

Cohort Hardship Analysis for Household Support Fund Review

Purpose & Context

Sheffield City Council (SCC) has been administering the Household Support Fund since October 2021. The fund enables SCC to provide payments to those in hardship, to support with essential household costs, such as food and energy. The Fund was extended earlier this year to cover the period 2023-2024. This document provides an analysis of how the cost-of-living crisis has impacted on the hardship of different cohorts, as well as any support each group have/will receive around cost-of-living, to help inform proposals regarding use of the Fund this year.

Methodology

Information and data on the impact of cost-of-living on different groups is complex and fragmented, making direct comparison between different groups difficult. As such, this analysis has drawn on multiple sources to present an overall picture of the cohorts most disproportionately affected, rather than aiming to produce any detailed financial breakdown of impact for each cohort.

Information used includes data on general trends in poverty, access to relevant services such as debt support or homelessness services, as well as relevant policy reports and feedback from partner agencies. Alongside this, we have also included information on where groups have/will be receiving any targeted financial cost of living support from the government, as this is also relevant to decisions about need and spend. A key source of data throughout has been Joseph Rowntree Foundation's (JRF) Report - [UK Poverty 2023 - An Essential Guide to Poverty in the UK](#), as this presents recent comparative data on poverty in different cohorts. Tables with key data from this report can be found in Appendix 1 of this document.

Information on impact has been presented cohort-by-cohort. Decisions about which groups to include have been based both on those identified for consideration in the [Household Support Fund Guidance for 23-24](#), as well as the trends identified in our research.

Groups in receipt of targeted cost-of-living payments:

Targeted payments by the Government:

Households on low incomes who are in receipt of certain mean-tested benefits (including Universal Credit, Income-based Jobseeker's Allowance (JSA) or Employment and Support Allowance (ESA), Income Support, Pension Credit, Child Tax Credit or Working Tax Credit) received a £650 payment in 2022 and are due to receive a further £900 during 2023-24.

Pension-aged households who were eligible for the Winter Fuel Payment, received an additional £150 or £300 payment for winter 2022 and are due to receive the same amount for winter 2023.

Households with disabilities - households in receipt of qualifying disability benefits (including Disability Living Allowance, Personal Independence Payment, Attendance Allowance) received £300 in 2022 and will receive a further £150 in 2023-24.

Targeted Household Support Fund Payments:

Targeted payments have also been made for different cohorts from the Household Support Fund locally since its introduction.

Targeted payments for **families with children** in receipt of Free School Meals or Early Years support, have been made via provision of food vouchers during the school holiday period since autumn 2021. The current value of the vouchers is £15 per week. Vouchers are also issued to young people leaving care.

A targeted payment of £100 was also made to low-income **pension-aged households**, (identified through Council Tax Support and Housing Benefit records) during the 22-23 scheme, linked to the requirement by Department for Work and Pensions to target support at this group. This requirement has been removed for 23-24.

Cohort breakdown

Families with children

Families on low incomes with children are disproportionately more likely to be struggling than those on low incomes without children in their household ([JRF](#)). This primarily due to the increased costs of children and the impact on parents' working hours ([Child Poverty Action Group - CPAG](#)).

Within that, **lone-parent families** are more affected, with almost half (48%) of single-parent households living in poverty, compared to a quarter (24%) of couple households ([JRF](#)). [Citizens Advice Cost of Living Dashboard](#) indicated that single people with children were the second most common demographic group provided with crisis support (after single people), making up 28.9% of the total in the last quarter of 22-23.

Families on low incomes with more than two children are impacted by the 2-child limit on benefits, are more likely to be affected by the benefit cap, availability of affordable housing ([Resolution Foundation](#)). [JRF](#) also found that people in families with three or more children were twice as likely to be behind on their essential bills, living in a cold home, or not eating properly, compared to people in smaller families with children. There is also an intersection here with families from diverse communities who are more likely to be represented within large families.

Families with younger children: Nationally, at 27%, food insecurity rates are higher in households with children under the age of four than those with only school-age children or no children at all. In January 2023, food insecurity was experienced by 23% of households with school-age children (5-17 years) and 15% of households without children [Food Foundation](#). Families on low incomes are eligible for Healthy Start vouchers if their children are under four, but take-up is low with the Government missing its target on take-up. In addition, even if families received Healthy Start vouchers, they end at age four, and many children may not then attend school, and therefore receive Free School Meals, until they are almost five.

Pension-aged households

The majority of people in very deep poverty are either working-age adults, or children; just one in ten are pensioners ([JRF](#)). This is demonstrated in the significantly smaller number of pension-aged households claiming Discretionary Housing Payments, than individuals of working age. The lower levels of poverty seen in pension-aged households is likely to relate to the relatively higher benefits and home ownership in this group, as well as the inflation-protection built into state pension payments. For example, the applicable amount for someone turning pension age after April 21 is £201.25 per week, versus £84.80 per week for a single person over 25 of working age.

There is however a cohort of pension-aged households who are more likely to experience hardship and these tend to be households who also fall into other categories described in this report. For

example, older people in private-rented (38%) and social rented sector accommodation (36%) are more likely to be in poverty, than older people who own their home outright (14%) ([Age UK](#)). Similarly, those in receipt of limited benefits are also potentially more likely to be disproportionately affected. Department for Work and Pensions have specifically requested that households in receipt of Housing Benefit only are considered in this year's funding ([Household Support Fund Guidance 23-24](#)). SCC data indicates that pension-aged individuals make up 85% of the households in receipt of Housing Benefit and/or Council Tax Support alone, in Sheffield. There are also many pension-aged households who do not claim all the benefits that they are entitled to, with [Independent Age](#) reporting that in 2017-18 an estimated £2.2 billion of Pension Credit went unclaimed, which if received would enable 3 out of 10 pensioners in poverty to be lifted out of poverty. Older people with disabilities and long-term health conditions may also be more impacted - see section on disabled households below. Anecdotally, the Voluntary Sector Liaison Team report increasing concern about the number of pension-aged households who are in receipt of adult social care, who are struggling with cost-of-living issues.

Unpaid carers

Unpaid carers are likely to be disproportionately impacted by cost-of-living issues. [JRF](#) report that carers are more likely to be in poverty than those without (29% compared with 20%), with 34% of households in receipt of Carer's Allowance being in poverty. [Office for National Statistics](#) report that people who were economically inactive for reasons other than being retired, such as those who are studying or have caring responsibilities, were more likely to have run out of food and be unable to buy more, and to be unable to keep their homes warm, than other groups.

Many carers live with an individual with a disability or long-term health condition, who themselves are more likely to be impacted by cost-of-living issues, something that is considered further below. Carers are also often less likely to be able to work, thereby restricting their ability to increase their income. Anecdotally, the Voluntary Sector Liaison Team also report that many carers do not claim Carer's Allowance, due to the potential impact of this on the benefits of the person that they care for. Many people also do not recognise themselves as carers and this is an important consideration when considering how to target support at this group.

People with disabilities and long-term health conditions

People with disabilities are more vulnerable to rising costs of essentials than many other groups, because energy and food make up a greater share of their budgets, partly because of additional needs caused by their health problems. Those in work are also more likely to be in low-income roles. Disabled people are almost three times as likely to live in material deprivation than the rest of the population ([Resolution Foundation](#)). Around 41% of disabled adults said they couldn't afford to keep their homes warm, as opposed to 23% of the rest of the population ([Resolution Foundation](#)). This year, Citizen's Advice supported a record number of disabled people with cost-of-living issues, with people who are permanently sick or disabled being the most common occupational group to be assisted with crisis support ([Citizens Advice Cost of Living Dashboard](#)). Disability Sheffield also report that they expect to see a delayed impact of cost-of-living on disabled people, potentially due to the reduction in the general cost-of-living support provided to households, as well as the cumulative effect of ongoing high food and energy costs.

People on means-tested benefits

Despite the extra Government support for most households on means-tested benefits, almost a quarter (24%) of people on means tested benefits are currently in arrears with their energy bills,

more than double the rate of people who are not (10%) [JRF](#). A Resolution Foundation [report](#) also shows that over 40% of respondents on means-tested benefits had skipped meals compared to 13% of those not on benefits.

A cohort of note within this are **people in receipt of Housing Benefit and/or Council Tax Support only** (ie not receiving DWP or HMRC benefits). Despite being on means-tested benefits, and therefore disproportionately likely to be affected by the cost-of-living crisis, they did not receive the Government cost of living payments that went to DWP and HMRC claimants. This is because they receive payments from schemes that are exclusively administered by local authorities.

The total number of people in Sheffield affected are 6316, broken down as follows: Housing Benefit 470 cases, Council Tax Support 2383 cases, Housing Benefit plus Council Tax Support 3463 cases.

People in different tenures, including private-renters, social tenants and owner-occupiers

Private renters are more likely to be disproportionately affected by the cost-of-living crisis. Across almost every measure, private renters are experiencing the most significant levels of going without and debt at the moment, compared to other housing tenures and other demographics ([JRF](#)). This is primarily due to high and rising housing costs, making it harder to afford essentials.

This is backed up by other data. CAB Cost-of-living data dashboard: private renters coming for support with debt, are paying on average 49% more rent than those in social housing, with a mean total monthly rent of £683.77 between 22-24; private renters more likely than social renters to be in negative budgets, with the trend accelerating over the last 3 yrs. [StepChange](#) clients are more likely to be private renters than any other housing tenure. Increasingly, these clients report an additional vulnerability, such as poor mental or physical health, or a disability. Over half (52%) of clients who are in vulnerable circumstances rent privately.

The main cause of homelessness is ending of a private rented tenancy. A major issue is that households dependent on Local Housing Allowance are effectively being priced out of private rented properties in the city. Sheffield rental prices are increasing faster than nationally. The average rent for 2022/2023 is £745, which is a 14.6% increase on the previous year.

Nationally, social-rented tenants are also facing increased hardship [JRF](#). However, housing costs are not as high as in the private sector and tenancies are more secure. It is also much more likely that a tenant can access financial and other support from their landlord if they are struggling to pay their bills. SCC is the largest social landlord in the city and has hardship funding set aside to assist tenants through the cost-of-living crisis.

Mortgage holders are also facing greater pressure [JRF](#), which is set to increase over the year as fixed term mortgages come to an end and householders face much higher rates. Whilst not facing as much pressure currently as renters, especially those in private tenancies, mortgage-holders in the city are a group who may require increasing support over the next year.

Single people under 25, living independently

Overall, poverty rates for individuals aged 16-24 are higher than for those in some higher age brackets (20% for 16-24s, as opposed to 17% for 25-29s and 18% for 30-34s - [JRF](#)). However, again, within this, there are specific groups of concern – notably single people under 25 who are living independently. Young people tend to have lower levels of earning, fewer savings and be more likely to rent, rather than own their property, with those in private rented accommodation being particularly hard-hit by increased rents. Young people are also entitled to significantly less from

benefits than older people. For example, the monthly standard allowance for Universal Credit for single people under 25 is £292.11, as opposed to £368.74 for single people aged 25 and upwards. Local Housing Allowance, the figure that governs the rent that can be covered by Housing Benefit/the housing element of Universal Credit for individuals in private-rented accommodation, is also lower for single people under 35 – as this is based around the costs of a renting a room in a shared property. Rates have also been frozen since April 2020, reducing the amount payable yet further. Private-rented property is also often the primary option for single young people, who often have limited access to social housing.

People in diverse communities

Nationally, [JRF](#) findings suggest there are huge variations in poverty rate by ethnicity. For example, around half of all people in households headed by someone of Bangladeshi ethnicity were in poverty in 2020/21, with rates for people in households headed by someone of Pakistani or Black ethnicity also having very high poverty rates of more than 4 in 10, more than twice the rate of people in households headed by someone of white ethnicity. A Resolution Foundation [report](#) shows very recent polling evidence that people from diverse communities are more likely to be skipping meals compared to those from white households. This disparity between communities reflects inequalities that were also evident during the pandemic. We know from conversations with different communities throughout cost-of-living response and pandemic, that access to key information and support, and lack of trust can make it harder for people in to access support they are entitled to. There is ongoing work with communities to co-develop messages in languages and formats that are more accessible to them, and work with trusted assessors within community organisations to improve access to HSF and other hardship support.

The diverse communities cohort includes asylum seekers, a group that we know can be often be in hardship, relying on asylum support payments of around £40 per week to meet day to day living costs. We have not considered this group in detail here, as Household Support Fund guidance currently restricts payments to any people without recourse to public funds, including asylum seekers, to individuals with needs beyond destitution, for example where there is a community care need, or a child's wellbeing is at-risk. Access to the scheme is therefore provided by referrals through from Social Care teams internally.

People in low-income working households not in receipt of benefits

A cohort we have been particularly concerned about since the beginning of the Cost-of-Living crisis are working people on low incomes, who are not in receipt of benefits. This is because we know that income is not keeping pace with the cost of living, but benefit eligibility hasn't risen to reflect this, leaving a widening gap between income and need. [JRF](#) cite that this amounts to around 40% of households in the poorest fifth of the population. There are few figures available on the impact on this group specifically, but JRFs most recent cost of living survey in October 2022 found that of the poorest fifth of working age households not in receipt of benefits, 7 in 10 reported going without at least one essential and 56% reported being in arrears with at least one household bill in the last six months. This is not as much as those in receipt of means-tested benefits, for whom the figures were 90% and 74%, but still indicates that cost of living is likely to be impacting on this group. As this cohort do not receive any means-tested benefits, they will also miss out on the additional £900 cost-of-living support payment that those on benefits are due to receive during 23-24.

Whilst some of this group will not be entitled to benefits due to their income levels, it's important to note that some individuals within the cohort will not be claiming benefits that they are entitled to.

[JRF](#) report some of the most recent formal estimates of take-up rates for different benefits, which are shown in the table below. Whilst some of these benefit types are no longer open to new claimants, they do demonstrate the principle that many people are failing to access different types of support that may be open to them.

Year	Benefit type	Take-up rate
2019-20	Pension Credit	66%
2018-19	Housing Benefit	81%
2018-19	Income Support and income-based Employment & Support Allowance	90%
2017-18	Child Tax Credit	84%
2017-18	Working Tax Credit	67%
2016-17	Income-based Jobseekers Allowance	56%

Conclusions

The cohort analysis has identified a number of groups that are being disproportionately impacted by the cost of living crisis. This includes: people on low incomes, people on benefits, families with children, people with disabilities and long-term health conditions, young people, unpaid carers, people from diverse communities, and tenants in private rented accommodation.

Within these cohorts, the analysis has identified those who are both particularly disproportionately impacted and have likely to have access to more limited financial and other support (whether from the welfare system or, for example, their landlords): families with more than two children, lone parents, families with children under 5, under 25s living alone, unpaid carers, private rented tenants and people on only on Council Tax Support and/or Housing Benefit and not on DWP or HMRC benefits.

Whilst this analysis has identified particular cohorts as having been disproportionately affected so far, it is possible that changing challenges over the next year affects how they are managing. For example, some mortgage holders are likely to be increasingly impacted by the cost-of-living crisis due to increasing interest rates, although the cohort is still likely to be less affected than private-rented tenants. Similarly, people with disabilities and long-term health conditions have been identified as disproportionately affected by the crisis but receiving, or more likely to have access to, more financial support than other groups in the form of extra cost-of-living payments from Government. Understanding the ongoing impacts on them over time will inform whether more targeted work needs to be done.

Decisions regarding support for these households will need to take into account impact, the support already received and likely ongoing need. It will also need to consider how these groups can be identified within the existing system and whether groups will be targeted via proactive awards or targeted communications/engagement.

Appendix 1:

**Number of people in poverty and poverty rates for different groups,
UK 2020/21**

Group	Number in poverty	Poverty rate (%)
People in poverty	13,400,000	20
Children in poverty	3,900,000	27
Working-age adults in poverty	7,900,000	20
Pensioners in poverty	1,700,000	15
Single pensioners in poverty	900,000	20
Couple pensioners in poverty	800,000	11
Single working-age adults in poverty, no children	2,800,000	23
Working-age adults in a couple in poverty, no children	1,900,000	14
Working-age lone parents in poverty	700,000	38
Working-age parents in poverty in couple families	2,500,000	20
Children in poverty in lone-parent families	1,200,000	39
Children in poverty in couple families	2,700,000	24

Source: [UK Poverty 2023: The essential guide to understanding poverty in the UK | JRF](#)

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