



**WIRRAL
INTELLIGENCE
SERVICE**

Briefing Paper: Cost of Living

Wirral Intelligence
Service

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Briefing Paper: Cost of Living

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Key findings

- The cost of living crisis poses significant risks to public health, wellbeing and social care
- Low-income families are most exposed to this, with the majority reporting their money would last less than 1 week if their main income was lost [3]
- The current rate of (CPI) inflation as of June 2022 was 9.4%. The CPIH (which includes housing costs) was even higher at 12.7%; this means prices are continuing to outpace wages
- Estimates suggest that the proportion of households in England living in fuel poverty could rise from 13% of households, to 42% of households after October 2022
- The fuel poverty rate for Wirral was 14.4% in 2020; a rise to 42% of households would mean over 60,000 households in Wirral classified as being fuel poor
- Wirral had the lowest median workplace earnings in the Liverpool City Region at £523.60 in 2021; figures varied by constituency, with full-time workers in Wirral West (£607.90) earning 21% more than full-time workers in Wallasey (£479.20) per week [28]
- Wirral had the highest proportion of employees paid *below* than the Real Living Wage in the Liverpool City Region (LCR) in 2021 (22% vs 17% in England, and 18% in the North-West)
- The proportion of children living in relative low-income households has increased in Wirral over the past five years - from around 1 in 7 in 2014/15, to 1 in 6 in 2019/20
- The Joseph Rowntree Foundation estimates that 33% of the very poorest low-income households (those in the bottom 40% of incomes in the UK) are now in arrears; triple the 11% estimated by a similar study prior to COVID-19 [14]
- ONS reported that retail sales fell during Mar-May 2022 (compared with the previous 3 months), driven primarily by food sales; ONS concluded that reduced spending on food was likely due to the impact of rising food prices and the cost of living [1]
- The proportion of people using foodbanks increased to 11% in October 2021 [13]; if this estimate were replicated in Wirral, it would mean around 36,000 foodbanks users in Wirral
- Wirral Foodbank helped 17,264 Wirral adults during the most recent time period of 2020/21
- Cost of living pressures may be a deterrent for those just above income thresholds for co-payment health services such as dentistry, prescriptions, optical services and other health benefitting expenditure (e.g., leisure centre membership, exercise classes) [2]
- A survey in 2022 showed 92% of domiciliary care providers were concerned about the effect of the rise in fuel costs on the financial viability of their company [27]
- Bank of England (BoE) statistics show that the largest impact of the COVID-19 pandemic (in terms of housing tenure) has been on the income of renters; renters were more likely to have lost their jobs, been furloughed and seen falls in income; renters already had the lowest incomes compared to those with other housing tenures (37% and 24% below the overall median) prior to COVID-19
- Groups most at risk from the cost of living crisis include: low income households/those already living in deprivation [2,10,]; individuals (or households containing individuals) who are disabled [10]; those with long term conditions [24]; private renters [15]; those already in debt and/or with unsecured loans [15]; those who live alone [13]; younger households with children; BAME households [14]
- In a poll from May 2022, over half of people (55%) in the UK felt their health had been negatively affected by the rising cost of living; (of the 55%), 84% said it was due to increased heating costs, 78% identified the rising cost of food and almost half (46%) transport costs [21]

Wirral JSNA: - Cost of Living

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What do we know?

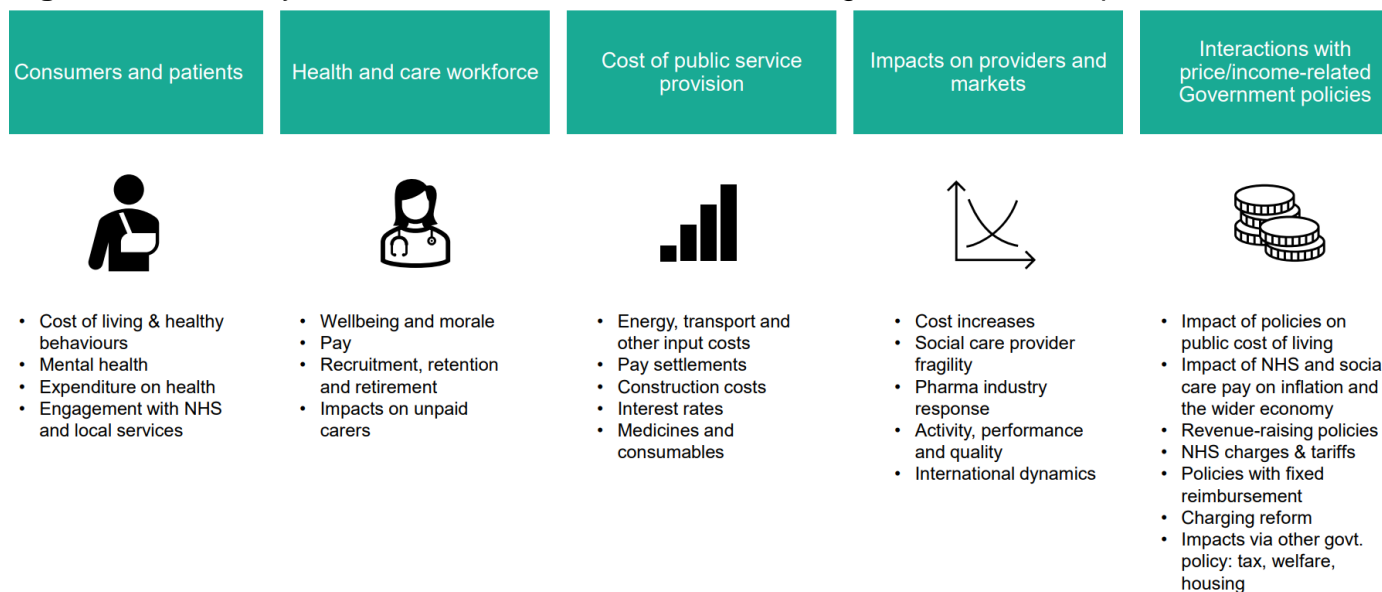
Why is this important?

Pressures on the cost of living are important because they pose a significant risk to health, wellbeing, social care and public health in that:

- Low-income households spend a larger share of their income on energy and food; the Office for Budgetary Responsibility (OBR) is projecting real disposable incomes to fall by 2.2% this year (this would be the largest decline on record) [2], which will therefore particularly affect low-income households
- It is already well evidenced that deprivation is associated with poorer health outcomes (including through stress; anxiety; substance misuse, diet etc.), further inflationary pressures are likely to widen already existing health inequalities
- Many public health policies (e.g., on obesity, smoking) use price disincentives and so interact with the government's wider cost of living strategy [2]

The ways in which inflationary pressures and the increasing cost of living affect health and wellbeing are summarised by **Figure 1** below.

Figure 1: Routes by which inflation affects health, wellbeing, social care and public health

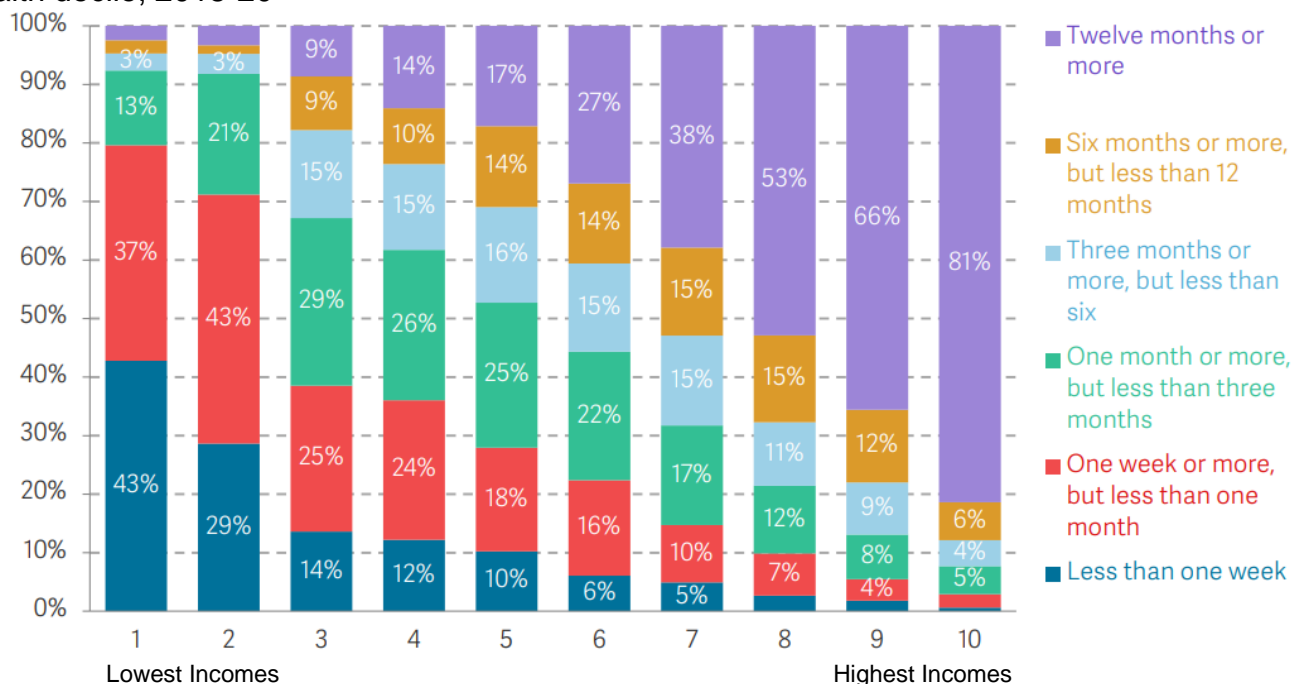


Source: Inflation & Public Health, 2022 [2]

The COVID-19 pandemic disproportionately affected the most deprived in society and the current cost of living crisis is now prolonging and/or exacerbating this inequality [3, 22].

Figure 2 below demonstrates how low-income families are most exposed to the cost of living crisis, showing how long families said their money would last if their main income was lost [3].

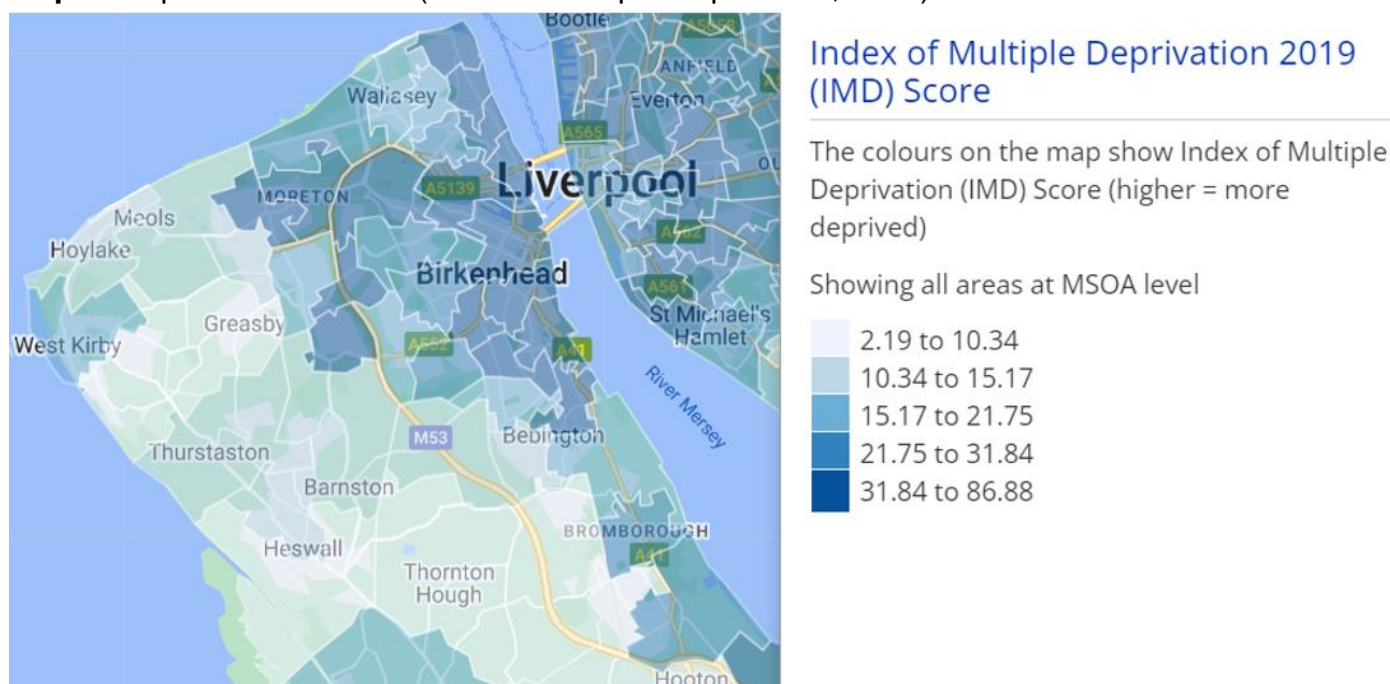
Figure 2: Proportion of families reporting how long money would last if main income was lost, by wealth decile, 2018-20



Source: Resolution Foundation (2022) [3]

Map 1 below shows existing deprivation in Wirral geographically (as defined by the Index of Multiple Deprivation in Wirral in 2019, the most recent analysis available). It shows that the north and east of the borough contain the majority of the areas classed as the most deprived in England. Overall, 36% (so more than 1 in 3) of the Wirral population live in areas which have been designated as being among the most deprived 20% of the English population. The most deprived wards in Wirral are Birkenhead & Tranmere, Bidston & St. James, Rock Ferry and Seacombe.

Map 1: Deprivation in Wirral (Index of Multiple Deprivation, 2019)



Source: [Local Insight Wirral](#) (2022)

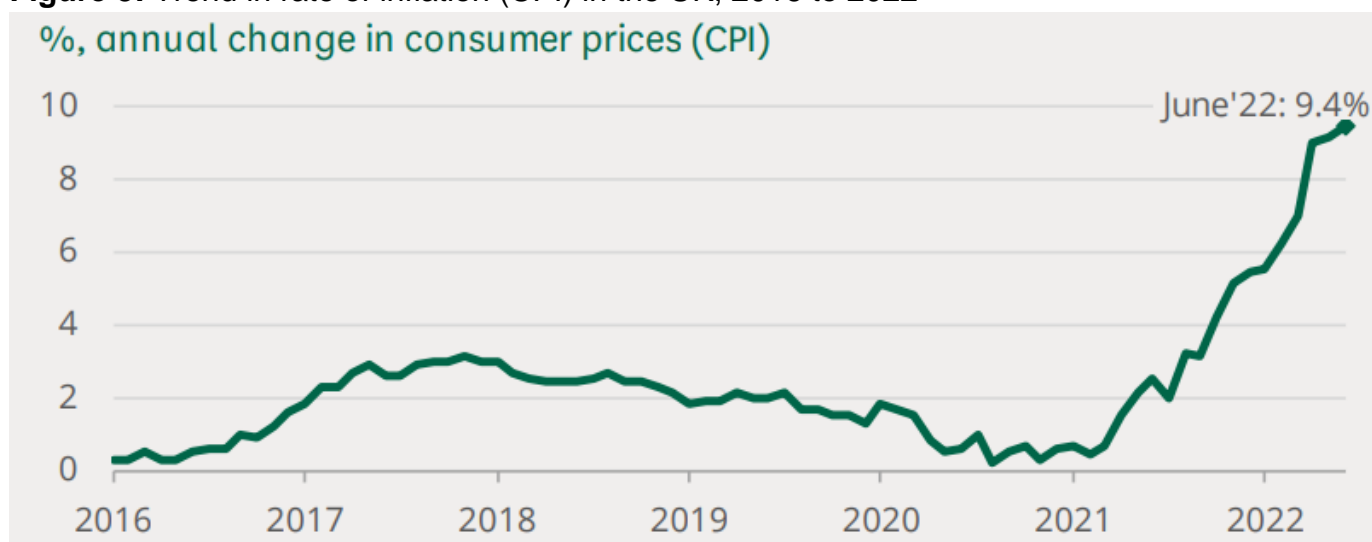
Facts, figures and trends (Wirral and beyond)

Inflation and wages

How quickly prices increase is called the rate of inflation. The rate of inflation (Consumer Prices Index inflation) was 9.4% in June 2022, up from 9.1% in May 2022. The rate of inflation is calculated monthly by the Office for National Statistics who check the prices of a range of over 700 items (known as a 'basket') that people buy regularly, such as bread, bus tickets and larger items such as cars and holidays. This is known as the [Consumer Prices Index or CPI](#).

To calculate the rate of inflation, ONS compare the cost of the basket with the same period in the previous year. The change in the price level over the year is the rate of inflation [4]. The current rate of inflation of 9.4% is the highest rate of inflation in the UK for over 40 years. See **Figure 3** for the trend in inflation since 2016 [20].

Figure 3: Trend in rate of inflation (CPI) in the UK, 2016 to 2022

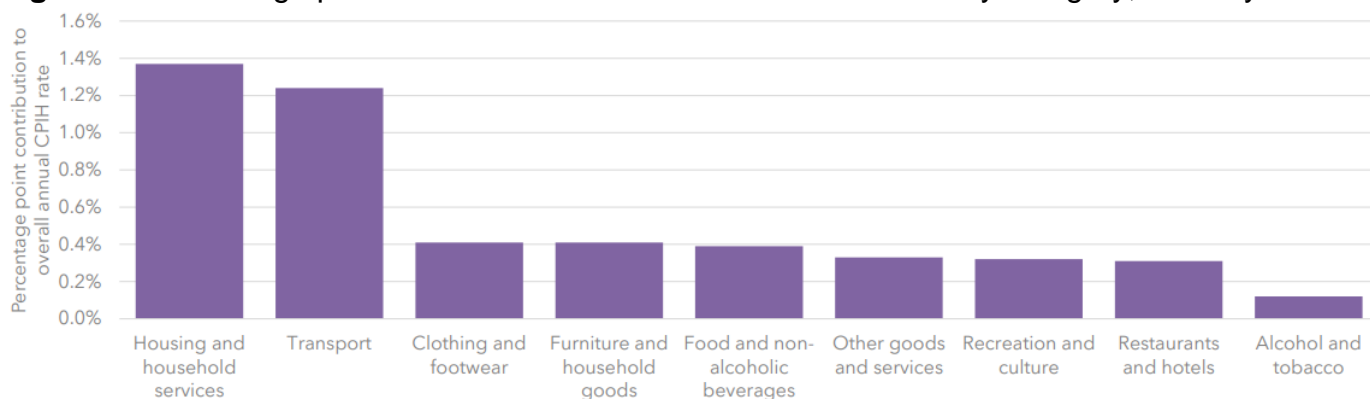


Source: Rising Cost of Living in the UK, House of Commons Briefing (2022) [20]

The Bank of England expects inflation to peak above 11% later in 2022 [3]. Inflation is therefore likely to continue to be above average wage growth in the coming months, leading to a further squeeze on the cost of living [10].

The ONS annualised consumer prices index including owner occupiers' housing costs (CPIH – which extends the CPI to include costs associated with owning, maintaining and living in one's own home, along with council tax) was even higher, at 12.7% in June 2022, compared to 4.9%, in January 2022 (when the analysis presented below, which was completed by the Liverpool City Region (LCR) Metro Mayors Office was completed) [10].

Figure 4: Percentage point contribution to overall annual CPIH rate by category, January 2022

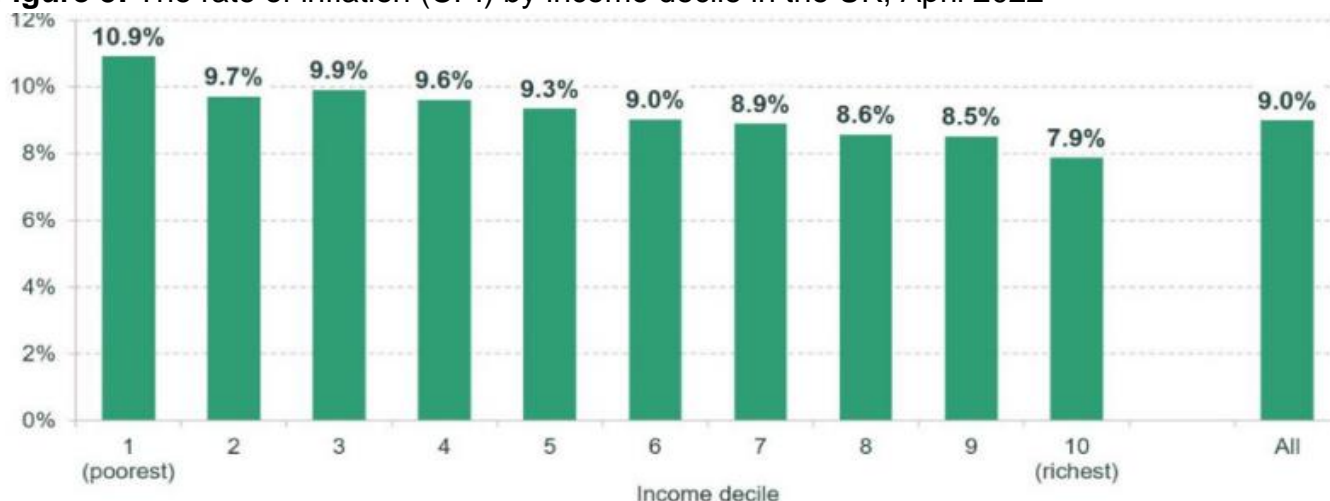


Source: ONS Consumer Prices Inflation, 2022 via Liverpool City Region: Focus on Cost of Living Paper [10]

The most significant contributors to the latest annual CPIH rate were housing and household services (primarily driven by the increase in energy prices) and transport (largely as a result of increased fuel costs) (see **Figure 4** above). Collectively, these two categories were responsible for over half of the overall CPIH rate of inflation for the 12 months up to January 2022 [10].

Energy, transport and food make up a large part of essential spending for most households and have a relatively low ‘price elasticity of demand’ meaning there is a limit to how much consumers can reduce their consumption, even as prices rise [18]. As such, when prices for these essentials increase, consumers are forced to reduce spending elsewhere to maintain at least a minimum level of consumption of the essentials [18]. This is likely to have a disproportionate effect on lower income households as they have less disposable income that can be switched from non-essential spending to cover necessities [18] and because more of low income households spending goes on energy costs [20]. See **Figure 5** below, showing inflation as experienced by the different income deciles, from April 2022, when the overall rates of inflation was 9.0% [20].

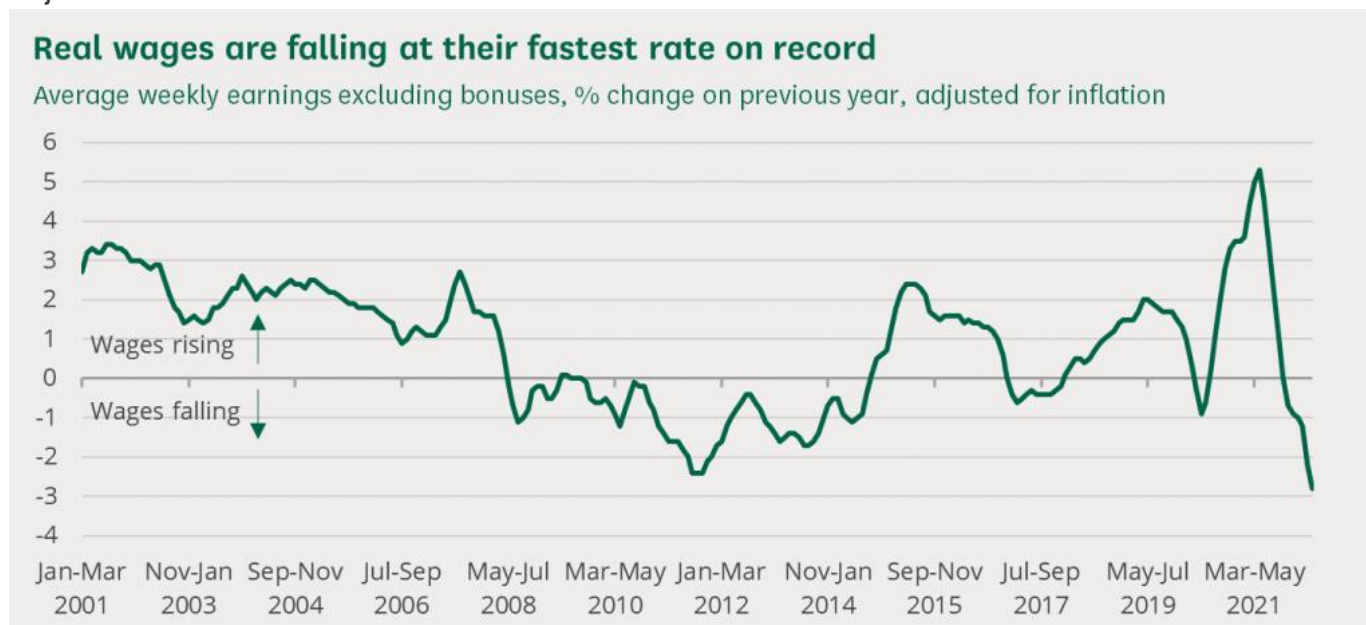
Figure 5: The rate of inflation (CPI) by income decile in the UK, April 2022



Source: Rising Cost of Living in the UK, House of Commons Briefing (2022) [20]

Although wages are rising on average, they are failing to keep pace with this very high level of inflation according to a House of Commons briefing published in July 2022. **Figure 6** below shows that In March to May 2022, [average pay \(excluding bonuses\) fell by 2.8%](#) compared to the previous year when adjusted for inflation; this was the fastest fall since comparable records began in 2000 [17].

Figure 6: Trend in average weekly earnings (excluding bonuses); % change on previous year, adjusted for inflation



Source: ONS, [Average weekly earnings in Great Britain: July 2022](#), 19 July 2022 [17]

Energy and Fuel Poverty

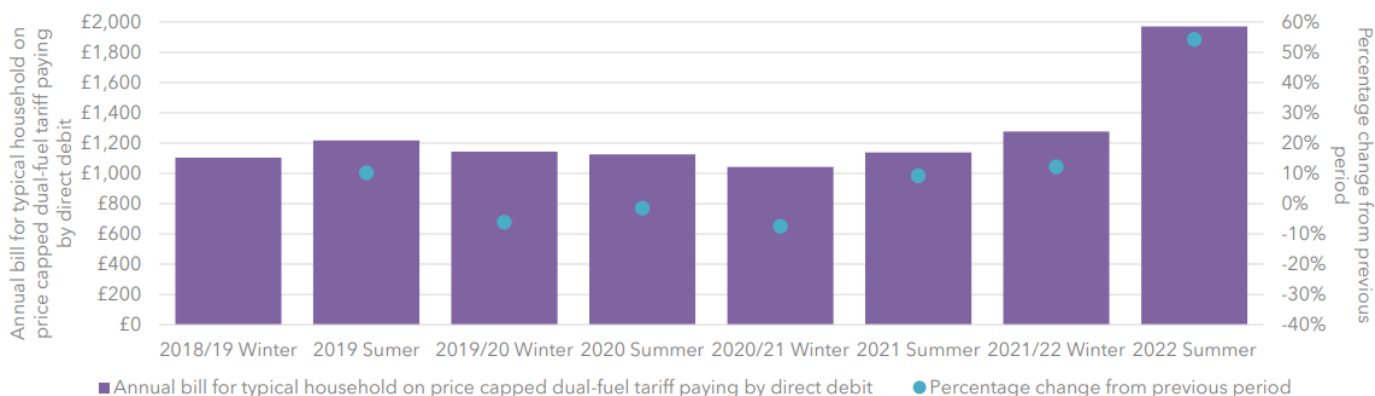
In early February 2022, Ofgem announced an increase of 54% to the energy price cap that came into effect on 1st April 2022. Another rise of 40% in the energy prices are due in October 2022. In other words, the cost of energy will have almost doubled between April 2021 and October 2022.

The typical energy bill is around £2,000 per year following the price cap increase in April 2022. This is already £600 more than the average bill was in October 2021 – see **Figure 7**. Forecasts suggest average bills could rise to £3,000 post October 2022.

Lower income households are more likely to respond to increasing energy prices by cutting their energy use below safe levels which can have direct health implications. Marmot notes that “Excess winter deaths in the coldest quarter of housing are almost three times as high as in the warmest quarter,” with cardiovascular and respiratory mortality the disease categories most increased by cold weather [2]. The Resolution Foundation estimated that the measures announced by government to support households (see [Current Activity & Services](#) section for a fuller list of mitigations announced by the government) this year would offset 82% of the rise in households’ energy costs in 2022-23, rising to over 90% for poorer households [20].

The UK Green Building Council has estimated that for every £1 spent on alleviating fuel poverty (via upgrading and retrofitting properties with energy efficiency measures), 42p would be saved in NHS costs [8].

Figure 7: Annual bill for typical household on price capped dual-fuel tariff paying by direct debit and percentage change from previous period



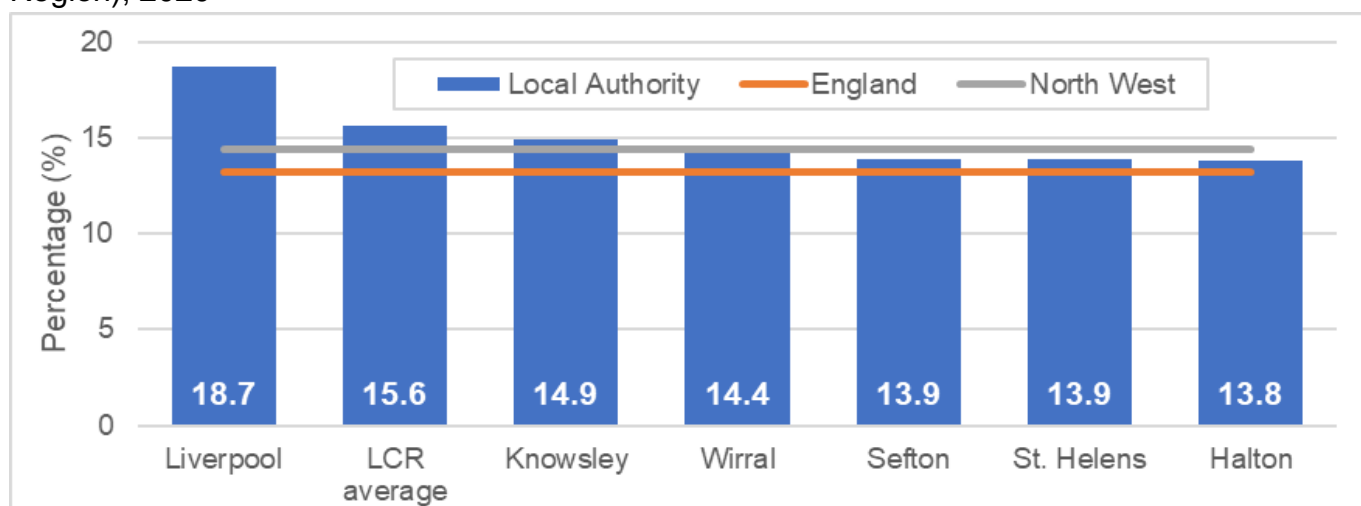
Source: OFGEM, 2022 via Liverpool City Region: Focus on Cost of Living Paper [10]

The most recent Department for Business, Energy & Industrial Strategy publication series of sub-regional fuel poverty estimates are for 2020, before the price rise impacts. These showed 14.4% of Wirral households to be in fuel poverty; equivalent to 21,700 households considered to be fuel poor [7], compared to a national average of 13.2%. This varies widely by ward, ranging from 25.3% (or 1 in 4 households) in Bidston & St. James to 8.3% (or 1 in 12 households) in Heswall.

OFGEM projects that, without mitigations, **national fuel poverty could rise to 42% of households after October 2022** [6]. If the proportion of households in Wirral experiencing fuel poverty also rose to 42% in line with these projections, this would mean **an estimated 60,200 Wirral households could be living in fuel poverty post October 2022**.

Figure 8 below shows how the level of fuel poverty in Wirral compared to other local authorities in the LCR in 2020 (prior to recent increases, 2021 fuel poverty estimates are not yet available).

Figure 8: Proportion of households classed as fuel poor by Local Authority (in Liverpool City Region), 2020

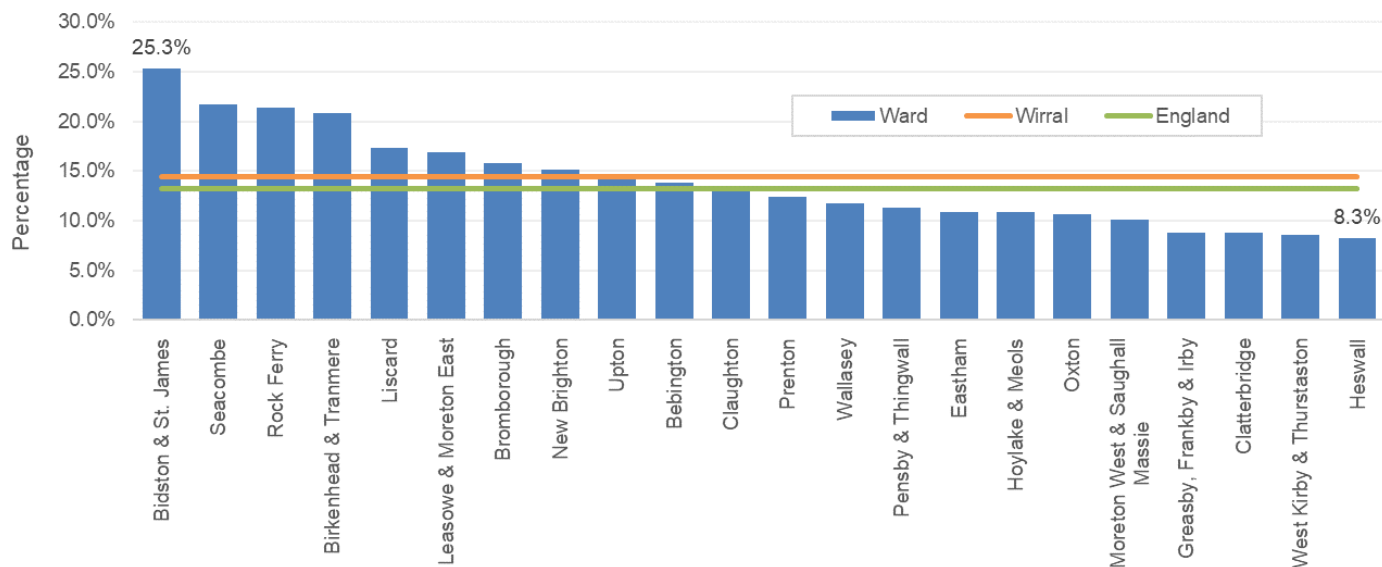


Source: [Local Insight](#) (using BEIS Sub-Regional Fuel Poverty Estimates, 2021)

Note: Fuel poverty data is based on a methodology of low income and low energy efficiency. This defines a household as fuel poor if its disposable income after housing and required (not actual) fuel costs would put it below the poverty line; and if it is living in a property with an energy efficiency rating band D or below. As a result, some households with low incomes after accounting for fuel costs are not considered fuel poor if they live in a property which is generally more efficient (rated A-C). In other words, households with an energy efficiency rating of C or better (48% of dwellings in 2020) cannot be defined as being in fuel poverty, regardless of their income or the level of energy prices. This is a significant caveat to the data which could result in an underestimate of the numbers in fuel poverty going forward.

Figure 9 below shows the proportion of households that were classed as fuel poor by Wirral ward in 2020.

Figure 9: Proportion of households that are fuel poor by Wirral ward, 2020

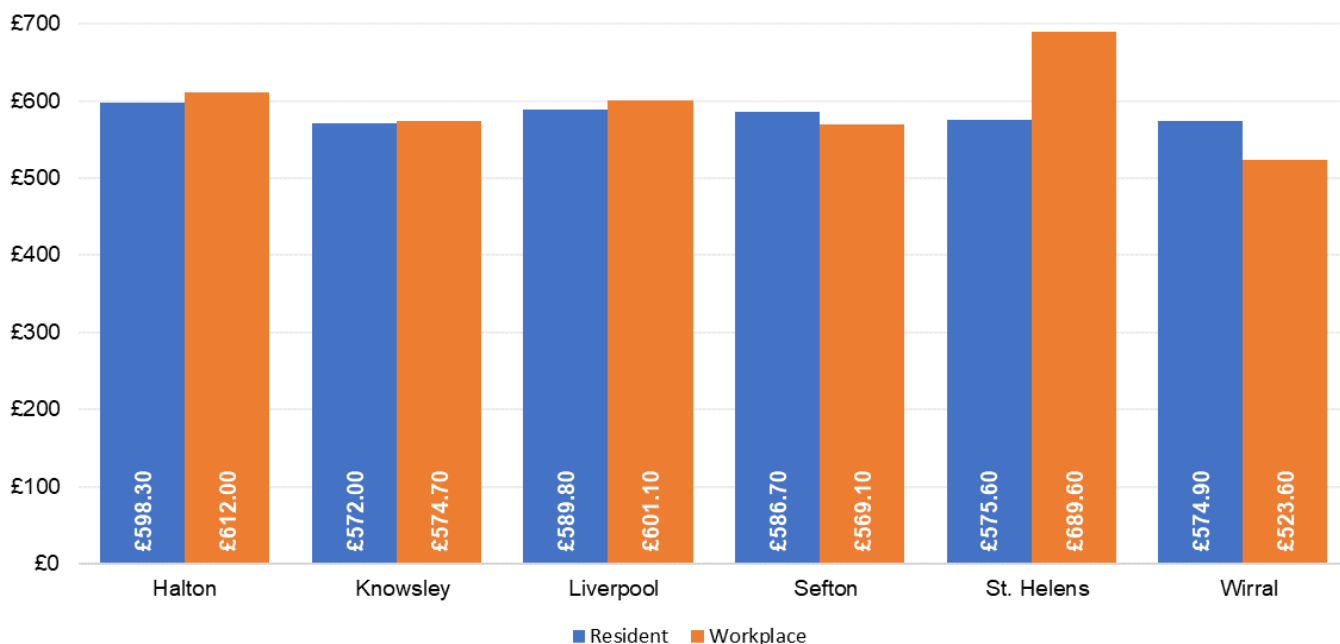


Source: BEIS Sub-Regional Fuel Poverty Estimates, 2022

Income and Earnings

On average, full-time workers of the Liverpool City Region (LCR) earned around £580 per week in 2021. This was slightly above regional levels, but around £2,000 lower than the annual national average. Wirral had the lowest workplace median earnings in the LCR at £523.60, whereas those in St Helens on the other hand, earned £689.90 [28] (see **Figure 10** below).

Figure 10: Median weekly earnings of full-time workers, by Liverpool City Region Local Authority in 2021

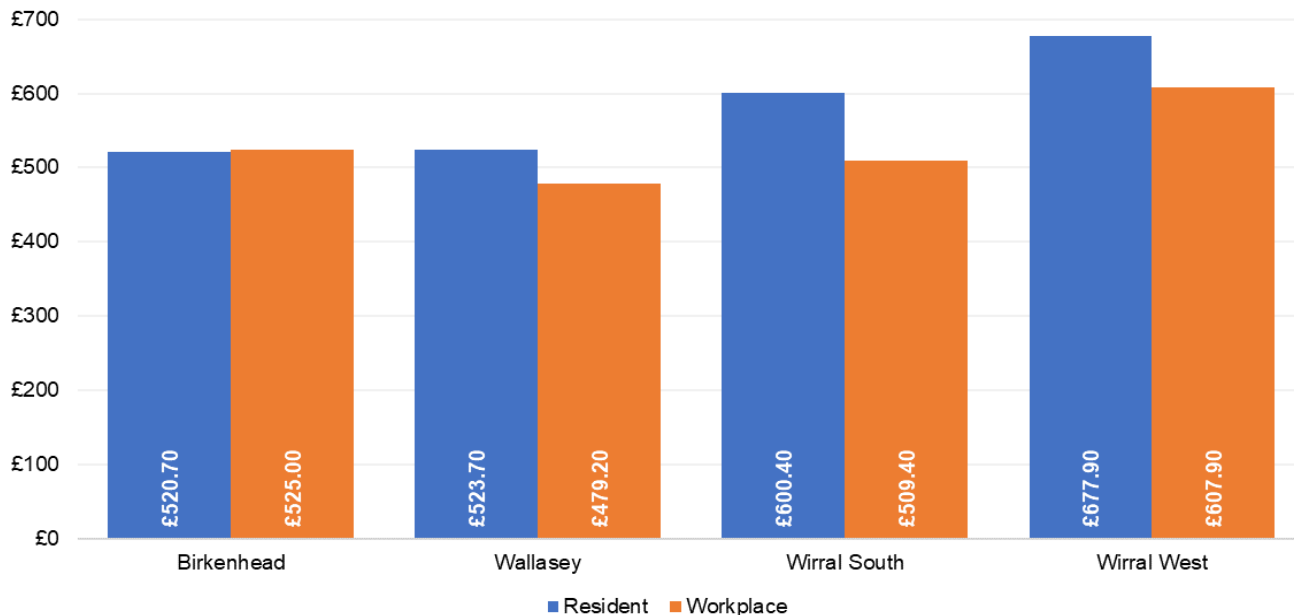


Source: [ONS Annual Survey of Hours and Earnings, Table 7.1a, 8.1a, 9.1a and 10.1a \[28\]](#)

Figure 11 shows a further breakdown of median weekly earnings by Wirral constituency. It shows that Wallasey had the lowest workplace earnings of full-time workers at £479.20, whilst Wirral South

constituency had the highest £607.90 – a weekly difference of £128.70 (21% more). Full-time workers who are resident in Birkenhead, but do not necessarily work there, earned the least of the Wirral constituencies - £520.70. This compares to full-time workers who live in Wirral West earning £677.90, a difference of £157.20 (23% more) [28].

Figure 11: Median weekly earnings of full-time workers, by Wirral Constituency in 2021

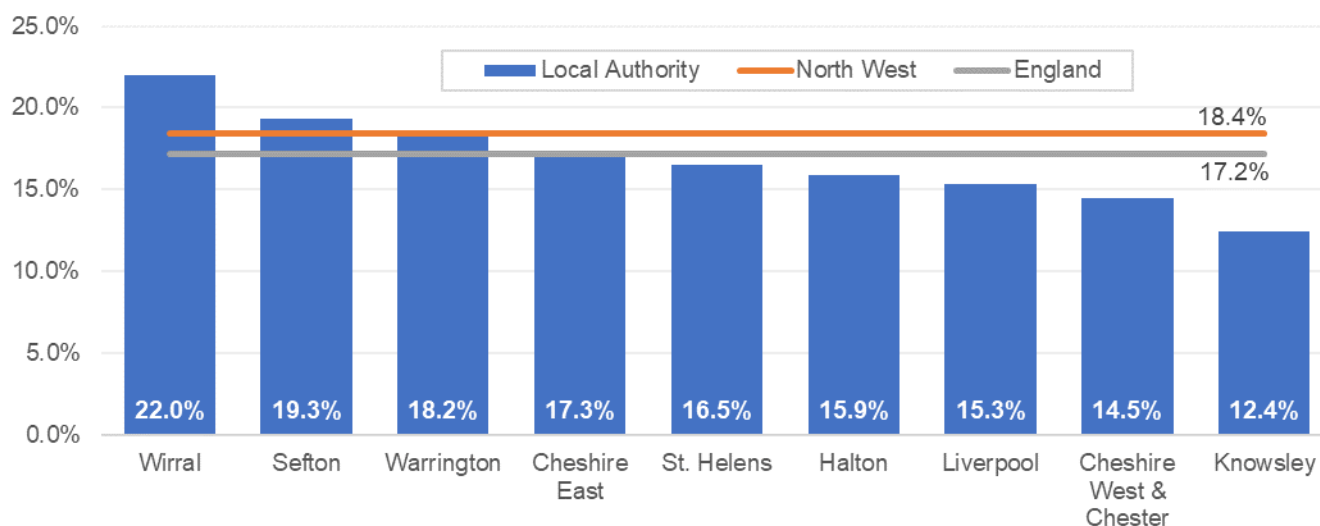


Source: [ONS Annual Survey of Hours and Earnings, Table 7.1a, 8.1a, 9.1a and 10.1a \[28\]](#)

The **Real Living Wage** is independently calculated by the [Living Wage Foundation](#) to reflect the amount people need to be able to live. It is not compulsory for employers to pay it. In 2021, the Real Living Wage was £9.50 per hour; it rose to £9.90 per hour in 2022. It is different to the National Living Wage (previously called the Minimum Wage or National Minimum Wage), which is a statutory requirement (this was £8.91 in 2021 and rose to £9.50 in April 2022).

One in five jobs in the Liverpool City Region paid below the Real Living Wage of £9.50 in 2021. The proportion was highest in Wirral (22.0%) and Sefton (19.3%), and lowest in Knowsley (12.4%), see **Figure 12** [10].

Figure 12: Proportion of employees paid below Real Living Wage, by Cheshire & Merseyside LA, 2021

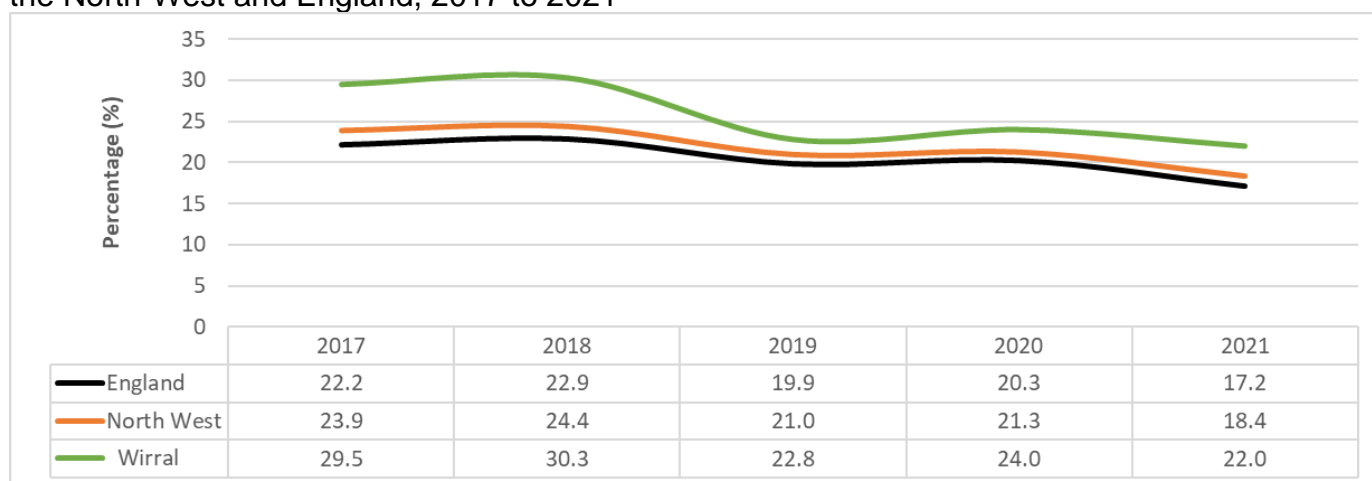


Source: ONS Annual Survey of Hours and Earnings, 2021

Figure 13 below, shows the 5-year trend in the proportion of people earning **below** the Real Living Wage in Wirral, the North-West and England, between 2017 and 2021. As **Figure 13** shows, Wirral has consistently under-performed on this measure, compared to both the North-West and England.

Figure 13 also shows that positively, the proportion of employees earning below the Real Living Wage has reduced in recent years, from 30.3% of people in Wirral in 2018, to 22.0% of people in 2021. In actual numbers, this marks a fall from around 26,000 people in Wirral earning below the Living Wage in 2018, to around 19,000 people earning below the threshold in 2021. This fall has also been apparent in the North-West and England overall.

Figure 13: 5-year Trend in the proportion of people earning **below** the Real Living Wage in Wirral, the North-West and England, 2017 to 2021



Source: [ONS, 2022](#) The estimates in this analysis were defined using the [Real Living Wage](#) (outside London)

It should be noted that the Real Living Wage is different to the Governments statutory *National Living Wage*, which was £8.91 prior to April 2022 (and £9.50 per hour after April 2022). See **Table 3** within the Appendix for a comparison of the National Living Wage, Real Living Wage (London) and the Real Living Wage (rest of UK) by year since 2017.

Absolute and Relative Low Income

Official government statistics on low income generally splits the data into absolute and relative levels of low income:

Relative low income is where a person's income is below 60% of the *current* national median

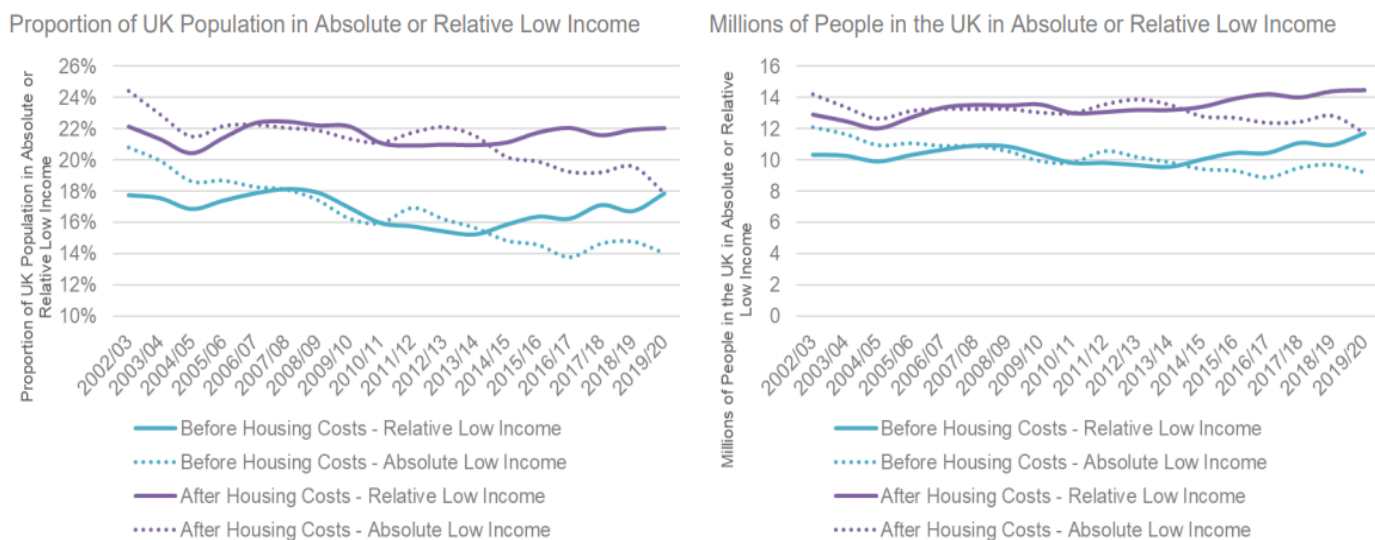
Absolute low income is where a person's income is below 60% of the national median *in 2010/11*

The data is also generally split into levels of low income before housing costs (BHC) and after housing costs (AHC). The latest data shows that the proportion of the UK population with an absolute level of low income has fallen (both BHC and AHC). However, relative levels of low income have increased BHC, and stayed the same AHC [10].

Since 2002/03 (the earliest available data), the proportion of people experiencing relative levels of low income has stayed broadly similar, though income (BHC) has risen over the last five or so years. Although the rate (or proportion) of people experiencing relative low income is now at a similar level compared to 2002/03, in practical terms, this equates to around 1.5 million more people

now living in relative low income either before, or after, housing costs (due to the increase in population over this period) [10]. See **Figure 14a** and **Figure 14b** below.

Figure 14: Trend in proportion (14a) and number (14b) of the UK population in Absolute or Relative Low Income, 2002/03 to 2019/20



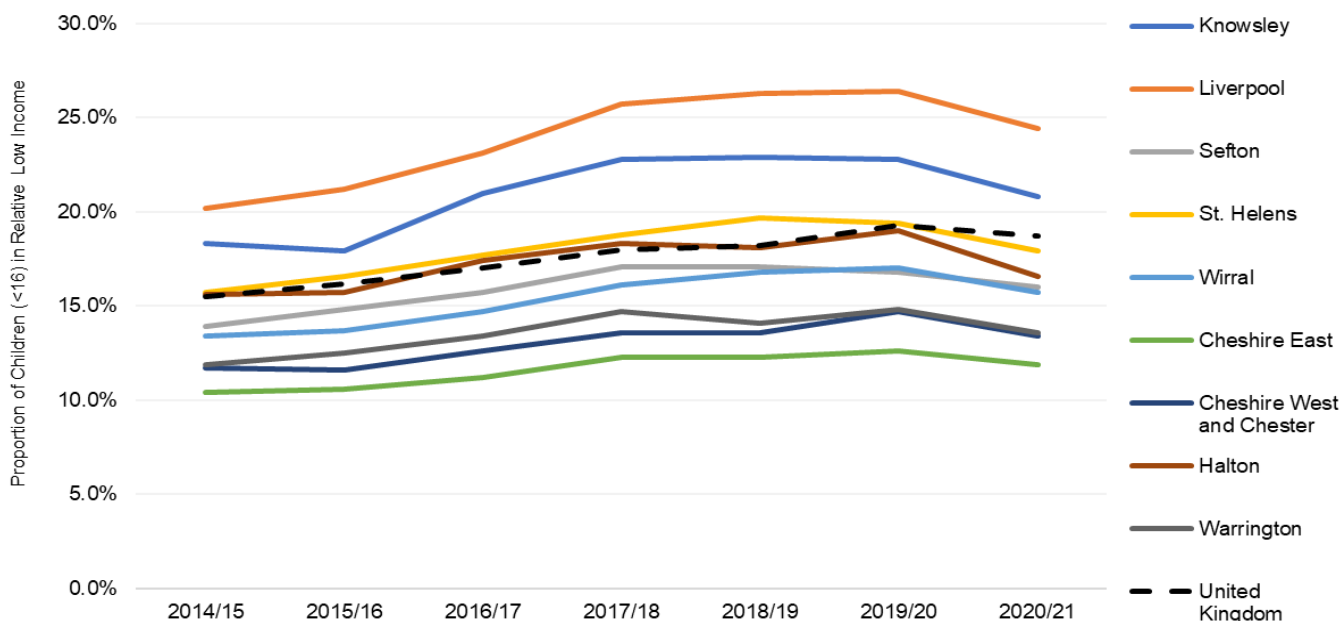
Source: [Households below average income \(HBAI\) statistics](#), DWP (2022) via Focus on Cost of Living Paper [10]

Note: HBAI data is only available at UK level, via the DWP StatXplore tool, it is not available at regional or Local Authority level

Children in Low Income Families

The proportion of children living in relative low-income households has increased in all local authorities in the Liverpool City Region over the past six years - especially in Liverpool where the proportion of children living in relative low income has gone from 20.2% to 24.4% between 2014/15 and 2020/21. In Wirral, the proportions have increased from 13.4% in 2014/15 to 15.7% in 2020/21. See **Figure 15**. [10].

Figure 15: Trend in the proportion of children (aged <16) living in relative low-income families in the Liverpool City Region authorities, 2014/15 to 2020/21



Source: [Department for Work and Pensions \(DWP\), Children in low income families: local area statistics 2014 to 2021, March 2022](#) [29]

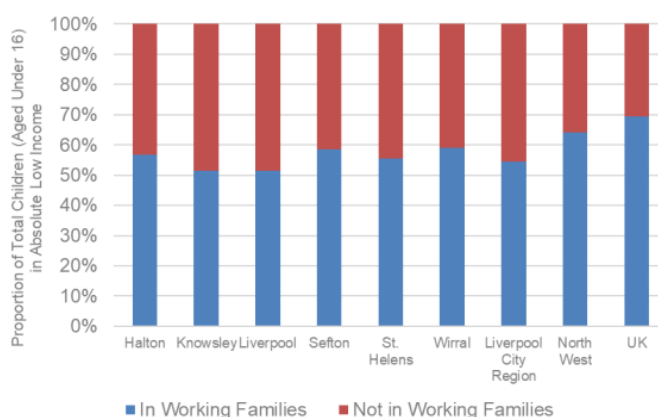
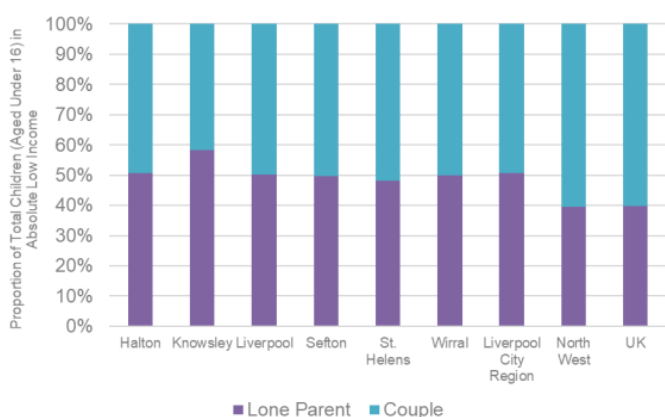
Figures 16a and 16b below show the total number of children in absolute low income household by family type and family work status. In the Liverpool City Region in 2019/20, the number of children in absolute low-income families was split around 50/50 in terms of both lone parent/couple families, and non-working/working families [10].

In comparison with the UK and North-West overall, children living in absolute low income in the Liverpool City Region authorities (including Wirral) were more likely to be living in lone parent families, and more likely to be in non-working families.

Figure 16: Proportion of the children in Absolute Low Income, by family type (16a) and work status (16b), Liverpool City Region Authorities in 2019/20

Proportion of Total Children (Including Some Over 16 Year Olds) in Absolute Low Income by Family Type and Area, 2019/20

Proportion of Total Children (Including Some Over 16 Year Olds) in Absolute Low Income by Family Work Status and Area, 2019/20



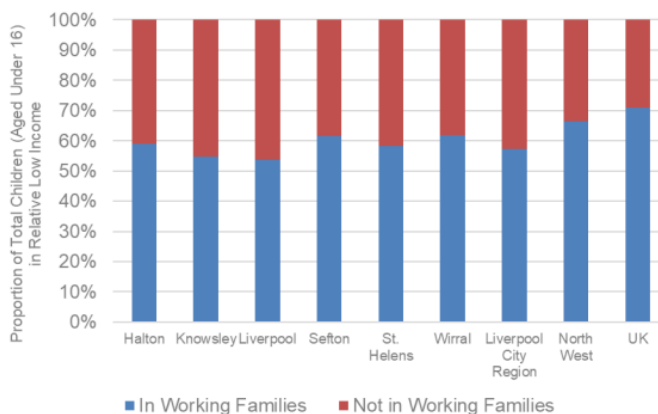
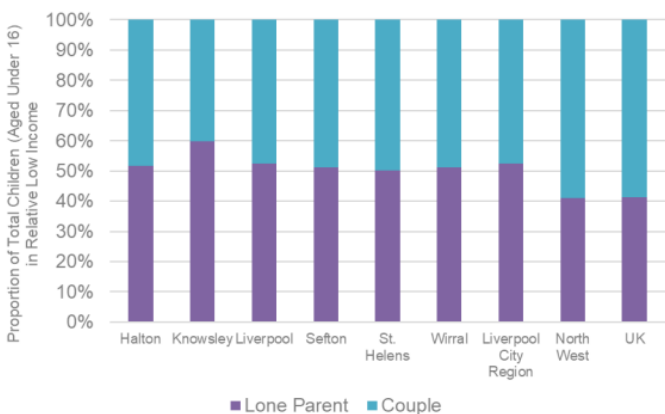
Source: [HMRC](#), 2022 via Liverpool City Region: Focus on Cost of Living Paper [10]

The same trend was also apparent for children living in Relative Low Income in 2019/20; in other words, it was more common in the Liverpool City Region authorities that children living in relative low-income families to be living in lone parent households and non-working households, than was the case for the UK overall, or the North-West overall. See **Figures 17** below.

Figure 17: Proportion of the children in Relative Low Income, by family type (17a) and work status (17b), 2019/20

Proportion of Total Children (Aged Under 16) in Relative Low Income by Family Type and Area, 2019/20

Proportion of Total Children (Aged Under 16) in Relative Low Income by Family Work Status and Area, 2019/20



Source: [HMRC](#), 2022 via Liverpool City Region: Focus on Cost of Living Paper [10]

Debt and arrears

Those who cannot cut back on spending and have no savings to fall back on will find themselves unable to keep up with their bills and so are likely to fall into arrears [3]. This is concerning, as bill arrears were already the form of debt most concentrated in lower income families: in 2018-20, some 8.9% of financial liabilities (excluding student loans and mortgages) were bill arrears for the lowest income decile (or 10%) of families, compared to 0.3% for those in the top half of the income distribution [3]. Being in arrears is strongly associated with negative wellbeing outcomes [3]. In May 2022, [StepChange](#), the debt advice service, recorded a 12% increase in the number of people asking for debt advice compared to April 2022 [3].

A large-scale study of households on low incomes by the Joseph Rowntree Foundation (JRF) found that the number of low-income households in arrears has tripled since the pandemic hit and that 4 in 10 working-age low-income households fell behind on bills during pandemic [14].

The analysis looked at households in the bottom 40% of incomes in the UK (those with a household income of £24,752 or less), representing around 11.6 million households. It estimates that 33% of low-income household are now in arrears, which is triple the 11% estimated by a similar study prior to the pandemic [14].

Working-age households on low incomes (those aged 18-64) have been particularly hard hit, with 44% in arrears. For households aged 18-24 this rises to almost three-quarters (71%) of people in arrears [14]. The JRF conclude that these are clear signs that the financial impact of the pandemic has dragged families who were previously 'just about managing' into arrears on essential bills, as the majority of households now behind on their household bills (87%) said that they were 'always' or 'often' able to pay all their bills in full and on time before COVID-19 [14].

Table 1 below, shows the scale of average levels of personal debt in the UK, as of April 2022, per adult household and per adult.

Table 1: Average UK Personal Debt by Household and Adult, April 2022

Type of Personal Debt	Per Household	Per Adult
Secured (Mortgages)	£57,022	£29,963
Unsecured Consumer Debt	£7,264	£3,817
Of which, Credit Card Debt	£2,162	£1,152
Grand Total	£64,286	£33,780

Source: The Money Statistics, The Money Charity, June 2022 [25]

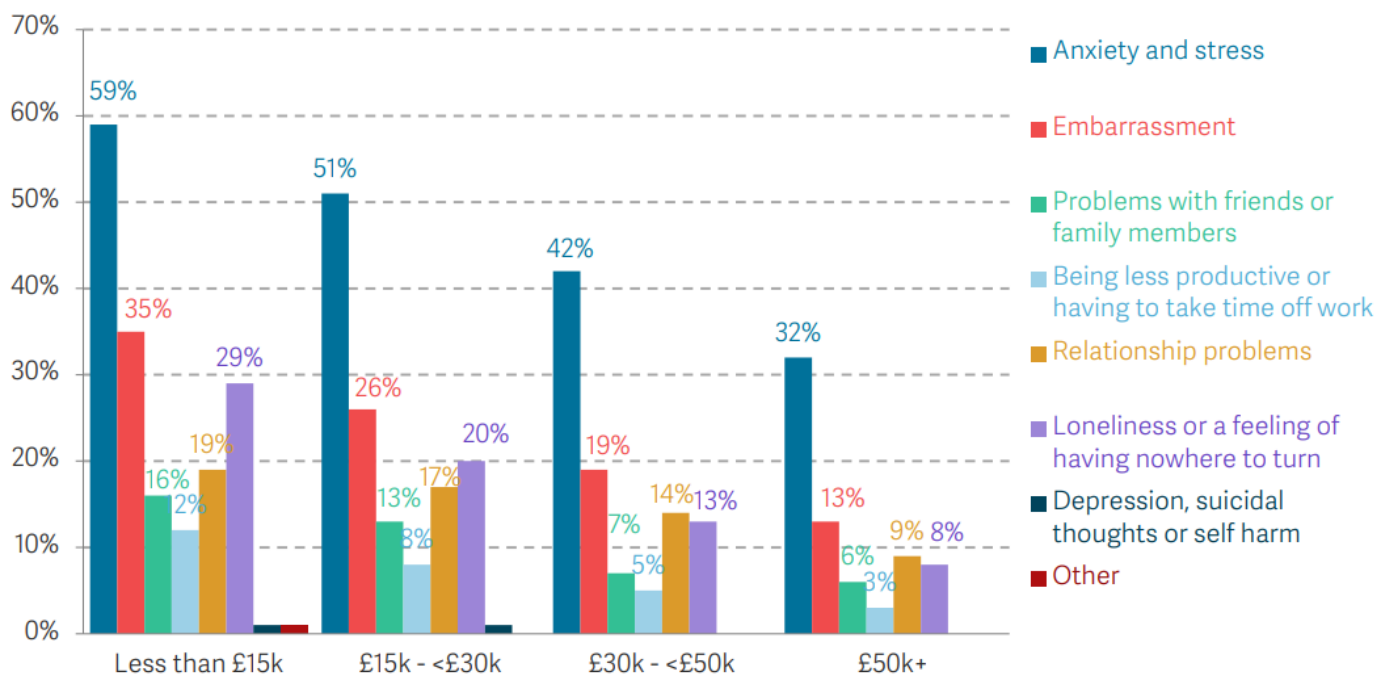
It is unsurprising that indebtedness is more likely in low income households, given that people on low incomes were more likely to lose income during the pandemic due to job loss, reduced hours or being furloughed. Even before recent energy price rises began to bite, six in ten households on low incomes (62%) reported that their costs increased during the pandemic. The other clear trend in the JRF survey is the increased borrowing taken on by households on low incomes; 69% of households with new or increased borrowing are also in arrears.

JRF highlight the inequality between how poorer and wealthier households have fared during the pandemic, citing statistics from The Bank of England, showing that wealthier households have

tended to accumulate savings during the pandemic, as these households were more likely to stay in work and to be able to work from home, reducing daily costs, and to save money during lockdown due to enforced saving [14]. Homeowners also benefited from rising house prices [14].

It is the case that debt is associated with negative outcomes, and this is particularly true for those with lower incomes [3]. **Figure 18** below shows the proportion of indebted individuals reporting negative outcomes, by household income in 2020.

Figure 18: Percentage (%) of indebted individuals reporting negative outcomes, by household income, 2020



Source: Resolution Foundation (2022) [3]

As **Figure 18** shows, those in debt who were also on lower incomes had a much higher likelihood of experiencing negative outcomes such as anxiety, stress, embarrassment, loneliness, relationship issues, depression and suicidal thoughts [3].

Transport

One of the many impacts of the Russian invasion of Ukraine has been an impact on oil prices, which in turn have affected road fuel (and energy in general) prices in the UK [20]. In May 2020, they were at their lowest level for around five years; prices then increased steadily during 2021 and increased from January 2022 as tensions between Russian and Ukraine increased. Prices jumped again after Russia invaded Ukraine in February and on 4 July 2022, petrol was an average of 191.6 pence per litre and diesel 199.2 pence per litre; this was a record high [20].

ONS reported the results of a survey into the rise in the cost of living between 22 June and 3 July 2022 which found that around half (45%) of adults reported cutting back on non-essential journeys in their vehicle [20].

Although reports detailing the fact that one of the main drivers of inflation has been transport costs, which in turn pushes up the cost of goods, there is little in the way of research to show exactly how

this is directly impacting people in the UK at the time of writing (July 2021), e.g., impact on private journeys, car usage and use of public transport, which feels like a significant gap in the evidence.

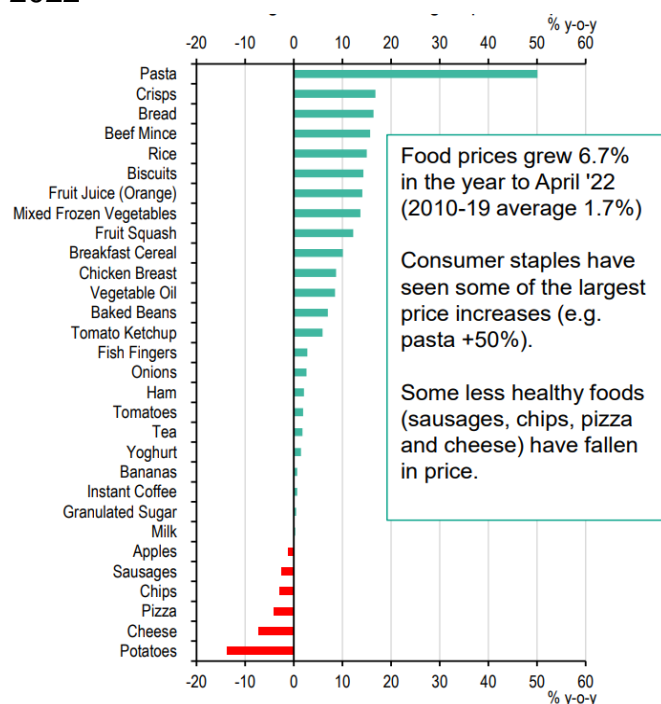
Especially as anecdotal evidence reported by doctors to the Royal College of Physicians, included patients unable to afford to travel to hospital for investigations and treatments [21]. There may also be impacts on usage of public transport, or the ability of low (and middle) income families to take up work opportunities or enjoy leisure and health benefitting opportunities for example and this should be further explored.

Food insecurity and diet

Food and non-alcoholic drink prices have risen faster than the rate of overall inflation (9.8% higher in the year to June 2022, overall inflation was 9.4% for the same period [20]). In the three months to May 2022, ONS reported that retail sales fell by 1.3% when compared with the previous three months; continuing the downward trend observed since summer 2021. The fall in sales volumes was driven primarily by food sales, which fell by 1.6%; prompting ONS to conclude that reduced spending in food stores was likely linked to the impact of rising food prices and the cost of living [1].

History suggests that when food prices increase, this results in reduced population-wide calorie consumption, but that this can also mark a shift to deriving calories from less healthy foods. For example, in previous downturns, households substituted fruit and vegetables for more calorie dense items (i.e., towards processed foods), with pensioners, single-parent households and households with young children experiencing the largest decline in nutritional quality [2]. **Figure 19** below shows the change in prices in the UK of commonly bought groceries between April 2021 and April 2022, when there was an overall increase in food prices of 6.7%.

Figure 19: Percentage change in price of selected low-cost groceries, between April 2021 and April 2022



Source: Inflation & Public Health [2]

Food insecurity means that the household reduces the quality, variety, and desirability of their diets or that household members sometimes disrupt eating patterns or reduce food intake because they lack money or other resources for food [13]. In 2020/21, an estimated 4.2 million people in the UK (or 6% of the population) were living in food insecure households [13].

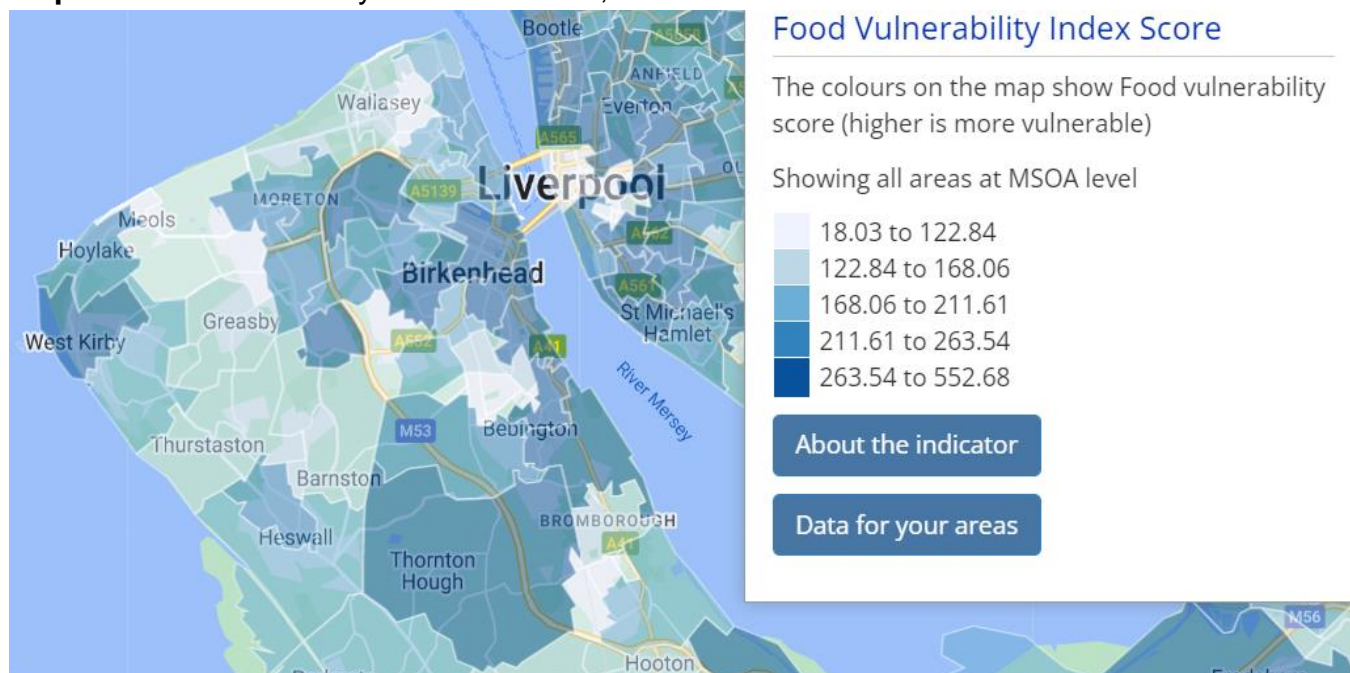
Research by the Trussell Trust found that three factors contributed to a person needing a food bank, (ranked in order of significance), they were: Not having sufficient income from social security; ill-health or adverse life experiences (such as household separation or eviction) and lack of informal and formal support. Other factors noted by the research were living alone, being in debt, having a disability, losing a job and domestic abuse [13].

There are over 2,500 foodbanks in the UK in 2022. The Trussell Trust are the largest single provider of foodbanks, running around 1,400 of that total; in addition, there are at least 1,170 independent food banks run by a variety of other organisations [13].

In 2021/22, the Trussell Trust distributed over 2.1 million emergency 3-day food parcels to people in crisis throughout the UK; this was lower than in the 2020/21, but 14% higher than in 2019/20 [12]. In May 2022, the Independent Food Aid Network (IFAN), surveyed 101 of its organisations representing 194 independent food banks (across 94 local authorities in England, Scotland and Wales); 93% of organisations reported an increase or significant increase in the need for their services since the start of 2022, with 95% of those organisations reporting increases saying it was due to the cost of living crisis [13].

Map 2 below shows an Index of Food Vulnerability compiled by the British Red Cross and according to their methodology (described below the map) shows where in Wirral residents may be more likely to be experiencing food insecurity.

Map 2: Food Vulnerability Index for Wirral, 2020



Source: [Local Insight Wirral](#), 2022

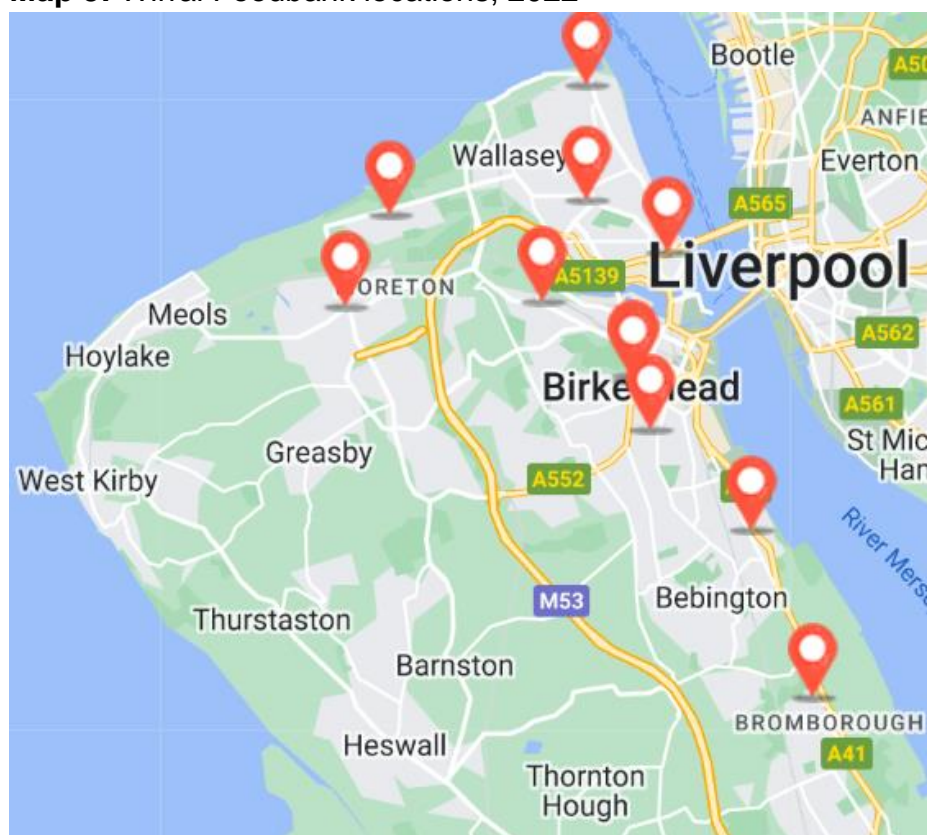
Note: For this bespoke index, The British Red Cross combined relevant indicators including: Frailty, Living alone, Distance to services, Digital exclusion, Income deprivation, Income Support families, Income-based Jobseeker's Allowance families, Income-based Employment and Support Allowance families, Pension Credit (Guarantee) families, Working Tax Credit and Child Tax Credit families, Universal Credit families where no adult is in 'Working - no requirements' conditionality regime, Asylum seekers in receipt of subsistence support, accommodation support, or both. For more information see [Red Cross Food Vulnerability Index](#)

As **Map 2** shows, the Birkenhead, Bidston, Claughton, Woodchurch and Rock Ferry areas of Wirral appear to score highly for food vulnerability, alongside areas characterised by older populations (e.g., Clatterbridge, West Kirby).

Prior to COVID-19, the Trussell Trust estimated around 2.5% of UK households had used a food bank in 2019-20. The COVID-19 Consumer Tracker showed 8% of respondents had used a food bank or a food charity in April 2021. This had risen to 11% by October 2021 [13].

If the figure of 11% were replicated in Wirral, it would mean that there could be around 36,000 users of foodbanks in Wirral. Wirral Foodbank is part of the Trussell Trust network, has 10 local sites (see **Map 3** below) and provides statistics on how many people they have helped in recent years (see **Figure 20**).

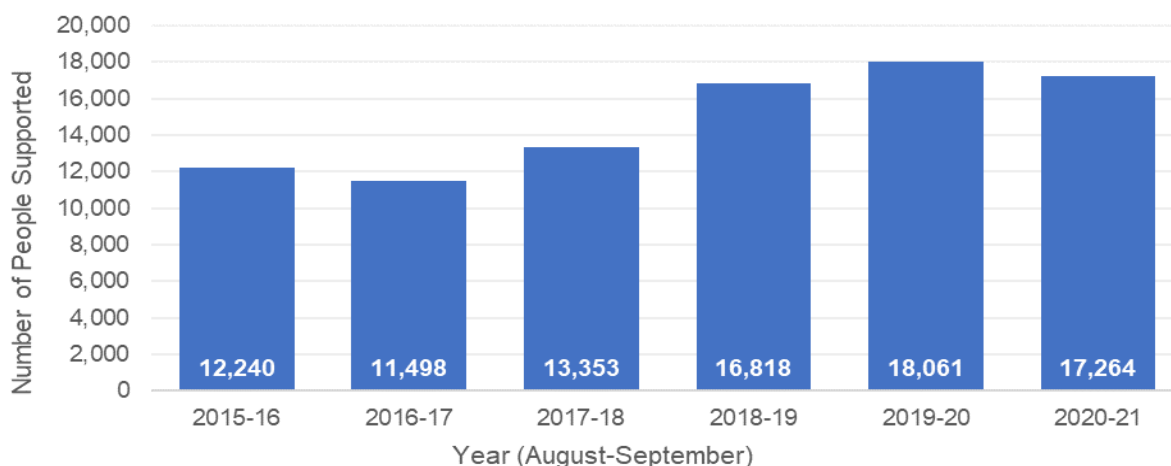
Map 3: Wirral Foodbank locations, 2022



Source: [Wirral Foodbank](#)

As mentioned above, if The Trussell Trust operate around half of all foodbanks in the UK and they helped just over 17,000 adults in Wirral in 2020/21, it is therefore feasible that the total number of adults helped in Wirral over the same period would be in the region of the 36,000-estimate provided above, see **Figure 20** below, which shows the trend in the number of people helped by Wirral Foodbank, each year since it opened.

Figure 20: Trend in number of people helped by Wirral Foodbank, 2015-16 to 2020-21



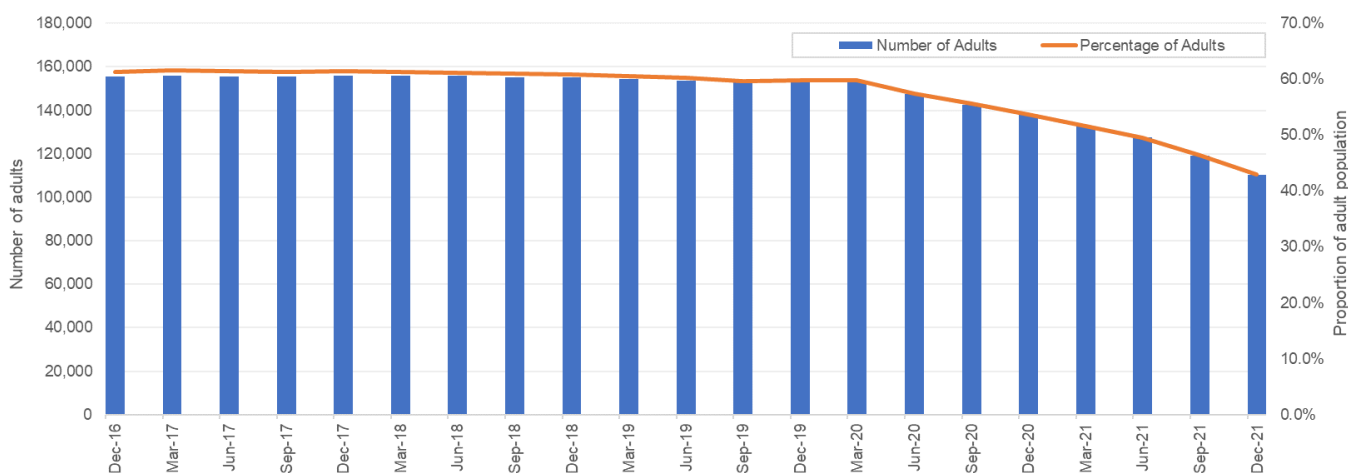
Note: Wirral Foodbank’s financial year runs September to August, so the latest figures are for September 2020 to August 2021. The latest years data will not be available until September 2022.

As **Figure 20** shows, the number of adults helped by Wirral Foodbank over the previous 6 times periods shows an increasing trend, peaking in 2019/20 (September 2019 to August 2020) which coincided with the UKs first lockdown). In the most recent time period of 2020/21 (September 2020 to August 2021), there was a slight decrease of 4% on 2019/20 figures, with 17,264 adults helped. Figures for 2021/22 (covering September 2021 to August 2022 should be available sometime from September 2022).

Impact on health services

Many patients pay for part, or all, of the cost of certain healthcare services/goods, e.g., dentistry, prescriptions, opticians and sexual health. Those on the lowest incomes will have exemptions from many of these, but cost of living pressures may be a deterrent for those just above the thresholds, with the obvious risk that health conditions develop or deteriorate and ultimately become more challenging and costly for the NHS to resolve, while causing people unnecessary pain, misery, stress and a curtailment of their usual activities. In addition, other health benefitting expenditure may be deprioritised – such as spending on physical activity-related goods and services, such as leisure centre membership or exercise classes [2].

Figure 21: Number and percentage of Wirral adults reporting having visited an NHS dentist in previous 24 months (rolling average)



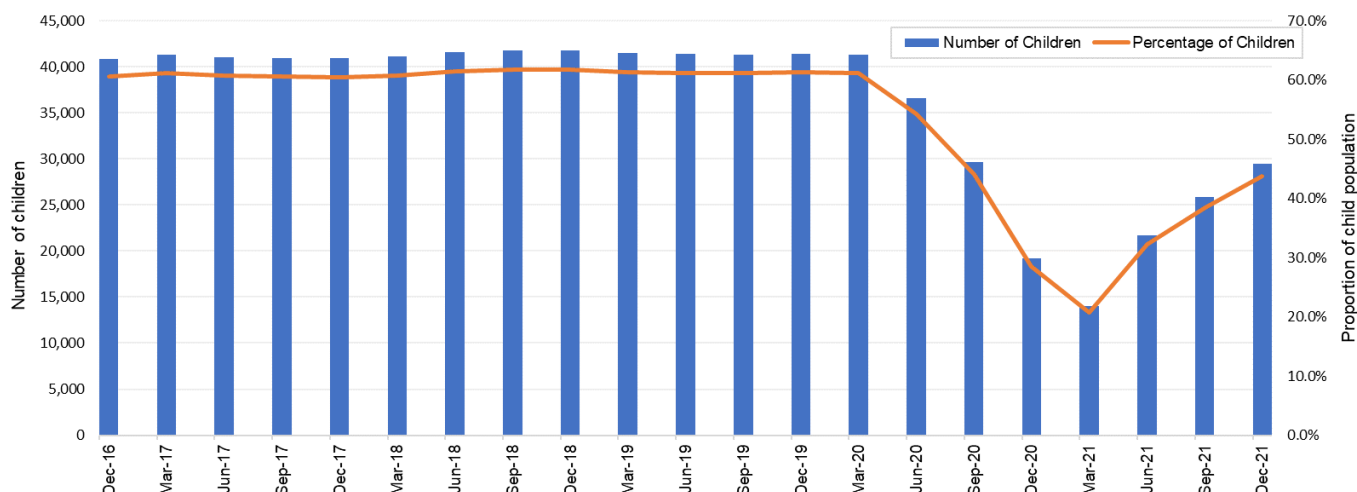
Source: [NHS Digital Dental Statistics for England Dashboard, 2022](#)

As **Figure 21** shows, the proportion of adults (orange line) in Wirral reporting having visited a dentist in the previous 24 months was the lowest it has been in over 5 years in December 2021. While much of this fall will be due to COVID-19, the chart shows that proportions continued to decrease to December 2021, despite services having reopened from July 2021.

By contrast, following an initial dip due to the COVID-19 pandemic, the proportion of children visiting a dentist then increased again following the end of lockdown in July 2021, see **Figure 22**. Although the proportions of children seeing a dentist have not yet reached pre-pandemic levels, rates are recovering, indicating access is no longer as much of an issue; the fact that this is *not* the case among adults is interesting.

Children receive free dentist appointments on the NHS, whereas adults (unless retired or on certain benefits), do not, so the figures presented here could be an indication that adults are delaying regular dentist appointments due to the costs associated with treatment. The cheapest NHS dental charges are Band 1 treatments (check-ups, x-rays, scale and polish as well as planning for future treatment costs) costing £23.80, which may be a barrier to those on the lowest incomes whose finances are being squeezed elsewhere.

Figure 22: Number and percentage of Wirral children reporting having visited an NHS dentist in previous 24 months (rolling average)



Source: [NHS Digital Dental Statistics for England Dashboard, 2022](#)

As well as impact on those elements of the health service which require co-payments such as dentistry, there are also potential impacts for patients with disabilities, long term health conditions and those using the NHS in general.

For example, those with disabilities or long term conditions which require frequent hospital visits, or which impact mobility, require specialist equipment at home (e.g., pressure mattresses, oxygen nebulizers, suction hoists, air conditioning) and/or require housing to be kept at an ambient temperate are likely to feel the impact of increased energy and fuel prices in the coming months [24, 25]. This is a considerable group of patients which could include (but is not restricted to) those with Parkinsons, Cystic Fibrosis, lung conditions and COPD, cancer, kidney disease, peripheral arterial disease.

Impact on social care

In a report published in July 2022 on the impact of the pandemic on social care, OFSTED describe how social workers, children's charities and advocacy groups have expressed concern that the current cost of living increases may result in more risks to children (because it will increase the number of families living in financial hardship, which in turn, can make parenting harder). Some local authorities told OFSTED that, with families under greater financial strain, they anticipate higher numbers of child protection cases and children in need and noted that they have planned for this in their budgets [23].

A research article published by the Welsh Parliament in July 2022, warned there was already a workforce crisis in social care, with significant staff shortages, and major problems in recruiting and retaining staff, particularly in domiciliary care, resulting in people having to stay in hospital longer than necessary as care packages can't be put in place at home. Concerns have also been raised that the lack of homecare is leading to some older people being placed in residential care as an interim measure, which in many cases becomes permanent [27].

The cost of living crisis is now exacerbating this situation; with more domiciliary care staff leaving the sector due to the rising price of fuel, as travelling to multiple homes a day to provide care, and the relatively low wages means their costs are no longer covered [27].

In March 2022, the Homecare Association surveyed domiciliary care providers across the UK and found [27]:

- Half of providers said care workers had requested an increase in the mileage rate
- More than a fifth (21%) said that care workers had either given notice, intended to look for work or had already done so because they cannot afford to put fuel in their cars
- 92% of providers were either concerned or very concerned about the effect of the rise in fuel costs on the financial viability of their company
- The Homecare Association also notes there is significant difference between the mileage rates received by NHS staff (often paid 54p per mile) and homecare workers (sometimes paid only 10p per mile)

Housing

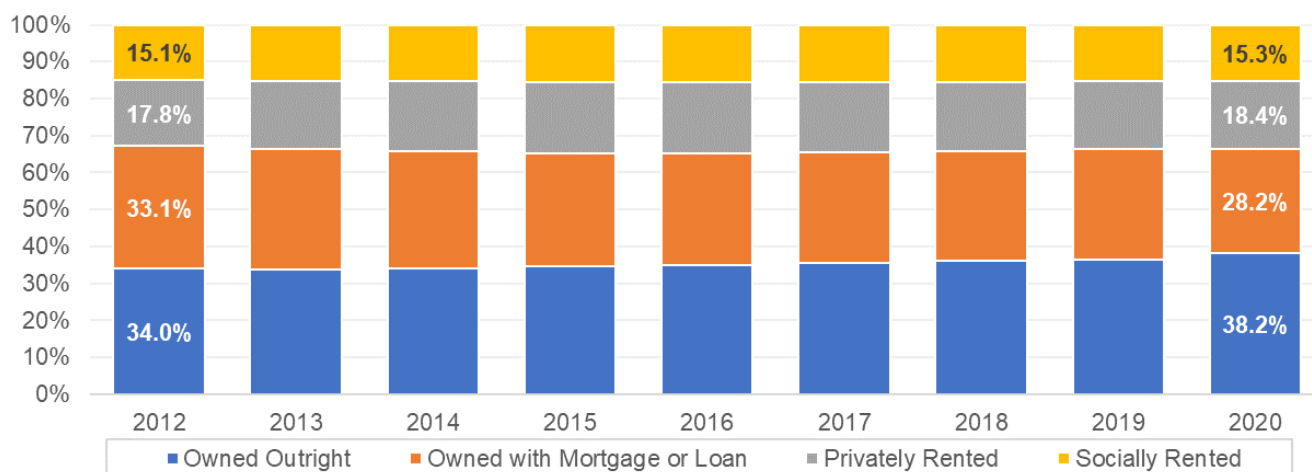
Even prior to COVID-19, figures indicated that those who were renting (either socially or from private landlords) had the lowest incomes compared to those with other housing tenures (37% and 24% below the overall median) [5]. Since the pandemic, [StepChange](#) have found that 1 in 5 private renters had gone without meals or suitable clothing since March 2020 and 3 in 10 said that their money worries had contributed to mental health issues [15].

Bank of England (BoE) statistics show that the largest impact of the COVID-19 pandemic (in terms of housing tenures) has been on the income of renters; renters were more likely to have lost their jobs or been furloughed, relative to households with mortgages or those who own their own home outright for example [15]. Survey evidence also suggests that more renters have seen a fall in income, a pattern which persisted over the course of COVID-19 [15].

Recent survey evidence indicates that renters were less likely to accumulate savings over the year (to April 2021) compared to mortgage borrowers or outright owners and faced more persistent hits to their income, making them more vulnerable to shocks and the ending of government support schemes [15].

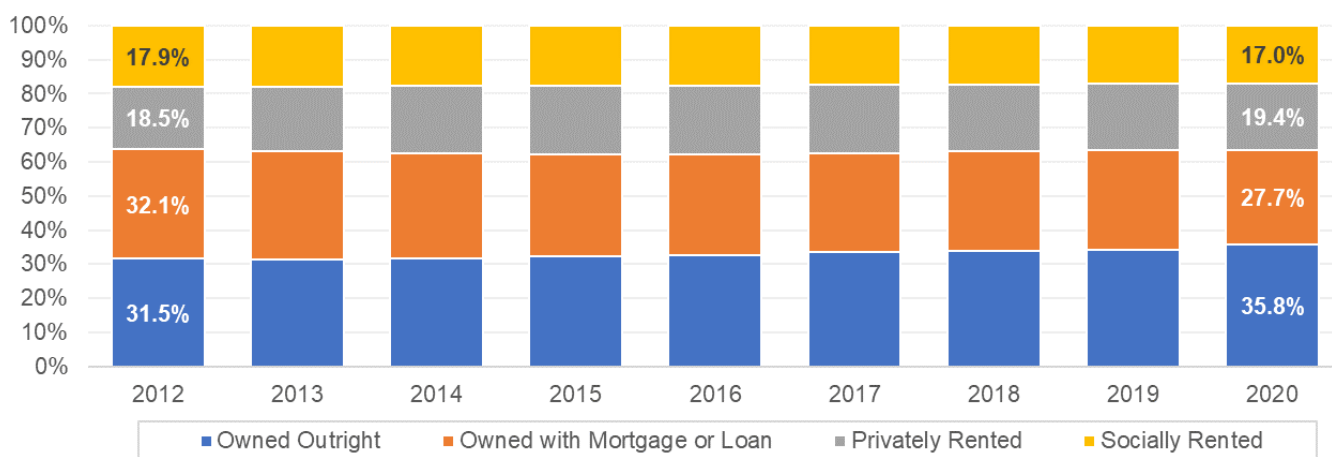
Figure 23 below displays the proportion of households by tenure over time and shows that in Wirral that are privately rented has increased since 2012 from 17.8% to 18.4%. Despite this increase, it still has a lower proportion of privately rented households compared to England (**Figure 24**).

Figure 23: Proportion of Households by Household Tenure in Wirral, 2012-2020



Source: Office for National Statistics, [Subnational estimates of dwelling by tenure, England](#), January 2022

Figure 24: Proportion of Households by Household Tenure in England, 2012-2020



Source: Office for National Statistics, [Subnational estimates of dwelling by tenure, England](#), January 2022

The proportion of privately rented households varies significantly by ward, with approximately 1 in 4 households (28.7%) of all households in Birkenhead and Tranmere ward being privately rented, compared to approximately 1 in 20 households (5.3%) in Greasby, Frankby and Irby ward [19].

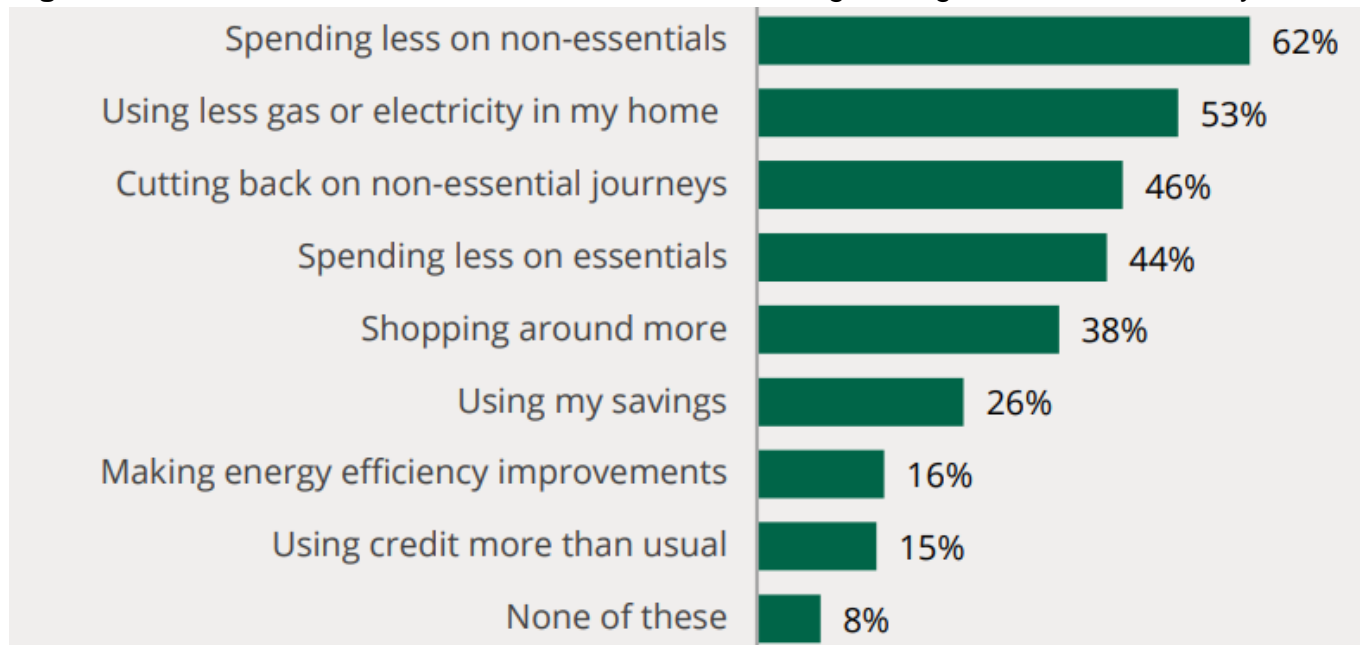
Local, Community and Stakeholder views

Over half of people (55%) felt their health has been negatively affected by the rising cost of living, according to a YouGov poll commissioned by the Royal College of Physicians in May 2022 [21].

Of those who reported their health becoming worse, 84% said it was due to increased heating costs, over three quarters (78%) a result of the rising cost of food and almost half (46%) down to transport costs rising [21].

Nationally, responses to a survey conducted between 22 June and 3 July among UK adults and reported by ONS, asking those who reported an increase in their cost of living, what, if any, actions they had taken as a result [20].

Figure 25: Actions taken due to the increased cost of living among UK adults, June-July 2022



Source: [20]

As **Figure 25** shows, over half (53%) of people reported using less energy at home, and just under half (44%), reported they were spending less on essentials. Concerningly, 1 in 7 (15%) said they are using credit more than usual [20].

What is this telling us?

Groups most at risk linked to key priorities

- Low income households/those already living in deprivation [2,10,]
- Individuals (or households containing individuals) who are disabled, e.g., individuals living in households where somebody was disabled, were around 8% more percentage points more likely to be in relative low income [10]
- Those with long term conditions [24]
- Those who are privately renting their homes [15]
- Those already in debt and/or with unsecured loans [15]
- Those who live alone [13]
- Younger households with children
- Black, Asian and minority ethnic households [14]

National/Regional activity/support

Measures to support households were announced in February, March and May 2022. The support was worth an estimated at £37 billion [20]. In April 2022, the Government also brought in tax rises, for both income tax and NICs. Once these changes are factored in, the net level of government support is worth around £14 billion in 2022/23 [20]. The support measures announced include:

- £400 off energy bills for all households
- £650 payments for households receiving means-tested benefits.
- Pensioners will get an additional £300 and people receiving disability payments an additional £150
- a £150 council tax rebate for households in council tax band A-D
- a 5p cut to fuel duty
- an increase to the amount someone can earn before National Insurance Contributions (NICs) are charged
- The VAT on energy saving materials (such as solar panels) has been reduced from 5% to 0% until March 2027. Wind turbines and water turbines will be added to the list of energy saving materials

In June 2022, the Metro Mayor of Liverpool, Steve Rotherham, announced that bus passengers will be able to travel across the Liverpool City Region for no more than £2. This means some passengers will save up to 13% on the cost of a single journey regardless of which service they use, reducing the hassle and confusion of the region's complex ticketing system [16]. Young people will also continue to benefit from all day unlimited travel for just £2.20 by capping MyTicket until 2025.

Plans are also underway to simplify the region's wider ticketing system under a 'tap and go system' that would guarantee passengers always pay the cheapest fare. Earlier this year the Liverpool City Region took a step towards the major reform of its buses after local leaders voted to confirm franchising as the preferred model for running the network – a move that would reverse the industry's deregulation of the 1980s [16].

Local activity/support

Revenues & Benefits Service

The Emergency Support fund will be administered from 1 April 2022 by the Revenues & Benefit service. As was the case pre COVID-19, the service will continue to support residents with food, utilities, household items, bills/expenses in emergency situations [30].

The Emergency Support fund provides financial support for individuals and families in crisis due to an emergency or disaster may be available from Wirral Council. This may include help for those leaving a care home, prison, hospital or similar, to become established in the community.

The Emergency Support Fund can support residents with:

Help with food: Support is available via the Wirral foodbank, who work with local agencies, resident can contact a local agency for an emergency food bank voucher or can contact the Wirral foodbank directly. Emergency financial support may be available from Wirral Council for individuals and families in crisis who are in urgent need of specialist food that cannot be supplied by Wirral Foodbank and who cannot pay. We may be able to provide financial help for three days' worth of food for people with a specific food need related to a medical or health condition or due to religion or culture.

Help with utilities: We can only help with gas and electricity if the need is urgent, and the resident is on a pre-payment meter. If we agree they need emergency support, will provide details to the *Fuel Bank Foundation* - see below for current information.

FUEL BANK FOUNDATION = Fuel voucher £30. From Friday 1st April 2022, a £30 fuel voucher amount can be applied for; this equates to an average week to ten days' worth of respite. The eligibility criteria for a fuel voucher are:

- A household is living without heat light and power because the meters have switched off **and** there is no £££ available to get them back on again.
- Or when the meters will switch off imminently (i.e., within the next 24-48 hours) **and again** there is no chance of any funds or money to avoid self-disconnection
- Or when people have heat, light, and power, but the way they are funding it is not sustainable or indeed sensible – examples prostitution, and unregulated doorstep loans.

Help with household items: Emergency financial support may be available from Wirral Council for individuals and families who meet the criteria and who need help with household items such as: white goods; essential furniture and kitchen items; bedding and clothing.

Help with something else (for example, other items, bills and expenses) - Financial support may be available to help with other household items, bills and expenses. This is to provide immediate help in an emergency situation; it is not to provide ongoing regular support.

Further details can be found at www.wirral.gov.uk/benefits-and-money/emergency-financial-support

Citizens Advice Service

Citizens Advice Wirral supports Wirral residents with information, advice and casework covering a range of practical issues including debts, benefits, housing. Working closely with Wirral Foodbank and the Fuelbank Foundation they also support people in food and fuel poverty [30].

Citizens Advice have seen an increase in demand for their services since October 2021 with many clients who they speak with telling them that they have never needed advice and support before and that the increase in the general cost of living, including fuel, is impacting on themselves and their families, resulting in many people struggling to top up their prepayment metres or afford their monthly fuel direct debit bills.

- During 2021 an average of **3,500** Wirral residents were supported through 'self-help' each month, using Citizens Advice's online resources, this has increased to an average of **4,300** per month during 2022.

- In October 2021, the national Citizens Advice online resource saw **15,575** Wirral residents accessing self-help, an increase of **2,500** on previous months.
- The Ask Us Wirral service has had an increase of **400 client contacts** and assessed an additional **600 clients** via telephone, email or face to face in February 2022, compared to October 2021.

Since October 2021, **1,044** Wirral clients who were surveyed, responded by stating that the reduction in UC from October 2021 and the wider ‘cost of living’ challenges from March 2022 had negatively impacted on their financial situation, demonstrated, in **Table 2 below**, by constituency.

Table 2: Impacts on Cost of Living to Wirral Clients at Wirral Citizens Advice

Constituency	UC CUT		Wider ‘Cost of Living’ increases March 2022
	October to December 2021	January to February 2022	
Birkenhead	344	97	65
Wallasey	171	39	30
Wirral South	170	27	22
Wirral West	33	23	23
Total	718	186	140

Source: Wirral Citizens Advice Service via Senior Leadership Team Paper [30]

What are the challenges?

Key gaps in knowledge and services

Although reports detailing the fact that one of the main drivers of inflation has been transport costs, which in turn pushes up the cost of goods, there is little in the way of research to show exactly how this is directly impacting people in the UK at the time of writing (July 2021), e.g., impact on private journeys, car usage and use of public transport, which feels like a significant gap in the evidence.

Especially as anecdotal evidence reported by doctors to the Royal College of Physicians, included patients unable to afford to travel to hospital for cancer investigations and treatments [21].

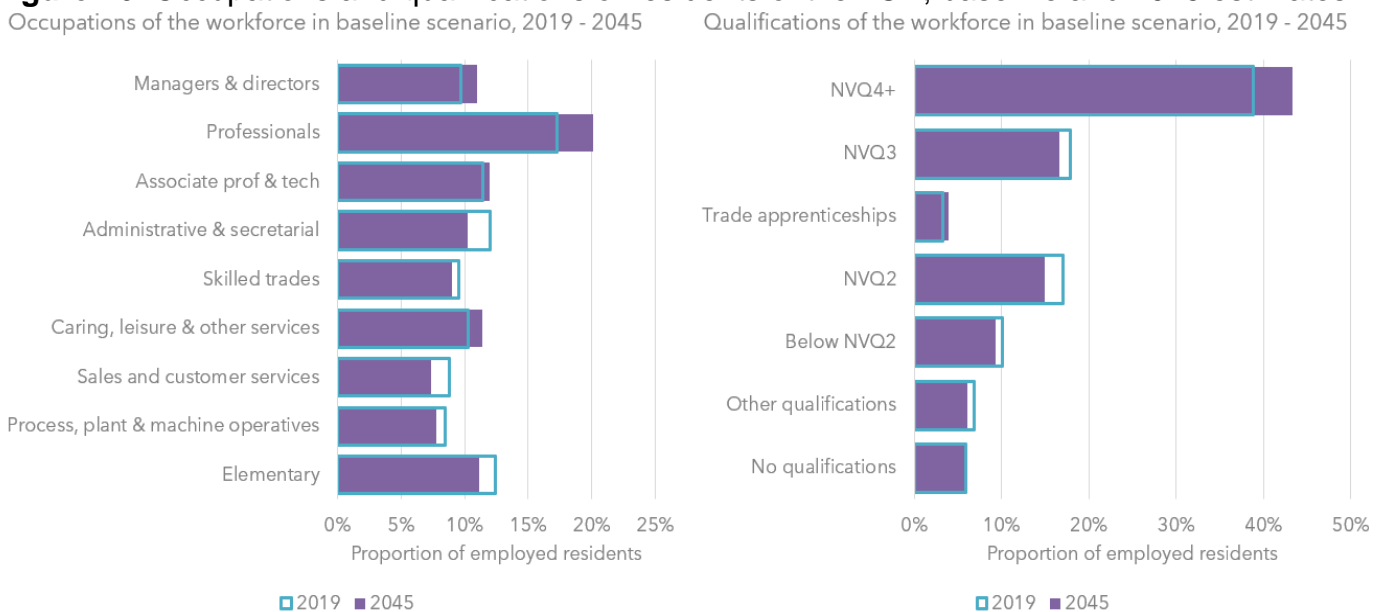
There may also be impacts on usage of public transport, or the ability of low (and middle) income families to take up work opportunities or enjoy leisure and health benefitting opportunities for example and this should be further explored.

What is coming on the horizon?

- Further increase in energy prices are planned for October 2022; these will be in the region of 40% increases
- The Bank of England (BoE) expects inflation to peak above 11% later in 2022 [3]
- At the time of writing, markets are expecting interest rates to rise further to around 3% by the end of 2022. However, the Bank of England (and others) expect higher inflation to result in slowing consumer spending and, in turn, weaker economic growth over the rest of 2022 and into 2023. Slower growth may lead to reduced inflationary pressures. Higher interest rates may also contribute to lower economic activity, worsening any downturn [20]

- According to the BoE, if those who are renting their homes experience financial difficulty, this may pose wider risks to economic recovery and financial stability, namely;
 - Renters hold a significant proportion of unsecured debt; pressure on the finances of renters may result in defaults and losses on these loans
 - Rental repayments are a source of income for buy-to-let landlords; a fall in rental payments may lead to a glut of buy-to-let borrowers selling their properties, amplifying house price falls
 - If renters cut consumption to keep up with rental payments, this could amplify a downturn. Renters are less likely to have savings compared to mortgage borrowers and spend a significant proportion of their income on housing costs
- Oxford Economics have forecast the following for the Liverpool City Region [11]:
 - While COVID-19 had a large negative impact on the LCR economy, GVA is expected to bounce back quickly, but then grow at a slightly slower pace than the rest of the country over the coming decades to 2045
 - Population growth in LCR is expected to slow, with the working age population decreasing in size and the number over residents aged over 65 increasing; the trend towards an ageing population is stronger in LCR than the rest of the UK
 - Manufacturing is likely to decline significantly in employment terms
 - Productivity gains, rather than increased jobs, are expected to be the main driver of growth - but productivity gaps are likely to remain
 - LCR's modest employment growth is expected to be supported by a decrease in economic inactivity rather than population growth
 - The composition of LCR's economy is likely to change, with a greater prevalence of higher-skilled, higher-paid jobs (e.g., professional and scientific, health and social work and ICT sectors) requiring a higher level of qualifications than is currently the case (see **Figure 26** below)

Figure 26: Occupations and qualifications of residents of the LCR; baseline and 2045 estimates



Source: Oxford Economics, 2021 via [Liverpool City Region: Plan for Prosperity Detailed Evidence Base](#) [11]

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Appendix

Table 3: Trend in Real Living Wage and National Living Wage rates in previous 7 years

	Voluntary	Voluntary	Statutory
Year	Real Living Wage (London)	Real Living Wage (rest of UK)	National Living Wage*
2016/17	£9.75	£8.45	£7.20
2017/18	£10.20	£8.75	£7.50
2018/19	£10.55	£9.00	£7.83
2019/20	£10.75	£9.30	£8.21
2020/21	£10.85	£9.50	£8.72
2021/22	£11.05	£9.90	£8.91
2022/23	To be announced Sept 2022	To be announced Sept 2022	£9.50

Source: Living Wage Foundation, <https://www.livingwage.org.uk/what-real-living-wage>

*At age 23+

Note: The statutory National Living Wage rates change in April of each year, so from April 2021 (to March 2022), the rate was £8.91, as of April 2022, this rose to £9.50. In April 2023, the National Living Wage will rise to £10.14 per hour

Contact details

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