



Dear Minister

## Open Letter: Cost of Living Crisis in Shropshire

Today we have heard from families living in Shropshire who are choosing between feeding themselves and their children, who are choosing to eat rather than heat their homes. One mother has told us that, despite being in full time employment, she is having to make a choice to feed her family or go to work; the travel costs for her minimum wage care role that means travelling 100s of miles a week for work and the cost of fuel is taking away the money that she would use to feed her young children; she called in sick for work today. We heard from a pensioner who is now totally isolated, unable to afford travel in an area with very limited public transport, so staying at home alone, turning off her oil heating and prioritising food over travel.

All our partners are now hearing more and more stories of people who are making the most difficult decisions and we know the far reaching impact of this on a health and care system already at breaking point is often hidden until crisis in health or care is reached.

This is the current reality of hidden inequalities across rural Shropshire where costs of living and particularly the rising costs of transport and fuel are having a disproportionate impact on people who are living in a low wage economy. We would like to make a strong case for national policy change regarding support for the cost of living, for families who are impacted, and for an increase in support for those of pension age. However, we specifically appeal that Shropshire be eligible for any future investment of funds due to high levels of need and rural, often more hidden inequalities, for poor health outcomes in these communities and rising impact on our care system. Programmes that support our children and older people living in low income households and levelling up must address rural disadvantage to give us the tools to support our residents in crisis.

## Key Concerns

- **Fuel Poverty.** [16.5%](#) of households in Shropshire are in fuel poverty with rates highest and rising particularly in rural areas, for example in the South rates rise to 17.6%. Energy prices rose 54% in April and are due to increase again in October. Many households in rural Shropshire rely on Oil or LPG central heating which is not subject to any price cap and spreading payments is not always possible or as cost effective. Marches Energy Agency are reporting a number of issues faced by Shropshire residents, including issues with high price rises to direct debits and challenges with communication with energy companies.
- **Food Poverty.** Shropshire's foodbanks are seeing an increasing number of residents. [13.87%](#) of Shropshire's population is reported to be experiencing food insecurity.



- **Petrol/Diesel costs.** The cost of travel in rural areas is increasing causing considerable financial pressure for people needing to travel for work and local businesses. This increase disproportionately impacts on people who live in more rural areas and have to travel further for work, education and health and care. Rural residents travel further than their urban counterparts. On average those in small rural settlements travel more miles in a year than those in urban settings – 44% more miles in 2018/19. In the context of fuel prices this adds significant additional costs for rural residents and the cost pressure will likely result in further reduced access to services.
- **Wages.** Shropshire has a low wage economy with its gross average weekly pay lower than the UK average (£584 compared to £613).
- **Debt.** There are indications that residents are borrowing to manage the increases in the cost of living. 19% of Shropshire residents are [reported](#) to have a low level of financial knowledge and 23% low confidence in managing money. Funding for debt advice in Shropshire is limited. Face to face debt advice in 2019 met just [29%](#) of demand and demand is rapidly growing but without the capacity locally to meet this increase.
- **Housing.** There is a shortage of rental properties and rents are increasing. Some households already have built up rental arrears due to Covid. Funding for discretionary housing payments have reduced this financial year. Homeowners on tracker or standard variable rate mortgages will experience mortgage rises as interest rates increase.
- **The Challenge for our community**  
The cost-of-living increases are creating a range of challenges for Shropshire residents. Increases in fuel and food costs combined with low or fixed incomes are placing an increasing number of residents under significant financial pressure. We have identified the following groups as being of particular concern:
  - **People with a long-term illness or disability** who are unable to work full time. This group are often on a fixed low income and face additional costs due to their illness or disability (an average of [£583](#) per month extra for people with disabilities). Increasing energy costs pose a particular challenge.
  - **Low-income households** including those working in the care sector. Universal Credit claimants in Shropshire roughly doubled in 2020 and have remained at a similar level since. Nearly half of claimants are in work. Workers in the care sector, many of whom receive the National Living Wage or marginally more, are being impacted by the increases in vehicle fuel costs, particularly when working in rural Shropshire. [Research undertaken by the Home Care Association](#) estimates that in England the home care sector's collective spending is up from £224 million a year in May 2021 to £299 million in May 2022, an increase of £75 million. If care staff can't afford to pay for petrol/diesel to travel to deliver vital care to support people in their own homes in the community, or to commute to work in a care home or nursing home, they may well be forced to leave the care sector which will only add to the current crisis in staff recruitment and retention facing care providers nationally and here in Shropshire. This in turn will impact on the ability of care providers, and the Council, to ensure that those in need of care receive it.
  - **Older people.** Over 75,000 people in Shropshire receive a state pension, and 7,335 receive Pension Credit. Older people need to keep their homes warm and are struggling with additional energy costs. A report published by Age UK on the 11<sup>th</sup> May showed the impact on older people living in the UK, with above average rates in Shropshire.
  - **Families with children.** In 2020/21 8,922 children in Shropshire lived in absolute low-income households and 11,038 children lived in relative low-income households. Single parent households and families with 3+ children are reported to be most impacted by the cost of living increases.
  - **Rural households.** People in rural households already experience higher costs for housing, transport and energy. The increase in the cost of living, combined with the distance to access key services, will add additional cost to these households.

- **Perception of affluence.** People in rural areas such as Shropshire which have overall higher levels of affluence and above average life expectancy means communities are often considered to be in lower need and consequently are overlooked. However we know that we have a greater proportion of older people and growing numbers of people of retirement and pre-retirement age who have a greater need for health and care services. We know that there is hidden disadvantage and inequality which is dispersed and often not identifiable by postcode; current national data models, such as IMD, are flawed and not granular enough to detect deprivation leading to a misrepresentation of rural circumstances and a distortion of funding. These issues need to be addressed.

### **The impact of poverty on health and wellbeing**

- [The British Medical Association](#) has reported that poverty can affect the health of people at all ages. In infancy, it is associated with a low birth weight, shorter life expectancy and a higher risk of death in the first year of life. Children living in poverty are more likely to suffer from chronic diseases and diet-related problems. Twice as many people are obese in the most deprived areas of the UK than in the least deprived areas. Most individual long-term conditions are more than twice as common in adults from lower socio-economic groups.
- A negative cycle can exist between poverty and health. Many people living in poverty cannot afford the cost of their care, such as prescription charges, resulting in their conditions worsening over time. This negative cycle can transfer across generations, starting from pre-birth, with impact upon parenting, educational attainment, and employment.
- Income can influence the ability of individuals and households to obtain a healthy diet. Malnutrition caused by food poverty can have a range of adverse health effects, including on the muscular system, the immune system and psycho-social function. Food poverty has also been associated with increased falls and fractures in older people, low birth weight and increased childhood mortality, and increased dental issues in children.
- Living in poverty [increases the risk of mental illnesses, including schizophrenia, depression, anxiety and substance addiction.](#) Last summer 72% of people who accessed a Trussell Trust Food Bank lived with someone who was experiencing a mental health issue. [Research from the Children' Society](#) shows that children living around debt are five times more likely to be unhappy than children from wealthier families.
- Rurality impacts not just health but also the wider determinants of health, with lower digital connectivity and use of technology, higher housing costs, less accessible educational opportunities, fewer day care services for older people, etc.

### **The impact of poverty on the life course**

- Cognitive functioning. The impacts of poverty on our cognitive functioning start young. In children, [poverty has been shown to impact on the rapid brain development that occurs in the first three years of life,](#) with the largest differences in brain structure detected in the poorest children. [Research from the Joseph Roundtree Foundation](#) shows that children raised in environments of low socio-economic status show consistent reductions in cognitive performance across many areas, particularly language function and cognitive control (attention, planning, decision-making).

- [Children growing up in poverty and disadvantage are less likely to do well in school.](#) In England, despite some progress over the last two decades in closing this gap, the relationship between family socio-economic position and attainment remains particularly strong compared to many other OECD countries.

## **The Challenge for organisations**

After two years supporting the community through Covid, organisations in Shropshire are stretched to capacity. The NHS is working hard to reduce waiting lists and see patients as quickly as possible. Shropshire Council staff who were focused on the Covid effort have returned to their primary roles undertaking business as usual but are now dealing with increased post-pandemic pressures.

Key community organisations including Citizens Advice Shropshire and Age UK are continuing to support vulnerable people, but report increasing need and reduced volunteer capacity.

## **Funding Pressures**

Cuts to funding over the past 10 years are limiting the ability of Shropshire Council and other local organisations to support people with the cost-of-living increases.

The Local Government Finance Settlement for 2022-2023 shows that rural areas in 2022/23 will still receive some 37% (£105) less per head in Settlement Funding Assessment grant than their urban counterparts yet rural residents will pay, on average, 21% (£104) per head more in Council Tax than their urban counterparts due to receiving less government grant.

We urgently need an increase in funding for Shropshire to address the rural cost of living challenge in our area and we need schemes which support people on the lowest of incomes; the following are mechanisms Shropshire can use to support people – but they all have limited funding and we urgently call for more investment across partners to support our struggling residents:

- Long term funding for Local Welfare Assistance Schemes. The Household Support Fund provides a key mechanism for Shropshire Council to support households most in need. However, this funding will only enable us to support a limited number of households over a limited time period. Long term funding from government for Local Welfare Assistance is needed to support vulnerable people in Shropshire over a longer time period.
- Increase to the Local Housing Allowance. The Allowance has been frozen since 2019, and as rents increase it is increasingly difficult for tenants to find accommodation within the Allowance.
- Discretionary Housing Payments
- Council Tax support scheme
- There is a need to bring long-term stability to energy efficiency programmes (5-10 years) to allow local supply chains, jobs and skills to develop properly, that work closely with existing health, social care and third sector provision and systematically start to make homes warmer and cheaper to run, as well as improving energy security, and starting the transition to Net Zero carbon

In response to the increases in the cost of living we have established a Social Taskforce which brings together Shropshire organisations to enable a joint response to support residents struggling with the cost-of-living increases. We have been meeting regularly and are bringing together a joint action plan to ensure that the most vulnerable in our community are supported.

We would welcome an urgent roundtable conversation or a ministerial visit to seek your support and consideration of Shropshire in any future investment of funds, Shropshire would be eligible due to high levels of need and rural, often more hidden inequalities, across all the key areas or the programmes.

Yours faithfully

**Shropshire Social Task Force Members:**

**Shropshire Council**

**Shrewsbury Colleges Group**

**Citizens Advice Bureau**

**Marches Energy Agency**

**Shropshire Partners in Care**

**Community Resource**

**Shropshire Association of Local Councils**

**Department of Work and Pensions**

**Shrewsbury & Telford Hospital**

**Age UK Shropshire Telford & Wrekin**

**Shropshire Food Poverty Alliance**