



Care & Repair Cymru

OLDER PEOPLE IN WALES: POVERTY IN WINTER 2023-24

A Care & Repair Cymru Report



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19%

of their income on utilities this winter.

About This Report

Every day, Care & Repair see older people in Wales living in unfit and unsafe housing, with few opportunities for redress or to improve their situation.

Until April 2023, Care & Repair had a specialist fuel poverty and energy advice service. Almost all clients who interacted with this service were living in fuel poverty. Using an anonymized sample of our clients, we have calculated the average spending on energy over a three-year period for Care & Repair clients who used this service and received government support.

About Care & Repair

Care & Repair is the older people's housing champion in Wales. We improve homes to change lives. We do not accept that any older person should:

- Live in a home unsuitable to their needs.
- Become ill because they live in a cold home.
- Live in a house that is hazardous or unfit for habitation.
- Be without necessary adaptations to help them live independently with dignity, in their own home.

Key Findings

- Even with government support, this winter the average Care & Repair client will spend 19% of their income on utilities.
- In winter of 2022/23, clients who engaged with our fuel poverty and energy advice service were spending on average 25% of their income on utilities.
- Welsh and UK Government support has provided a lifeline to many older households during the cost-of-living crisis; however, this level of support is unsustainable.

The Story So Far

Care & Repair's clients are particularly at risk of the health implications of cold and damp homes: 75% of excess winter deaths are people aged 75 and above. Cold and damp homes, exacerbate respiratory problems and the risk of heart attacks and strokes. Cold homes have also been linked with increased incidences of injuries such as falls, and increased hospital admission rates.

Last year Care & Repair clients were eligible for up to £1,900 from Welsh and UK Government schemes. Even with this support, the average on-grid Care & Repair client household was spending 21% of their income on their fuel bills, and over a quarter of their income on all utilities. Across Wales, the percentage of household income spent on utility bills ranged from 8% to 62%. The areas with the biggest range were Cardiff & the Vale of Glamorgan, and Gwynedd & Ynys Mon.

The Story This Winter

This winter an average on-grid Care & Repair household is still using 15% of their household income to pay their fuel bill. This is despite Ofgem announcing a lower energy price cap from 1 October to 31 December 2023 than originally estimated in August and continued cost of living support.

Older people on pension credit are eligible up to £1,500 of support this year. Without the remaining government support from continued cost-of-living payments this rises to 17%, and 19% if the triple lock had not been maintained. The UK Government will not be reintroducing its Energy Bill Support Scheme which provided support of £400 for every household. Additionally, the Welsh Government Fuel Support Scheme which offered targeted support of £200 for help toward energy bills will also not be available for 2023/24. Standing charges for both electricity and gas have also increased compared to last year, with those living in North Wales and Mersey paying on average £82 more in standing charges than those living in London.ⁱ

Welsh Government estimates that up to 45% (614,000) of households in Wales could be living in fuel poverty, an increase from 12% (155,000) in 2018.ⁱⁱ In our sample of Care & Repair households who had accessed our energy advice service, 96% of households were living in fuel poverty. As we head into the colder months, it is even more obvious that we need long-term solutions from government to tackle fuel poverty.

Older People and Their Income Over Winter

As the price cap has fluctuated over the last three winters, so has the amount invested by the UK and Welsh Government to support households respond to shocks on their household bills. Ofgem has moved to quarterly price cap reviews, another price cap increase is forecasted in January 2024. Meanwhile, energy bill support schemes are being phased out and the costs of leisure, groceries and travel have risen. The table below demonstrates the picture for older households since 2021:

2021/2022	2022/23	2023/24
State pension: £137.60 (per week) Pension Credit Guarantee (top up to £177.10 per week)	State pension: £141.85 (per week) Pension Credit Guarantee (top up to £182.60 per week)	State pension: £156.20 (per week) Pension Credit Guarantee (top up to £201.05 per week)
Had not been introduced.	Welsh Government Fuel Support Scheme: £200 one-off payment.	Not available for 2023/24
Warm Homes Discount: £140	Warm Homes Discount: £150	Warm Homes Discount: £150
Winter Fuel Payment: £200	Pensioner Cost of Living Payment + Winter Fuel Payment: Between £250-£600.	Pensioner Cost of Living Payment + Winter Fuel Payment: Between £250-£600.
Had not been introduced	Energy Bill Support Scheme: £400 (over 6 months)	Not available for 2023/24
ENERGY PRICE CAP October 2021: £1,277	ENERGY PRICE CAP October 2022: £2,500 (EPG)	ENERGY PRICE CAP October 2023: £1,834

Older People and Their Income Over Winter: The Average Care & Repair Client

The tables below illustrate our recent research into our average Care & Repair client's income and expenditure on utility bills from 2021/2022 to 2023/2024. Mrs Jones is a fictional client but reflects the similar situation of our average client.

Mrs Jones is a 75-year-old female, who lives alone in her home she owns. She lives in a 3-bedroom terraced house where she raised her family and lived with her husband until he passed away. It is a council tax band D property in Pentyrch. She reached retirement age in 2007 and has savings of under £10,000. She receives state pension and is topped up by pension credit which entitles her to receive further Cost of Living Payments.

2021/2022		PER YEAR
Income	State Pension + Pension credit	£9,209.20
	Warm Homes Discount	£140.00
	Winter Fuel Payment	£200.00
	TOTAL	£9,549.20
Utilities costs	Gas and electric	£1,277
	Water	£466.82
	TOTAL	£1,743.82
% of income spent on gas and electric		13.4
% of income spent on utilities		18.3

2022/2023		PER YEAR
Income	State Pension + Pension credit	£9,495.20
	Warm Homes Discount	£150.00
	Winter Fuel Payment + Pensioner Cost of Living	£600.00
	Energy Bill Support Scheme	£400.00
	Winter Fuel Support Scheme (WG)	£200.00
	Cost of Living Payment	£900.00
	TOTAL	£11,745.20
Utilities costs	Gas and electric	£2,500
	Water	£485.00
	TOTAL	£2,985.00
% of income spent on gas & electric		21.3
% of income spent on utilities		25.4

2023/2024		PER YEAR
Income	State Pension + Pension credit	£10,454.60
	Warm Homes Discount	£150.00
	Winter Fuel Payment + Pensioner Cost of Living	£600.00
	Cost of Living Payment	£900.00
	TOTAL	£12,104.60
Utilities costs	Gas and electric	£1,824
	Water	£499.00
	TOTAL	£2,323.00
% of income spent on gas and electricity		15
% of income spent on utilities		19.2

Are Support Payments a Sustainable Solution?

Support payments have been a lifeline for many of the clients that Care & Repair support, allowing them to be able to pay for essentials and keep warm over winter.

However, despite a fall in the energy price cap from 1 October 2023, and an increase in state pension in line with inflation, our estimation shows that older people are still spending a higher proportion of their income on their utility bills compared to 2021/2022 levels. Overall household costs have also increased, with an average weekly food shop up 28% from 2021ⁱⁱⁱ.

Our research shows that the average household Care & Repair support continue to live in fuel poverty. Our fuel poverty and energy efficiency advice service reached nearly 3,000 homes; many of these households were living in cold, poorly insulated homes and dealing with rising costs. Our caseworkers frequently reported instances of increasing debt and worries about turning on the heating over the winter months.

We know that there are many households still struggling to keep up with rising prices and cutting back on their everyday essentials. Spiralling inflation hits vulnerable households the hardest, with 3.8 million people in the UK facing destitution, an increase of 61% since 2019.^{iv} This is why Cost-of-Living Payments are not a permanent solution to helping people stay out of fuel poverty.

Care & Repair Cymru are calling for long term solutions to tackle energy poverty in Wales.

£2.2 billion is currently owed by UK households who are behind on their energy bills, up more than 70% over the past three years.¹ Without long-term solutions to help the most vulnerable households, people will continue to ration energy, falling further into fuel poverty.

Long Term Solutions for Long Term Change

Introduction of a social tariff – The energy crisis has put extreme pressure on households, particularly lower-income households who are often paying a poverty premium for energy. Low-income households are more likely to be on prepayment meters or unable to afford energy efficiency improvements. Offering discounted price plans to vulnerable households will mean that bills go beyond being ‘fair’ to being affordable. Social tariffs will mean that vulnerable households are more resilient against energy price rises in the future.

Reform on standing charges – Standing charges for energy bills has risen by 64% since the introduction of the price cap^v. Increasing standing charges disproportionately affect lower-income households and those on prepayment meters as they consume less energy than high-income households so standing charges form a larger part of their bill.^{vi} High standing charges means lower users save disproportionately less which is why we believe standing charges should be substantially reduced to reflect an affordable price for consumers.

Safety net grant for housing disrepair – The best saving on energy bills comes from the energy we do not have to use. We are calling on a safety net grant to rectify hazardous disrepair present in Welsh homes such as leaking roofs and draughty windows which will improve the thermal efficiency of homes. Find out more about this ask in our report [‘The State of Older People’s Housing in Wales’](#).

Long-term solutions are needed to keep the heating on to stay safe and warm at home, preventing cold-related illnesses and further hospital admissions.

Contact

To find out more about our policy work in Wales or how you can support us, head over to our website or contact Hannah Peeler, Policy & Funding Officer: hannah.peeler@careandrepair.org.uk

Bibliography

ⁱ National Energy Action (2023) *Standing charges are hurting low-income households*. Available at: <https://www.nea.org.uk/news/standing-charge-rises-low-income-households/>

ⁱⁱ Welsh Government (2022) *Fuel Poverty modelled estimates for Wales*. Available at: <https://www.gov.wales/fuel-poverty-modelled-estimates-wales-headline-results-october-2021-html#3>

ⁱⁱⁱ UK parliament (2023) *Rising cost of living in the UK*. Available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-9428/#:~:text=Over%20the%20two%20years%20from,rise%20by%20the%20same%20amount.>

^{iv} Joseph Roundtree Foundation (2023) *Destitution in the UK 2023*. Available at: <https://www.jrf.org.uk/report/destitution-uk-2023>

^v National Energy Action (2023) *New report reveals energy standing charges set to increase to new high, up by 64%*. Available at: <https://www.nea.org.uk/news/new-report-reveals-energy-standing-charges-set-to-increase-to-new-high-up-by-64-leaving-low-income-households-worst-hit-2/>

^{vi} National Energy Action (2023) *Reforming energy standing charges*. Available at: [Reforming energy standing charges for prepayment customers – Ideal Economics](#)



Care & Repair Cymru

www.careandrepair.org.uk

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