adra has found this approach to be really effective as some tenants feel more comfortable engaging with neutral organisations.

The following case studies show how this partnership has helped Adra tenants:

Mr D was referred for assistance to appeal against a decision by the Department for Work and Pensions. It had refused his claim for Personal Independence Payment. Mr D suffers with mental health and has mobility problems. This decision resulted in a deterioration in his mental health and led to financial hardship. Following intervention via a mandatory reconsideration, Mr D was successful in changing the decision, and he now receives PIP on the highest grade and received back payment.

**Total gains: £23,251.80**

Miss G, a single mum, came to us following a hard financial period with debt of £6,983.33. Her creditors were taking matters to court, and she said that she would have difficulty paying rent. After looking into matters and finding that enough money was coming into the house, and that there was no reason for the debt, it became clear that Miss G had a gambling addiction. This was creating debt and meant Miss G had difficulty paying debt from her spending income. After receiving support for her addiction, and working on her budget, Miss G successfully stopped gambling and cleared all her debts over a few months.

**Total gains: £6,983.33**



→

Miss K was referred because of debt, and for help to maximise her income. She was unable to work because of sickness, this was creating financial difficulties as bills had got out of control and she was unable to find a way out. The team succeeded in getting grants to write off the debt of £1,900 which gave her a clean slate with her bills. They also succeeded in maximising her income by looking at her Universal Credit and ensuring that she was making the appropriate claim; and assisted with Personal Independence Payment – she is now on the highest grade regarding both elements.

**Debt that was cleared: £1,9000; increase in benefits: £12,027.80; total gains: £13,927.80**

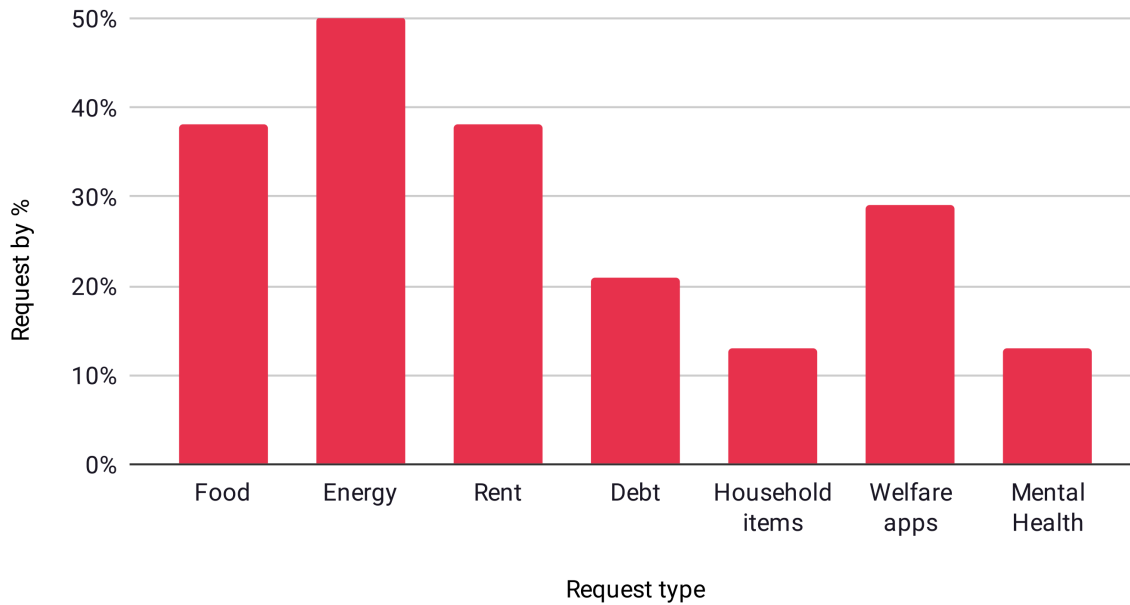
The devastating impacts of the cost of living crisis and the shortfall in tenant incomes must be addressed before tenants are pushed into further hardship.

### **Policy changes are needed to provide short term support to social housing tenants weathering the crisis**

Our survey findings reflect that social housing tenants are struggling to afford essential bills and living costs. Food, energy and rent are the most common reasons why tenants requested help from their housing association.



**The top reasons why tenants requested financial support**



Housing associations' core purpose is to provide affordable homes to people that need them. Setting rent is one of the most important decisions our not-for-profit members make, and they don't take it lightly. It is a decision that carefully balances affordability for individual tenants with investing in the high quality homes and core services that they rely on. Every year, Welsh housing associations undertake extensive engagement with tenants and use affordability tools developed by organisations such as the Joseph Rowntree Foundation to ensure that rents are fair and proportional.

For the majority of social housing tenants, their housing costs are covered by Universal Credit. They will receive a housing payment each month from Universal Credit which they will need to pay to their landlord. The increasing financial strain placed on households means that tenants are having to make difficult choices between eating, heating their home and paying for their rent. For some tenants in the most difficult circumstances, their allocated housing payment is instead being used to pay for these essential needs as they struggle to pay for the increasing costs of food and energy.

Housing associations have committed that no one will be evicted from their homes due to financial hardship, where the tenant engages with their landlords. The message housing associations share with tenants who are struggling is always, 'talk to us, we can help you'. The various types of financial support offered by housing associations as set out in this report would be made available to all tenants struggling to pay their rent.



→ **We must ensure that welfare support is sufficient to pay for basic essentials and government support is extended to protect tenants from high energy costs**

**Energy**

Government support on energy bills has been welcome, but energy bills are still close to double pre crisis levels, and the subsidies provided last winter through the winter fuel support scheme and the energy bills discount scheme have now ended. As a result direct debits will be higher this winter compared to last winter.

Energy debt has increased as people are struggling to pay these increasing costs, resulting in one in four people with energy debts being currently unable to repay<sup>5</sup>.

We need to see further support introduced immediately to help social housing tenants repay energy debt and afford to fuel their home. Community Housing Cymru supports the [Help to Repay](#) proposal led by the Money Advice Trust and a coalition of charities including National Energy Action (NEA) Cymru, calling for the UK Government to introduce a temporary scheme for people struggling with energy debt.

Last year we called for the introduction of an energy social tariff in our Time to Act report. Whilst UK Government did commit to consult on this issue in the 2022 Autumn Statement, we have yet to see any progress on this a year on.

Community Housing Cymru are a named supporter of NEA's campaign for a social tariff, and we stand alongside our sister housing federations, consumer organisations and charities to ask UK Government to bring forward the consultation and prioritise the creation of a social tariff.

Almost half of Welsh social housing tenants use prepayment meters and we welcomed Ofgem intervening earlier this year to place a ban on enforced installations. As the ban lifts and the new code of practice takes effect, we need to ensure that tenants continue to be protected by the conditions placed on suppliers.

<sup>5</sup> [National Debtline research](#)

**Welfare sufficiency**

The UK Government cost of living payments provided short term respite for those tenants who received them. Housing associations tell us that they witnessed a dip in requests for financial assistance shortly after the monies were paid, but this was short lived, and overall more tenants are asking for help as the months go by.

Two-thirds of those living in destitution in the UK are in receipt of Universal Credit<sup>6</sup>, demonstrating that our social security system is failing people who are facing hardship. As the crisis escalates, we need to ensure that the welfare system provides sufficient support so that tenants never have to consider choosing between essentials.

“I am speaking to far more working contract holders who have been referred to me after income coaches have completed budgets with deficits. I’m finding it difficult to assist in the management of their budgets as they are not indulgent, but they can’t cover the basics. I am also seeing people who were previously managing their debts but due to (the) current cost of living they are now struggling and not keeping up with payment plans that used to be manageable. I feel a lot of pressure, as in these cases, there is often little I can do.”

Community Housing Cymru is a named supporter of the Essentials Guarantee campaign launched by the Trussell Trust and Joseph Rowntree Foundation which calls for a **reform of Universal Credit to ensure that the minimum level of support guarantees that people can pay for essentials.**

We also need to ensure that the crisis support provided in the form of Universal Credit advance payments does not create a cycle of debt perpetuated in negative budgets. The amount that the government can remove from a person's monthly allowance to repay debts should be reduced to ensure that repayments are affordable.

<sup>6</sup> <https://www.jrf.org.uk/report/destitution-uk-2023>





**We're urging UK and Welsh Government to take forward the following actions immediately:**

**UK Government should:**

- 1** Confirm that benefits will be increased in line with inflation from April.
- 2** Prioritise the creation of an energy social tariff and provide affordable repayment options for those in energy debt, taking forward calls made by National Energy Action (NEA) Cymru, and endorsed by many other charities and consumer organisations.
- 3** Ensure that the forced installation of prepayment meters does not resume for financially vulnerable households.
- 4** Commit to review and increase Universal Credit to ensure that the minimum level of support guarantees that people can pay for essentials, implementing calls made by JRF and Trussell Trust for an Essentials Guarantee.

**Welsh Government:**

- 5** Protect existing emergency funds and ensure that routes to support are accessible and targeted to those who most need it.
- 6** Continue to fund vital initiatives that target fuel and food poverty, and that support higher rates of benefit take up.

**Housing associations in Wales will:**

- 1** Continue to support tenants with financial support and advocacy, and monitor the impact of this work.
- 2** Continue to work with WLGA and Welsh Government to deliver an awareness campaign which encourages social housing tenants to turn to their landlord for help.
- 3** Continue to explore community partnerships to enable tenants to access short term relief, including partnerships with food banks and local credit unions.
- 4** Ensure that rents are affordable for tenants, by engaging with tenants and using tools to understand affordability.

**CASE STUDY TWO:**

## Cadwyn Housing Association

A Cadwyn Housing Association financial inclusion officer engaged with a tenant who was at risk of falling into rent arrears. It took months of engagement before the tenant felt comfortable enough with Cadwyn's staff to reveal their personal circumstances: they were a survivor of domestic violence and were suffering from mental health problems related to this past trauma.

The officer discovered that the tenant's previous partner had kept the birth certificates of their two children, leaving the tenant unable to claim child benefit for either child, or add them to the tenant's housing benefit claim. A full assessment showed that the tenant was in severe financial hardship.

Cadwyn's officers assisted the tenant in updating their Housing Benefit claim and applying for Child Benefit and Child Tax Credits. Cadwyn also paid for replacement birth certificates and supported the tenant with the applications, visiting her regularly to work through the extensive paperwork needed. The officer also completed a social/children's services referral so they could support the tenant and their children with their home life.

With this intense help and support from Cadwyn, the tenant's income tripled. Their rent account is now fully up to date and is paid in full every month directly from the DWP. Their personal circumstances have improved dramatically too, and their children are thriving in education.





**CASE STUDY THREE:**

## **Melin Homes**

### **Financial support**

The association has maximised tenants income by £10m over the last 10 years, including £1.4m the last financial year through debt relief, energy support, grant applications and benefit claim assistance. The association also supports tenants by submitting and attending benefit court tribunals. In addition, it is also an accredited member of AdviceUK which gives their tenants assurance that they are being assisted by a trusted, knowledgeable organisation.

### **Tackling food and fuel poverty**

In total, Melin has supplied over £50,000 in fuel and food vouchers. This is invaluable for tenants as it provides immediate support when they are in hardship as the vouchers can be text or emailed. The housing association then works with tenants to address the root causes of their negative budget to find sustainable ways to reduce their reliance on food and fuel vouchers.

### **Helping tenants find work**

Last year Melin helped 52 residents into full or part time sustainable employment by providing support with CV writing, interview tips, confidence building and financial assistance to purchase suitable work wear. The housing association has built strong links with employers at both a regional and national level. One tenant who was supported through the scheme was a person who had resettled from Afghanistan; he found work as a security officer and was quickly promoted to team leader.

**CASE STUDY FOUR:**

## United Welsh Group

In 2022 United Welsh introduced the Live Life to the Full course to help meet the increasing needs of customers specifically regarding mental health. Live Life to the Full is a course designed for people that are experiencing isolation, low self-esteem, lack of confidence, anxiety, low moods or low motivation.

This year, United Welsh has seen an increase in customers who were experiencing poor health and struggling with their wellbeing, and the negative impact this was having on their daily lives. This manifests itself in people feeling unable to: tackle household tasks such as cleaning, decluttering and gardening; deal with their bills; manage neighbour issues, or family issues without support; take responsibility for themselves.

United Welsh Introduced the six-week course for customers to embrace their strengths. 40 customers have taken part, and all have reported significant improvements in their health and wellbeing, self esteem and confidence.

Many attendees have also since enrolled in training and volunteering opportunities, with all reporting that the course had a positive impact on their mental health and wellbeing.

One participant said, “The course has given me a greater understanding of how my mental health affects me and the people around me. It’s also given me more ways to manage my mental health, allowing me to understand what I can control and what I can’t.”





**CASE STUDY FIVE:**

## **Tai Calon Community Housing**

By hosting the local food partnership for Blaenau Gwent, Tai Calon has an additional focus on food security and building food networks.

Tai Calon's sustainable food coordinator manages Blaenau Gwent Food Partnership which supports individuals and organisations working across the Blaenau Gwent food system; promotes healthy, sustainable and fair food choices and provides information about local food banks, parcel or pantry services and community growing projects. For example;

- Slow cooker clubs
- Vegetable seed hubs
- Supporting food pantries across communities
- Growing spaces



## CASE STUDY SIX:

## Tai Calon Community Housing

Tai Calon provided life-changing support to a tenant during their time of need.

Following the tragic loss of their grown-up child and two grandchildren in an accident they found himself living with a friend. They were given just two weeks to find other accommodation, and had no bank account or identification with which to open one. They only had the clothes they were wearing that day.

Tai Calon's Liffit Support Workers, Joanne Jones, and Janice Elliott stepped in to help. They applied for a birth certificate and secured a flat in one of Tai Calon's sheltered schemes. They also registered the now-tenant with a bank and GP practice and accessed the Tai Calon Hardship Fund for bedding, crockery, pots and pans, and food. They applied for Housing/Council Tax Benefits and Personal Independence Payment, both of which were awarded.

As a result, the tenant had an additional £1,252 per month (annual £15,024) and a one-off payment of £2,742. They were grateful for the support he received, saying,

“No one has ever helped me before or ever done anything like this for me. Thank you so much I love my home, I just can't believe it is mine.”



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