

# Cost of Living Update

10<sup>th</sup> June 2023

- The overall inflation rate decreased to 8.7% in April from 10.1% in March. Inflation in key categories for the 12 months to 30<sup>th</sup> April was:
  - Clothing 6.8% (decrease from 8.1% in March)
  - Transport 1.5% (increase from 0.8% in March)
  - Housing, water and fuel 12.3% (large decrease from 26.1% March)
  - Food and non-alcoholic beverages 19.0% (remained stable from March)
- The most notable change in inflation rates was seen in housing, water and fuel which is mainly attributed to the fall in fuel prices ([ONS 2023](#)). It is important to note that a decrease in the inflation rate does not translate to a reduction in shelf prices, rather a downward trend in inflation indicates a slowing of price rises. This is supported by the Office for National Statistics [Opinions and Lifestyle Survey](#), which found that 97% of adults in Great Britain reported an increase in the price of their food shop from the month to May 2023.
- Road fuel prices have continued to fall nationally, from an absolute peak reached in the week ending 2<sup>nd</sup> July 2022 (£1.92 for petrol and £1.99 for diesel), to around £1.43 for petrol and £1.46 for diesel per litre. It now costs less to fill a petrol Ford Fiesta (-25%) than 1 year ago. [The Competition and Markets Authority \(CMA\) released](#) their latest findings in mid-May on the price of road fuel, attributing the higher pump prices to more than outside factors and the CMA have expressed concerns that a lack of competition in the market was placing unfair financial costs on the public. Following the release of the CMA's findings, there has been a notable decrease in the diesel (10ppl reduction) bringing the price of petrol and diesel within 3ppl, which are in line to levels prior to the Russian invasion of Ukraine (24<sup>th</sup> February 2022).
- The Ofgem price cap sets the maximum daily standing charge, while the Energy Price Guarantee (EPG) sets the maximum cost per unit energy companies can charge customers; both aim to reduce the extent of price increase from energy costs (e.g. heating bills). Nationally, gas prices have fallen by 1% for the first time between March and April since October 2020, with electricity prices following a similar trend. However, this will not translate to an immediate reduction in energy bills for customers, due to time lags between the wholesale and retail gas prices under the price cap. Additionally, the reduction in the price cap in April 2023 was not large enough to take it below the EPG level, thus customers on standard variable tariffs did not see their bills fall. However, the Spring Budget 2023 noted the EPG would increase to £3,000 in July 2023, put back from April to July 2023. This means that there will be an overlap from July to September 2023 when the price cap is lower than the EPG, resulting in a reduction in energy bills for customers on standard variable tariffs with a typical consumption. Source: [House of Commons Library 2023](#).
- **Updated:** In Suffolk, there were 21% of pupils known to be eligible for Free School Meals at the start of the academic year 2022/23. Additionally, the Free School Meals Map has been updated using data from the January 2023 School Census. There are 5 Middle Super Output Areas (MSOAs<sup>1</sup>) that have at least 40% of their pupils eligible for free school meals. Four of these MSOAs are located in Lowestoft and the other in West Ipswich. When viewed at Lower Super Output Area (LSOA<sup>1</sup>) level, there are 34 LSOAs that have at least 40% of their pupils eligible for free school meals. The majority are in Lowestoft and Ipswich, with additional LSOAs scattered around Suffolk; southwest of Haverhill, west of Bury St Edmunds, west of Stowmarket, and Beccles.
- The Warm Handover Scheme is a Suffolk Information Partnership (SIP) managed secure online portal in which partners of the SIP can securely make or take on referrals between the other SIP partners. This enables vulnerable customers and clients to access services that they may not be able to access on their own. Two recent changes are expected to make a noticeable impact on the number of referrals sent through the Warm Handover Scheme. Firstly, at the end of March 2023 the Citizens Advice (CA) Ipswich partnership ended. CA Ipswich accounted for approximately 15% of referrals sent and received, which as expected, has resulted in a reduction in the overall number of referrals in April 2023. Secondly, the Local Welfare Assistance Scheme (LWAS) joined the Suffolk Information Partnership and Warm Handover Referral Scheme in April, and their inclusion may lead to an increase in referrals being made to partner organisations.
- On a National scale, Citizens Advice (CA) have helped record numbers of people with cost-of-living support in 2023, exceeding the number of people supported in previous years [CA 2023](#). This trend is echoed across Suffolk with the number of people helped across enquires in May 2023 19% greater than in May 2022. Unfortunately, with increasing demands on CA services, the CA branches in Suffolk have expressed concerns that they are experiencing a higher number of requests than their resources can support, with some branches having to reduce the type of contact channels (i.e. reducing drop-in services) to mitigate workload on CA team. Additionally, May experienced three Bank Holidays, which also impacted on the ability to help more people. As such any reduction in the number of people supported does not necessarily indicate a lower demand in services.

[www.healthysuffolk.org.uk/JSNA](http://www.healthysuffolk.org.uk/JSNA)

<sup>1</sup> MSOA and LSOA are population density based geographical areas designed to improve reporting between areas. MSOA = minimum population is 5000 and the mean is 7200, LSOA= minimum population is 1000 and the mean is 1500.