

## UPDATE TO RSP VULNERABILITY GROUP BY NICK HUBBARD

*It is Expenditures that distinguish between urban and Rural to a large extent.*

*Far more than half of CA offices have at least one rural ward: Rural is bigger than people think at first.*

### CURRENT RATE OF INFLATION

The rate of inflation to October 2022 was 9.6%<sup>1</sup>.

This is a slight fall by comparison with the August figure.

Government sources, including the Office For National Statistics (upon whom we rely heavily in this report and others), rely on the Consumer Price Index (CPI) as a method for quantifying Inflation.

It tends to run behind the Retail Price Index (RPI) that was used formerly – and a result it tends to reduce increases in Pensions and Benefits intended to keep pace with inflation. In the year to September 2022, RPI rose by 14.2% while CPI rose by only 11.1%.

We recommend a review of definitions of Poverty to take into account necessary expenditures.

Particularly we recommend reverting to the Retail Price Index as the standard measure of Inflation in the UK because it factors Housing into the calculation and better reflects the people's predicaments.

### PRISON SPACE – The Guardian 30.11.2022

The Guardian reported that the Justice Department has requested the emergency use of 400 police cells - for the first time in 14 years – using a protocol entitled Operation Safeguard. This is as a result of an acute and sudden increase in the prison population.

This is currently attributed to a strike by Barristers.

This is despite the largest prison building programme in a century.

There were 82839 inmates in prisons on 25 November: there were 79685 at the same point in 2021.

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<sup>1</sup> <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2022>

So far there is no suggestion that this links in any way to imprisonment for acquisitive crime in the context of the Cost of Living Crisis.

## PREDICTION

The Prediction remains that inflation will ease in 2023.

*Predictions in April included increased acquisitive crime and increased default on debts and rents.*

## CURRENT PRICES<sup>2</sup>

There is considerable variation of price changes for supermarket goods: vegetable oil has risen by 65.2%; tea is up by 46% chips by 38.7% and bread by 38%; but orange juice has reduced in price by 8.9%.

On 1<sup>st</sup> December 2022, prices of vehicle fuel had moderated: Unleaded Petrol was priced at 159.47 pence per litre and Diesel at 183.4.

Much now depends upon how much of an individual's income is taken up by purchases of food, fuel or accommodation: if after those purchases there is a good deal of residual income, then the individual might hope to manage; if, on the other hand, there was no residual income then they will be struggling. It is those that were less well-off last year that are struggling most now.

We are not all in this equally.

## PREPAYMENT METERS

Prepayment meters are used by people on the lowest incomes, such as people on benefits, including pensions, as well as disabled people and people in rented properties.

Users pay in advance for their fuel by means of a top-up card, a fob, or an app. Payment through a meter is usually more expensive. And the levels of payment ruthlessly follow the seasons and the weather – they require far more money in January than in July.

Top-up payments often require cash – which may create another level of difficulty and cost.

They may be used to collect outstanding debts – thus creating another layer of difficulty.

If they fail to pay, they are regarded as self disconnecting.

Further details about prepayment meters and the conditions that should apply to companies considering a compulsory change can be found at <https://www.ofgem.gov.uk/information-consumers/energy-advice-households/check-prepayment-meter-rules> .

Since July 2021, 490000 warrants have been issued allowing energy firms to install prepayment meters in homes – by force if necessary. This is an 18% rise on the previous year.

Warrants are largely uncontested by customers. It is said to be possible for the court to be many miles from the home that is affected.

Gillian Cooper, Head of Energy policy for Citizens Advice said “Switching people onto prepayment meters when they fall into debt is disconnection by the back door. Hundreds of thousands could be left in cold, dark homes this winter if they can’t afford to top up.”

Ofgem regards this kind of action as a last resort, and says that it has banned installations entirely for the most vulnerable customers.

## BENEFITS

The Government has announced that from April 2023, Benefits will rise with inflation.

We see this as a major step forward and we applaud !

Nonetheless, the rate for 2023 has already fallen behind inflation, particularly for Universal Credit; so this has the effect of “baking in” years of under funding. But at least it creates some security and predictability for people who are less well off.

## AT CA SEDGEMOOR

In the year to 30<sup>th</sup> November 2022, CA Sedgemoor clients brought 9687 new issues: a rise of 30% - a huge growth.

They brought 965 very varied Housing issues: a significant rise of 15.4%.

There were 4479 Benefits issues: an overwhelming increase of 74.1%.

And 1015 debt issues: a rise of 10.2%.

## UP NEXT

Working on Housing and Rents and the gap between rents and Housing Benefit.

Next update of our Cost of Living paper includes an attempt at a picture of Expenditures. And some Case Study material.

**Update given on 7 December 2022.**