

# Rising Cost of Living in Norfolk

## January 2023

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## Summary of Updates:

This briefing serves as an updated version of the cost of living briefing paper produced by NODA in September 2022. Where possible and appropriate, this document consists of updated data to give the most up to date picture possible.

In previous versions of the Impact of Increased Cost of Living dataset published by the ONS, respondents were asked whether they could afford a theoretical unexpected expense of £850. The latest version of this dataset that is used to inform this briefing no longer includes this questionnaire item. Instead, the latest dataset includes more detailed questions regarding respondent's experiences of increased living costs. As a result, this version of this briefing may not be directly comparable to previous versions but instead offers more nuanced insight into the impact of rising living expenses.

## Summary of Findings:

The following people have the potential to be most affected by a rise in the cost of living in Norfolk. These group sizes are estimates based on findings from the Office for National Statistics (ONS) Opinions and Lifestyle Survey (September '22). The actual impact of the rising cost of living may differ as it is not possible to ascertain the precise impact on individuals owing to unknown personal circumstances that may protect some individuals within these cohorts from the worst of the impact. The categories described won't be unique individuals or distinct categories as individuals can and will fall into multiple categories. The overlap between these cohorts is unknown.

### Lower Income Individuals (Most Deprived Quintile):

- 7,300 adults may be behind on their fuel payments.
- 36,400 adults may be finding it "somewhat difficult" to make fuel payments.
- 16,400 adults may be finding it "very difficult" to make fuel payments.
- 3,600 adults may be behind on mortgage or rent payments.
- 27,300 adults may be finding it "somewhat difficult" to make mortgage or rent payments.
- 6,400 adults may be finding it "very difficult" to make mortgage or rent payments.

### Renters:

- 12,700 households may be behind on their fuel payments.
- 46,000 households may be finding it "somewhat difficult" to make fuel payments.
- 23,000 households may be finding it "very difficult" to make fuel payments.
- 5,800 households may be behind on mortgage or rent payments.
- 34,500 households may be finding it "somewhat difficult" to make mortgage or rent payments.

- 10,400 households may be finding it “very difficult” to make mortgage or rent payments.

#### Adults without Formal Qualifications:

- 2,700 adults may be behind on their fuel payments.
- 20,100 adults may be finding it “somewhat difficult” to make fuel payments.
- 6,400 adults may be finding it “very difficult” to make fuel payments.
- 1,600 adults may be behind on mortgage or rent payments.
- 13,800 adults may be finding it “somewhat difficult” to make mortgage or rent payments.
- 3,200 adults may be finding it “very difficult” to make mortgage or rent payments.

#### Households with Dependent Children:

- 8,550 households may be behind on their fuel payments.
- 36,100 households may be finding it “somewhat difficult” to make fuel payments.
- 15,200 households may be finding it “very difficult” to make fuel payments.
- 2,900 households may be behind on mortgage or rent payments.
- 28,500 households may be finding it “somewhat difficult” to make mortgage or rent payments.
- 7,600 households may be finding it “very difficult” to make mortgage or rent payments.

#### Divorced/Separated Adults:

- 6,900 adults may be behind on their fuel payments.
- 38,500 adults may be finding it “somewhat difficult” to make fuel payments.
- 15,800 adults may be finding it “very difficult” to make fuel payments.
- 6,900 adults may be behind on mortgage or rent payments.
- 32,600 adults may be finding it “somewhat difficult” to make mortgage or rent payments.
- 7,900 adults may be finding it “very difficult” to make mortgage or rent payments.

#### Disabled Adults:

- 8,800 adults may be behind on their fuel payments.
- 50,300 adults may be finding it “somewhat difficult” to make fuel payments.
- 18,900 adults may be finding it “very difficult” to make fuel payments.
- 5,000 adults may be behind on mortgage or rent payments.
- 36,500 adults may be finding it “somewhat difficult” to make mortgage or rent payments.
- 10,100 adults may be finding it “very difficult” to make mortgage or rent payments.

## Introduction and Background

In May 2022, the House of Commons Library published a “Rising Cost of Living in the UK”<sup>1</sup> research briefing, outlining the implications of rising inflation, rising fuel prices and rising energy prices on the ability to cover basic household expenses across the UK. This briefing will address the key learnings of this research summary and will consider the potential repercussions on Norfolk and its residents.

### What is driving the Cost of Living Crisis?

A cost of living crisis can be described as a situation in which the cost of everyday essentials such as groceries and bills are rising faster than average household incomes<sup>2</sup>.

In September 2021, Central Government announced a temporary 1.25% increase in National Insurance Contributions (NICs) for all working age employees, their employers and the self-employed to finance health and social care across the UK. This temporary increase was due to be replaced by a separate 1.25% Health and Social Care levy in April 2023 to finance the “Build Back Better”<sup>3</sup> Health and Social Care plan. However, September 2022 saw the announcement of a reversal of this 1.25% increase and took effect in November 2022. The planned social care levy due to take place in the spring was also cancelled as part of former Chancellor of the Exchequer Kwasi Kwarteng’s “Mini-Budget”<sup>4</sup>.

In February 2022, it was announced by Britain’s energy regulator Ofgem that the energy price cap would increase by 54%<sup>5</sup>, and in effect increase maximum charges per unit of energy and increase maximum standing charges for consumers on standard/default tariffs. This change also took effect in April 2022. In October 2022, this price increased once more. To mitigate some of the impact on households the “Energy Price Guarantee” was announced by central government. At the time of this announcement the typical household could reportedly expect to pay an average of £2500 per year from the 1<sup>st</sup> of October 2022 until October 2024<sup>6</sup>. However, as part of the Treasury’s Autumn Statement this support package has been scaled back to six months support which will end on the 31<sup>st</sup> of March 2023.

These changes are reported to compensate for increased wholesale energy prices. Increases in energy and fuel prices are also being influenced by political tensions in Ukraine. Since Russian activity began in the area in February 2022, wholesale oil prices have increased and has had an adverse effect on road fuel prices for consumers. For example, as of the 30th of January 2023, the cost of petrol stands at £1.48 per litre, an increase of 2.4 pence per litre from a year prior. Similarly, the cost of diesel stands at £1.70 per litre, an increase of 20.9 pence per litre during the same period<sup>7</sup>.

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<sup>1</sup> [“Rising Cost of Living in the UK”, House of Commons Library, May 2022](#)

<sup>2</sup> [Cost of living crisis: 5 ways prices have risen - and where to find help - The Big Issue](#)

<sup>3</sup> [Build Back Better: Our Plan for Social Care](#)

<sup>4</sup> [National Insurance Increase Reversed, HM Treasury, September 2022](#)

<sup>5</sup> <https://www.ofgem.gov.uk/publications/price-cap-increase-ps693-april>

<sup>6</sup> [Energy Bill Support Factsheet, Department for Business, Energy and Industrial Strategy, September 2022](#)

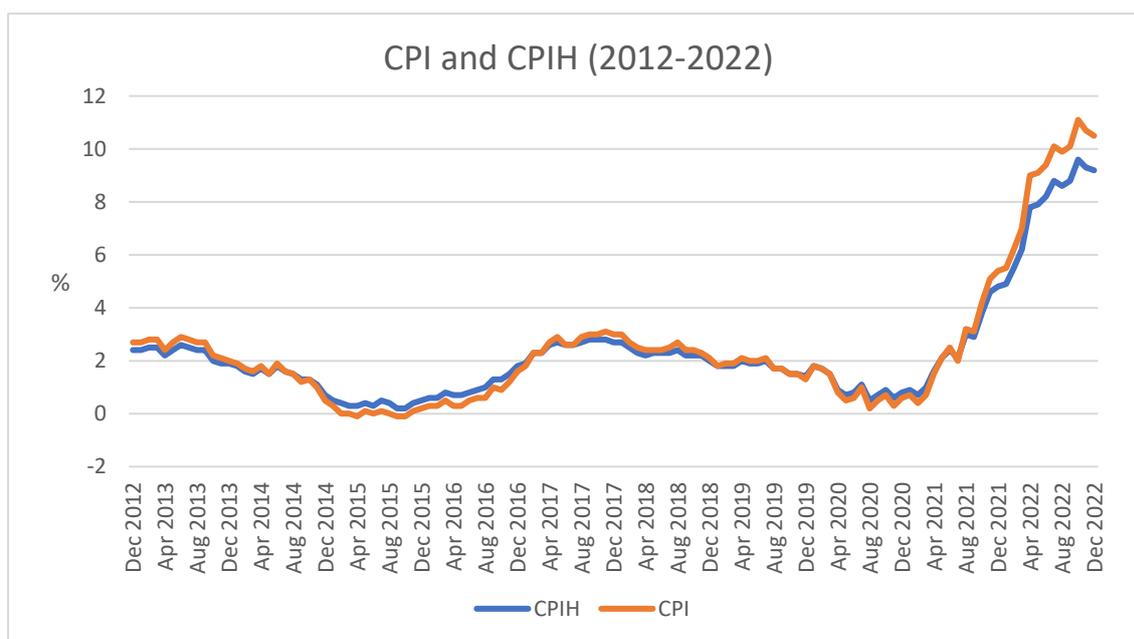
<sup>7</sup> [Weekly Road Fuel Prices, Department for Business, Energy & Industrial Strategy, January 2023](#)

Furthermore, research conducted by the ONS<sup>8</sup> revealed prices of food and non-alcoholic beverages in the UK rose by 16.9% in the year to December 2022. This rate has risen for the last 17 consecutive months, from -0.6% in July 2021. Estimates also reportedly suggested that the inflation rate for food and non-alcoholic beverages would have last been higher in September 1977, when it was estimated to be 17.6%<sup>9</sup>.

High demand for goods, higher energy prices and greater business costs has driven up the inflation rate in the UK to a 40-year record high. The Consumer Price Index (CPI) is a measure of consumer price inflation used in the government's target for inflation. The Consumer Prices Index including owner occupiers' housing costs (CPIH) extends the CPI to also include a measure of costs associated with owning, maintaining and living in one's home along with Council Tax.

According to the Office for National Statistics (ONS) CPIH rose by 9.2% in the 12 months to December 2022, down from 9.3% in November.

**Figure 1: Historical Changes to Consumer Prices Index**



Source: Office for National Statistics, ONS, Consumer Price Index, January 2022

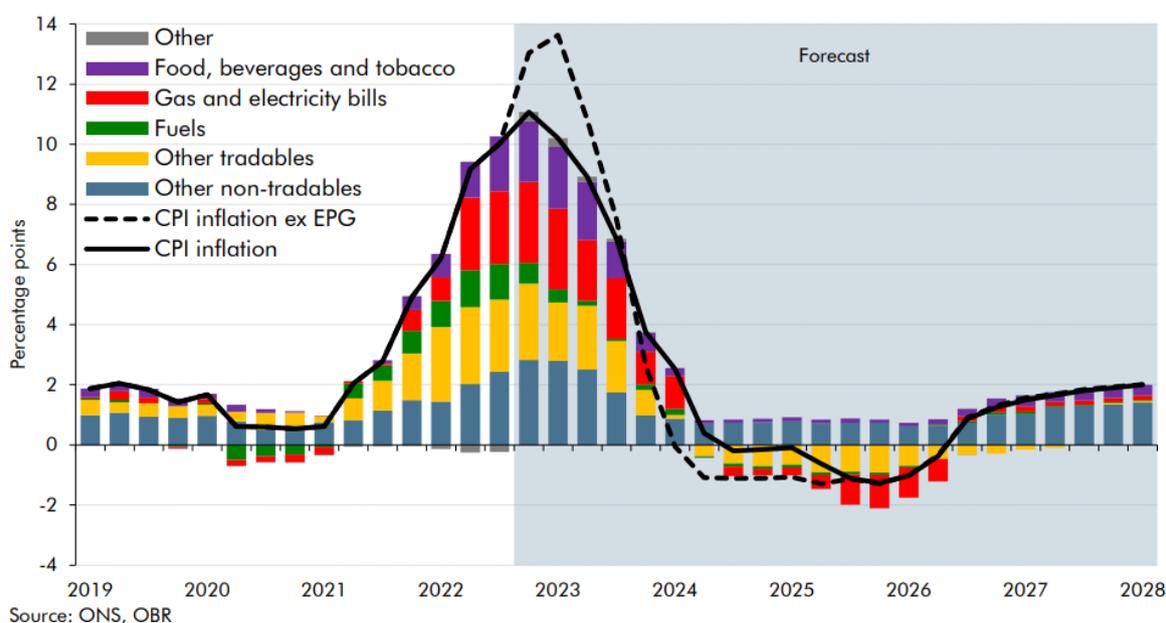
The easing of the inflation rate in November 2022 was reportedly influenced by price changes in the transport sector, particularly for motor fuels and second-hand cars. There were also downward effects from tobacco, accommodation services, clothing and footwear, and games, toys and hobbies. The largest, partially offsetting, upward effect reportedly came from price rises for alcohol in restaurants, cafes and pubs.

<sup>8</sup> [Office for National Statistics, Cost of Living Latest Insights, January 2023](#)

<sup>9</sup> [Office for National Statistics, Consumer Price Inflation January 2023](#)

For the 2022/23 financial year, the Office for Budget Responsibility (OBR) forecast CPI inflation to average 8%. These forecasts assumed a further 40% increase in the household energy price cap in October 2022 but did not include possible effects from the conflict in Ukraine on other commodity prices, such as food. Using market expectations of wholesale gas prices, the OBR then expected a large fall in utility bills in 2023, resulting in inflation easing below the Bank of England's 2% target by late 2023 and into 2024<sup>10,11</sup>. However, in their Economic and Fiscal Outlook, published in November 2022, the OBR have revised some of these expectations. For instance, it is now anticipated that inflation will peak at 11.1% in the final quarter of 2022 compared to an expected 8.7% in OBR's March 2022 forecast. Despite this, inflation is expected to drop over the course of next year, falling below zero in the middle of the decade. This drop is thought to be driven by falling energy and food prices. Inflation is then expected to return to its 2% target in 2027<sup>12</sup>.

**Figure 2: OBR Inflation Forecasts and Contributors to Inflation**



The House of Commons Library also identified changes to personal taxes in the 2022/23 financial year. For instance, as part of their Spring Statement the Treasury announced that the annual National Insurance Primary Threshold and Lower Profits Limit would be raised from £9,880 to £12,570<sup>13</sup>, in turn allowing those on lower incomes to earn more money that is exempt from taxation. New National Insurance rates and thresholds are due to come into place from the 6<sup>th</sup> of April 2023.

<sup>10</sup> ["Rising Cost of Living in the UK", House of Commons Library, May 2022](#)

<sup>11</sup> ["Office For Budget Responsibility, Economic and Fiscal Outlook, March 2022](#)

<sup>12</sup> ["Office for Budget Responsibility, Economic and Fiscal Outlook, November 2022](#)

<sup>13</sup> ["Spring Statement: Personal Tax Factsheet, HM Treasury, March 2022](#)

However, for some low-income households, this may not be enough to relieve the burden of heightened living costs. For instance, the start of the 2022/23 financial year saw a 3.1% increase in Universal Credit (UC) payments<sup>14</sup>, but fell 5.9% short of the 9% inflation rate in place at the time. Because of this mismatch, low-income households that are dependent on welfare benefits such as UC may still feel pressure on their budgets. In January 2023 the Department for Work and Pensions (DWP) outlined plans for additional support for Universal Credit claimants in light of the rising cost of living. Eligible means tested claimants will receive up to £900 over the course of the 2023/24 financial year with payments beginning in the Spring of 2023. This will be automatically issued to eligible claimants in three instalments of approximately £300 directly into bank accounts with no need to apply<sup>15</sup>.

According to the ONS' Opinions and Lifestyle Survey (taken between the 7<sup>th</sup> and 18<sup>th</sup> of December 2022)<sup>16</sup>, around 92% of respondents reported their cost of living had increased compared with a year ago. Around 76% reported an increase in their cost of living compared with one month ago. The most common reason cited for this increase over the last month was the price of food shopping (95%); cost of gas or electricity bills (78%); and the price of fuel (51%).

In order to cope with increasing living costs the most common actions reported by all adults were spending less on non-essentials (67%) and using less fuel such as gas or electricity in their home (56%). The proportion of adults reporting using less fuel in their home had reportedly decreased compared with the previous period (63%) – this was thought to potentially reflect recent colder weather throughout Great Britain. However, it was highlighted that the proportion of adults reporting this action remains far higher than during a similar period in 2021 (28% in the period 15 December 2021 to 3 January 2022)

Overall, the cost of living crisis that the UK is currently experiencing is being fuelled by numerous events occurring in quick succession, in turn having a cumulative and adverse effect on household budgets.

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<sup>14</sup> [Benefit and Pension Rates 2022-2023, Department of Work and Pensions, April 2022](#)

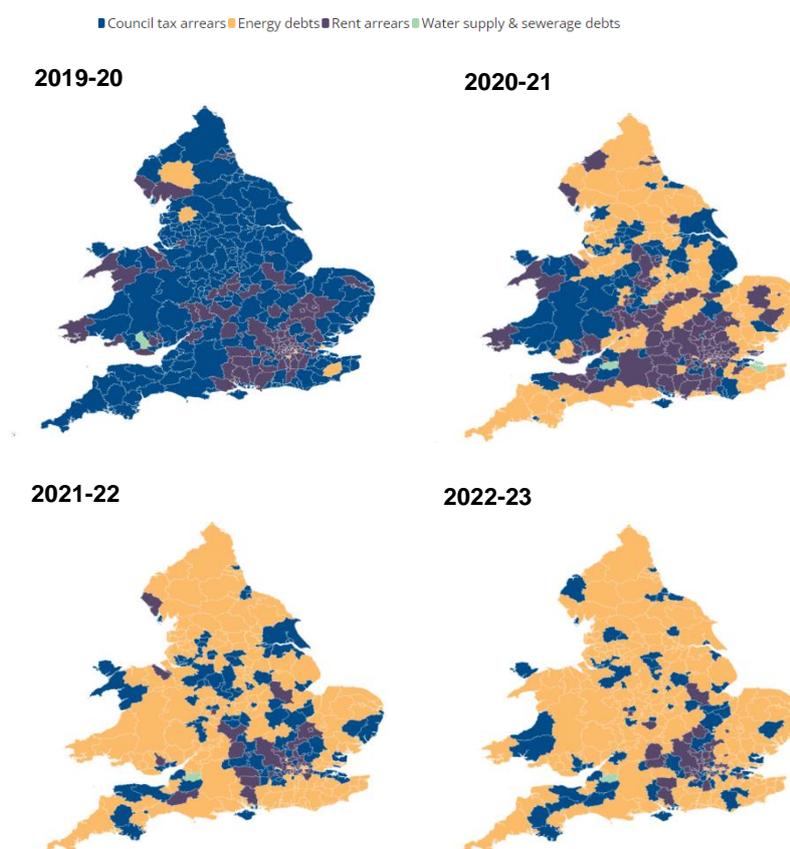
<sup>15</sup> [Department for Work and Pensions, Press Release, January 2023](#)

<sup>16</sup> [Office for National Statistics, Public opinions and social trends, Great Britain: 7 to 18 December 2022](#)

### What is the effect across the UK?

Data provided by Citizens Advice (CA) regarding changes to the issues faced by service users may provide some insight into the impact of cost of living increases. For example, CA reported a change in the top debt issues experienced by its clients. In the 2019-20 financial year the most common debt issues facing people in England and Wales were largely council tax and rent arrears. However, overtime this has gradually shifted towards energy debt becoming the most prominent debt issue faced, see figure 3.

**Figure 3: Most Prominent Debt Issue by Local Authority**

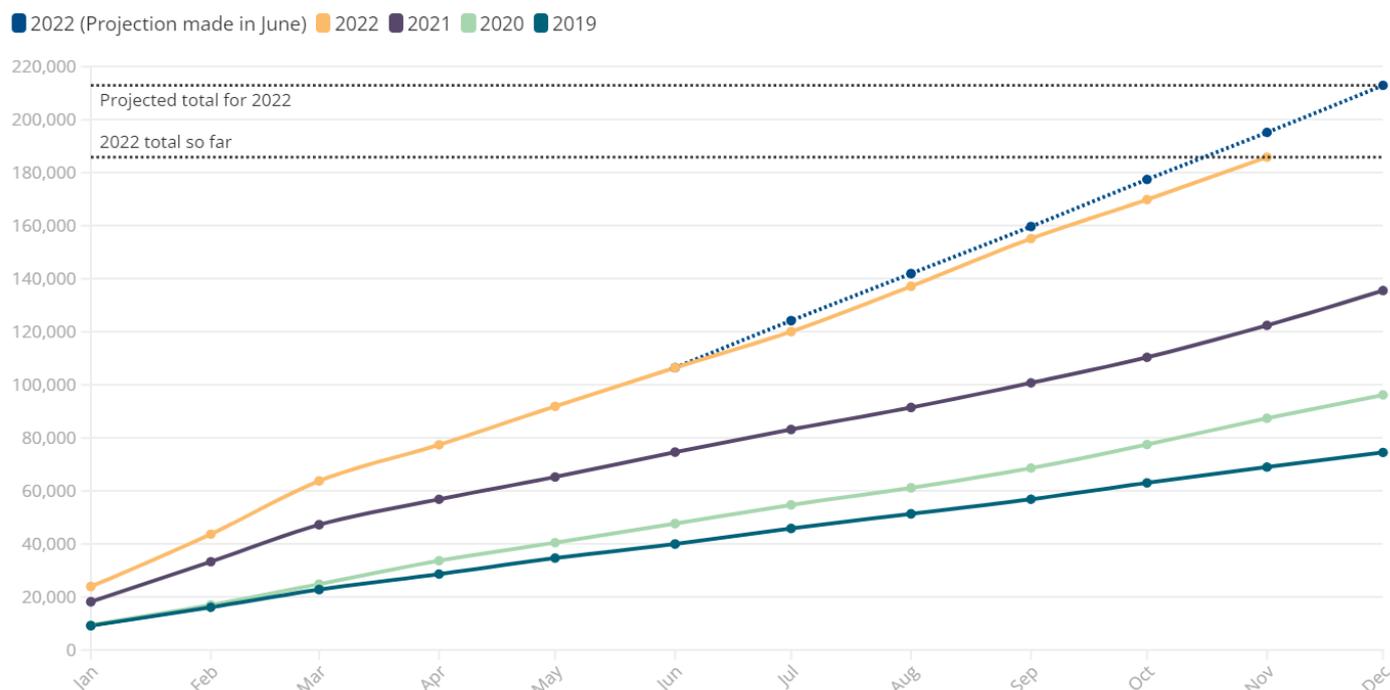


Source: Citizens Advice, Cost of Living Dashboard (September 2022)

Furthermore, in terms of the cumulative number of people in England and Wales who have received crisis support (either referral to a foodbank or other charitable support), there has been a year-on-year increase in assistance since 2019.

As of November 2022, around 186,000 individuals in England and Wales have received crisis support from CA so far in 2022. This is approximately 64,000 additional individuals assisted compared to November 2021. However, it should be noted that the cumulative total of individuals receiving crisis support has remained below CA's projections which were calculated in June 2021.

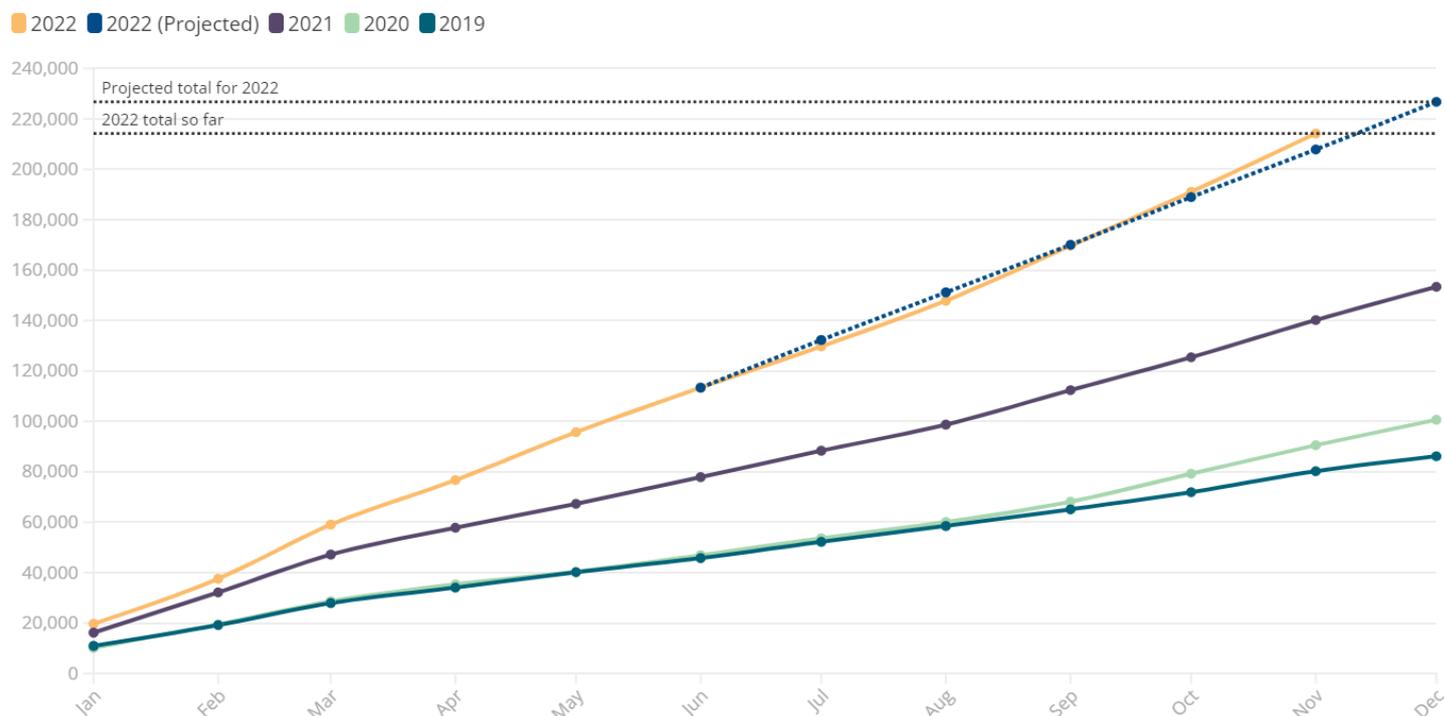
**Figure 4: Cumulative Number of Individuals Receiving Crisis Support from Citizens Advice in England and Wales 2019-2022**



Source: Citizens Advice Cost of Living Dashboard (December 2022)

Returning to the issue of energy related assistance, CA also reported that 2022 has seen the highest number of individuals seeking assistance with their energy since 2019. In this instance, assistance can refer to help with a range of issues including energy bill affordability, debt recovery action, issues with billing and customer service. As of November 2022, approximately 214,000 individuals in England and Wales have received support with energy related issues. This reflects approximately an additional 74,000 individuals assisted for energy related issues compared to the same time in 2021. CA project that by the end of 2022 approximately 226,000 individuals in England and Wales will have been assisted with energy related issues. Provided actual trends follow these projections, this would mean that an additional 73,000 individuals will have been assisted for energy related issues in 2022 than in 2021. Between June and September 2022, the actual number of individuals assisted with energy issues generally followed the projected trend. However, from October 2022 onwards, the actual number of individuals assisted exceed projections – potentially a result of the energy price cap increase.

**Figure 5: Cumulative Number of Individuals Assisted with Energy Related Issues by Citizens Advice in England and Wales 2019-2022**



Source: Citizens Advice Cost of Living Dashboard (December 2022)

The “Rising Cost of Living in the UK” research briefing produced by the House of Commons Library outlined the primary consequences of the rising cost of living.

The impact of the cost of living crisis on poverty in the UK was also noted. According to the Resolution Foundation the rising cost of living could push an estimated additional 1.3 million people into absolute poverty across the UK<sup>17</sup>.

Conversely, it is not only low-income households who are incurring additional expenses. Research from the ONS used data from the Opinions and Lifestyle Survey to identify groups that may be most at risk. In addition to adults on low-incomes, renters, adults with no formal qualifications, parents of dependent children, divorced/separated individuals and people with disabilities were also identified as more likely to be affected by increases in the cost of living<sup>18</sup>.

<sup>17</sup> [Resolution Foundation, Press Release, March 2022](#)

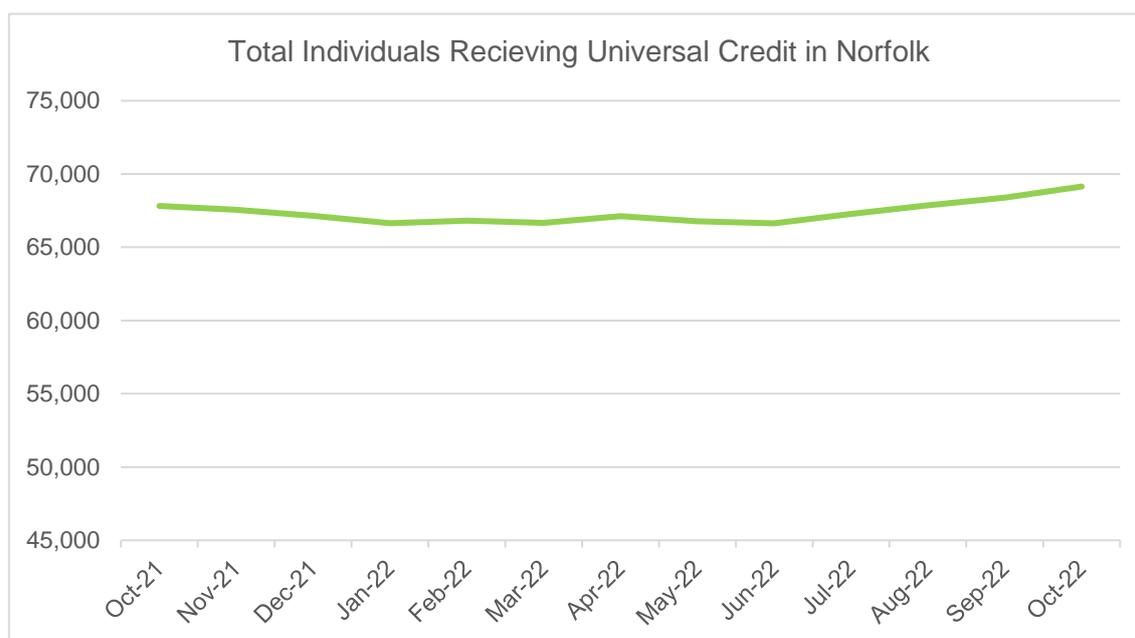
<sup>18</sup> [Office for National Statistics, Impact of increased cost of living on adults across Great Britain: November 2021 to March 2022](#)

## Who in Norfolk is likely to be affected?

### *Universal Credit*

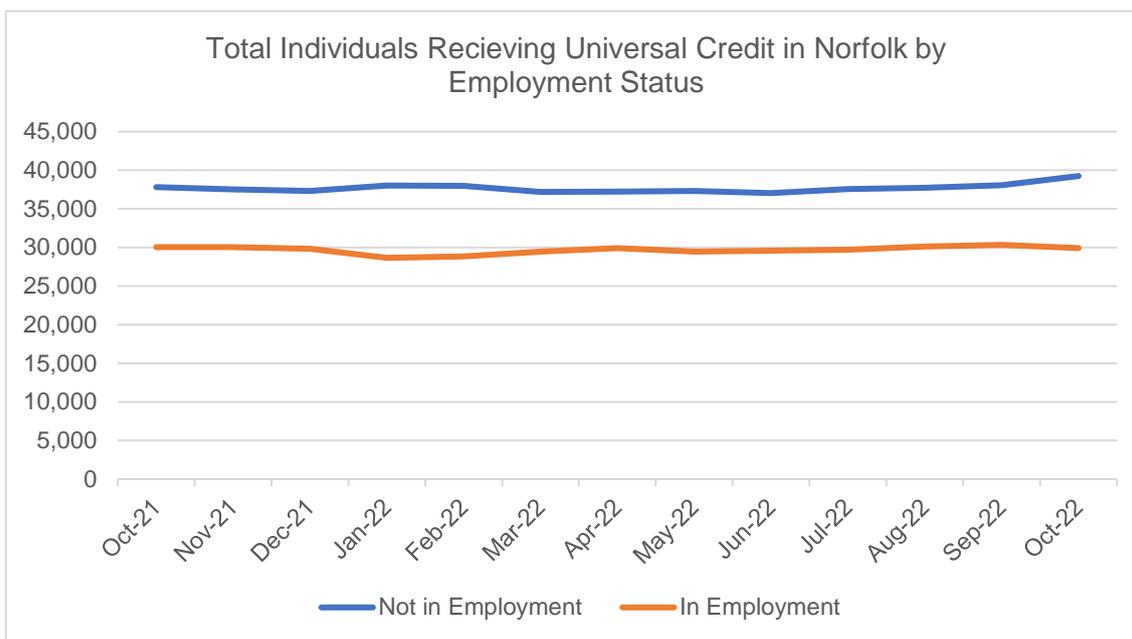
As previously stated, it is thought that the cost of living crisis will have the most profound impact on the most vulnerable in society – particularly those relying on welfare benefits. As of October 2022, there were approximately 69,100 universal credit claimants in Norfolk. Historically, the period between October 2021 and January 2022, saw a gradual decline in the number of individuals receiving universal credit in Norfolk. However, the start of the new financial year (April 2022) did see a slight uptick in claims. An increase in universal credit claims can also be seen beginning from June 2022 and persisting month on month until October 2022. Figure 7 below depicts these claimant counts in terms of the number of claimants who are employed and those not in employment. As of October 2022, there were around 69,100 universal credit claimants, of which approximately 39,200 were not in employment and 29,900 were employed.

**Figure 6: Historical Universal Credit Claimant Trends**



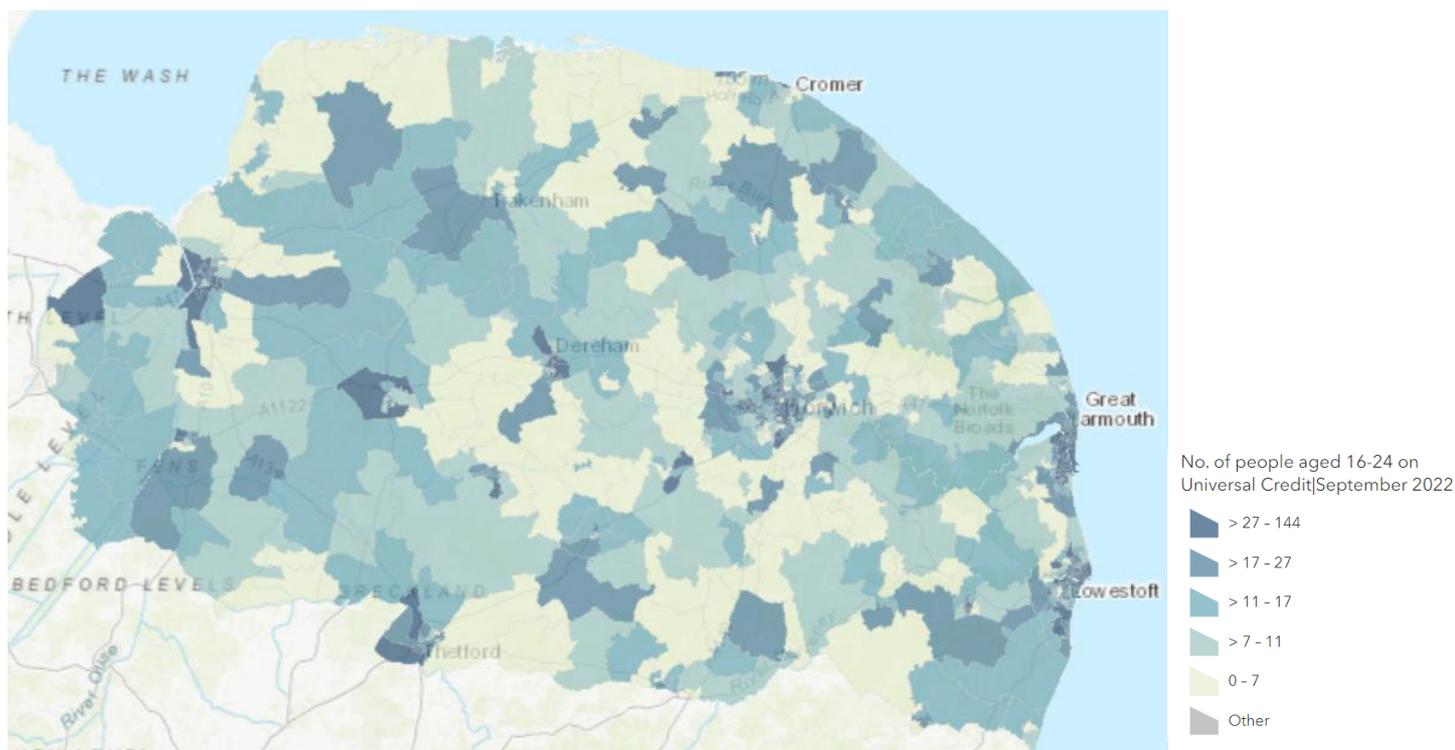
Source: Department for Work and Pensions

**Figure 7: Historical Universal Credit Claimant Trends**



Source: Department for Work and Pensions

**Figure 8: Number of People Aged 16-65 Claiming Universal Credit (September 2022)**



Source: Department for Work and Pensions, Map extracted from Norfolk Insight

In terms of the impact of the benefit shortfall on individuals, UC claimants in Norfolk will likely be more negatively impacted than they would have been if Universal Credit payments had been increased in line with the rate of inflation.

For example, the standard allowance for a UC claimant who is both single and under the age of 25 in the 2021-22 financial year was around £257 per month. Had UC payment increases for 2022-23 been aligned with inflation, this claimant could have been entitled to around an estimated £280 per month (£3,360 per year). However, given the 5.9% disparity between inflation and benefit increases, this claimant would now only be entitled to around an estimated £265 per month (£3,180 per year), potentially leaving them around an estimated £182 worse off per year. Figure 9 below provides further example estimates for other standard UC allowances.

**Figure 9: Differences in Standard Allowances for Universal Credit Payments**

	Monthly Allowance 2021-22 (£)	Monthly Inflation Aligned Allowance (£)	Monthly Allowance 2022-23 (£)	Difference per month (£)	Difference per year (£)
<b>Single and Under 25</b>	257.00	280.00	265.00	-15.00	-182.00
<b>Single and Over 25</b>	325.00	354.00	335.00	-19.00	-230.00
<b>Joint Claimants Both Under 25</b>	404.00	440.00	416.00	-24.00	-286.00
<b>Joint Claimants One or Both Over 25</b>	510.00	556.00	526.00	-30.00	-361.00

\*Figures have been rounded and therefore may not total

Source: Benefits and Pensions Rates 2022-23, Department for Work and Pensions

It should be acknowledged that the above only reflects estimated differences to the Standard UC Allowance, changes to additional UC benefits have also been made (see Appendix A for estimates for other UC benefit types).

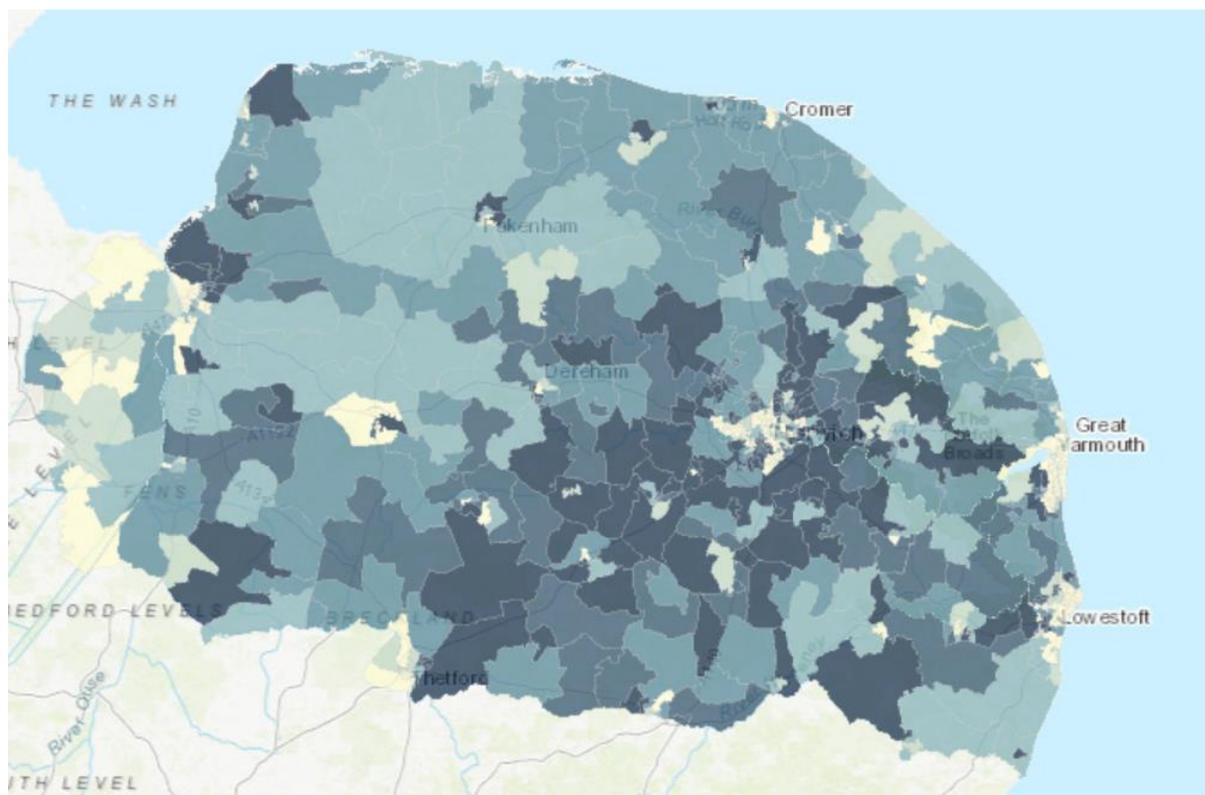
### *Lower Income Households*

According to the Index of Multiple Deprivation (IMD, 2019), around 91,000 adults in Norfolk (around 12% of the 18+ population) live in LSOAs (Lower Super Output Areas) which fall within the 2 most deprived deciles on the Income domain of the

IMD<sup>19</sup>. Meaning that around 91,000 people live in the 20% most deprived areas in the county.

Figure 10 depicts Norfolk's LSOAs according to their respective decile on the income domain of the IMD. Darker areas represent deciles of less deprivation. Conversely, lighter areas represent the more deprived LSOAs.

**Figure 10: Norfolk and Waveney LSOAs by Income Decile**



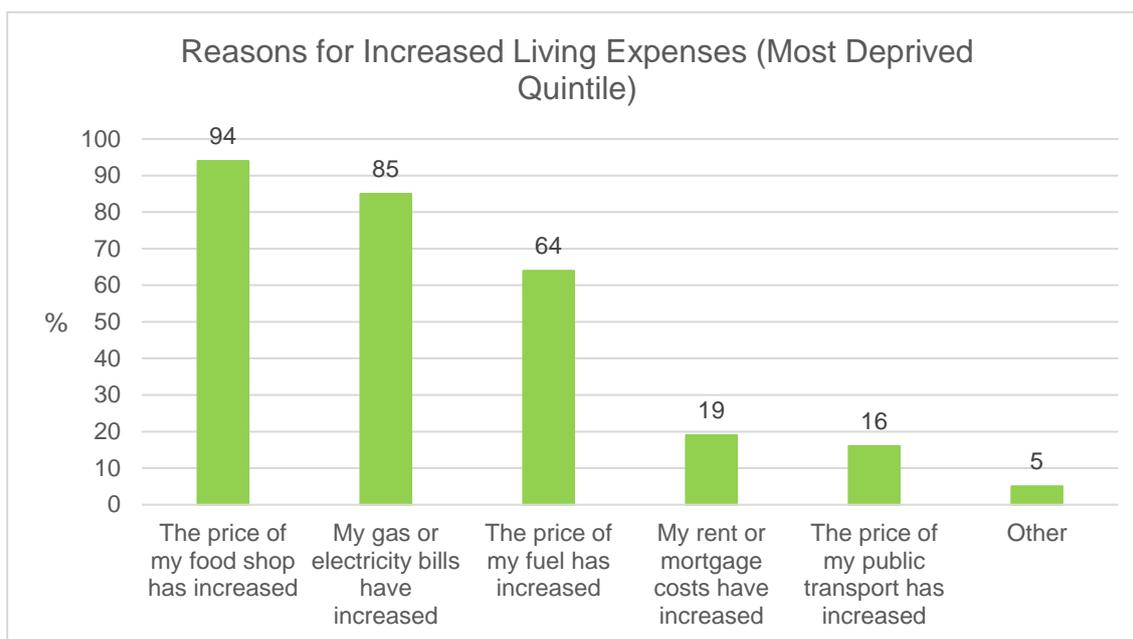
Source: IMD Income Decile - LSOA (2019), Map extracted from [Norfolk Insight](#)

According to the ONS Opinions and Lifestyle Survey, 89% of those in the most deprived quintile on the IMD experienced an increase in their cost of living in the last month. For Norfolk, this could mean up to approximately 81,000 adults living in the 20% most deprived areas of the county may have experienced an increase in living expenses.

Among those who reported an increase in their living expenses, 94% of those in most deprived quintile cited increased cost of food shop as a reason behind their increased living costs, 85% reported an increase in gas or electricity bills and 64% reported an increase in expenditure on fuel.

<sup>19</sup> [English Indices of Deprivation - Ministry of Housing, Communities and Local Government, 2019](#)

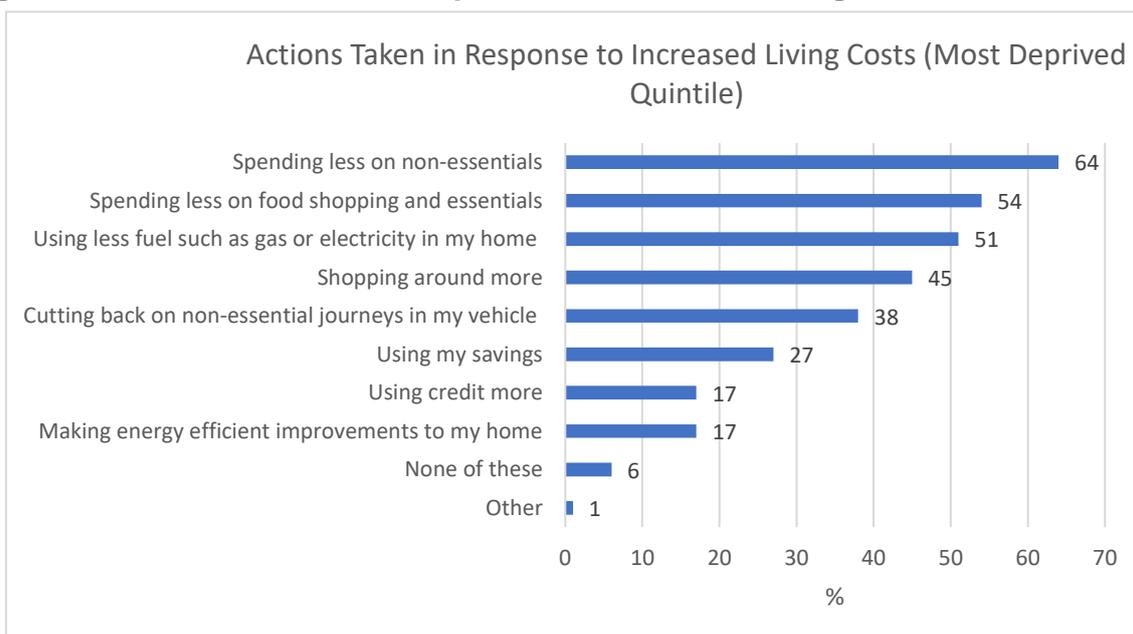
**Figure 11: Reasons for Increased Living Expenses**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

In terms of how an increase in living costs has impacted the behaviours of this cohort, among those who reported an increase, 64% of those in the most deprived quintile reported that they were spending less on non-essentials, 54% reported that they were cutting back on food expenditure and essentials and 51% claimed to be using less gas or electricity in their home.

**Figure 12: Actions Taken in Response to Increased Living Costs**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

Among those who have gas or electricity supplied to their homes, 8% of those in the most deprived quintile are reportedly behind on their bill payments. If we assume that all in the most deprived quintile in Norfolk pay gas or electricity bills, then this would mean that approximately 7,300 adults in this cohort may be behind on their fuel payments in Norfolk.

In terms of the affordability of these bills, of those who pay gas or electricity bills, 40% of those among the most deprived quintile reported that paying their fuel bills were “somewhat difficult” – again, based on the assumption that all adults in the most deprived quintile in Norfolk pay fuel bills, this could mean that up to 36,400 adults are currently finding it somewhat difficult to make these financial obligations. Furthermore, 18% reported that they were finding it “very difficult” to pay their energy bills. For Norfolk (based on the assumptions above) this could equate to approximately 16,400 adults.

Among adults who make rent or mortgage payments, 38% of respondents in the most deprived quintile reported that their payments had increased in the last 6 months. Assuming that all adults in the most deprived quintile make either rent or mortgage payments it could be estimated that 34,600 adults in this cohort in Norfolk have experienced an increase in either their rent or mortgage payments in the last six months.

Furthermore, among those who make rent or mortgage payments, 4% of those in the most deprived quintile reported being behind on their payments. Continuing with the assumptions above, this would mean that around 3,600 adults in the most deprived quintile in Norfolk may be behind on mortgage or rent payments.

Addressing the affordability of those payments, among those who make rent or mortgage payments, 30% of adults in the most deprived quintile indicated that they find making rent/mortgage payments “somewhat difficult” – equating to approximately 27,300 adults in Norfolk. Furthermore, 7% indicated that they found making these types of payments “very difficult”. If we applied this to Norfolk, this could mean up to around 6,400 adults in this cohort may be in this situation.

### *Housing Tenure*

As of 2020, an estimated 115,000 households (around 30% of all households in Norfolk) rent their homes. Around 61,000 households (53%) are estimated to rent from a private landlord and around 54,000 households (47%) are estimated to rent from social housing providers/Local Authorities<sup>20</sup>.

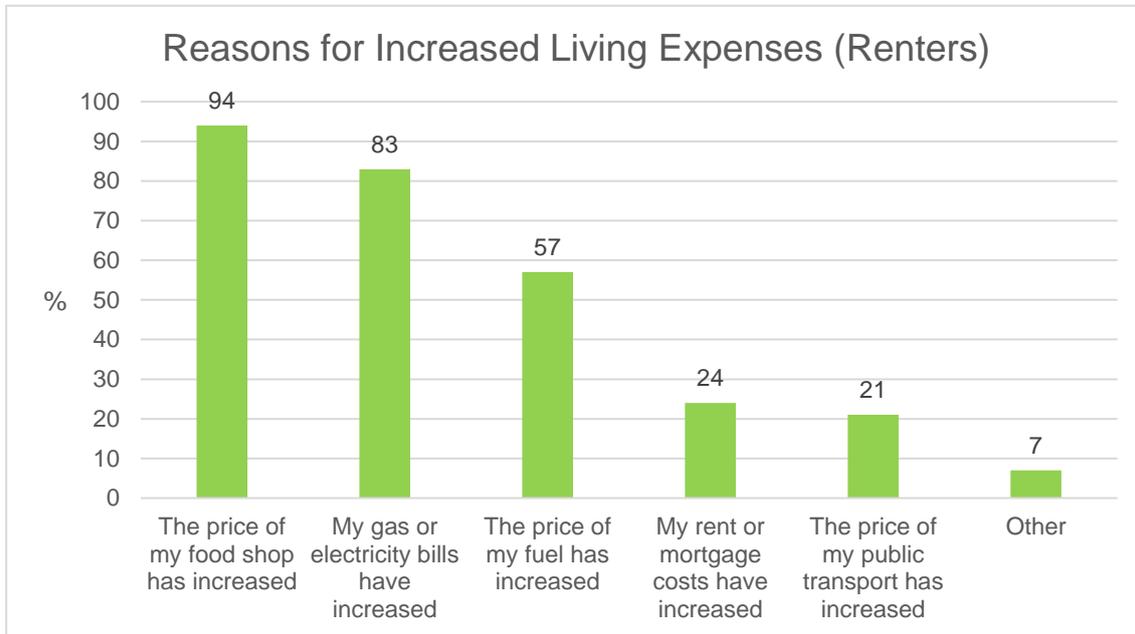
According to the ONS Opinions and Lifestyle Survey, 89% of renters reported that their cost of living had increased in the last month. Therefore, it can be estimated that up to approximately 102,400 renting households in Norfolk may have

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<sup>20</sup> [Office for National Statistics, Subnational estimates of households by tenure, England, 2012 to 2020](#)

experienced an increase in cost of living. Of those who had reported an increase in living expenses, 94% of respondents who rent claimed that the price of their food shop had increased, 83% reported an increase in the cost of their gas or electricity bill and 57% indicated that their fuel costs had increased.

**Figure 13: Reasons for Increased Living Expenses**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

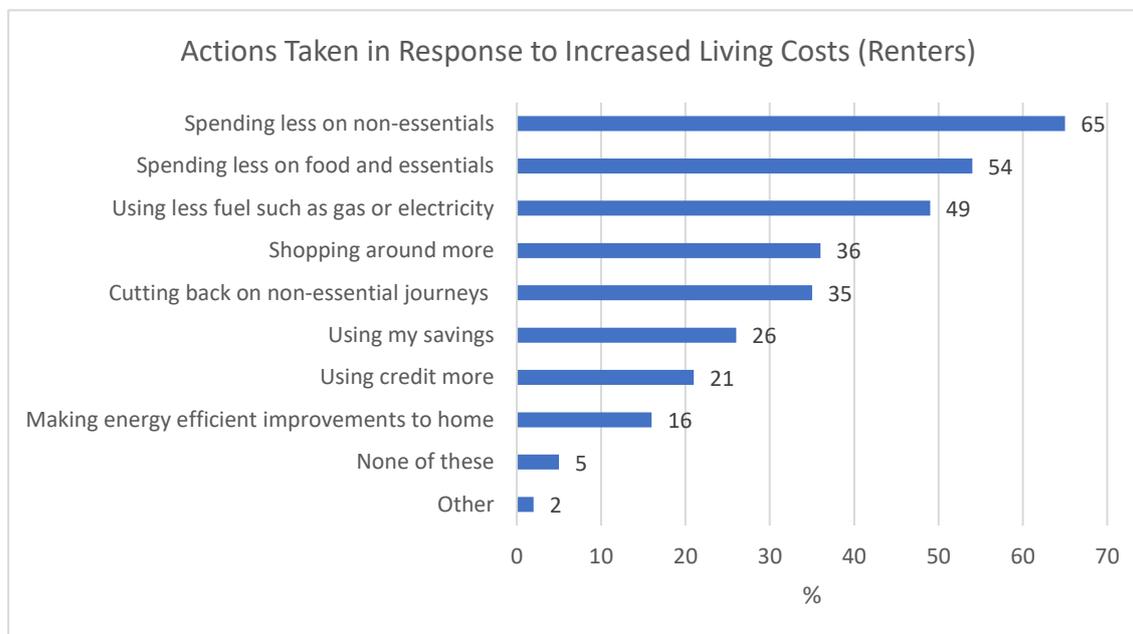
Among those who have gas or electricity supplied to their home, it was also reported that 11% of renters claimed to be behind on their gas or electricity bills – this would equate to approximately 12,700 households in Norfolk based on the assumption that all renting households in Norfolk pay either gas or electricity bills. 40% of renters were also reported to find it “somewhat difficult” to afford their energy payments. When applied to Norfolk, this would reflect up to approximately 46,000 households. Around 20% of renters responding to the survey claimed to find it “very difficult” to afford their energy bills. This equates to around 23,000 households in Norfolk.

38% of renters reported that their rent payments had increased in the last six months meaning that in Norfolk up to approximately 43,700 renting households may have experienced an increase in rent costs. In terms of being able to keep up with rent payments, 5% of renters reportedly are behind on their rent payments. For Norfolk, this would mean up to approximately 5,800 renting households are falling behind on their rent. In terms of affordability, 30% of renters reportedly are finding it “somewhat difficult” to afford their rent payments, for Norfolk this is approximately 34,500 households. 9% of renters were reportedly finding it “very difficult” to afford their rent payments, In Norfolk this would reflect up to approximately 10,400 households.

In terms of how renters are acting in response to these increased costs, 65% are reportedly spending less money on non-essentials, 54% are spending less on food

and essential items and around 49% are thought to be using less fuel such as gas and electricity in their homes.

**Figure 14: Actions Taken in Response to Increased Living Costs**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

**Figure 15: Household Estimates by Tenure, 2020**

Local authority name	Owned Outright	Owned with Mortgage or Loan	Private Rent	Social Rent	Total Households
Breckland	22,600	16,600	8,900	6,700	54,900
Broadland	25,900	18,500	6,100	4,300	54,800
Great Yarmouth	14,800	10,200	6,400	5,700	37,000
King's Lynn and West Norfolk	28,600	18,600	10,500	7,800	65,600
North Norfolk	24,800	11,600	7,800	5,700	49,900
Norwich	15,400	14,700	13,900	18,100	62,100
South Norfolk	26,200	19,000	7,200	5,900	58,300
<b>Norfolk</b>	<b>158,300</b>	<b>109,100</b>	<b>61,000</b>	<b>54,100</b>	<b>382,600</b>

\*Figures have been rounded and therefore may not total

Source: ONS, Subnational estimates of households by tenure

In terms of how Norfolk fares in comparison to the whole of the East of England region, the proportion of households that rent their home (privately or from a social housing provider) is approximately 0.7% higher in Norfolk compared to the rest of the region. According to these estimates the East of England overall has one of the

lowest proportions of renting households in England with only the South East presenting a smaller proportion of renting households. The area with the highest proportion of households that rent their home was London (47.4%). Nationally speaking, the proportion of renting households in England is estimated to be around 33.6%, around 3.5% higher than estimates for Norfolk.

**Figure 16: Household Estimates by Tenure, 2020**

	% Households that rent their homes
North East	35.0
North West	32.6
Yorkshire and The Humber	33.0
East Midlands	30.0
West Midlands	31.9
<b>East of England</b>	<b>29.6</b>
London	47.4
South East	29.3
South West	29.6
<b>Norfolk</b>	<b>30.1</b>
<b>England</b>	<b>33.6</b>

Source: ONS, Subnational estimates of households by tenure

In August 2022, consultations between the department of Levelling Up, Housing and Communities (DLUHC) and social housing providers took place<sup>21</sup>. The aim of the consultation was to seek opinions and thoughts from social housing providers regarding a proposed future cap on rent increases for those in social housing. These providers included both Private Registered Housing Providers and Local Authority Registered Providers of social housing. Options considered were either a 3%, 5%, or 7% increase limit. The introduction of this rent ceiling is proposed to take place from 1st April 2023 to 31st March 2024 and would in turn act as an upper limit on the maximum amount by which Registered Providers of social housing can increase rents in that year. This may in turn bring some financial relief to the estimated 54,000 households living in social housing in Norfolk. The consultation closed in October 2022 and it was announced as part of the Treasury's Autumn statement that there would be a 7% increase cap on socials rents. This was said to save the average tenant in the social rented sector £200 next year and will generate an overall saving to government of around £630 million over 5 years<sup>22</sup>.

In order to combat rising inflation, the Bank of England (BoE) has chosen to increase interest rates on mortgages and loans with variable rates. In January 2022 BoE's base rate stood at 0.25%, by June 2022 the base rate had risen to 1.25%. After a period of rapid acceleration in the autumn, as of December 2022 the base

<sup>21</sup> [Department of Levelling Up, Housing and Communities, Social Rent Cap Consultation Press Release, August 2022](#)

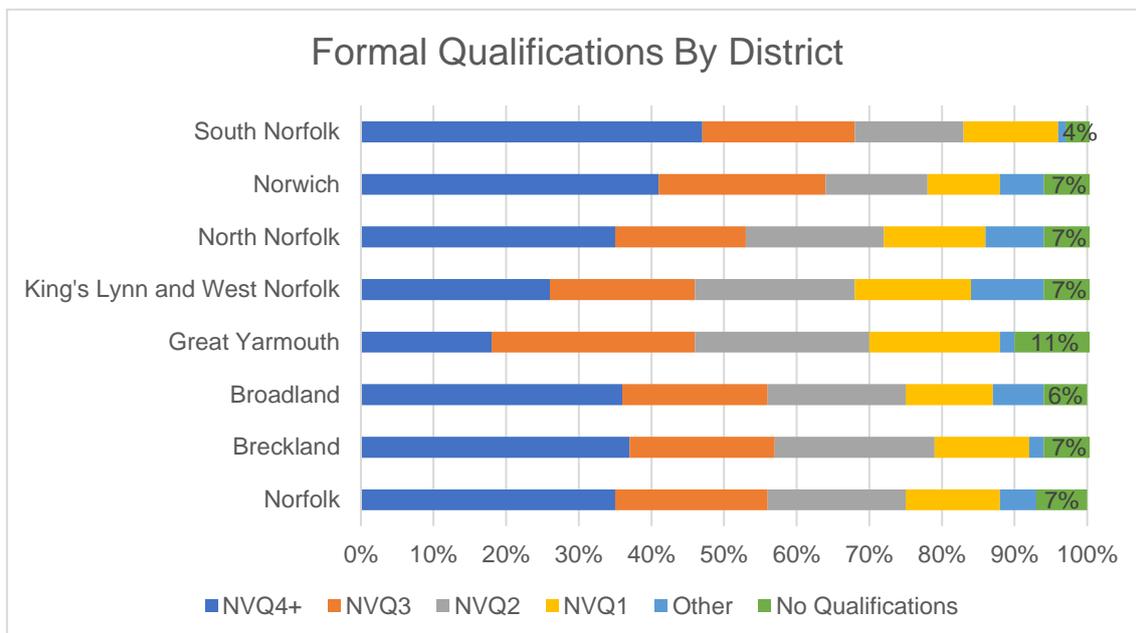
<sup>22</sup> [HM Treasury, Autumn Statement, November 2022](#)

rate stands at 3.5%<sup>23</sup>. According to the English Housing Survey, around a third of households in England have a mortgage. Of those, three-quarters have a fixed mortgage, so will therefore not be immediately affected. The rest - about two million people - will see their monthly repayments rise<sup>24</sup>.

### Education

As of 2020, an estimated 760,000 people in Norfolk were aged 16 and above. According to the Annual Population Survey, approximately 7% of Norfolk respondents aged 16 and above have no formal qualifications<sup>25</sup>. Therefore, it can be estimated that around 53,000 people aged 16+ in Norfolk have no formal qualifications. Figure 17 depicts the proportion of qualification level for Norfolk and each of its districts.

**Figure 17: Formal Qualifications by District (%)**



Source: Annual Population Survey, 2019

According to the ONS Opinions and Lifestyle Survey, an estimated 88% of adults with no qualifications have claimed their cost of living has increased over the last month. For Norfolk, this would mean up to approximately 46,600 individuals without qualifications may have experienced an increase in their cost of living over the last month. As for the reasons behind these increases, 94% of those without formal qualifications reported an increased in their food shop, 83% claimed that their gas or

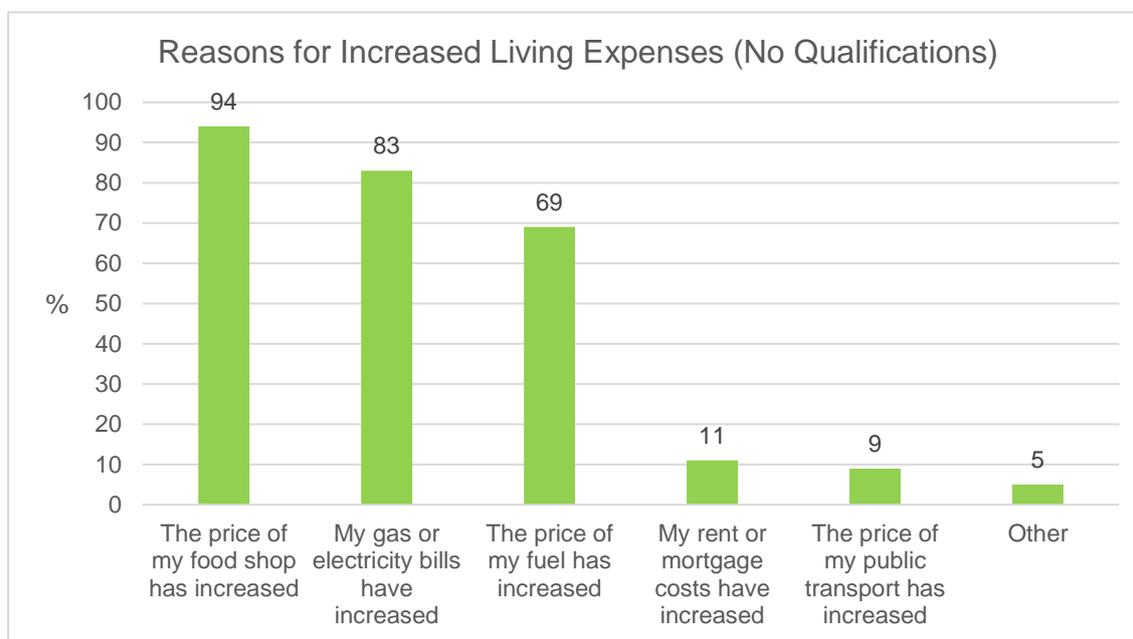
<sup>23</sup> [Which?, Bank of England Base Rate](#)

<sup>24</sup> [BBC, Interest rates: What are they and how high could they go?](#)

<sup>25</sup> [Annual Population Survey, 2019](#)

electricity bills had increased and 69% reported that their rent or mortgage payments had increased.

**Figure 18: Reasons for Increased Living Expenses**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

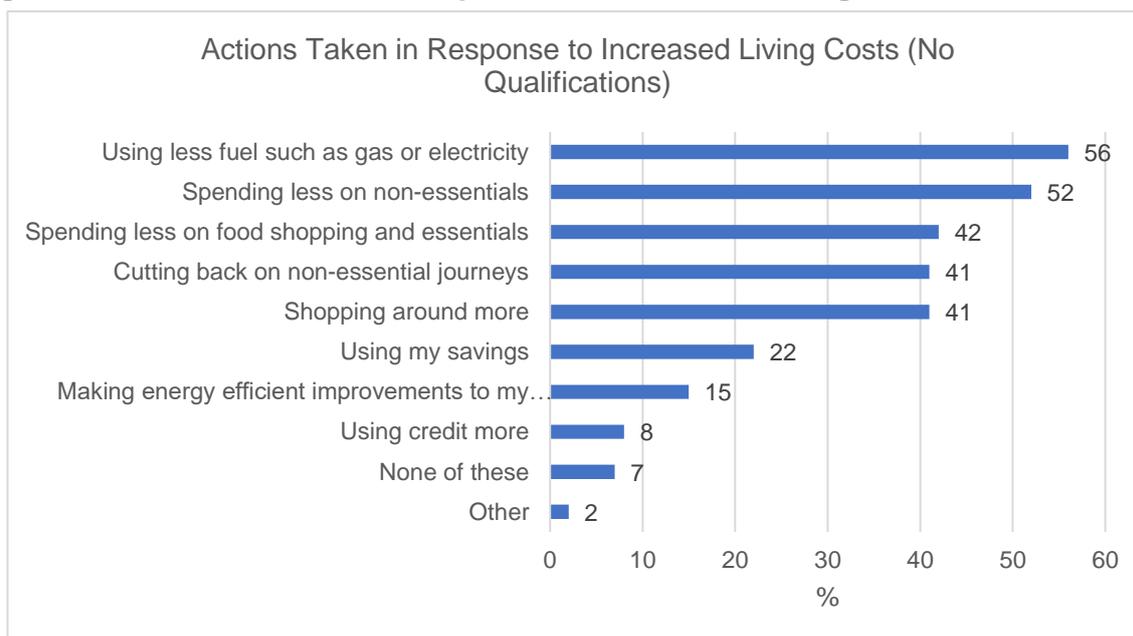
Among those who have gas or electricity supplied to their home, an estimated 5% of adults without any formal qualifications are reportedly behind on their gas or electricity bills. In Norfolk, assuming that all those without formal qualifications have either gas or electricity supplied to their home, this would equate to up to approximately 2,700 adults. Among those who pay energy bills, 38% of adults without formal qualifications were reported to find it “somewhat difficult” to pay their gas or electricity bills. In terms of what this could mean for Norfolk, up to an estimated 20,100 adults without formal qualifications may be in this situation. Around 12% of adults without formal qualifications claimed to find it “very difficult” to pay their bills. This would equate to approximately 6,400 adults in Norfolk if we continue with the same assumption as above.

Among those who make rent or mortgage payments, 39% of adults without formal qualifications have reported that their payments have increased in the last six months. In Norfolk increased rent or mortgage payments may be impacting up to approximately 20,700 adults without formal qualifications. Furthermore, 3% of adults without formal qualifications who pay rent/mortgage payments are reportedly behind on payments. This would mean that up to approximately 1,600 adults in Norfolk may be impacted in this way. In terms of the affordability of these payments, 26% of adults without formal qualifications who pay rent or mortgage payments reportedly

find it “somewhat difficult” to afford these payments, whereas 6% reportedly find it “very difficult”. In Norfolk, this would reflect 13,800 and 3,200 adults, respectively.

As for the ways in which individuals without formal qualifications are responding to this increase in living expenses, 56% reported using less fuel such as gas and electricity in their home, 52% said they were spending less money on non-essentials and 42% claimed to be spending less on food and essential items.

**Figure 19: Actions Taken in Response to Increased Living Costs**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

For both England as a whole, and for the East of England region, around 6% of the 16+ population are thought to have no formal qualifications. Therefore, in Norfolk the proportion of the 16+ population without formal qualifications is around 1% greater than the regional and national level.

**Figure 20: Formal Qualifications (%)**

	% of 16+ population with no formal qualifications
<b>Norfolk</b>	<b>7.0</b>
<b>East of England</b>	<b>6.0</b>
<b>England</b>	<b>6.0</b>
Cambridgeshire	4.0
Suffolk	6.0
East Sussex	6.0

Warwickshire	4.0
Cumbria	4.0
Cornwall	5.0

Source: Annual Population Survey, 2019

### *Parents of Dependent Children*

Another potentially vulnerable group identified by the ONS' research are parents of dependent children.

Research conducted by Loughborough University, suggests that families with children are paying up to £400 more per month to meet the cost of basic items such as food, rent and heating. Families with two dependent children were identified as particularly susceptible to these increases. It was reported that families are spending around an extra £120 per month on energy, £90 on transport including petrol and £65 on childcare<sup>26</sup>.

In Norfolk, there are an estimated 95,000 households with dependent children<sup>27</sup>. The district presenting the highest number of households with dependent children was King's Lynn and West Norfolk (16.3%). In contrast the district presenting the fewest number of households with dependent children was North Norfolk (9.8%).

**Figure 21: Estimated number of households by number of dependent children**

	Households with one dependent child	Households with two dependent children	Households with three or more dependent children	Total Households with Dependent Children
<b>Breckland</b>	7,500	5,600	2,300	<b>15,400</b>
<b>Broadland</b>	6,300	5,800	1,800	<b>13,900</b>
<b>Great Yarmouth</b>	5,800	3,800	1,900	<b>11,600</b>
<b>King's Lynn and West Norfolk</b>	7,000	5,900	2,600	<b>15,500</b>
<b>North Norfolk</b>	4,300	3,700	1,300	<b>9,300</b>
<b>Norwich</b>	7,400	4,600	1,900	<b>14,000</b>
<b>South Norfolk</b>	6,800	6,200	2,300	<b>15,400</b>
<b>Norfolk</b>	<b>45,100</b>	<b>35,600</b>	<b>14,200</b>	<b>95,000</b>

\*Figures have been rounded and therefore may not total

Source: ONS, 2018-Based Household Projections

In terms of the number of dependent children within these households, ONS household estimates can give an indication of how many households in Norfolk may consist of either one, two, or three or more dependent children. Within Norfolk, of all households with dependent children the most common number of child dependents in a household was one dependent (47%), followed by two dependents (38%) then

<sup>26</sup> [Loughborough University, Press Release, May 2022](#)

<sup>27</sup> [Office for National Statistics, 2018-based Household Projections for Local Authorities](#)

three or more dependents (15%). This distribution is comparable to the whole of England, see figure 22.

**Figure 22: Number of dependent children in Household (HH) (%)**

	HH with one dependent child (%)	HH with two dependent children (%)	HH with three or more dependent children (%)
<b>Norfolk</b>	47	38	15
<b>England</b>	47	37	16

Source: ONS, 2018-Based Household Projections

Figure 23 below provides a breakdown of the number of households in Norfolk which contain dependent children according to the 2021 Census by household composition type and by area down to the district level. It should be noted that there may be disparities between these statistics and those listed in figure 21 this is since the statistics in figure 21 originate from ONS projections based on the 2018 population size, whereas those in figure 23 below originate from the 2021 Census.

**Figure 23: Households with Dependent Children by Household Composition and Area**

Area	Married or civil partnership couple with dependent children	Cohabiting couple family with dependent children	Lone parent family with dependent children	Other household types with dependent children	Total
England	3,375,400	1,053,000	1,617,100	630,300	6,675,800
East	406,500	125,300	166,700	63,700	762,600
<b>Norfolk</b>	<b>46,900</b>	<b>19,700</b>	<b>23,000</b>	<b>7,200</b>	<b>96,800</b>
Breckland	7,400	3,100	3,300	1,400	15,200
Broadland	8,100	2,700	2,800	800	14,400
Great Yarmouth	4,200	2,500	3,500	1,000	11,200
King's Lynn and West Norfolk	7,800	3,500	3,600	1,500	16,400
North Norfolk	4,200	2,000	2,100	600	8,900
Norwich	6,200	3,000	4,500	1,000	14,700
South Norfolk	9,000	2,900	3,200	1,000	16,100

\*Figures have been rounded and therefore may not total

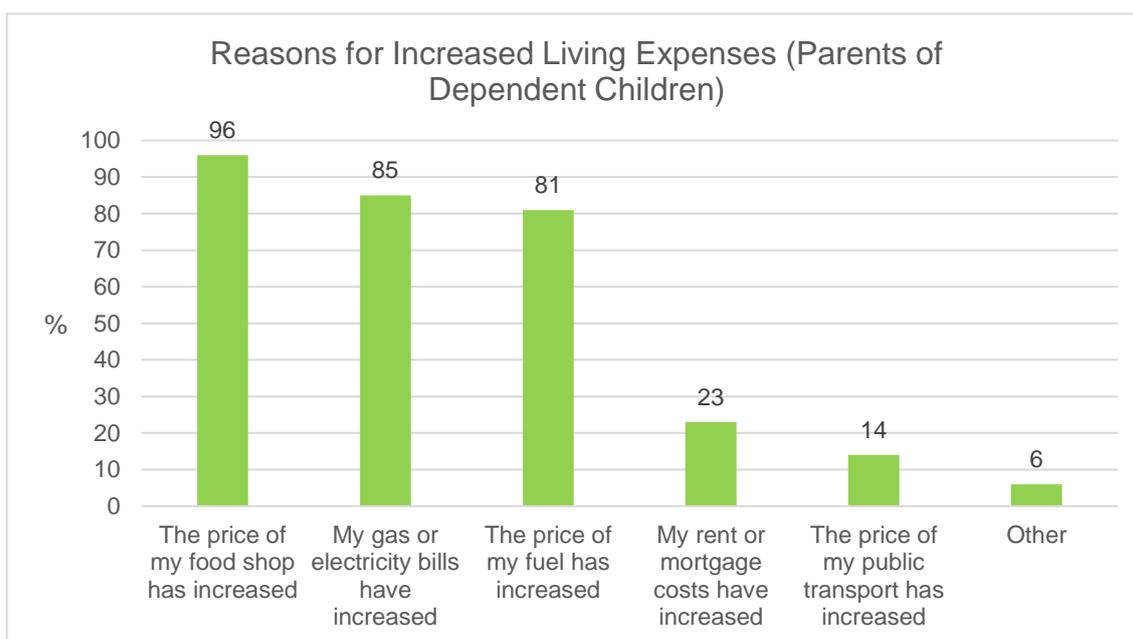
Source: ONS Census, 2021

When asked whether their cost of living had increased over the last month, 93% of those with a dependent child indicated that they had seen an increase in living costs. If we applied this to the number of households with dependent children in Norfolk,

this would imply that up to around 88,350 households with dependent children in Norfolk would have experienced an increase in cost of living in the last month.

As for the reasons behind these increases, 96% of those with a dependent child cited the price of their food shop had increased, 85% reported that their gas or electricity bills had seen an increase, 81% had reported an increase in fuel costs as a contributing factor to their increase living expenses.

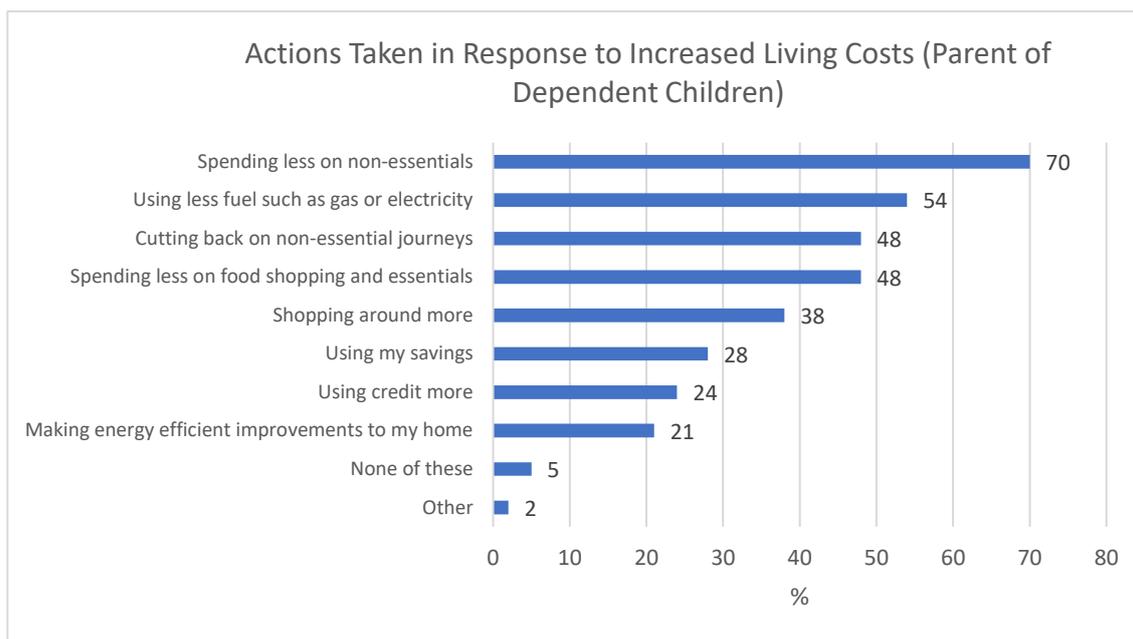
**Figure 24: Reasons for Increased Living Expenses**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

In terms of how these increased living costs are influencing the behaviours of adults with dependent children, 70% reported that they were spending less on non-essentials, 54% indicated that they were using less fuel such as gas or electricity in their homes, and 48% reported that they were cutting back on non-essential journeys in their vehicles.

**Figure 25: Actions Taken in Response to Increased Living Costs**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

Among respondents who indicated that they have gas or electricity supplied to their home, 9% of respondents with dependent children reported that they were behind on their gas or electricity payments. If we assume that all households with dependent children in Norfolk have gas or electricity supplied to their homes, then it can be estimated that up to around 8,550 households in Norfolk with dependent children may be behind on their gas or electricity payments.

As for the affordability of these payments, among those who pay energy bills, 38% of respondents with dependent children indicated that it was “somewhat difficult” to make these payments. In terms of what this could mean for Norfolk, based on the assumption that all households with dependent children pay gas or electricity bills then this could mean that up to approximately 36,100 households with dependent children in Norfolk may be finding it somewhat difficult to pay their fuel bills.

Furthermore, 16% of respondents with dependent children who pay gas or electricity bills reported that they are finding it “very difficult” to make these payments. If we make the same assumption as above that all households with dependent children in Norfolk make fuel payments then it can be estimated that up to approximately 15,200 households with dependent children in Norfolk may be finding it very difficult to meet these financial obligations.

Among those who are paying rent/mortgage payments, 33% of respondents with a dependent child claimed that their rent or mortgage payments had increased in the last 6 months. Based on the assumption that all households in Norfolk make either rent or mortgage payments, then this could apply to around 31,300 households with dependent children. Additionally, 3% of respondents with dependent children

reported to be behind on their rent/mortgage payments – reflecting around 2,900 households.

As for the affordability of these payments, 30% of respondents are reportedly finding it “somewhat difficult” and 8% are finding it “very difficult” to afford these payments. Continuing with the assumption above, for Norfolk this would reflect 28,500 and 7,600 households, respectively.

### *Lone Parents*

According to the Institute of Fiscal Studies (IFS), increases in relative poverty in the UK in recent years has disproportionately impacted lone parent households over two parent households. In this instance, relative poverty is defined as an annual income of less than 60% of the national median (adjusted for household size).

The IFS reported that between 2013/14 and 2019/20, the number of lone parent households in relative poverty rose by 9 percentage points to 49%. However, during the same period the number of two parent households in relative poverty increased by 2 percentage points to 25%.

In Norfolk, according to the 2021 Census, there were around 23,000 lone parent households with dependent children in Norfolk.

**Figure 26: Number of Lone Parent Households by Area**

<b>Area</b>	<b>Number of Single Parent Households with Dependent Children</b>
<b>England</b>	1,617,100
<b>East of England</b>	166,700
<b>Norfolk</b>	23,000
<b>Breckland</b>	3,300
<b>Broadland</b>	2,800
<b>Great Yarmouth</b>	3,500
<b>King's Lynn and West Norfolk</b>	3,600
<b>North Norfolk</b>	2,100
<b>Norwich</b>	4,500
<b>South Norfolk</b>	3,200

\*Figures have been rounded and therefore may not total

Source: ONS Census 2021

### *Divorced/Separated Adults*

Divorced/separated individuals were also identified in the ONS’s research to be a cohort potentially vulnerable to increasing living costs. According to the ONS 2021

Census there are approximately 98,760 divorced or separated individuals in Norfolk in 2021. This includes both former marriages and former civil partnerships. Figure 27 outlines the number of divorced and separated individuals by partnership type and area.

**Figure 27: Divorced and/or Separated Individuals by Area**

Area	Separated, but still married	Separated, but still in a registered civil partnership	Divorced	Formerly in a civil partnership now legally dissolved	Total Divorced or Separated
England	1,025,980	7,540	4,160,360	11,280	5,205,160
East	112,790	660	489,730	990	604,170
<b>Norfolk</b>	<b>16,650</b>	<b>120</b>	<b>81,820</b>	<b>170</b>	<b>98,760</b>
Breckland	2,640	20	12,620	20	15,300
Broadland	2,130	10	11,330	30	13,500
Great Yarmouth	1,940	20	9,920	20	11,900
King's Lynn and West Norfolk	2,730	30	13,560	10	16,330
North Norfolk	1,970	10	10,040	10	12,030
Norwich	2,900	20	12,360	50	15,330
South Norfolk	2,350	20	11,980	20	14,370

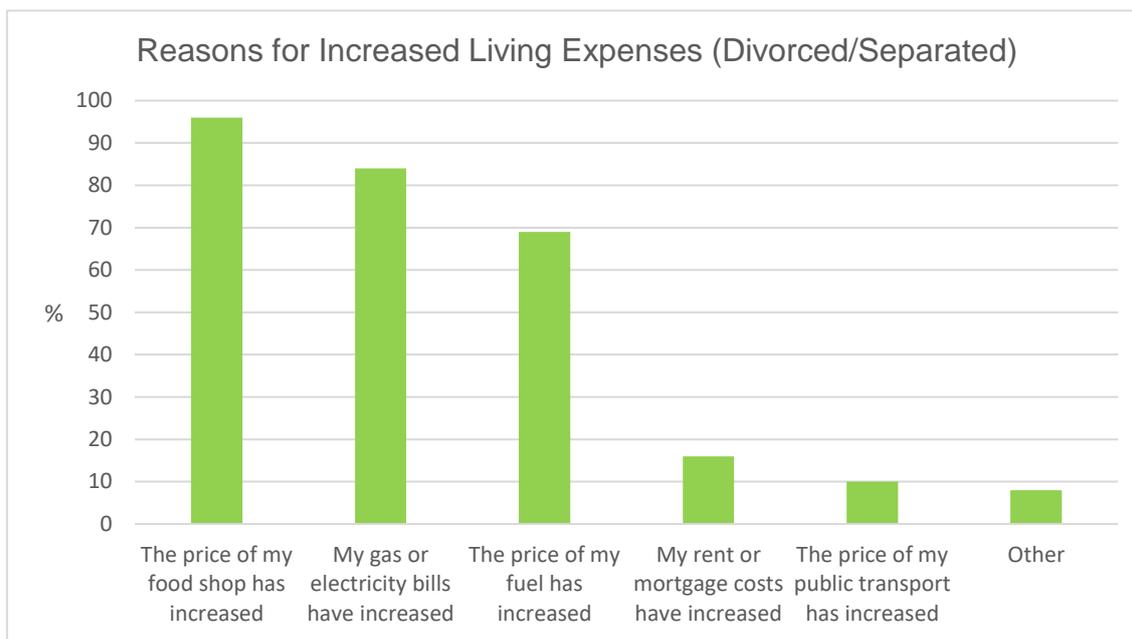
\*Figures have been rounded and therefore may not total

Source: ONS Census 2021

According to the ONS Opinions and Lifestyle Survey, 90% of respondents who were either divorced or separated reported that their cost of living had increased in the last month. If we applied this proportion to the number of divorced/separated adults in Norfolk, this would mean that up to around 88,900 divorced/separated adults may have experience an increase in their living expenses in the last month.

As for the reasons behind these increases, 96% of divorced/separated respondents reported that the price of their food shop has increased, 84% indicated that the cost of their gas or electricity had increased and 69% indicated that the price of their fuel has increased.

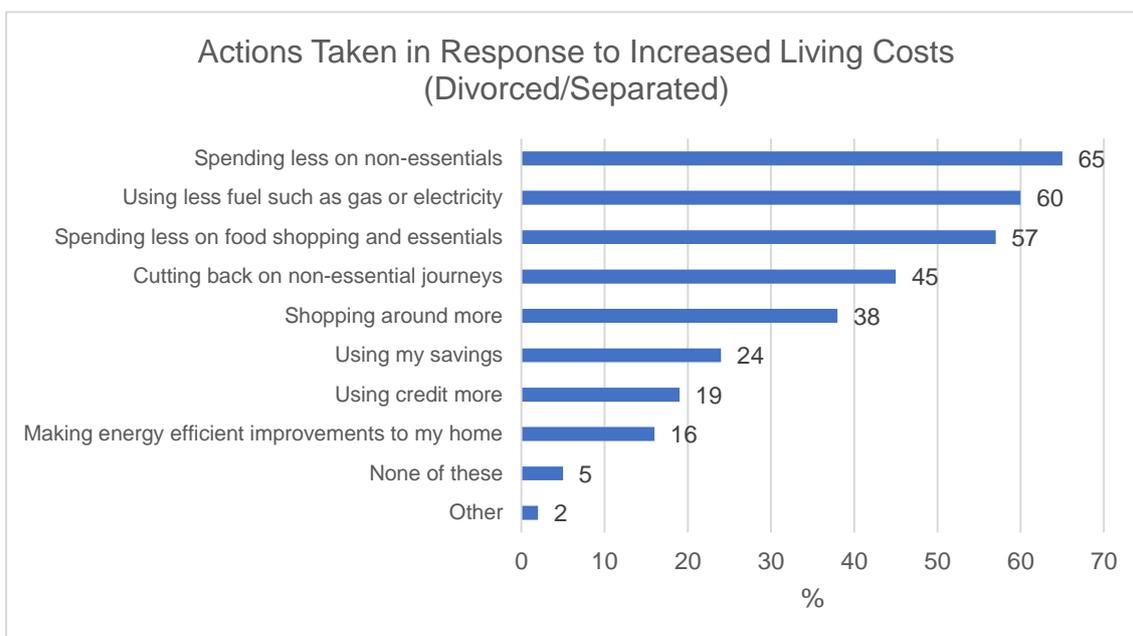
**Figure 28: Reasons for Increased Living Expenses**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

In terms of how divorced/separated individuals are responding to this increase in living expenses, 65% indicated that they were spending less on non-essentials, 60% reported that they were using less fuel such as gas or electricity in their homes and 57% claimed to be spending less on food shopping or essentials.

**Figure 29: Actions Taken in Response to Increased Living Costs**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

Among those who said that they have gas or electricity supplied to their home, 7% of divorced/separated respondents stated that they were behind on their energy bill payments. If we make the assumption that all divorced/separated adults in Norfolk have gas or electricity supplied to their homes, this would mean that up to approximately 6,900 divorced/separated individuals in Norfolk may be behind on their energy bill payments.

As for how affordable these payments are, among those who pay energy bills, 39% of divorced/separated individuals reported that they are finding it “somewhat difficult” to pay their energy bill. If we make the assumption that all divorced/separated individuals in Norfolk pay energy bills, this would mean that around 38,500 divorced/separated adults in Norfolk may be finding it somewhat difficult to pay their energy bills. Furthermore, 16% of divorced/separated individuals indicated that it was “very difficult” to afford their energy bills. Making the same assumption as above, it may be estimated that up to around 15,800 divorced/separated adults in Norfolk may be finding it very difficult to pay their energy bills.

Among those who are currently making rent or mortgage payments, 40% of divorced/separated indicated that their payments had increased in the last six months. Assuming that all divorced/separated adults in Norfolk may either rent or mortgage payments, this would mean that around 39,500 divorced/separated adults may have experienced an increase in their payments. Additionally, 7% of separated/divorced adults reported that they were behind on either their rent or mortgage payments. If we make the same assumption as above and apply this to Norfolk, this could mean that around 6,900 divorced/separated adults in the county may be behind on their rent or mortgage payments.

Concerning the affordability of these payments, 33% of divorced/separated individuals reported that it was “somewhat difficult” to afford their rent/mortgage payments. In Norfolk terms, this would mean that around 32,600 divorced/separated adults may be in this financial situation. Furthermore, 8% of divorced/separated adults indicated that it was “very difficult” to pay their rent/mortgage. If we applied this to the Norfolk population then 7,900 divorced/separated adults may be in this situation.

### *Disabled Adults*

Data provided by Citizens Advice indicates that disabled individuals and those with long term health conditions were more likely to seek assistance from CA for a cost of living related issues than other cohorts such as ethnic minorities<sup>28</sup>.

In Norfolk, there are approximately 125,800 people between the ages of 16 and 64 classified as Equality Act (EA) Core disabled<sup>29</sup>. For the East of England region, this figure stands at approximately 776,000. Nationally speaking, the number of people between 16 and 64 in England who are EA disabled is around 7,500,000.

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<sup>28</sup> [Citizens Advice Cost of Living Dashboard, September 2022](#)

<sup>29</sup> [Annual Population Survey, 2021](#)

**Figure 30: Number of Adults 16-64 Core Disabled under the Equality Act by Area**

Area	16-64 Equality Act Core Disabled
England	7,500,000
East of England	776,000
<b>Norfolk</b>	<b>125,800</b>
Breckland	21,800
Broadland	14,600
Great Yarmouth	15,400
King's Lynn and West Norfolk	21,800
North Norfolk	10,000
Norwich	20,400
South Norfolk	21,800

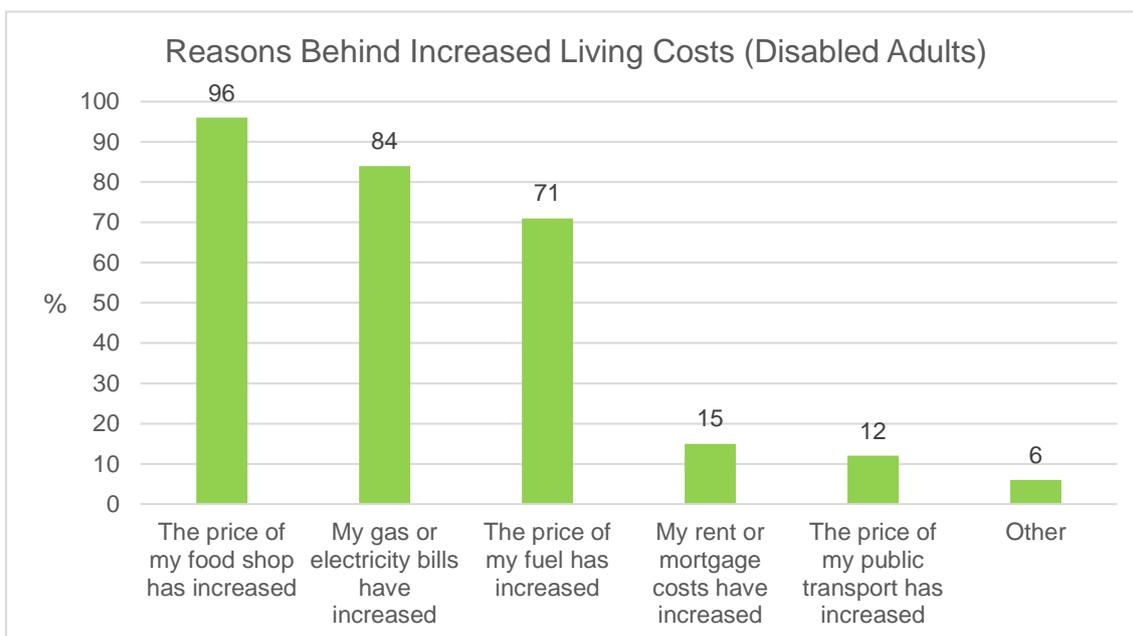
\*Figures have been rounded and therefore may not total

Source: Annual Population Survey

According to the ONS Opinions and Lifestyle Survey, 92% of disabled respondents indicated that their cost of living had increased over the last month. Applying this figure to the population of Norfolk with a disability this would mean that up to approximately 115,700 disabled adults may have experienced an increase in living costs.

In terms of the perceived reasons behind this increase, 96% of disabled respondents indicated that the price of their food shop had increased, 84% reported that the price of the gas or electricity bills had increased and 71% stated that the price of their fuel had increased.

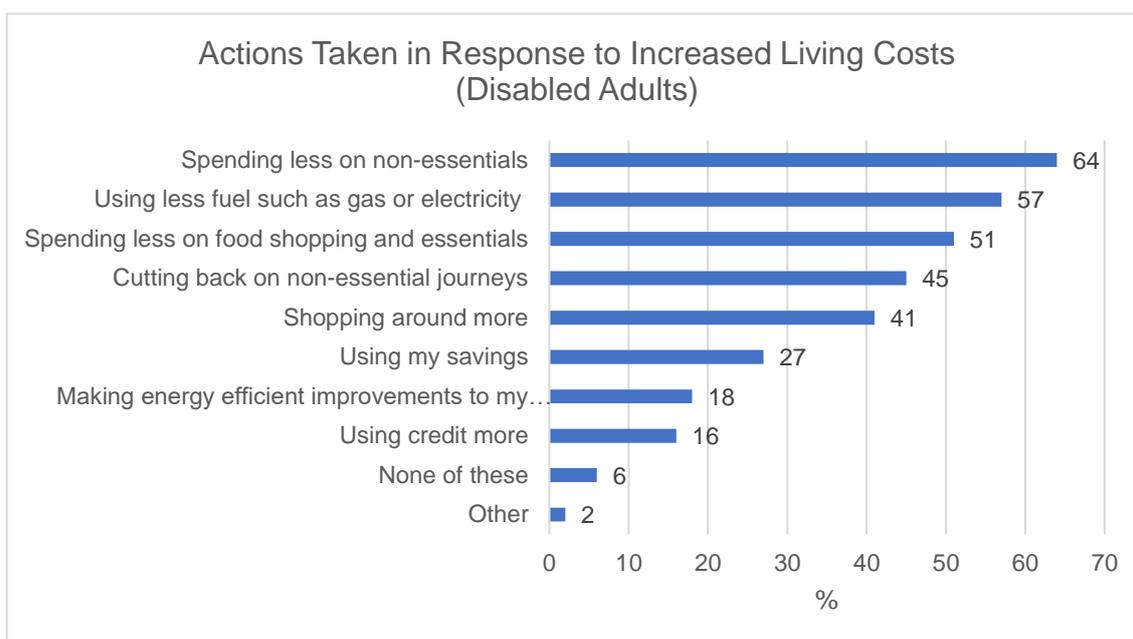
**Figure 31: Reasons for Increased Living Expenses**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

As for the actions that disabled people are taking in response to this increase, 64% indicated that they are spending less on non-essentials, 57% stated that they were using less fuel such as gas and electricity in their homes. And 51% reported that they were spending less on food shopping and essentials. Lesser reported actions included using credit such as credit cards, loans or overdrafts more often (16%) and making energy efficient improvements to my home (18%).

**Figure 32: Actions Taken in Response to Increased Living Costs**



Source: ONS, Impact of Increased Cost of Living in Great Britain, June to September 2022

Among those who reported they have gas or electricity supplied to their home, 7% of disabled people reported that they were behind on their payments. If we assume that all disabled adults in Norfolk pay gas or electricity bills then it can be estimated that around 8,800 disabled adults in Norfolk may be behind on their energy bills.

Among those who pay energy bills around 40% of disabled people reported that they are finding it “somewhat difficult” to pay their energy bills. Again assuming that all disabled adults in Norfolk pay gas or electricity bills, then it can be estimated that around 50,300 disabled adults in Norfolk are finding it somewhat difficult to finance their fuel bills. Additionally, 15% of disabled adults who pay energy bills reported that they are finding it “Very Difficult” to pay their energy bills. Using the same methodology and assumptions as above, this would equate to approximately 18,900 disabled adults in Norfolk.

38% of disabled adults reported that they had experienced an increase in their rent or mortgage payments in the last six months. Applying this to the population of disabled adults in Norfolk, this would mean that up to approximately 47,800 disabled adults in the county may have experienced an increase in rent or mortgage payments in the last six months.

Among those paying rent or mortgage payments, 4% of disabled adults indicated that they were behind on their payments. For Norfolk, this would mean that around 5,000 disabled adults may be behind on their rent or mortgage payments.

29% of disabled adults indicated that they are finding it “somewhat difficult” to afford their rent or mortgage payments. This would equate to 36,500 disabled adults in Norfolk. 8% indicated that they found it “very difficult” to afford their rent/mortgage payments. In Norfolk terms, this would equate to around 10,100 disabled adults.

### *Absolute Poverty*

Around 8.8 million (around 13%) people in the UK are already in absolute poverty – defined as having an income below 60% of the 2010/11 median, uprated for inflation<sup>30</sup>. An additional 1.3 million as predicted would raise the UK-wide figure to 10.1 million (an increase of 14.7%). If we apply these proportions to the Norfolk population, that would imply that around 118,800 people in Norfolk are currently in absolute poverty. A 14.7% increase would then leave up to an estimated 136,000 people in Norfolk in absolute poverty. Please note that this estimate has been extrapolated from national figures - the distribution of poverty is unlikely to be uniform across the UK, therefore the rate of absolute poverty in Norfolk (both actual and predicted) may differ.

### *Other Cohorts*

It has been established that higher income cohorts are less likely to be adversely affected by a rise in cost of living as higher earners spend a smaller proportion of their income on essential living expenses<sup>31</sup>. Similarly, the effects of a rise in living costs for lower earners may be partially negated by financial assistance provided by the government. This however has the potential to leave some middle-income cohorts in a more precarious financial situation as they may spend a greater proportion of their income on essentials than higher earners and may be unable to claim the financial assistance that is available to their lower income counterparts.

These cohorts may include educated young professionals such as students, recent graduates and young people in the early stages of their career. Young families may also be among these cohorts - particularly those with significant financial commitments such as first-time buyers with mortgages, for example.

The Acorn Classification system devised by CACI categorises postcodes by analysing social factors and population behaviours. In terms of potentially overlooked cohorts, the following groups could potentially be at risk of loss of disposable income due to a lack of financial support:

#### *City Sophisticates:*

- Affluent younger people
- Generally own flats in major towns and cities
- The majority are buying their flats with perhaps a third renting from a private landlord
- Single people and couples without children
- Many are graduates and while not all are highly paid, incomes are above the national average and a good number pay higher rates of tax

#### *Career Climbers:*

<sup>30</sup> [House of Commons Library, Poverty in the UK: Statistics](#)

<sup>31</sup> [Resolution Foundation, May 2022](#)

- Younger people
- Singles, couples, and families with young children
- Live in flats, apartments, and smaller houses, which they are sometimes renting and often buying with a mortgage
- Tend to have higher educational qualifications than average
- Although they are more likely than average to have some savings, investments and pensions, others are more likely to have loans, perhaps the residue of student borrowing and to have mortgage repayments. As a result, the good jobs may not always reflect high disposable income and a few may even be having some difficulties with debt.

*Starting Out:*

- Younger couples in their first home, starting a family, and others who are at an early stage of their career
- Some are still renting but most will be buying their home with a mortgage. Junior executive jobs and other white collar or professional occupations are typical
- Although household incomes tend to be above average the need to have built up a deposit and to have paid off student loans means housing is usually lower cost relative to the local area

*Student Life:*

- These are areas dominated by students and young people, often recent graduates.
- At least half of the people here, usually more, are studying. Students will be living in a hall of residence or in flats or shared houses.
- There will be little in the way of incomes other than to fund their time at university. Some will be utilising overdrafts or be building up debts.

In terms of how these cohorts feature in the Norfolk population, figure 18 provides a summary of approximate population size for each cohort and the number of households these cohorts potentially represent.

**Figure 33: Population and Household Estimates for “Acorn” Groups**

<b>Group</b>	<b>Population</b>	<b>Households</b>
<b>City Sophisticates</b>	1,100	500
<b>Career Climbers</b>	27,700	12,200
<b>Starting Out</b>	41,900	18,500
<b>Student Life</b>	8,900	1,900
<b>Total</b>	<b>79,600</b>	<b>33,100</b>

\*Figures have been rounded and therefore may not total

Source: CACI, Acorn Profiles, 2019

From this it may be implied that up to an estimated 79,600 people (or around 33,000 households) may have been overlooked and could potentially be vulnerable to a loss of disposable income.

### *Students*

In December 2022, the House of Commons Library produced a research bulletin outlining the impact of rising cost of living on the UK's students<sup>32</sup>. In this bulletin it was reported that over three-quarters of students are concerned that rising costs may impact their studies, according to ONS data. Black students, students aged over 25, and students from lower socio-economic backgrounds were highlighted as likely to be hardest hit by rising costs of food, transport, rent, and energy.

The average student's largest monthly expense is reportedly rent, accounting for about 45% of monthly living costs. According to the National Union of Students (NUS) cost of living research, over a quarter of students had less than £50 a month after paying rent and bills. One in 10 students responding to The National Student Money Survey indicated they had used a foodbank in the past academic year.

In terms of the adequacy of maintenance loans to cover student living expenses, it was reported that maintenance loans are lower in real terms than last year. In England, the annual increase for maintenance support in the 2022/23 academic year was based on forecast inflation of 2.3%. However, inflation based on CPI stood at 11.1% in November 2022. The National Student Money Survey which polled 2,300 UK students between May and August 2022, found a monthly shortfall of £439 between the average student's maintenance loan and living costs, up from £340 in 2021.

UK Government has said living cost loans and grants have increased by 2.3% in England and there is £261 million of student premium funding. Historically, this funding has reportedly been used for outreach and participation efforts but the Government has permitted the use of this funding for hardship since Covid-19 pandemic.

Despite the NUS' calls for bespoke student cost of living support, there is only general cost-of-living support available. These measures only cover limited groups of students as most students are unable to access benefits so are ineligible for the £650 support payment given to households receiving means-tested benefits. Only students who are tenants of landlords will receive the £400 grant through the Energy Bills Support Scheme.

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<sup>32</sup> [House of Commons Library, How is the rising cost of living affecting students? December 2022](#)

## What support has the Government announced?

In response to the rising cost of living, Central Government have announced a variety of grants and loans to help households cover additional living costs. In total, these support measures amount to around £37 billion<sup>33</sup>.

- *Energy Bills Support Scheme:*
  - £200 of support announced earlier this year will be doubled. This £400 payment will now be a grant and will not need to be repaid.
  - This support is in addition to the £150 Council Tax rebate for households in England in Council Tax bands A-D, that was announced in February 2022.
- *Welfare Support:*
  - Around 8 million households across the UK are due to receive a one-off “cost of living payment” of £650, direct to bank accounts. The payment will go to households in receipt of welfare benefits.
- *Pensioners and Disabled Households:*
  - 8 million pensioner households across the UK will receive a “pensioner cost of living payment” of £300.
  - Similarly, 6 million non-means-tested disability benefit recipients across the UK will receive a £150 payment.
- *Universal Support Measures:*
  - £200 repayable loan, due in October 2022, will be turned into a grant. The payment will be doubled to £400 for everyone
- *Future Cost of Living Payments 2023/24:*
  - Eligible means tested claimants will receive up to £900 over the course of the 2023/24 financial year with payments beginning in the Spring of 2023.
  - This will be automatically issued to eligible claimants in three instalments of approximately £300 directly into bank accounts.

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<sup>33</sup> [Cost of Living Support Factsheet: May 2022](#)

## **Statement on Data**

The data and supporting information presented in this document has been compiled from a variety of publicly available sources. References to the original sources are made throughout the document to corroborate the information provided and signpost to the data's origin for future use by the reader, if desired.

Wherever possible, the most recent data has been included to give the most up to date picture of each of the topics covered. It should be noted that there are often differences in how frequently various data sources and indicators are refreshed or updated. As a result, some indicators and data sources may be more current than others. Furthermore, in order to ensure the veracity of data released to the public there is often a delay between data collection and data publication while all necessary verifications take place. This in turn results in lags in data publication.

Wherever possible, data has been provided at district level to shed light on differences within the county, however, it should be noted that not all data is available to the same degree of granularity meaning that some data is available only at county level, others at district.

It should also be acknowledged that while estimates of potentially affected cohorts have been provided, these will not be distinct categories - individuals can and likely will fall into multiple categories. Therefore, any attempt to aggregate these cohorts will risk double counting and create an inflated estimate that is not representative. The overlap between these cohorts is unknown.

## **Further Resources:**

[The Resolution Foundation – Living Standards Publications](#)

[Institute for Government – Cost of Living Crisis](#)

[The Joseph Rowntree Foundation](#)

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## Appendix A

\*Note that all figures have been rounded and therefore may not total.

**Table A: Changes to Extra Amounts for Children UC benefit**

	Monthly Allowance 2021/22	Inflation Aligned Allowance	Monthly Allowance 2022/23	Difference per month (£)	Difference per year (£)
First Child Born Before April 6 2017	283.00	308.00	290.00	-18.00	-215.00
First Child (born on or after 6 April 2017) or second child and subsequent child	237.00	258.00	245.00	-14.00	-166.00

**Table B: Changes to UC Disability benefit**

	Monthly Allowance 2021/22	Inflation Aligned Allowance	Monthly Allowance 2022/23	Difference per month (£)	Difference per year (£)
For Parents with a Disabled Child - Lower Rate Addition	129.00	140.00	133.00	-8.00	-91.00
For Parents with a Disabled Child - Higher Rate Addition	402.00	439.00	415.00	-24.00	-285.00

**Table C: Changes to Limited Capacity for Work UC Benefit**

	Monthly Allowance 2021/22	Inflation Aligned Allowance	Monthly Allowance 2022/23	Difference per month (£)	Difference per year (£)
Limited Capability for Work Amount	129.00	140.00	133.00	-8.00	-91.00
Limited Capability for Work and Work Related Activity Amount	344.00	375.00	354.00	-20.00	-243.00

**Table D: Changes to Carer UC Benefit**

	<b>Monthly Allowance 2021/22</b>	<b>Inflation Aligned Allowance</b>	<b>Monthly Allowance 2022/23</b>	<b>Difference per month (£)</b>	<b>Difference per year (£)</b>
<b>Carer Amount</b>	164.00	178.00	169.00	-10.00	-116.00

**Table E: Changes to Non-Dependents UC benefit**

	<b>Monthly Allowance 2021/22</b>	<b>Inflation Aligned Allowance</b>	<b>Monthly Allowance 2022/23</b>	<b>Difference per month (£)</b>	<b>Difference per year (£)</b>
<b>Non-Dependants' housing cost contribution</b>	76.00	82.00	78.00	-4.00	-53.00