

Fairer Renfrewshire

Cost of Living Dashboard

May 2024

Prepared by:

Policy and Partnerships

tacklingpoverty@renfrewshire.gov.uk

Cost of Living Dashboard

This dashboard has been developed to provide a summary of key indicators relating to how local households might be impacted by the cost-of-living crisis

It has four key sections: economy, social security, financial insecurity and housing

Each section has an overview with key indicators and their movement from the last period, supported by additional information and graphs showing further analysis and longer-term trends

The dashboard is still in development, and feedback is welcome on the information included and its presentation to ensure it is a useful tool

OVERVIEW

Key statistics - economy

 **5.25 %**

Bank of England base rate
(March 2024)

 **£18.33**

Average hourly pay for a
Renfrewshire worker (excluding
overtime) (Scotland / £18.09)

 **2.3 %**


Consumer Prices Index (CPI)
(April 2024)

 **149.54p**

Average fuel price for petrol
(May 2024)

 **3.2%**

Inflation rate for food and non-
alcoholic beverages
(March 2024)

 **£1,690**

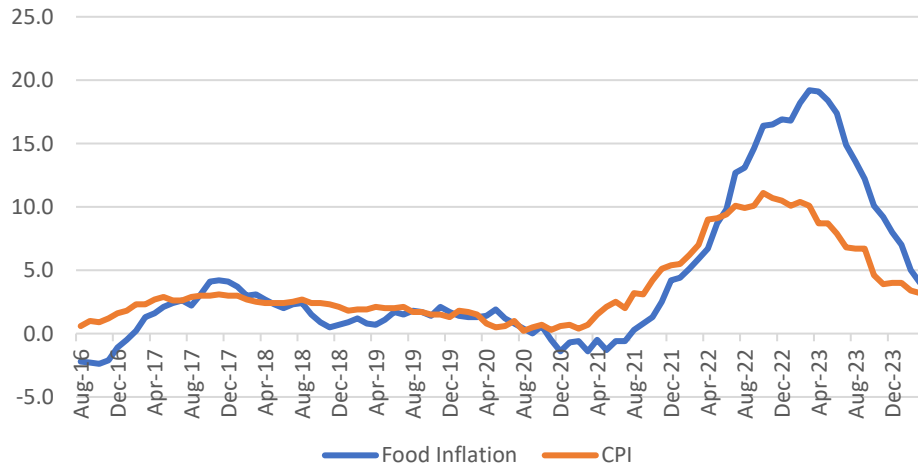
Energy price cap, typical use,
direct debit
(from April 2024)

- Inflation falling, driven by decreases in food inflation
- No change in interest rates
- Energy price cap falling, for the first-time prepayment meters comparatively cheaper than direct debit
- Hourly pay increasing, slightly ahead of Scotland average

Inflation

The inflation rate in April 2024 is 2.3%, down from 3.2% in March. The reduction is not consistent across all categories, and is driven by reductions in energy prices. The fall was not as great as expected, largely attributed to service sector inflation.

CPI Inflation Percentages



Interest Rates

The Bank of England's base rate is currently 5.25%, having increased significantly over the last year.

Interest rate projections are difficult to predict, however many analysts are predicting modest decreases over the next two years.

Bank of England Bank Interest Rate



Earnings

Based on the ONS annual survey of hours and earnings, in 2023 the median hourly pay (excluding overtime) for workers in Renfrewshire is higher compared to that for workers in Scotland, or the rest of Great Britain.

It should be noted that the median hourly wage for females in Renfrewshire is less than that for workers in Scotland. The gender pay gap has been declining slowly over time.



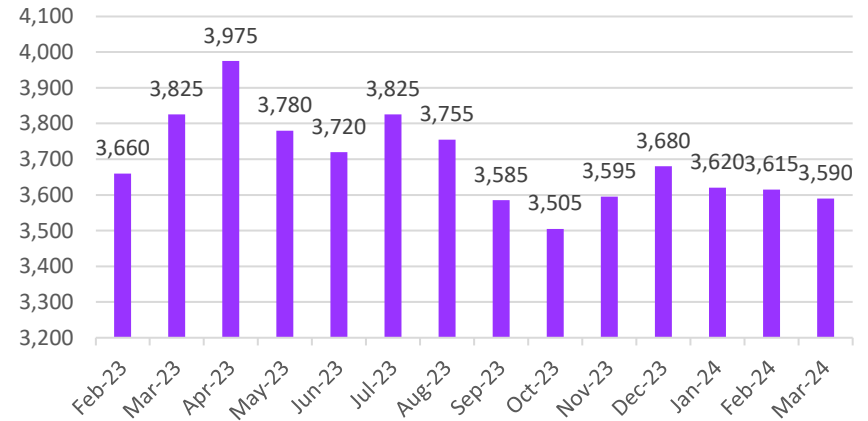
Employment Rate

The ONS Labour Force Survey shows the Claimant Count for those claiming benefits 'principally for the reason of being unemployed', which now stands at 3,590. This is based on numbers claiming JSA and Universal Credit.

These numbers are based on those aged 16 and over.

The Renfrewshire unemployment rate of 3.1% is the same as Scotland (3.1%) but lower than that of Great Britain (3.9%).

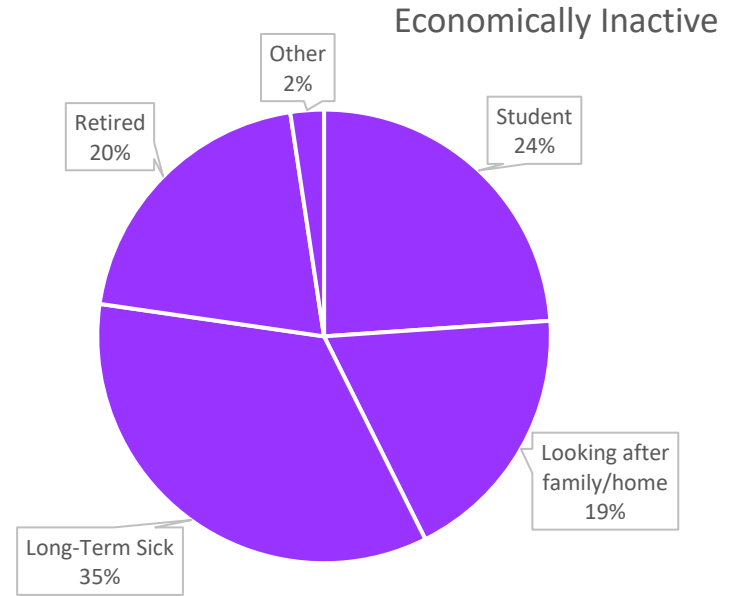
Claimant Count



Economic Inactivity

The ONS Labour Force Survey also provides details on those aged 16+ that are economically inactive and not seeking work. Between January 2023 to December 2023, of the 25,100 people aged 16-64 that are classed as economically inactive, 80% are not looking for employment (either in the long-term or short/medium term).

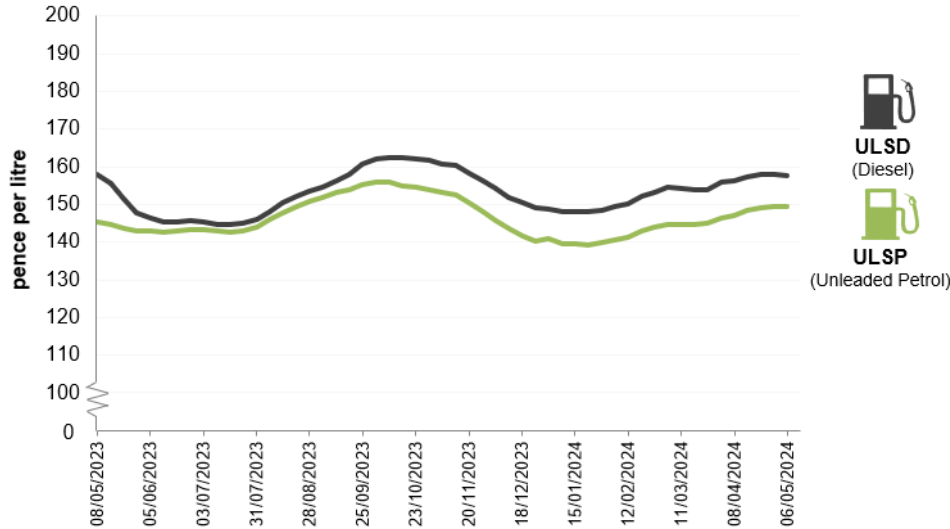
The percentage of economically inactive people aged 16-64 that want to gain employment (either in long-term or short/medium term) in Renfrewshire (20%) is significantly higher than that of the rates in Scotland (16.5%) and Great Britain (17.6%).



Fuel Prices

From the UK Government's weekly fuel price publication, the average UK pump price on 6 May 2024 is 149.54 pence per litre for petrol, and 157.64 pence per litre for diesel.

Weekly road fuel prices over the 12 months to 6 May 2024

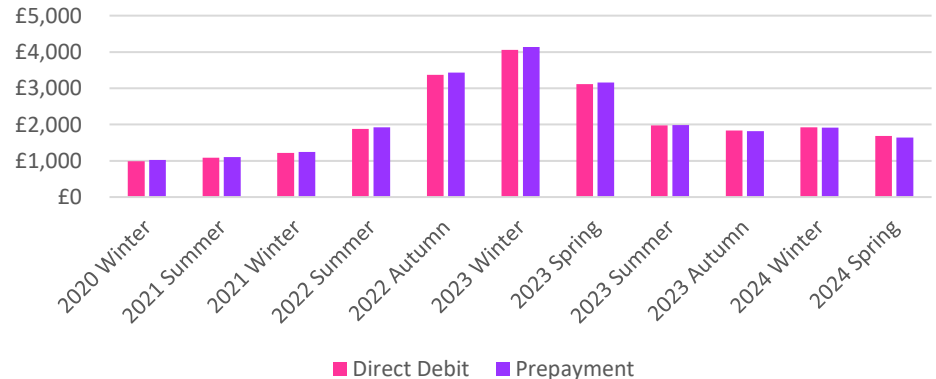


Energy Price Cap

The Energy Price Cap sets a limit on the maximum amount suppliers can charge for each unit of gas and electricity used and sets a maximum daily standing charge. That means there is no upper limit to what a user pays, if more energy is used, more is paid.

The Energy Price Cap now changes every three months (previously six), mainly based on average energy wholesale prices in the months leading up to each change. From April 2024 the Energy Price Cap will reduce to £1,690 per year for those on a monthly direct debit, and to £1,643 per year for those with a prepayment meter.

It should be noted that between October 2022 and June 2023, no one paid the full amount under the Price Cap. Due to high energy prices the UK Government introduced the Energy Price Guarantee which provided a discount on the Price Cap for households.



OVERVIEW

Key statistics - social security

 **15,479**

Households claiming Universal Credit
(Provisional February 2024)

 **5,858**

Children awarded a Clothing Grant
(April 2024)

 **10,670**

Children in Renfrewshire receiving a Scottish Child Payment
(December 2023)

 **4,759**

Children in receipt of Free School Meals
(April 2024)

- Households claiming Universal Credit increasing, this includes new cases and managed migration from tax credits
- Increase in number of children receiving Scottish Child Payment, largely positive as this is a relatively new benefit

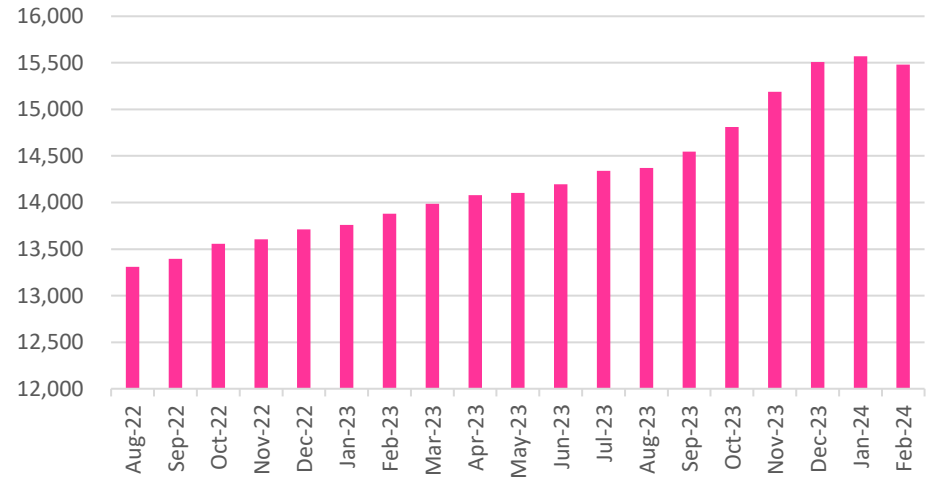
Universal Credit

Households on Universal Credit (UC) continue to rise with 15,177 households in Renfrewshire receiving Universal Credit as of February 2024.

Starting in August 2023, the managed migration from tax credits to UC will see further rises in the UC caseload, with the legacy tax credit caseload closing this year. From April 2024, the managed migration process will commence for those claimants still on Income Support, Jobseeker's Allowance, Housing Benefit and Employment and Support Allowance.

Following the UK Spring Budget announcements, from June 2023 the maximum levels of childcare costs paid by Universal Credit has increased, with childcare costs paid at a higher level within UC compared to tax credits. The DWP have been publicising that some people may be better off on UC compared to tax credits, which may be driving some of the increase in UC numbers.

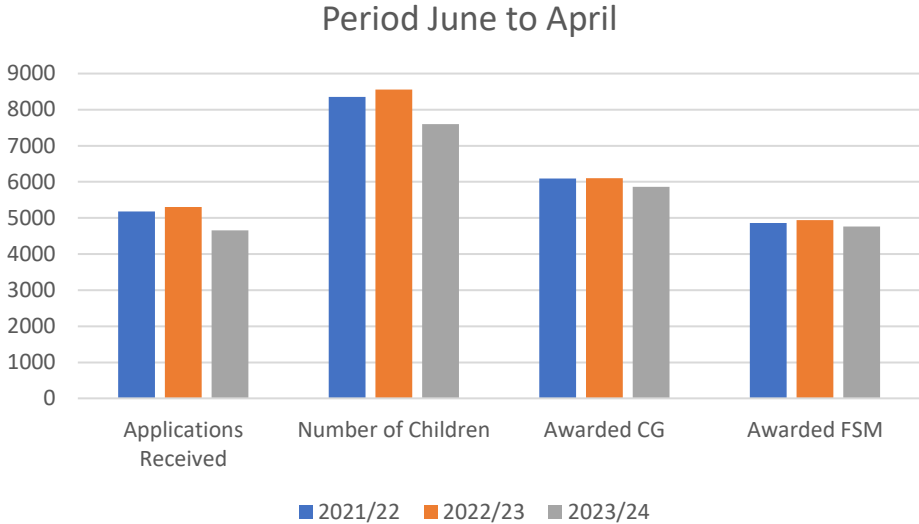
Number of Households on UC



Free School Meals and Clothing Grants

The 2023/24 Free School Meals and Clothing Grant application process commenced in June 2023 and closed in April 2024.

The number of applications received during 2023/24 is down compared to the same period in 2022/23.



OVERVIEW


Key statistics - financial insecurity

 **6,484**


Number of Crisis Grants awarded -
spend of £753,268)
(April 23 - March 24)

 **3,011**

Number of people who sought
advice from Advice Works or
Citizens Advice Bureau
(2023/24, Q4)

 **1,368**

Foodbank vouchers issued
(includes 759 children and 1,771
adults)
2023/34, Q4

 **£740,768**

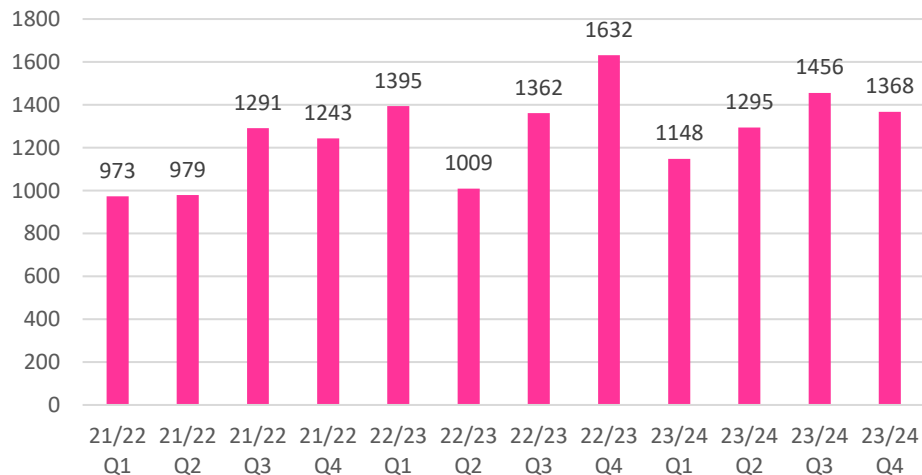
New case debt under management
between Advice Works and Citizens
Advice Bureau (2023/24 Q4)

- Foodbank demand rising compared to last period and same period last year
- Number of people approaching local advice agencies down this period, but wider trend is upward

Foodbank Vouchers

Foodbank vouchers issued in Q4 2023/24 (1,368) assisted 759 children and 1,771 adults.

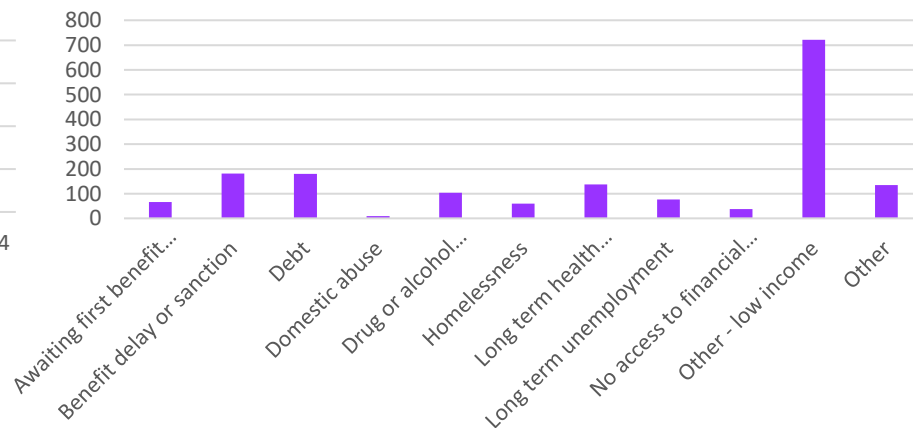
Foodbank Vouchers Issued by Quarter



More than 3 vouchers needed in the last 6 months

In terms of more than 3 vouchers needed in the last 6 months, there has been a steady increase in the number awarded due to a Benefit delay or sanction. This will be monitored going forward, due to an increase in the sanction regime being implemented within Universal Credit.

Reasons for needing more than 3 vouchers in the last 6 months - 2023/24

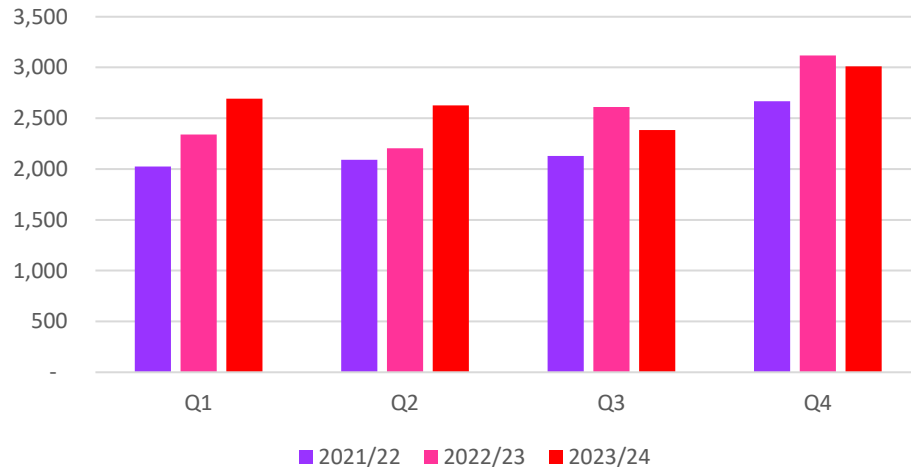


Advice

Advice Works and Renfrewshire Citizens Advice Bureau (RCAB) are supporting a high level of new clients. The number of clients who received appointment support during 2023/24 compared to 2022/23 showed a 7.8% increase. N.B. These figures do not include the number of calls/emails from people looking for signposting information.

Combined, there was a client financial gain of over £12m from advice provided by Advice Works and RCAB in 2023/24.

Combined RCAB and Advice Works New Clients

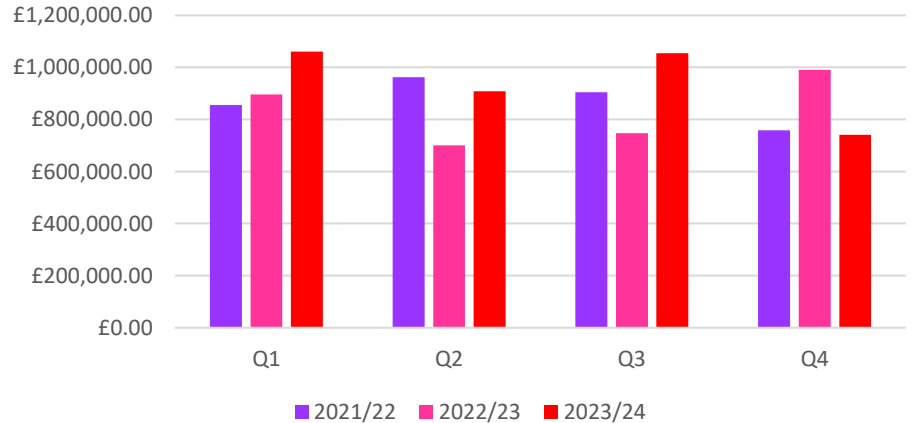


Debt Under Management

Advice Works and Renfrewshire Citizens Advice Bureau continue to deal with a high level of enquiries regarding debt.

The combined level of new debt cases under management is shown below, by quarter over the last 3 years.

By comparing the debt under management during 2023/24 compared to 2022/23, there is a 30% increase. Whilst it might be too early to make a definitive statement, the higher levels may reflect the recent increases in interest rates, making debt repayments unaffordable without advice and support.



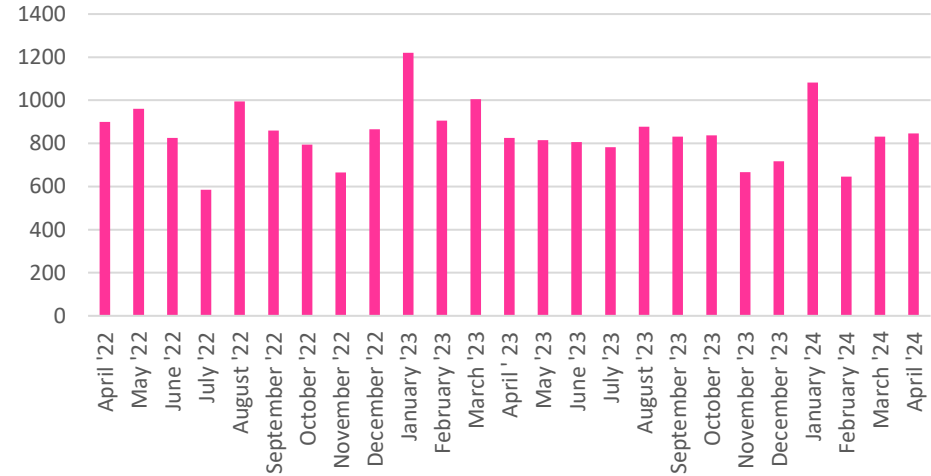
Scottish Welfare Fund

There have been 9,722 applications for Crisis Grants between April 2023 and March 2024 with £753,268 awarded. This is an average award rate of 67%.

Nationwide, the main reasons for a CG not being awarded are “reasons for application do not meet the conditions of award” and “excluded as a result of previous applications”. Generally, awards are restricted to 3 within a 12-month rolling period however discretion can be used. In Renfrewshire, discretion is frequently exercised. Cost-of-living pressures will for many households result in immediate financial crises more often with less flexibility to manage budgets.

Nationwide 52% of Crisis Grant awards are made to single persons, with 22% made to single parents. This suggests single people and single parents, who rely on one income within the household, are financially struggling in terms of income and disproportionately by expenditure due to housing, energy, fuel, and food costs.

Crisis Grant Applications by month



OVERVIEW

Key statistics - housing

 **4,678**

Number of applicants on the housing list
(Six-month point, 2023/24)

 **15,672**

Households in receipt of Council Tax Reduction
(May 2024)

 **274**

Number of new Homeless Cases
(2023/24, Q4)

 **2,740**

Number of tenants in rent arrears
(April 2024)

- New homeless cases marginally down this period, but wider trend is upward.
- Significant increase in people presenting who were either in private tenancies or living in parental/relative homes.
- Fewer tenants in rent arrears this period, although an increase compared to same period last year.

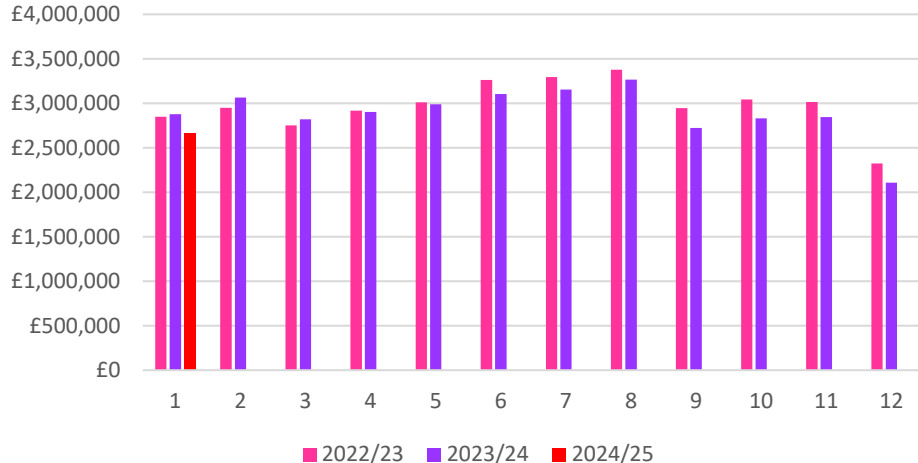
Council Tenants in arrears

As at the end of March 2024, 2,740 current tenants were in rent arrears totaling £2,109,169. This figure includes all levels of arrears some of which are caused by Universal Credit payment processes. Staff within Housing Services continue to work with tenants to address rent arrears and provide advice/signpost tenants to Support Services and Agencies where financial difficulties are identified.

For the period October 2023 – March 2024, 161 tenants have qualified for Tenant Support Fund assistance with circa £32k awarded.

Renfrewshire Council tenancy rents increased by 6% this year.

Current Tenant Arrears

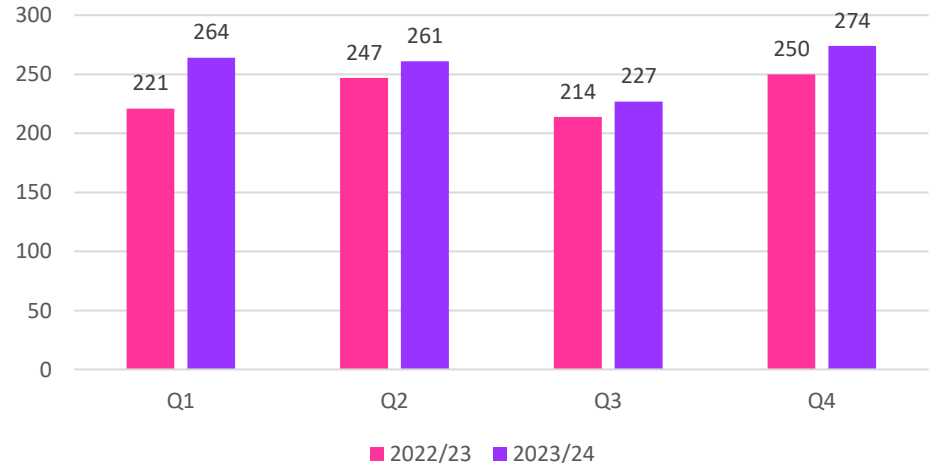


Homeless Cases

The Housing and Homeless Advice Service had 274 new cases within Q4 in 2023/24 compared to 250 for the same period in 2022/23.

There has been a 10% increase in homeless applications this year compared to last year. The largest increases in reasons given are being asked to leave, disputes/breakdown in relationship or other action taken by the landlord resulting in the termination of the tenancy.

New Homeless Cases



Average Monthly Rent Costs

From the Scottish Government's Private Sector Rent Statistics publication dated November 2023, figures show average rent changes. These statistics are based predominantly on advertised rents, and so do not represent rent changes for existing tenants.

Ren - Average Monthly Rent	2010	2021	2022	2023
1 bedroom shared	£296	£332	£370	£416
1 bedroom	£374	£392	£425	£463
2 bedroom	£473	£518	£547	£638
3 bedroom	£612	£642	£693	£756
4 bedroom	£834	£1,238	£1,306	£1,424

LHA rates are the maximum amount that can be paid for Housing Benefit and Universal Credit (Housing Costs) for those renting from a private landlord. Any shortfall between charged rent and the amount of Housing Benefit/Universal Credit Housing Costs awarded would have to be made up by the tenant, although Discretionary Housing Payments can be awarded to provide support.

Renfrewshire Monthly LHA Rates	Current LHA Rate	April 2024 LHA Rate
1 Bedroom Shared	£294	£360
1 Bedroom	£350	£400
2 Bedroom	£450	£525
3 Bedroom	£550	£600
4 Bedroom	£1,000	£1,100

Rent Affordability

Average monthly rent for all types of properties have increased between 2021 and 2023. Although 4-bedroom properties showed almost the lowest increase between 2021 and 2023, they have seen the biggest increases since 2010 with a 70.7% increase during this period.

% Increase in Average Renfrewshire Monthly Rents by Property Size					
Period	1 Bedroom Shared	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Increase between 2022 and 2023	12.43	8.94	16.64	9.09	9.04
Increase between 2010 and 2023	40.54	23.8	34.88	23.53	70.74