



Chartered  
Institute of  
Housing

# COST OF LIVING CRISIS

**What the latest analysis tells us and how  
social housing providers are responding**

The Chartered Institute of Housing's 11th cost of living briefing

October 2024

Welcome to issue no.11

Welcome to our 11th cost of living briefing.

The cost of living continues to place huge pressures on people across the UK. We look at what this means in practice, with a focus on housing.

Topics in this edition:

- ▶ [Latest evidence](#)
- ▶ [How social housing providers are responding](#)
- ▶ [What is CIH calling for?](#)
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For previous copies of our briefings see [www.cih.org/policy/cost-of-living-crisis-briefings](http://www.cih.org/policy/cost-of-living-crisis-briefings).

For any feedback on our briefings or suggestions for future topics please email [policyandpractice@cih.org](mailto:policyandpractice@cih.org).

# Latest evidence

## Inflation

UK inflation (as measured by CPI) fell unexpectedly to 1.7 per cent in the year to September, the lowest rate in 3.5 years. UK interest rates are currently at five per cent but it is now expected that they will be cut in November. [The latest quarterly official figures](#) show that wages have increased more quickly than prices for the past year.

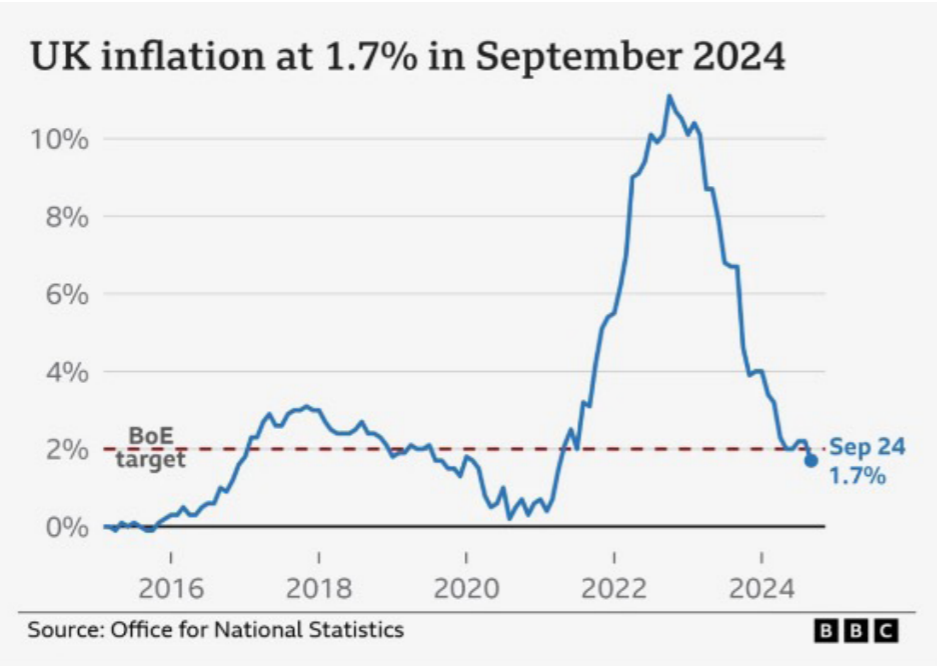


Figure one: UK inflation over time. Source: BBC

Whilst inflation has fallen significantly since it hit 11.1 per cent in October 2022 it does not mean that prices are falling - they are just rising less quickly. The surprise fall in inflation was mainly driven by airfares and fuel, whereas food and non-alcoholic drink prices rose, with costs jumping for many staple items.

Charities such as Citizens Advice are still helping many people every day with food bank referrals (nearly **twice as many** as in September 2021) as price rises disproportionately impact families on low incomes.

## Benefits

September's inflation data is used to calculate many benefit increases the following April, including universal credit (UC), which rises according to government discretion. The main disability benefits - personal independence payment, attendance allowance and disability living allowance - plus carer's allowance - go up by at least September's inflation rate by law.

A rise of 1.7 per cent for benefits would be less than April's expected rise in the state pension of 4.1 per cent, which is determined by the 'triple-lock'.

Unless the government chooses to unfreeze local housing allowance (LHA) and re-link it to cover the bottom 30th percentile of local rents it will remain frozen in cash terms for 2025 and beyond, as per the policy of the previous government. [Recent research](#) shows this particularly affects renters in London, where only five per cent of listings were affordable on LHA.

Joseph Rowntree Foundation ([JRF](#)) calculates that if LHA remains frozen over this parliament, on average, private renters on housing benefits will be around £700 worse off per year. 50,000 renters will be pulled into poverty, 60,000 will be pushed into deep poverty and 80,000 (including 30,000 children) will be pushed into very deep poverty.

	All	Working-age couple with children	Family with 2 adult workers	London
2025	£243	£340	£300	£258
2026	£349	£472	£417	£434
2027	£432	£552	£601	£597
2028	£545	£695	£744	£768
2029	£703	£882	£949	£971

Figure two: Average annual effect on income for private renting recipients of housing benefits or UC if LHA is kept frozen, 2025-2029. Source: JRF



## Housing

Cost of living pressures continue to be exacerbated by high housing costs and a shortage of affordable homes, notably social housing.

In England, house prices are now eight times the average annual wage, according to official statistics - more than twice the ratio seen when the last Labour government was elected in 1997. After a slight easing, UK house prices rose for third straight month in September.

Many households are struggling due to a significant gap between the cost of renting and income. [Cebr analysis](#) suggests that the cost of renters' basic spending,

defined as essential goods and services, has increased by 12.8 per cent since the onset of the cost of living crisis. This far exceeds the equivalent rate of 11.5 per cent for homeowners, though falls short of the 13.1 per cent recorded amongst social renters, who are likely to have even lower earnings on average. Within this figure, the typical rental household must now spend an additional £2,000 per year to service their housing costs.

Rent increases and the end of a private rental tenancy are a main cause of homelessness. [Latest government data](#) shows that

homeless households are at a record high, exceeding 320,000 between 2023 and 2024 and representing an eight per cent increase on the previous year. At the end of March this year, 117,450 households were living in temporary accommodation - an increase of 12.3 per cent from the same period last year. Meanwhile, 147.8 per cent more households were owed a duty due to being required to leave accommodation provided by the Home Office as asylum support.

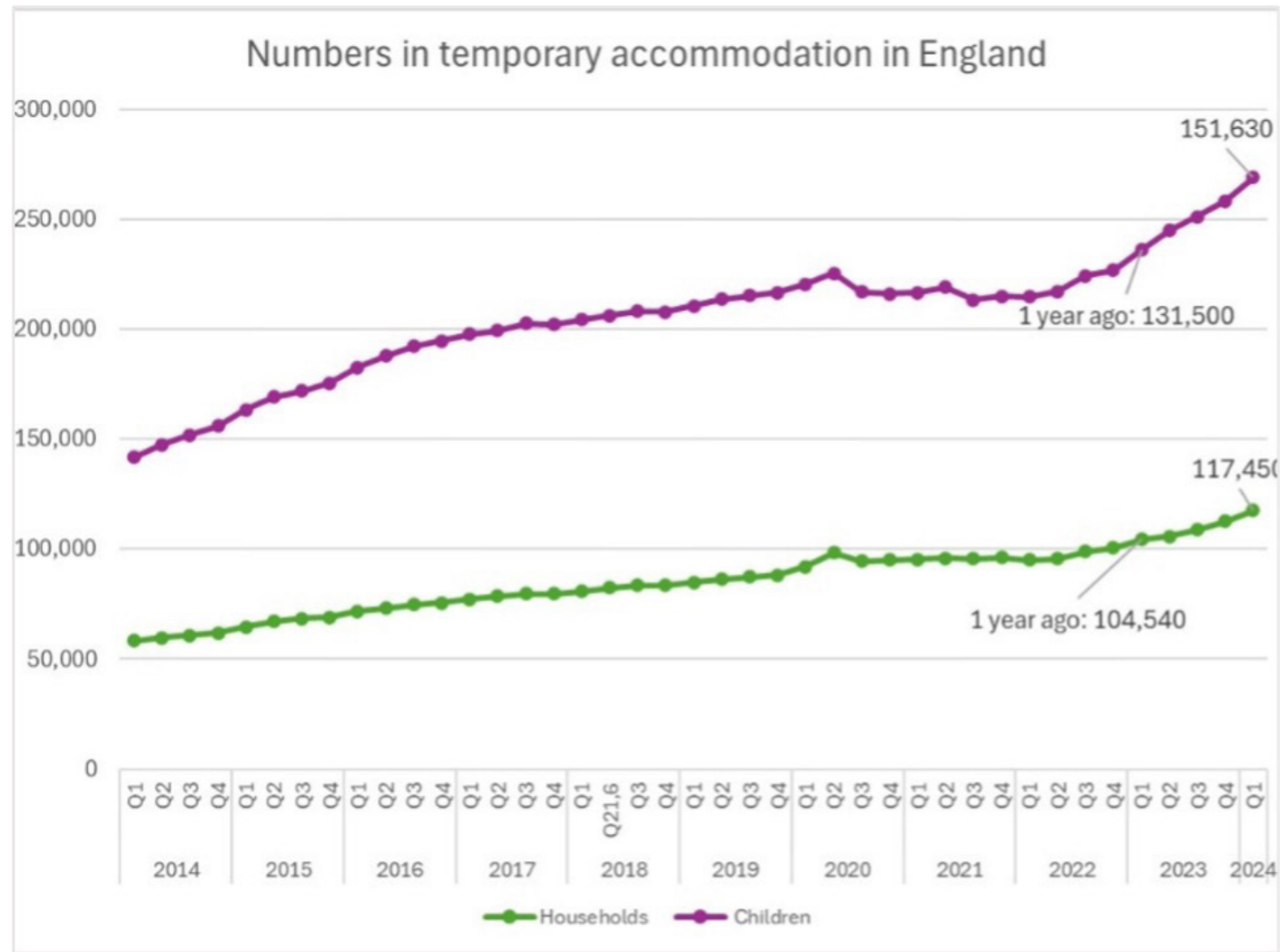


Figure three: Number of homeless households over time, including children. Source: Gov.uk

## Energy

While energy prices are far from their recent peak, the high cost of gas and electricity continues to mean millions are faced with the impossible choice of heating or eating.

On 1 October 2024, Ofgem's price cap, which sets the maximum amount that can be charged by energy retail suppliers for gas and electricity, increased to £1,717 per year for the average household. Standing charges, which are the fixed daily amount energy suppliers can charge no matter how much energy someone uses, also remain persistently high.

These price increases are coming just as essential support falls away. The government's decision to means-test Winter Fuel Payments (WFPs) is [estimated](#) to negatively affect 780,000 low-income pensioners who are eligible for pension credit (and therefore the WFP), but not claiming it.

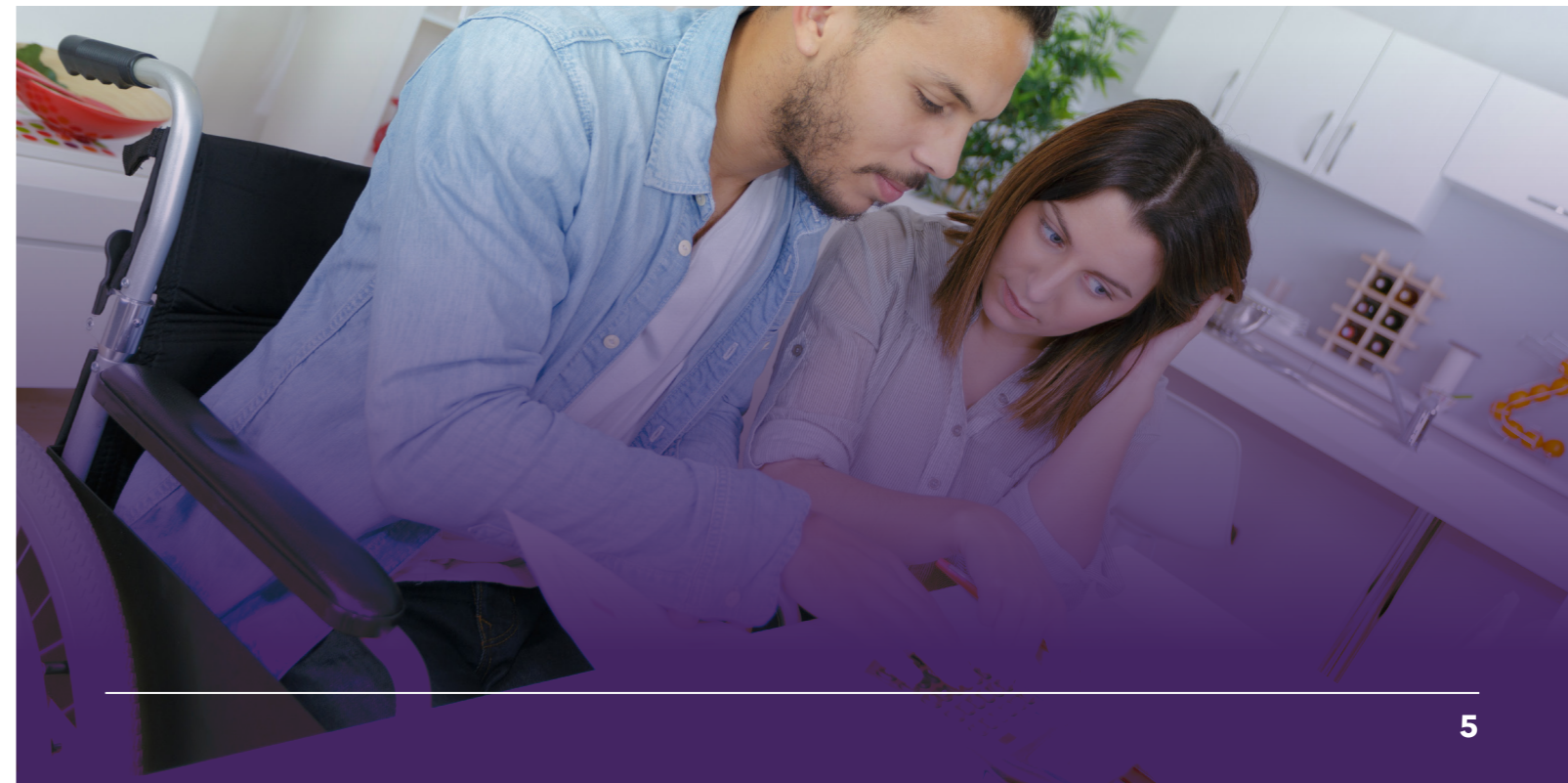
The cost of living payments introduced during the pandemic have ended, and only the [Household Support Fund](#) and [Warm Home Discount](#) remain as mechanisms to support people with their energy costs. (The Household Support Fund was extended to March 2025.)

Research shows that the combined impact of these changes will be substantial over the winter of 2024/25. Specifically:

- ▶ The [Resolution Foundation](#) estimates that 37 per cent of all households in England are facing unaffordable energy costs. For lone parents, this figure rises to 77 per cent.
- ▶ National Energy Action [estimates](#) that from October 2024, 6 million households in England will be living in fuel poverty, and that almost half of all adults in Great Britain say they are likely to ration their energy use over winter.
- ▶ [Research](#) by Citizens Advice shows that 35 per cent of energy bill payers are concerned about affording the coming winter, equivalent to 9.6 million households.
- ▶ [Research](#) by Scope has shown that disabled households need to pay a staggering £1,010 per month extra on average to maintain good health and wellbeing, with energy-related needs for heat and power a significant extra cost.

There is also little indication that the cost of energy will fall significantly in the next couple of years. [Forecasting](#) by energy modellers Cornwall Insights predict that energy prices will remain high until the end of the decade, and the Resolution Foundation has [warned](#) that the cost of electricity network investment could increase bills. This means longer term government action to bring down gas and electricity bills, and insulate our ageing housing stock, remains vital.

*"How can you make a budget work when your gas and electric is dearer than what you're paying to actually eat?"*  
([Citizens Advice client](#))



## Debt

Cost of living pressures have seen personal debt in the UK become a critical issue for many. With inflation driving up the prices of essentials like food, energy, and housing, many households have been forced to rely on credit to cover everyday expenses. According to recent data, the average UK household now carries thousands of pounds in debt, spanning credit cards, loans, and overdrafts. Rising interest rates have made it even harder for people to manage repayments, leading to

an increase in defaults and financial stress. Vulnerable groups, such as low-income families and younger adults, are particularly at risk of falling into a cycle of debt.

Nearly four years of unaffordable energy prices have also led to a significant increase in energy debt. Figures released by the energy regulator, Ofgem, show that consumer energy debt has reached £3.69 billion, up £400 million from last quarter.

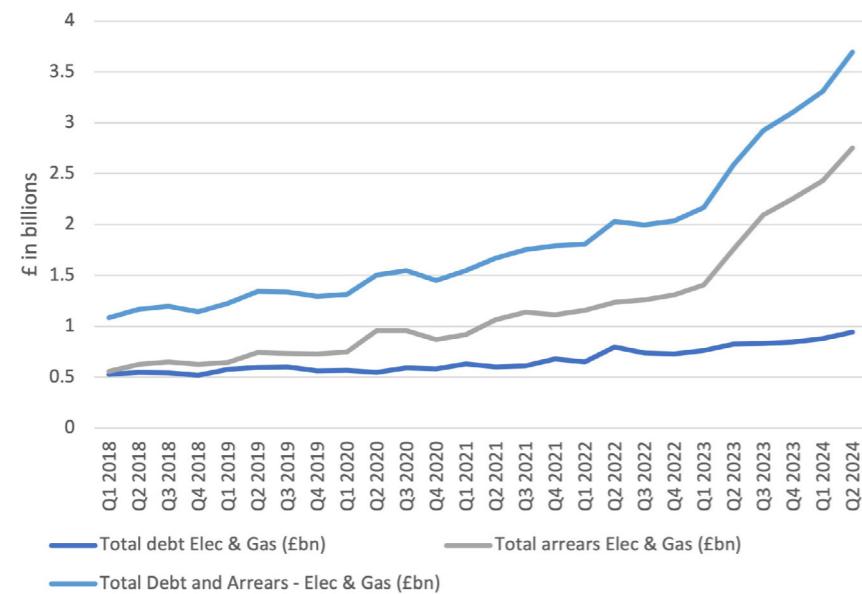


Figure four: The total amount of debt and arrears owed by domestic customers for >91 days between Q3 2018 and Q2 2024. Source: Ofgem data portal.

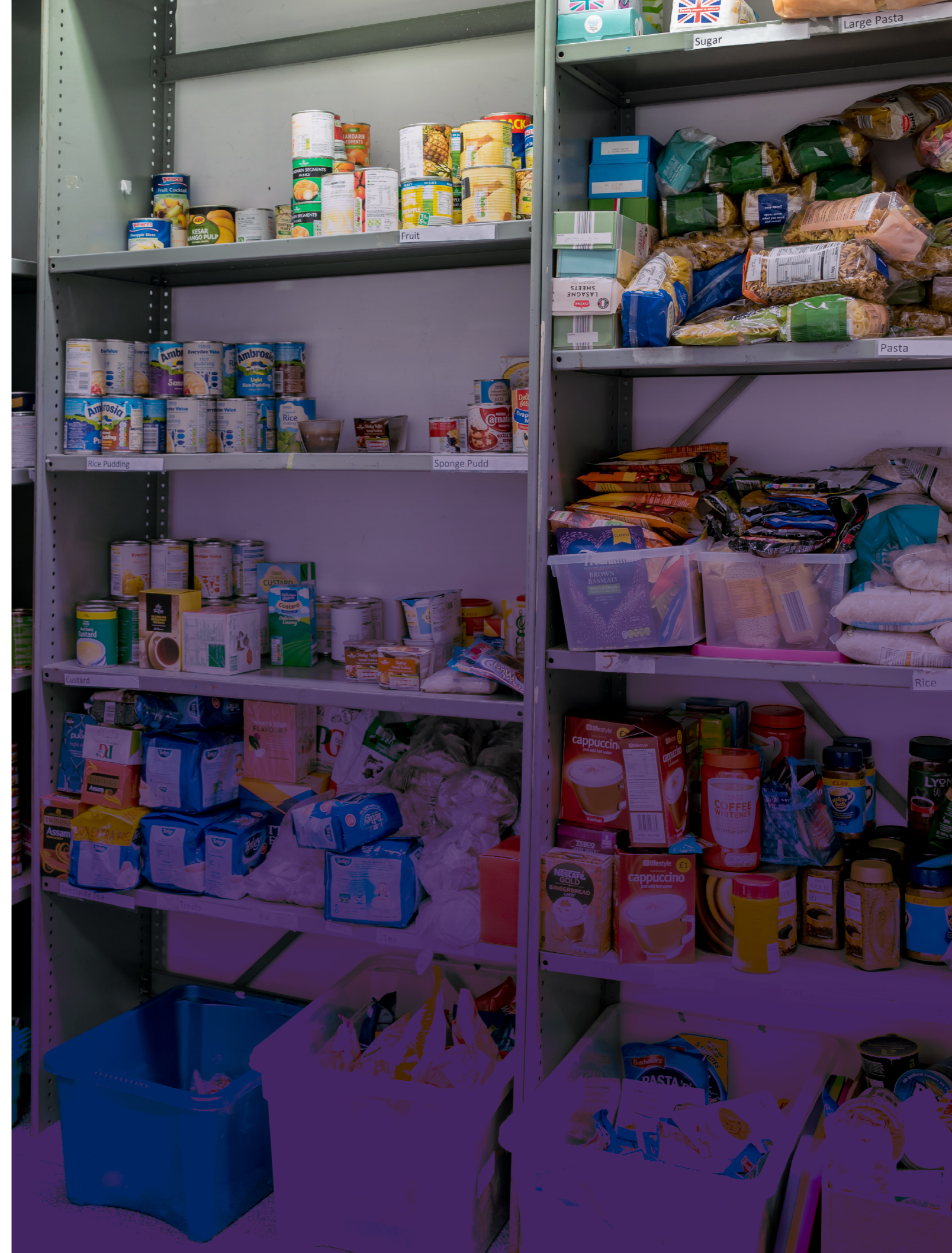
## Poverty

JRF's most recent [cost of living tracker](#) was completed in the same month the 2024 election was called, highlighting persistently high levels of hardship. Surveying 4,092 households in the bottom 40 per cent of incomes between 26 April and 9 May 2024 it found that:

- 7 million low-income families (60 per cent) reported going without essentials like food, showers, heating and toiletries in the six months to May 2024, including 5.4 million experiencing food insecurity in the 30 days prior to the survey.
- 4.3 million low-income families (37 per cent) are in arrears with at least one household bill or credit commitment, and 1.2 million are in arrears with four or more bills. The total amount of arrears owed by low-income households is around £6.3 billion, with an average amount owed of around £1,400.
- 3.8 million low-income families currently hold £7.5 billion worth of debt through loans originally taken out to pay for food, housing or essential bills like council tax or energy.

While there has been improvement for some across key hardship indicators compared to its last survey in October 2023, this has not been the case for all. For the lowest-income families and those on universal credit there has been no change in the proportion going without essentials, with seven in 10 families in the bottom income quintile, and the 86 per cent of low-income families on universal credit, going without the essentials in May 2024. These findings are supported by the Trussell Trust's recent report on [The Cost of Hunger and Hardship](#).

Following the election, the new government has set up a [Child Poverty Taskforce](#) to oversee the development and publication of a cross-government strategy in spring 2025 to reduce and alleviate child poverty.



# How social housing providers are responding

## The London Food Insecurity Network

Sponsored by Peabody, the [London Food Insecurity Network](#) was founded by HACT and The Felix Project in 2023 to explore strategic and collaborative responses to addressing food inequality. The network is a broad coalition of housing associations, specialist food partners and providers with an ambitious aim; to ensure that no social housing resident in London goes to bed hungry.

The most prominent collective action by the Network took place across November 2023 to January 2024 to redistribute high-quality food in strategic locations to social housing residents across London. With the cost of living crisis deepening, the Network saw an opportunity to collaborate quickly and mobilise a response during the festive months.

The Felix Project sourced and managed the mammoth task of redistributing food to these locations, increasing their resources to do so. Housing associations reviewed their community assets and galvanised staff resources to host and set up food market events in communities. The Voluntary, Community and Social Enterprise (VCSE) and community sector embraced collaboration and worked with housing associations to co-deliver and connect communities to the markets, ensuring community members knew when the events were taking place and helped to make these spaces warm, inviting and accessible. HACT worked alongside partners in the Network to help facilitate the activity and connect partners with each other.

The numbers shown here are only part of the story. The value and impact of these initiatives only truly shines through when we hear from people in the community about the difference this work has made.

In 2024, the network continues to develop approaches to addressing food insecurity. It is looking to deliver another programme of winter markets for London's communities and will continue to work towards ensuring that no social housing resident goes to bed hungry.

The results:

**76** winter food markets across London

**35** tonnes of food distributed (enough for 80,000 meals)

A saving of **£120,000** for residents receiving this food

A saving of **9.5 tonnes** of CO2 that would have been created had the food ended up in landfill

## Incommunities

Supporting financially excluded customers has been an ongoing priority for Incommunities since the introduction of welfare reform. They initially worked with local Job Centre teams to advise, coach and signpost mutual customers facing financial hardship through money, fuel and food poverty before bringing this in-house to form their [Money Matters service](#).

Since its inception, the service has grown from strength to strength, supporting customers with financial and budgeting advice, retrospective recovery of benefits (£32,184.72 in one case alone), providing household essentials and furniture, the provision of emergency food, toiletries and cleaning products, fuel top ups and grants to settle debts.

Between April and September 2024, the service received 1,280 referrals with 20 per cent being identified as emergency referrals in need of an immediate fuel or food intervention. So far this year they have enabled customers to maximise £500,253.90 in income.

Incommunities' winter fuel poverty work is now underway for 2024. Alongside their energy hardship fund that in severe circumstances can be used to clear energy debts, they offer energy top up vouchers, as well as contacting utility companies to ensure residents are entering into affordable arrangements. They also have a supply of winter warm packs, including items such as hot water bottles, blankets, hats, scarves, Thermos cups and socks.

For residents who will no longer be in receipt of the winter fuel payment, Incommunities use their discretion to contribute to winter fuel bills. To ensure their customers are accessing the right government support, the Money Matters team recently underwent an intensive training session on pension credit. They are imminently launching an initiative via local news and social media to encourage customers approaching or already of pension age that are not in receipt of pension credit to contact them. A recent pilot with their sheltered schemes had great outcomes for residents who were not yet in receipt of this support.

**1,280** referrals into the Money Matters service between April and September 2024

**£500,000** of additional income obtained for customers

# Freebridge Community Housing

Freebridge Community Housing has taken a considered and far-reaching approach to supporting their residents with the increases in cost of living. Recognising the rising need of their residents during the pandemic, their tenancy support team introduced a [Support Fund](#) to help those in energy crisis, which has developed over the years into a full suite of proactive support.

Beginning with digital pre-paid energy cards that could be allocated to residents through the retail voucher platform [Charis](#), this fund has grown considerably, with support offered in 2023-24 totalling £88,974.08.

This consisted of £77,634 of support provided to customers through the issuing of 1,450 food and energy vouchers, indicating a 9 per cent increase on the support offered in 2022-23. Alongside this, an additional support fund for their customers within sheltered schemes, who can often be more susceptible to energy price rises due to the communal setup of residences saw £11,340.08 offered during this period.

Recognising that long-term support is more effective after addressing immediate needs, Freebridge prioritise short-term solutions - what they refer to as "keeping the lights on" - before collaborating with tenants to enhance their long-term financial wellbeing. To ensure responsible use, they have implemented checks that prevent customers from repeatedly accessing emergency vouchers without deeper engagement.

Freebridge's frontline housing teams are empowered to provide these vouchers following discussions about tenants' needs, delivering immediate support while also boosting staff morale. Vouchers can be sent via text or email, and for those without digital access, voucher numbers can be communicated by phone. These vouchers are designated for specific necessities, such as food, energy, or school uniforms, with strict restrictions

against purchasing alcohol or cigarettes, ensuring they are used for their intended purpose.

In the early stages of their Support Fund, Freebridge chose to widely promote the available assistance. This outreach revealed a greater need within the community than anticipated, highlighting residents who were just managing their costs but might otherwise have gone unnoticed. Additionally, it has facilitated conversations with some of their harder-to-reach residents.

Building on this, Freebridge are now taking an even more proactive approach to supporting their residents over the winter months. All residents over the age of 75 are contacted for a welfare call at the start of winter and offered a food parcel or a winter warm pack. For those elderly customers who live alone, the team makes a home visit to ensure that they have what they need to get through the winter months and that their home is sufficiently warm.

In recognition that time is needed to bring homes up to higher energy efficiency levels, in the shorter-term Freebridge are supporting residents to create a warm home with a secondary fund. Residents living in a Freebridge home with an EPC rating of E or below receive a one-off £100 contribution towards energy bills at the start of winter.

Freebridge are also utilising the physical spaces that they have available to provide respite from cold homes. They've not only set aside [communal warm hubs](#), but they put on events and film nights within these spaces to encourage more of their residents to attend. Levels of loneliness are [higher](#) amongst those living in social rented homes than in other tenures and these events have been successful in creating a greater sense of community amongst residents, even spinning off into coffee mornings organised by those that attend.

The most recent addition to their resident support cache is the [food hub](#) that opened in June using a renovated Freebridge property. Alongside partners, this hub provides food that residents can purchase through 'points' or donations. Not only is this essential for providing affordable food within the community, but it gives Freebridge yet another avenue for opening conversations with residents about their circumstances and any areas of support that they might be able to offer.

**£89,000**

of support offered in 2023-24

**£100**

payments provided to residents with an EPC rating of E or below



# Platform Housing Group

Platform Housing Group have continued to invest in support services for their customers. Their successful tenancies team is well established and has grown to a team of sixteen advisers who provide advice and support to customers experiencing financial hardship.

In 2021, they launched Platform's Wellbeing Fund (£1.25 million for 2023-24) to provide short-term financial crisis support to customers. The Fund is designed to assist customers in fuel or food poverty, or who are simply unable to pay for essentials needed in their homes. The Fund has spent

£1,123,991 so far this financial year, and supported 3,626 customers with essentials such as food, household, clothing and energy vouchers. They have also provided customers with white goods, beds, digital, employment and wellbeing support.

Platform also run a Community Kindness campaign, which provided more than £65,000 in funding last year to local food banks, community groups and charities, mainly in the run-up to the festive season, to support customers and their local communities.



Photo of Platform Housing Group staff presenting a cheque to a community group in Skegness, Lincolnshire that provides a warm space and hot meals to local residents.

# G2M Group

G2M have taken significant measures to understand and address the impact of the rising cost of living, with a particular focus on energy costs during the winter months. Recognising that energy is a major factor in resident affordability, they have undertaken an in-depth analysis of the real-world effects of energy price caps on residents throughout the changing seasons.

While Energy Performance Certificates (EPCs) offer estimates for heating costs, they do not account for seasonal fluctuations in energy costs per kilowatt hour, nor do they include additional expenses such as standing charges. These factors contribute to unexpected cost of living challenges for residents, with G2M's analysis showing that actual expenses can be up to as much as 70 per cent higher than the estimates provided by EPCs.

Over the past 18 months to support residents in managing these rising costs, they have shaped their 'Sustainable Tenancy' initiative. This initiative includes a strategic partnership with social policy analytics provider Policy in Practice (PiP) aimed at maximising

resident income during key times of tenancy, such as tenancy renewals and new lettings. In addition to income support offered, residents are also given the opportunity to self-refer for further assistance. This collaboration has delivered tangible results, with an average income increase of £2,713 per year for residents at the renewal stage and £499 per year for those entering new tenancies.

In addition, G2M also takes a proactive approach to resident communication, ensuring that residents are well-informed about cost of living concerns, particularly in times of increased financial pressure such as the winter months. Residents are provided with direct internal support and signposted to relevant external services. Through these actions, they help their residents better manage energy costs and other living expenses during difficult times.



Photo of G2M Group staff who developed their Sustainability Tenancy programme, as well as other initiatives to support their residents with the cost of living. Photo courtesy of G2M Group.

# HACT's Fuel Fund 23/24

HACT's 2023/24 Fuel Fund currently receives referrals from social housing providers and charities across Scotland, England and Wales to award fuel vouchers worth up to £49 to households living in social housing, experiencing financial difficulty and struggling to meet their energy costs.

This year's fund has distributed over £2 million and has just been extended to the end of December 2024, with around £1 million left to distribute.

This initiative has provided much-needed energy support to households, enabling thousands of families and individuals to stay warm, pay off their energy debts during the challenging winter months and keep their energy costs manageable throughout the summer.

So far, each household has received an average of £209 in energy support through the HACT Fuel Fund, helping over 7,500 households manage their energy costs more effectively. This critical financial aid has been a lifeline for many, ensuring that vulnerable families can maintain a warm and safe living environment.

In addition to this immediate financial support, 90 per cent of the households have also received onward referrals from the scheme including financial and benefit advice, further energy advice and health and wellbeing support.

As the winter months approach, preparing for the colder days ahead becomes essential. With approximately £1 million still available until the end of December 2024, there's still an opportunity to make a difference for even more social housing residents.

**Over £2 million**  
distributed so far from this year's Fuel Fund

**7,500** households supported to manage their energy costs more effectively

# Lightning Reach

Lightning Reach enables charities, local authorities, housing, utility and financial services providers to reach and provide support to individuals more effectively. The Lightning Reach platform can be used by a range of organisations to streamline or enhance the support they offer to individuals in (or at risk of) financially vulnerable circumstances.

Founded during the pandemic, they aim to empower anyone to access a range of personalised support (e.g. grants, benefits, help with their bills) all in one place, to build financial resilience and wellbeing. For this winter, they've also set up the [Winter Warmth Network](#) to raise awareness of support available for energy and other essential costs as households face rising bills.

Their services have been used by a range of different housing providers. PA Housing started using Lightning Reach to reduce their administrative processes and provide better holistic support to customers. Since digitising their grant process through Lightning Reach, **PA Housing** has seen a huge increase in demand for grants with over 500 applications submitted and a 50 per cent reduction in admin time.

They have also been able to provide more holistic support to tenants, each of which is provided with a personalised list of support options when they apply. £105,000 of grants were awarded since the release

of their new system and 59 per cent of tenants who applied found additional support.

**Lambeth Council** has also worked in partnership with Lightning Reach, after struggling to engage their tenants and find them support. They relied on the same few organisations to aid their tenants and struggled to know where to look for a wider variety of support.

Using Lightning Reach, Lambeth Council now connects tenants to personalised support, empowering residents to take control of their situation and significantly reducing time spent by their team. Applications now take 90 per cent less time (five minutes rather than 45 minutes) to process, and £143,000 has been awarded to 4,000 Lambeth customers with the new simplified digital applications.

*"It helped me to get needed items like clothes, winter duvets, a tumble drier and other household goods and things for my children that I could otherwise not afford."*

Sherika, Lightning Reach user





# What is CIH calling for?

To address the immediate and longer-term pressures outlined we are [calling on the government](#) to use its Autumn Budget on 30 October and subsequent Spending Review to:

1. Invest in social housing to ensure that new supply includes affordable and secure homes
2. Invest in supported housing to address rising levels of need and reduce pressures on public services
3. Invest in homelessness prevention and support to address the current crisis, particularly in temporary accommodation
4. Reform social security provision to support those on the lowest incomes
5. Support people with energy costs this winter and continue to drive decarbonisation and energy efficiency improvements in homes

CIH is a member of the [End Child Poverty Coalition](#) and [End Fuel Poverty Coalition](#).



# Useful resources

A summary of useful resources available:

- Government - [cost of living support](#), [support with energy bills](#), and [stakeholder toolkit](#) on help for households
- House of Commons library [briefings](#) on the cost of living
- Joseph Rowntree Foundation - UK Poverty 2024 - the [essential guide to understanding poverty in the UK](#)
- [Money Saving Expert](#) - [cost of living help](#) guide and [energy price cap calculator](#)
- [Money Helper](#) service - free, confidential, and impartial help tailored to individual needs
- [Energy Saving Trust](#) - information about practical ways to save money on energy bills
- [Energy UK](#) - winter support hub information on energy bills, energy efficiency etc
- [LEAP](#) - free service helping people keep warm and reduce their energy bills
- [CPAG Fuel Rights handbook](#)
- [Citizens Advice](#) - information on grants and benefits available to help with energy bills, plus an online benefits calculator. The charity also runs a cost of living [dashboard](#) to track impact and monthly briefings; you can sign up to the next one [here](#)
- Local Government Association - [cost of living hub](#)
- [HACT](#) provide a range of resources to help social housing providers support their tenants
- [National Energy Action](#) - national fuel poverty charity Provides training on fuel poverty - see [here](#) for details
- [Fuel Bank Foundation](#) - provides financial support and practical advice
- [One Home](#) - provides information and advice on practical solutions to save money and reduce carbon emissions
- [Lightning Reach portal](#) - brings a range of support from different sectors into one system, matching those in financial hardship with eligible funding
- [Charis Grants](#) - administrator for many funds and grants
- [Turn2us](#) - search grants that provide financial support to people who need it
- [Health and Housing Insights Bank](#) - a resource for social housing landlords to support residents

Around £19 billion of existing benefits and support is unclaimed by households every year. People can use Policy in Practice's free [Better Off Calculator](#) to ensure they are claiming all the support they are eligible for.

## Webinars

If you missed any of our previous cost of living events, you can catch up with them [on our website](#). These are free to access for CIH members.

Sign up for our next one on 7 November [here](#) (CIH member only).





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