

Cost of Living Crisis

Leeds Dashboard

Leeds - February 2023

Key Statistics:

The cost of living has been increasing across the UK since early 2021. The annual rate of inflation reached 11.1% in October 2022, a 41-year high, before falling to 10.1% in January 2023.

This dashboard brings together key national and local data to help provide an overview of how rising prices, particularly food, energy and fuel prices are having an impact in Leeds.

The data in this report is the latest available data as of 15th February 2023.



10.1%

UK Inflation rate in January 2023, down from a peak of 11.1% in October 2022



£10

Weekly loss of earning on Leeds wages as an impact of inflation rises



£14.56

Average hourly wage for Leeds Residents



£795

Monthly Rental Cost in Leeds up 13% in the 12 months since September 2021



£200,000

The average house price in Leeds has fallen 5% between June 2021 to June 2022



36,550

Leeds households have electric-only heating.



62%

of Leeds dwellings have a poor energy rating of D or above



147.99_{ppl}

The cost in pence per litre of unleaded petrol on 13 February 2023 has gone down by 0.8 pence on last month.



169.66_{ppl}

The cost in pence per litre of diesel on 13 February 2023 has gone down 1.98 pence on last month.



73,429

people were claiming Universal Credit in Leeds in December 2022, this figure has increased steadily since January 2022



1,873

Requests for benefit checks to LCC's Welfare Rights Unit from April to January 2022/23, up 55% on the previous year.



74.4%

Employment in Leeds, down 2.6 percentage points on last year.



127%

Increase in enquires to local Citizens Advice in relation to utility bills and other household costs.



72%

Increase in Leeds Welfare Support Scheme calls for support between December 2022 to January 2023.



16.7%

Nationally, food prices rose by 16.7% in the 12 months to January 2023.



180

Warm Spaces now open. 65% of people in Leeds can walk to a warm space from their home in 10 minutes.

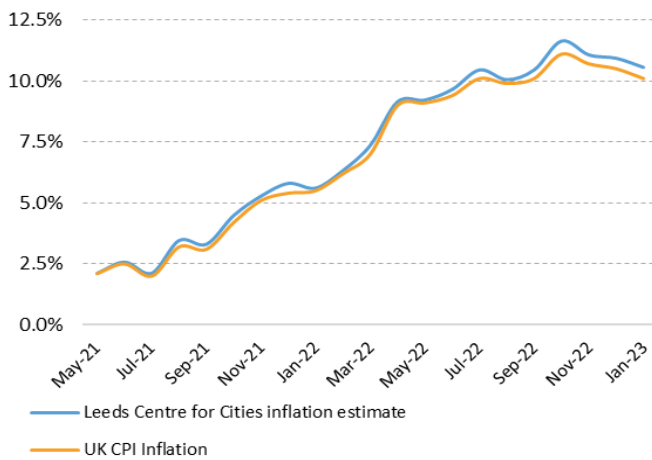
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Inflation:

Consumer Prices Index inflation has fallen slightly since its peak in October 2022 of 11.1% and in the 12 months to January 2023 it stands at 10.1%. High inflation affects the affordability of goods and services for households. Over the past year, food and energy prices have been the key driver of inflation increases. By raising interest rates to 4% in February, the Bank of England Monetary Policy Committee is forecasting inflation to begin falling sharply from the middle of 2023, returning towards its 2% target in the medium term of 2024.

The chart below shows a comparison of the think tank, Centre for Cities' estimation of inflation in Leeds to the UK Consumer Price Index inflation, produced by the Office of National Statistics (ONS).



Wages and impact on inflation

The table below provides the inflationary impact on median weekly earnings for Leeds residents. Real term estimates have also been provided for Leeds' lowest 10% earners and top 10% earners.

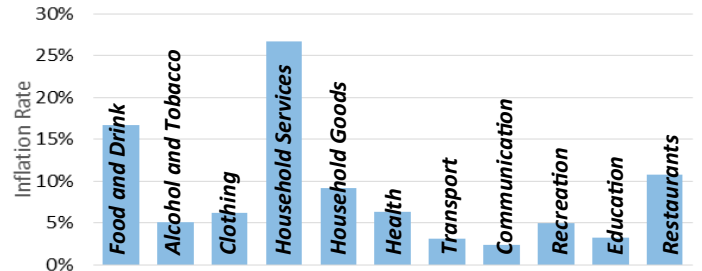
Wages and impact on inf	Lower 10%	Median	Top 10%
2021 Weekly Earnings	£184.00	£500.40	£984.80
2022 Weekly Earnings	£189.00	£536.60	£1,060.90
Nominal Change	£5.00	£36.20	£76.10
Nominal % Change	2.7%	7.2%	7.7%
Real Change	£-11.93	£-9.84	£-14.50
Real % Change	-5.9%	-1.8%	-1.3%

Annual Survey of Hours and Earnings (ASHE) report that for full-time equivalent (FTE) employees in the UK, median weekly earnings in April 2022 increased to £532.50 by 5.6% (£28.10) from a year earlier on a nominal basis, and when adjusted for inflation, it fell by 2.1% (down £11.24 per week).

In Leeds; resident FTE employees, median weekly earnings increased to £536.60 up by 7.2% (up £36.20) from a year earlier on a nominal basis, and when adjusted for inflation, it fell by 1.8% (down £9.84 per week). The real term impact on the lower 10% of earners, estimates that Leeds residents saw a weekly loss of 5.9% (£11.93) and the top 10% of earners are losing 1.3% of their income in real terms, (down £14.50 a week). This analysis highlights how it is those on lowest income being hit the hardest by the inflationary impacts and the cost of living.

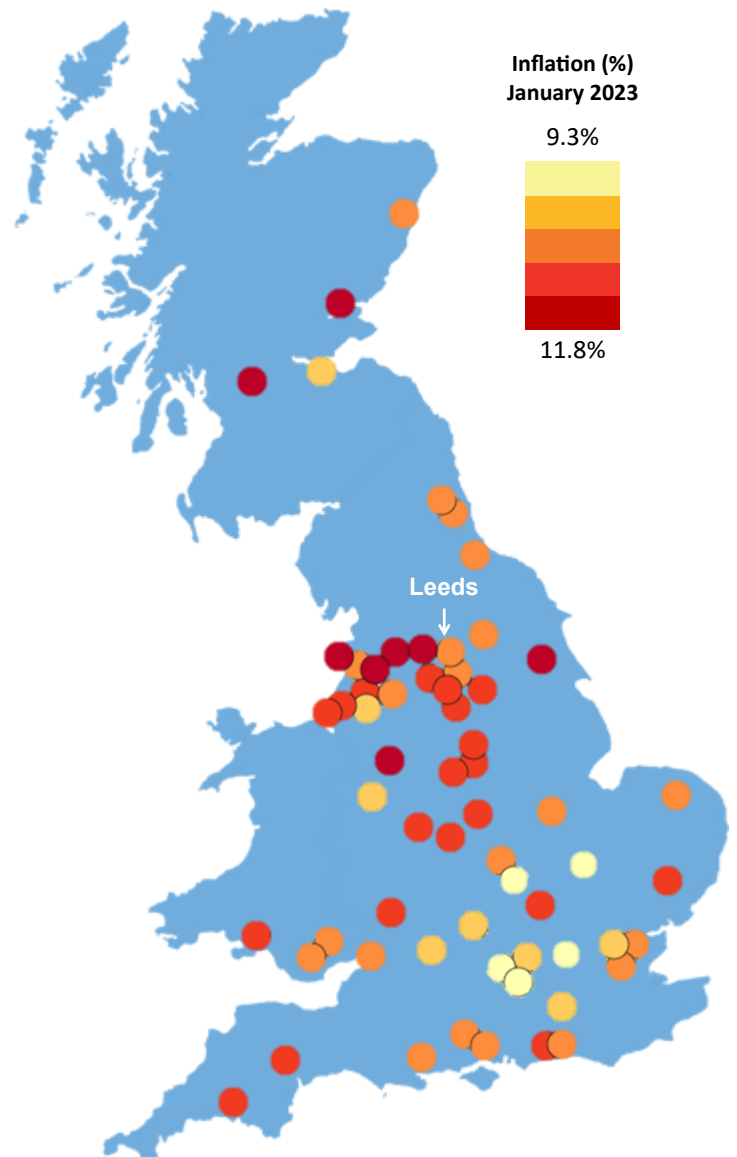
Components of Inflation January 2023

The largest upward contributions to the annual CPI inflation rate in January 2023 came from housing and household services (principally from electricity, gas, and other fuels) remaining high at 26.7%, and food and non-alcoholic drinks at 16.7%. Alcohol and tobacco prices have also contributed to keeping inflation high in January at 5.1%, up from 3.7% in December. Slower price rises and downward contributors to CPI inflation were from transport and restaurant sectors.



Where is inflation hitting the hardest?

Centre for Cities have developed a Cost of Living tracker and estimate inflation for local areas based on commercial insights with publicly available data. Their data indicates inflation is higher in the more northern cities and estimates that Leeds' inflation was 10.6% in January 2023, above the national estimate of 10.1%.



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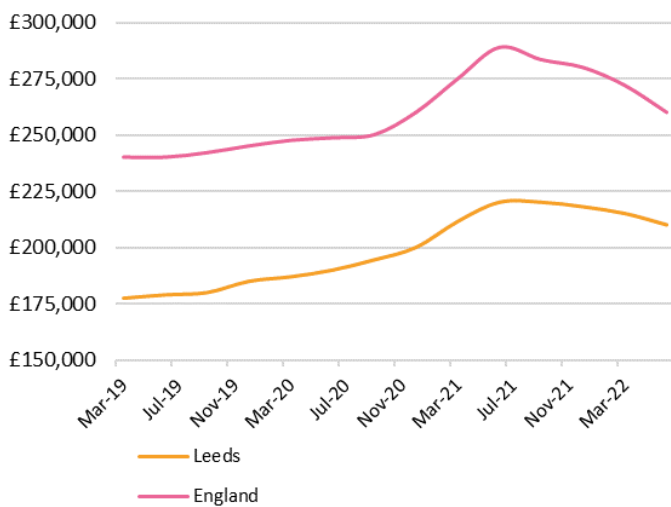
House Prices:

The ONS estimates that average house prices in Leeds fell from a peak of £220,000 in June 2021 to £210,000 by June 2022. These were the lowest price since December 2020 when average house prices were £200,000.

Higher mortgage rates, economic uncertainty, and the rising cost of living are all affecting the market. Big jumps in interest rates put pressure on the amount people can afford to offer for houses, and that means less demand.

Mortgage affordability also depends on wider cost-of-living pressures like energy bills, wages and job security. The future of house prices depends on the economy as a whole.

Average House Prices 2019 - 2022



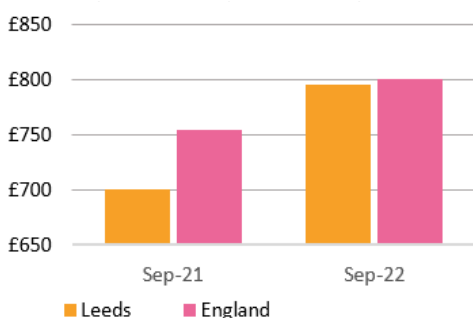
Housing Rentals:

The median rent cost in Leeds was £795/month as of Sept 2022; up 13% on the same time last year, when rents were £700/month.

The median rent in England was £800/month, up 6% on the same period in 2021, when average rents were £755/month

Rising rents are having an impact – recent Ministry of Justice figures show the number of tenants evicted by private landlords after falling behind on rent is the highest since records began. More than 3,700 households were evicted from private rented homes in England between July and September 2022, Ministry of Justice statistics revealed.

Median Rental Costs 2021 - 2022



£795

Average Rental Cost in Leeds September 2022

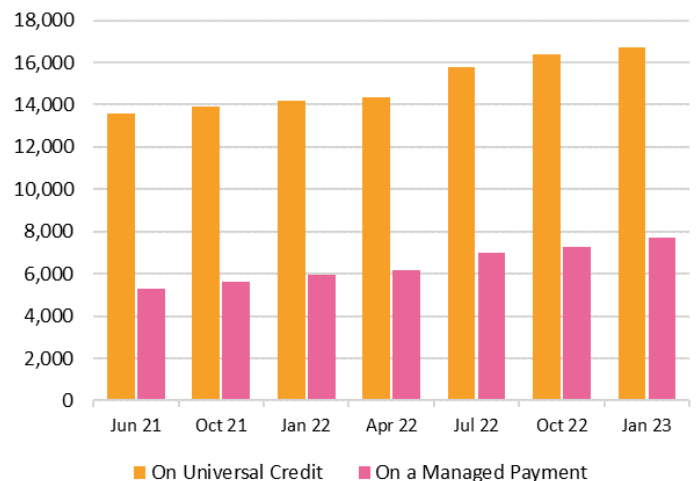
Housing Leeds Rent Arrears:

As of January 2023, 4.45% of Housing Leeds Tenants were in arrears with their rent, increasing 0.42 percentage points since January 2022.

	Jan-22	Mar-22	May-22	Jul-22	Sep-22	Nov-22	Jan-23
Arrears	4.03%	3.70%	4.06%	4.00%	4.30%	4.31%	4.45%

There are around 52,300 council tenancies in Leeds, 32% of which are on Universal Credit, and 34% on Housing Benefit. In January 2023, 16,711 Housing Leeds tenants were claiming Universal Credit, of which 46% (7,712) were on a managed payment to landlord. A managed payment to landlord is where the housing tenants cost element of UC is paid direct to Housing Leeds as landlord, due to accruing rent arrears equal to, or more than two months or in defined circumstances to prevent arrears occurring. The proportion of tenants on a managed payment has increased by 30% since January 2022. The figures are an indication of households in arrears or concerned they may fall into arrears and can partly be attributed to households struggling with the cost of living.

Housing Leeds Tenants on UC and/or a Managed Payment.



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Energy:

The Energy Price Guarantee (EPG), which started 1st October 2022, will fix unit rate for gas and electricity based on payment method and region of households, making the typical annual household mixed gas and electricity bill £2,500 until the end of March 2023, thereafter rates will be fixed for typical annual bill of £3,000.

The think tank Centre for Cities estimates a city-by-city average energy bill based on the housing stock in each city, in October 2022 Leeds's estimated annual household energy bill was £2,515.

This is a £532 increase compared to the previous period (April - Sept 22)

Without the Energy Price Guarantee (EPG), the average energy bill was expected to reach £3,570.

Therefore, EPG is reducing households bills in Leeds by £1,055 a year.

What is the impact of EPG on Leeds households?



How homes are heated in Leeds.

How a home is heated affects energy costs. Census 2021 data show how heating sources vary across England and Wales. In Leeds, Census 2021 data reveals 77% of households used mains gas central heating, this compares to 74% of households across England and Wales. 36,550 Leeds households had electric-only heating, this is 10.7% of all Leeds households, nationally 9% of homes reported having electric-only heating. 7,383 households in Leeds reported having no central heating at all, this was 2.2% of Leeds households, comparing to 1.5% nationally.

Central Heating types in Households	Leeds	England & Wales
Mains gas only	76.7%	73.8%
Electric only	10.7%	8.5%
Central heating (not inc. renewable energy)	7.7%	8.5%
No central heating	2.2%	1.5%
Other central heating only	1.1%	0.9%
District or communal heat networks only	0.5%	0.9%
Tank or bottled gas only	0.4%	1.0%
Central heating (including renewable energy)	0.3%	0.5%
Oil only	0.2%	3.5%
Renewable energy only	0.2%	0.4%
Solid fuel only	0.1%	0.2%
Wood only	0.0%	0.1%

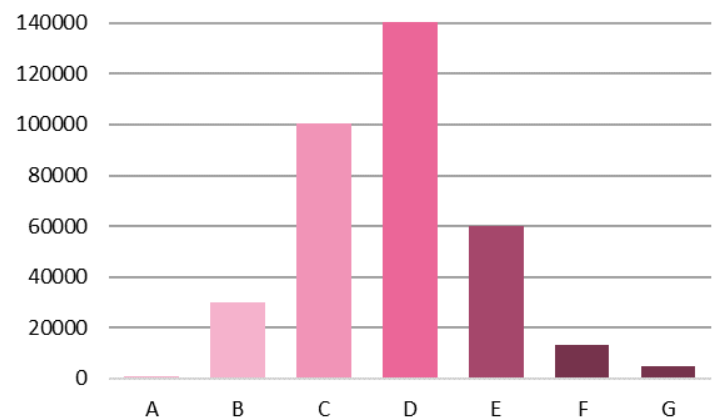
Fuel Poverty:

An estimated 60,800 Leeds households were in fuel poverty in 2020 under the Low Income Low Energy Efficiency (LILEE) metric. This affects 17.6% of all Leeds households. The national fuel poverty rate for England is 13.2%. (BEIS)

This is the new LILEE definition of fuel poverty stating that a household is fuel poor if:

- They are living in a property with an energy efficiency rating of band D, E, F or G
- Their disposable income (income after housing costs and energy needs) is below the poverty line.

Count of Properties by EPC Certificate

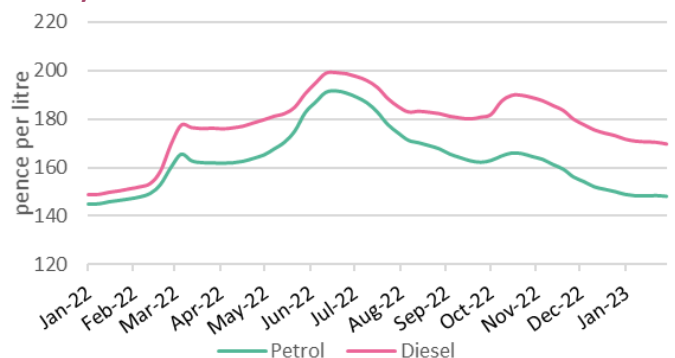


Poor energy efficiency dwellings will require more fuel for heating purposes, and, as a consequence, more CO2 emissions will be produced. The 218 thousand domestic properties in Leeds rated D or below produce an average of 5 tonnes of CO2 emissions each year. By contrast, the 131 thousand properties rated C or above produce an average of 2 tonnes of CO2 emissions each year. Energy efficiency improvements are key as they reduce energy and fuel consumption and, as a result, fuel poverty and CO2 emissions. If the housing stock of Leeds was all efficient, C or above, it could reduce the city's CO2 emissions by over half a million tonnes of CO2 every year. (LUHC)

Road Fuel Prices:

Road fuel prices continue to fall from the peak reached in the week commencing 4 July 2022 (191.55ppl for petrol & 199.22ppl for diesel) to 147.99ppl for petrol and 169.66ppl for diesel as at 13 February 2023. (ONS)

Weekly road Fuel Prices



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People in Poverty

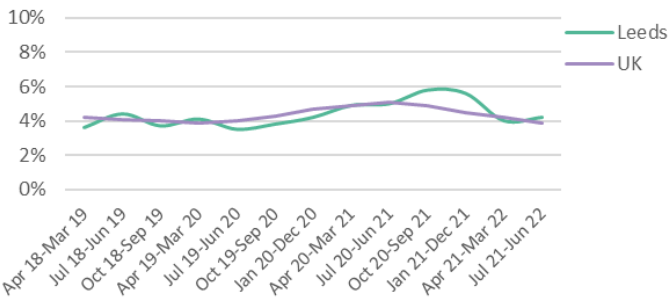
In Leeds, it is estimated that 174,491 people were living in poverty in 2019/20 and the DWP and HMRC estimate that 36,496 children were in poverty. Although all households in the UK are being impacted by the cost of living, low income households are being disproportionately impacted, and those below the poverty line are being pulled into deeper, more severe forms of financial crisis.

Employment Rate:

In the year to June 2022, 384,300 people were estimated to be employed in Leeds, at a rate of 74.4% of the working age population. This was just below the national rate of 75.4%. Employment in Leeds has been increasing steadily on a quarterly basis since December 2021, but is still 2.6 percentage places below it's position in June 2021.

Unemployment Rate:

In the year to June 2022, 17,000 people were estimated to be unemployed in Leeds, at a rate of 4.2% of the working age population. This was above the national rate of 3.9%. Unemployment in Leeds has been falling steadily from it's pandemic peak of 5.8% in the year to September 2021. Nationally unemployment levels peaked in the year to June 2021 at a rate of 5.1% during the pandemic, and has also been falling steadily since that time. (APS)

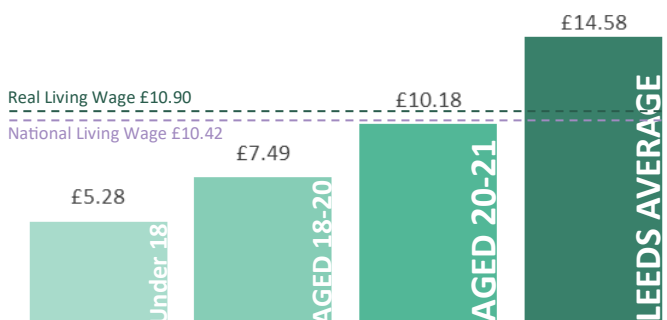


Minimum/Living Wages:

The Living Wage Foundation recommend employers outside of London pay £10.90/hour from April 2023, currently the Government's National Living Wage is set at £10.42/hour for all employees aged 23 and over.

Although the median average wage for Leeds residents is £14.58/hour, an estimated 40,258 FTE Leeds residents earned less than the Living Wage Foundation's Living Wage in 2022 of £9.90/hour.

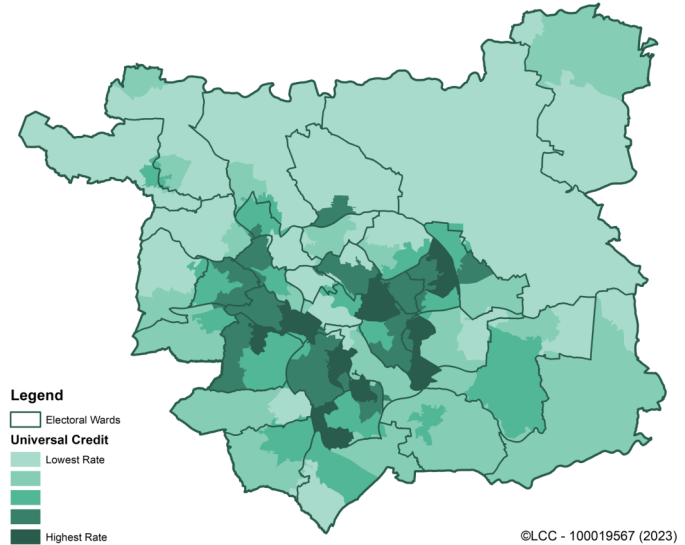
Government National minimum wages



Universal Credit Claimants:

73,429 people in Leeds were claiming Universal Credit (UC) in December 2022, of which 40% were in employment and 60% were not in employment. In February 2020, pre-pandemic, 33,715 people citywide were claiming UC, claims peaked in March 2021 to 74,515, the number of claimants had started to fall month on month until January 2022 to its lowest post pandemic level of 69,507. However, since this time UC levels have started to increase steadily again. (Stat-Xplore - People on UC)

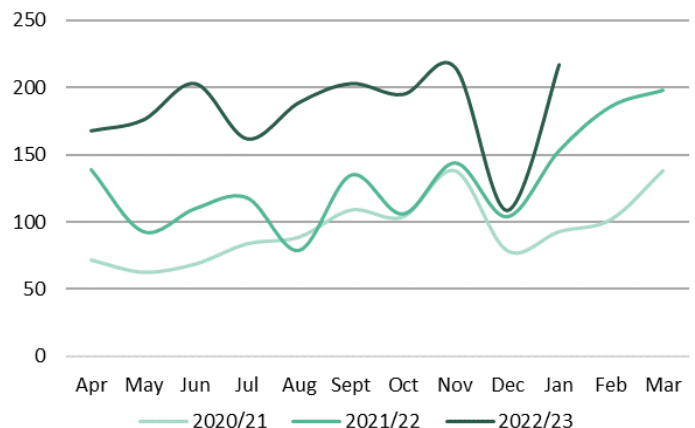
UC Claimants as a proportion of Working Age Population.



Welfare Rights Unit:

The Universal Credit Uplift of £20 ended November 2021, from then there has been an increase in benefit checks year on year. From April to January 2023 there were 1,873 requests for benefit checks with the Council's Welfare Right's Unit. This is up 55% from the 1,181 requests seen between April to January 2022. There was a dip in requests in December due to the Christmas period, as is the case every year. The overall results show that for 2022/23 so far the number of benefit checks carried out has significantly increased reflecting the cost of living crisis everyone is facing.

Number of benefits checks carried out.



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Citizens Advice:

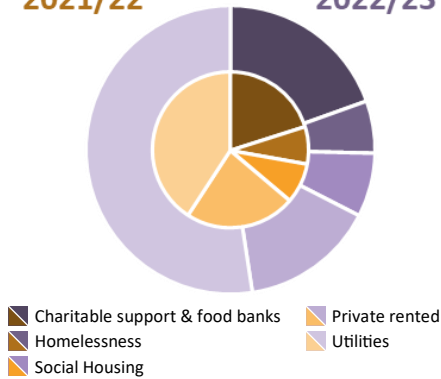
Client data from Citizens Advice Leeds and Chapeltown provides an indication on the demand for advice services and the type of enquiries being seen. As of December 2022; enquiries on Benefits and tax credits, Universal Credit, Utilities, Housing, Debt, Employment and Charitable support/foodbanks were the most sought areas of advice.

Although Debt enquiries fell between 2021/22 and 2022/23, it should be noted this is not reflecting a fall in demand but a reduction in the number of debt advisers as a result of national funding changes.

Cost of Living Comparisons

2021/22

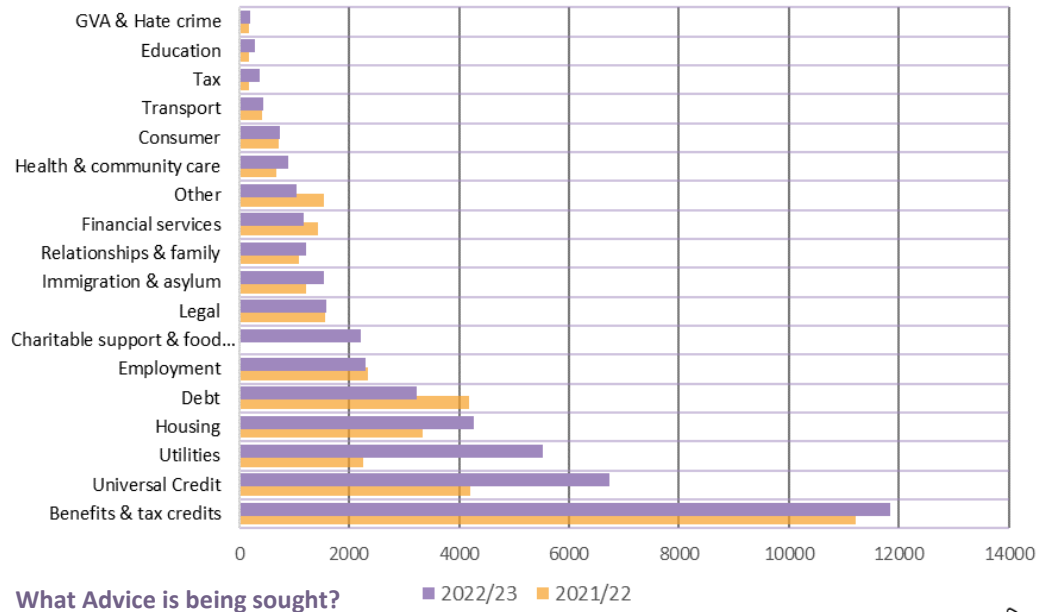
2022/23



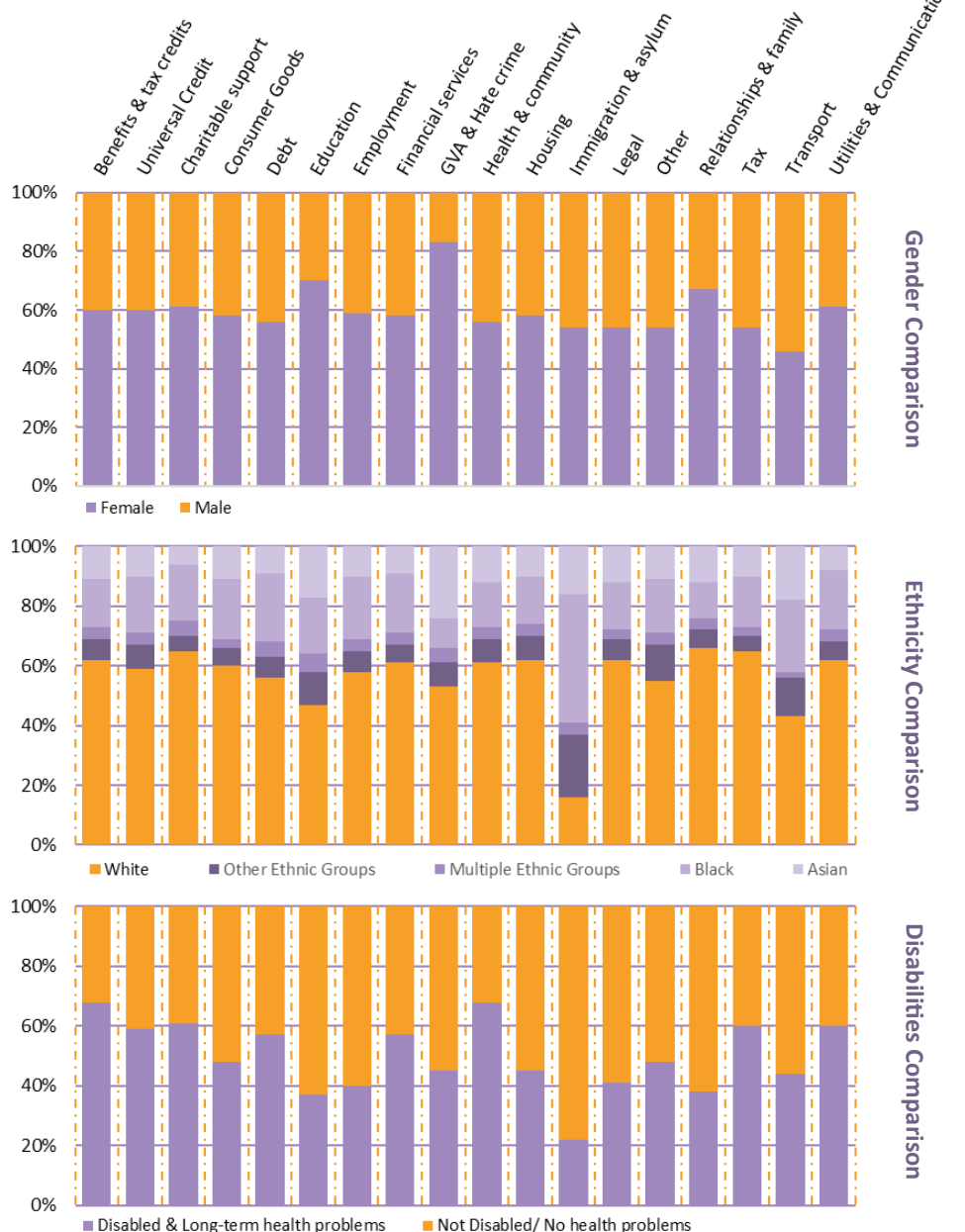
The pie chart above demonstrates how key advice areas have increased considerably between 2021/22 to 2022/23 in relation to the cost of living. Enquiries relating to Utilities such as energy bills have increased by 127% and Charitable and foodbank support has increased by 71%.

The demography of local Citizens Advice data reveals that women, racially minoritised groups and disabled people/people with a long term health issue are all representing for advice at higher proportions than they are in the wider Leeds population. This indicates that these groups are being more severely affected by the cost of living crisis than the overall population. 41% of all clients in 2022/23 were from priority wards which include the 1% most deprived neighbourhoods according to the IMD 2019.

What Advice is being sought?



What Advice is being sought?



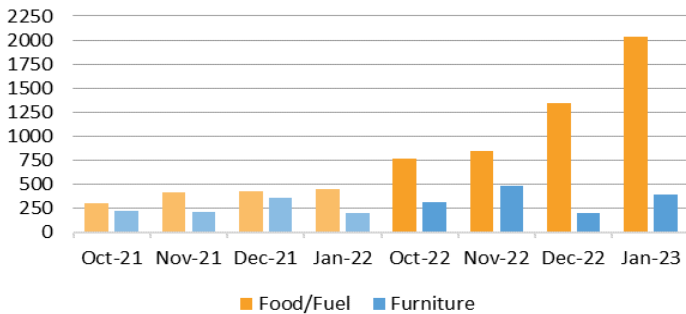
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Local Welfare Support Scheme:

The Local Welfare Support Scheme (LWSS) supports residents experiencing financial hardship and in emergency or crisis, offering short term support to ease that position. This typically consists of an award made up of one or a number of the following: supermarket vouchers, fuel vouchers, white goods, furniture and flooring, all of which is underpinned by the provision of advice, guidance and signposting to additional services and partner agencies.

Applications to LWSS

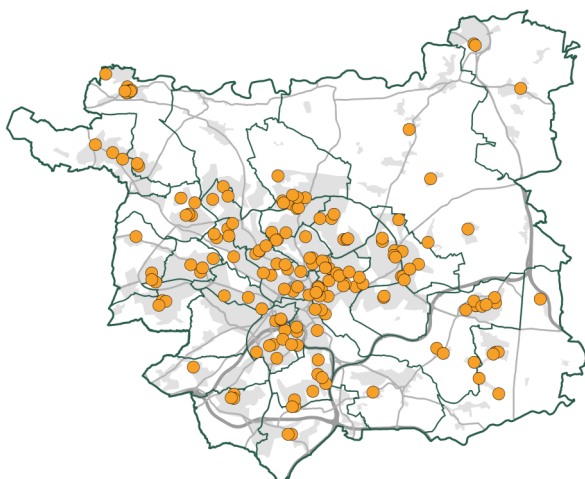


LWSS is currently seeing unprecedented demand for emergency support for food, energy and household goods. There were 7,906 calls to the service during January 2023, up 72% from 4,605 calls in December 2022. The service regularly experiences increased repeat contact from customers during periods of high demand, which can also lead to longer call time, queues and abandoned calls.

Currently, the majority of LWSS applicants have never previously applied to the scheme and the most common reason for applying is due to the rising cost of living and the applicant's income no longer meeting their outgoings. Most applications are for emergency food or fuel which have increased by 52% from 1,342 applications in December 2022 to 2,037 in January 2023.

Warm Spaces:

Led by Leeds City Council, VAL, Forum Central and Leeds FAN, a citywide coordinated approach to the provision of warm spaces for vulnerable people during the winter months has been established. 65% of people in Leeds are 10 minutes walk from a warm space. Support, including food, activities and signposting to advice services are currently available at 180 venues* across the city. *at time of publication



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Leeds Food Aid Network:

Leeds FAN helps bring different people, initiatives and institutions together who are involved in tackling food poverty in Leeds. This includes foodbanks, drop ins / soup kitchens, Street Outreaches, specialised services providing food for Asylum seekers / Refugees, informal parish pantries and certain forms of Social Enterprise run on a community café/pay as you feel models.

FareShare Yorkshire – part of Leeds FAN – prioritises getting food distributed to where it is needed using the skills, abilities and resources originally set up by the national organisation FareShare UK. FareShare takes surplus food from the food industry and distributes it fairly to different food aid providers. Latest figures reveal:

	April 2019 - Mar 2020	April 2020 - Mar 2021	April 2021 - Mar 2022
Number of times people accessed foodbank / parcels by referral	41,606	61,137	41,703
Estimated number of Food parcels given informally by organisations that are open to a broad range of people.	15,968	153,335	65,829
Estimated number of Meals / Sandwich Batches	108,345	100,707	77,125

41,703 people have accessed a foodbank in 2021/22. This is a 32% fall on the support level required during the pandemic in 2020/21, and a 0.2% rise on pre pandemic levels of support required during 2019/20.

77,125 meals were given out through a drop in or through Street Outreach. Food provision via this route has continued to decrease since 2019/20**

65,829 food parcels were given out informally via Community Care Hubs, Emergency Food Provisions, parish pantries etc which is a 57% drop on 2020/21 but a 312% increase on pre pandemic support in 2019/20.***

** The multiple significant changes from 2019/20 to 2021.22 are attributable to the impact of the COVID-19 pandemic. New citywide emergency food processes were established and many more local organisations began to offer food support in order to respond to increased demand, caused by self isolation and shielding measures in addition to residents otherwise identified as vulnerable.

*** National Government lockdown restrictions and new processes locally also changed the way some vulnerable residents accessed food support which also impacted the figures from 2020/21 onwards i.e Some food banks and provisions such as street outreaches/drop ins were unable to operate, particularly during lockdown periods, and residents that would ordinarily have accessed food via these services were supported through alternative emergency food processes instead.