



# HARD TIMES 1

## THE HIGH COST OF LIVING

*“At the moment all I see is darkness.  
And next year is going to be really, really tough....”*

### Key Messages

- Rising living costs are making even the bare essentials unaffordable for some people.
- Fuel and heating costs are the biggest concerns in all participating communities.
- Changes to the Social Security system, such as Disability Living Allowance and Incapacity Benefit, are beginning to make an impact on some of the most vulnerable.
- Tenants are struggling with rent payments and homeowners are struggling to keep up with mortgages. Some people have lost their homes and others are under threat.
- Many people feel they are losing any security they had built up in recent years.

These messages have emerged from detailed analysis of 27 transcripts of recorded conversations held with participating communities between July 2012 and February 2014. Many of their stories and experiences are supported by wider statistical evidence and academic research. More information on this unique community-led action research project can be found in HARD TIMES 4.

This is the first in a series of four *In-Briefs* presenting the latest findings from the Communities in Action (CiA) Programme, a unique community-led action research project with eight working class communities across Northern Ireland.

Since July 2012, local people have been documenting their experiences of the recession, cost of living increases and changes to the Social Security system in the run up to anticipated Welfare Reform legislation.

In February 2013, the first set of collective stories and evidence from the CiA Programme were presented at an event in Stormont. This *In-Brief*, *The High Cost of Living*, looks at how these same communities and families are faring, just over one year later in April 2014. The findings are stark.



As incomes have remained the same or fallen and the cost of living continues to rise, the impact has been devastating for many families. People are struggling with the basics like food for their children and fuel to heat their homes:

***“Goods, food, gas, electric, oil have all increased in price, so it is essentials we have to cut down on.”***

Some families can't afford three meals a day, never mind saving for a rainy day. People are forced to choose between one essential item or another – having a decent meal or having hot water, paying the mortgage or paying the gas bill and each month it gets tougher. These are ‘the bread and butter issues’ that people face on a daily basis. For some families, the hardest aspect of the current situation is that any sense of comfort and security they have built up over the years is being steadily eroded. Many people feel they are going backwards in terms of living standards and quality of life with no end in sight.

***“We don't really think we have anything to turn to. There are no other options left.”***

## **‘Where We Are Now’**

***“I'm 55yrs old, and I've never seen things as bad.”***

Today 36% of households in Northern Ireland lack three or more of what the majority of people think are basic necessities, up from 29.6 % in 2003.<sup>1</sup> Communities taking part in this research are ‘telling the real story’ of what it is like in Northern Ireland for some of the approximately 379,000 people in relative poverty and 422,000 in absolute poverty (before housing costs).<sup>2</sup>

## **Holes in the safety net**

The Welfare Reform Bill is yet to be fully debated in Stormont, and there is huge concern at community level about how this legislation will affect families already struggling with the impact of the recession, rising costs of living and cuts in services. For many families this ongoing process is leading to confusion and fear that hopes will be dashed. Many more people are seeking advice and report that advice services are stretched to capacity.

***“People are confused and frightened of when they get their benefits cut and they can't pay their rents, are they going be taken out of their benefits...”***

***“The advice worker. She comes on a Wednesday and a Thursday. If you go over there, there are 10 people waiting to see her and she only has 3 hours.”***

The expected financial loss to Northern Ireland, per adult of working age, once all the proposed changes to the Social Security system come into place, is substantially larger than in any other part of the UK. The most

***“My benefits went down since they put me on ESA. I was on incapacity and DLA before. I'd say I'm down about £40 a week, which is a lot of money.”***

deprived areas will be hardest hit. In Belfast and Strabane financial losses will reach an average of more than **£800** per working age adult, per annum, peaking at **£900** per annum in Derry. A key impact of the Welfare Reform legislation will be the widening gap between Northern Ireland and the rest of UK and widening inequalities within Northern Ireland itself.<sup>3</sup>

Many families will be affected by Child Benefit changes – more than 240,000 households in Northern Ireland.<sup>4</sup> It is for the longer-term sick and disabled however, that the impact will be the greatest. Changes to DLA and Incapacity Benefits are underway with approximately 76,000 people expected to go through reassessment in Northern Ireland.<sup>5</sup> This is already beginning to have an impact on people's incomes and on their health and wellbeing.

The way in which social security reassessment and the appeals tribunals are taking place is of deep concern. Some people feel it is designed to compound the shame people feel and further 'demonise' those on benefits. Work capability assessments for the Employment and Support allowance (ESA) are cited as a particular issue.

*"It's taking longer to get an appointment and the stress levels are really high - you can't focus on a way forward until then ... When that letter [from the social security agency] drops through the door, it's the thought of going down there (to the work capability assessment) and knowing what way they'll react with you, to make you a foot tall. It's not right the way they make you feel."*

People also feel that the decision



to locate appeal tribunals in local courthouses in Derry/Londonderry, Strabane and Newry<sup>6</sup> is part of this deliberate policy to 'demonise' people. Community workers report how people are reluctant to go to their appeal in the court house, fearful of how they would be perceived by others.

### Work and income

The work situation remains precarious for many. In Northern Ireland unemployment is higher than the rest of the UK, currently at 7.5%.<sup>7</sup> Between March 2012

and March 2013 alone, part time jobs rose by 2.1% while full time jobs fell by 0.4%.<sup>8</sup>

Many of the community participants who are in work report being in part-time work, with little security. People also mentioned an increase in 'zero hour' contracts. For those who are unemployed, the availability of permanent full time work appears to be scarce.

For many, the challenge was juggling the financial impact of coming off benefits for a short time, low paid work and confusion and delays in benefits payments when they moved in

*"Until it picks up there'll be no pay rises, so mine has stayed the same, and everything around me has got dearer."*



and out of unemployment, leaving them further in debt.

People also report how the long recession has had an impact on the local economy, particularly service industries, as people no longer go out to treat themselves. Those running their own businesses, including pubs and restaurants, find themselves struggling to keep their heads above water.

*“The local bar around the corner that has been there for years, 40 odd years, there’s nobody going into it now, the fella is actually leaving now ... and it’s not only our local bar.”*

***“As soon as the children go out the door the heating goes off at 9.30am. I sit then till 4pm in the cold...”***

*“We were just working to pay bills, that’s all. And it was getting to the stage you weren’t even making enough to cover your bills... I didn’t pay a lot of my bills that’s how I managed to survive to now.”*

## Bread and Butter Issues (2013-2014)

### Fuel and heating

The high cost of fuel and people’s inability to heat their homes is one of the most significant concerns for people across all of the communities and the top of their list of rising costs. Their experiences are in keeping with current statistical evidence on

fuel poverty. The numbers of families in Northern Ireland who could not afford to heat their homes has risen sharply from 3% in 2003 to 13% in 2012.<sup>9</sup> This is deeply affecting people’s everyday lives.

*“The pensioners ... they were turning the lights off, sitting in the dark, to save electric and they had no heating.”*

***Over 75% of the population agrees that a warm and dry home is a basic necessity. 13% of households in Northern Ireland cannot afford this.***

***(Source: PSE NI 2013)***

The issue for communities is not only the rising cost of oil, electricity and gas. Many people on low incomes find themselves doubly penalised by their poverty. People don’t have the money up front to pay for more economical heating options, such as paying gas and electricity by direct debit or filling up their oil tanks in one go. Instead they rely on metered fuel, which they drip feed and regularly run out. In the case of oil, people often ‘top up’ by using oil drums, as they can’t afford the cost of a full refill of their tanks. As a result, their heating systems are often damaged. It is a vicious circle.

*“I could only afford to fill my tank to 70 litres. Then the heating stopped working and when they came out to fix it they wouldn’t do anything because they told me I had to have a minimum of 80L in the tank for it to work... we ended up with more maintenance bills.”*

In order to cope with rising bills, some people are swapping between fuel providers and tariffs

to find a better deal. But they find this is only a temporary solution.

***“Firmus Energy guaranteed me 5% cheaper than Phoenix, so what happened? Phoenix put theirs up, so they put theirs up. So you were still paying what you originally did.”***

Others are returning to using coal fires, which impacts on the environment, as well as people’s health, as people struggle to find alternative ways to keep themselves and their children warm.

***“The Housing Executive said you’re not supposed to do that, but everybody is going back to fires. I can’t afford oil...it’s dangerous, too, as some people don’t understand and are just opening them up (without fixing the flue).”***

In response, some CiA groups have focused on finding a local solution to this issue with support from the CiA Programme, such as the oil buying clubs in Cregagh and Ardoyne.

***“At the minute I’m panicking a bit because I think my oil is going to run out, so I’m trying not to put it on too much, only have it on for an hour in the morning, and an hour at night.”***

## Food and healthy eating

The rising cost of basic food items is a major concern.

***“I used to get a packet of chicken and it was £3, and when I was in today it was up to £5. Now we’re shopping for bargains, where 5/6 years ago you didn’t, you just bought the brands you wanted.”***

***“You always make sure your kids have first, always.”***



## Resilience Stories: The Cregagh Oil Buying Club

In the Cregagh estate in East Belfast, like other communities across Northern Ireland, fuel poverty has been a constant concern. It is one of the most frequent issues raised in their community focus group sessions. People had difficulties in budgeting with all the demands on their money and struggled with being able to afford the minimum call out charge for the oil refill. To get by, many people were turning to short-term measures. And with oil levels in their tanks low, dirt and grit at the bottom of their tanks were getting into people’s heating systems, causing damage.

***“Oil - you have to pay in a lump sum... you’re left to run and get drums, and to me that just doesn’t make sense doing that. It’s costing more money in the long run.”***

In late 2013 the group made the decision to find a local solution. First, they set up a stamp buying scheme with local shopkeepers to enable people to budget and save.

***“You can put down £5 a week on a £200 card and when you fill the card you have enough to pay for half a tank or your gas or electric bill if you move off the meter.”*** (Cregagh resident)

With the help of Bryson Energy they also set up an oil buying club to reduce costs and help people who couldn’t find the cash for the minimum oil tank refill. There are currently 51 members and this scheme has enabled people to stop using oil drums. People report that it has already helped reduce their bills, by approximately £20 a refill.

Other CiA groups are working with local residents to address fuel poverty. In Ardoyne, Grace Women’s Development CiA group has also set up a local oil buying scheme.

The Cregagh CiA group has also taken up a free boiler maintenance scheme for pensioners, provided through the Community Foundation Surviving Winter Campaign, which has increased boiler efficiency that will reduce their heating costs.



People increasingly have to make stark choices between food, heating and other essentials and often parents will go without food or other items, just to keep their children fed. These experiences are backed up by PSE Northern Ireland statistics which found that 26% of people ‘often or sometimes’ skimped on food so others in the household would have enough to eat.<sup>10</sup>

Another way that people are coping with rising food costs is by buying cheaper, and in some cases less healthy, food than they would like.

**Over 76% of the population agrees that being able to afford two meals a day for adults (three for children), and fresh fruit and vegetables are basic necessities.**

**7% of adults and 4% of children in Northern Ireland are doing without these basic food items.**

**(Source: PSE NI, 2013)**

Many parents are aware of public health messages about healthy

**“Do I go without meat so that I can buy gas and electric? Or do without gas and electric to buy meat?”**

eating and feel guilty that they are ‘bad parents’ because they can’t afford regular fresh fruit and vegetables for their children.

**“I have 2 young kids and I do give them things sometimes that I don’t want to give them, but it’s all down to the cost.”**

People also feel there are conflicting demands around cutting people’s incomes in the short term and growing problems of ill health in the long term through unhealthy diets. People feel this is an area where there is a need for more joined up thinking and support.

**“The government goes on about obesity. They should make it easier and cheaper to buy the healthier options but they’re not, they’re twice as much as something that’s not healthy.”**

### **Leisure and social life**

**“We used to go out socialising or buying new clothes. That just doesn’t happen anymore, it’s stopped.”**

In addition to food and heating, other essentials like clothes, shoes, school uniforms and transport are also costing more. In response, normal leisure and social activities which people used to be able to afford are now being sacrificed.

**“I had to get Virgin TV taken out of the house, the phone, too. It was taken for granted for years, because you could afford to do it ... I miss it really badly.”**

**“The day we got the Sky taken out, my wee boy stood and cried.”**



For adults, one of the ways to cope is to cut back on their social life and ‘the wee treats that make life bearable’ going by the wayside.

*“I stopped going out for coffee with friends – that’s been the hardest thing as now my friends don’t call round to see me.”*

***Around 20% of the population can no longer afford to spend a small amount of money on themselves each week. This has risen from 15% in 2003.***

*(Source: PSE NI 2013)*

***“The windows, they’re double glazing, but not the frames, so even these winters my blinds are flapping from the wind.”***

Again, parents do their best for their children and when they can’t provide for them, they feel guilty that they are limiting their child’s life opportunities.

*“My wee boy has always gone on about he wants to do martial arts... couldn’t afford to send him because it’s about £5 every session he goes to, so I feel that I’m depriving him of that.”*

The In-Brief *HARD TIMES 3* provides a youth perspective on how poverty impacts on their lives and opportunities.

## **Keeping A Roof Over Your Head**

Cuts to housing services are impacting on some communities in quite life changing ways. The Housing Executive are expected to cut capital expenditure by 40% over four years, which has affected spending in all areas of work including house purchase, improvements or grants to existing homes. In the Ballymena District for example, there has been a reduction of approximately 13.1 million in the Housing Executive maintenance budget between 2012/2013 and 2013/2014.<sup>11</sup>

*“I think the main thing with our estate is to just try and get it cleaned up, with the look of the place, the actual appearance of the place.”*

People who had managed to get on the property ladder when times were good, now find



themselves increasingly insecure and in fear of losing their homes. Shortfalls in Housing Executive finances has led to the transfer of selected housing stock to Housing Associations - such as housing in poor condition and needing major improvements.<sup>12</sup> Some owner-occupiers in Doury Road affected by this scheme face compulsory purchase of their homes at 'market value' and fear it will result in negative equity and severe financial hardship<sup>13</sup>. They face an uncertain future.

Many families who managed to buy their home in the private or public sector, report that they are struggling to pay their mortgages and some have had their home repossessed. They are not alone. A third of mortgages taken out in Northern Ireland between April 2005 and September 2010 have repayment problems, far higher than any other region across the UK. Northern Ireland also has a higher than average number of repossessions.<sup>14</sup> In some communities, people have chosen to walk away from the homes they have bought, rather than face the strain of paying the mortgages.

***"My husband is a taxi driver and with the recession, work is just really thinly spread and he just couldn't keep up with the mortgage.... It was a relief to walk away from the house."***

### **Going backwards not forwards**

Many people are in survival mode and any thought of bettering yourself has had to be put on hold. As one local person explained:

***"The only comfort I think people have is that we're in the same boat, we're the same, and you know you're not alone, that you can go chatting to her there and things are tight there too. Everybody is saying 'I'm alright, my partner's alright and my wain is alright, bugger everything else.' That's my attitude now too. Before I'd have fought and fought to better myself but now you know, what to do?"***







## Key Community Recommendations

### **1. People feel a clear and effective government response is needed to tackle the high cost of fuel which is disproportionately impacting on poorer communities.**<sup>15</sup>

There is an urgent need for a clear government policy to tackle rising fuel costs and to address the additional ‘tariffs’ poorer people effectively end up paying for their fuel in Northern Ireland. Communities also feel much more needs to be done to address the problem of poor housing and to building and repairs to improve energy efficiency while ensuring that this work is done to a high standard. Many reported that problems with condensation only started after shoddy insulation workmanship. These community recommendations are in keeping with a list of priorities developed by the Fuel Poverty Coalition NI to tackle fuel poverty.

### **2. People feel that more consideration is needed on how to make healthy food options more affordable.**

People are aware of public health information on healthy eating. But in practical terms, they struggle with the rising cost of living and find fresh food and vegetables far more expensive than cheaper less healthy options. People feel policy changes are

needed to make healthy eating more affordable. This is an issue gathering wider interest. A recent international study found that healthy food and diet patterns cost around £1 more per day or £350 per person a year. This is significant to poorer families but trivial for governments in comparison to the social and economic costs of diet related chronic diseases. A key recommendation was that ‘lowering the price of healthier diet options should be a goal of public health and policy options’.<sup>16</sup>

### **3. People feel there is an urgent need to increase support and funding for independent welfare rights advice in local communities.**

Advice NI has called on the Assembly to introduce a clause into the Welfare Reform Bill to place on a statutory footing the ‘right to independent advice’ for those who will be badly affected by the changes. This would have the effect of providing an additional safety net at a time when the social security safety net is being subjected to considerable change via cuts and reforms.

### **4. People feel the government and media should reconsider their use of ‘demonising’ language and approaches and bear in mind the detrimental impact this has on people’s lives and wellbeing.**



<sup>1</sup> PSE NI 2013 and Bare Necessities (Hillyard et al, 2003) available at: <http://www.poverty.ac.uk/pse-research/pse-uk/pse-northern-ireland>

<sup>2</sup> DSDNI (2011-2012), *Poverty in Northern Ireland 2011-2012* available at [www.dsdni.gov.uk](http://www.dsdni.gov.uk)

<sup>3</sup> Beatty and Fothergill (2013), *The impact of Welfare Reform on Northern Ireland*, Sheffield Hallam University

<sup>4</sup> See above

<sup>5</sup> [www.nidirect.gov.uk](http://www.nidirect.gov.uk)

<sup>6</sup> <http://www.nidirect.gov.uk/how-to-appeal-against-a-benefits-decision>

<sup>7</sup> (LFS 2013) Labour Force Survey figures November 2013- January 2014 <http://www.detini.gov.uk/deti-stats-index/deti-stats-index-2.htm>

<sup>8</sup> (NASHE 2013) *Northern Ireland Annual Survey of Hours and Earnings* (page. 3) [www.detini.gov.uk/stats-pubs-25](http://www.detini.gov.uk/stats-pubs-25)

<sup>9</sup> (PSE NI, 2013) '*Northern Ireland Faring Badly*', Key findings of PSE NI results; (Hillyard et al, 2003) *Bare Necessities*

<sup>10</sup> Northern Ireland Faring Badly (PSE NI 2013)

<sup>11</sup> Ballymena District Housing Plan & Local Housing Strategy 2012/13

<sup>12</sup> [http://www.nihe.gov.uk/index/advice/advice\\_for\\_housing\\_executive\\_tenants/stock\\_transfer/your\\_questions.htm](http://www.nihe.gov.uk/index/advice/advice_for_housing_executive_tenants/stock_transfer/your_questions.htm)

<sup>13</sup> NIAR (2013) Compulsory Purchase of Residential Dwellings Financial compensation for owner occupiers available at

[http://www.niassembly.gov.uk/Documents/RaiSe/Publications/2013/social\\_dev/4513.pdf](http://www.niassembly.gov.uk/Documents/RaiSe/Publications/2013/social_dev/4513.pdf)

<sup>14</sup>(Financial Inclusion Centre, 2012) *Debt and the Family; Report 3*, Debt and the Regions pages 8-9

[http://inclusioncentre.co.uk/wordpress29/?page\\_id=387](http://inclusioncentre.co.uk/wordpress29/?page_id=387)

<sup>15</sup> See also: Fuel Poverty Coalition Conference report (2013)

Rao et al (2013) Do healthier foods and diet patterns cost more than less healthy options? A systematic review and meta-analysis *BMJ Open* 2013;3:12

Available at <http://bmjopen.bmj.com/content/3/12/e004277>





## About Communities in Action

To date, between 60 and 80 local people have joined a series of community conversations facilitated by the following community groups, under the Communities in Action Programme:

- Cregagh Community Association, Belfast
- Donegall Pass Community Forum, Belfast
- Doury Road Development Group, Ballymena
- Fountain Street Community Development Association and Springhill Park Community Development Association, Strabane.
- Grace Women's Development, Ardoyne, Belfast
- Lettershandoney District Development Group, Co. Derry/L'derry
- Taghnevan Community Development Association, Lurgan
- The Villages Together encompassing the villages of Donemana, Bready, Magheramason, Artigarvan, Ballylaw, Ballymagorry and Newbuildings.

Communities in Action is a unique community led action-research project developed by Community Foundation Northern Ireland (CFNI) working in collaboration with BBC Children In Need. Communities in Action is part of CFNI's Social Justice Approach to Community Development Programme that is supported by The Atlantic Philanthropies. Queen's University Belfast and the Open University supported the development of the research process as part of their community engagement remit for a major academic research project on poverty and social exclusion in the UK (PSE UK).

For further information on Communities in Action go to:

<http://www.communityfoundationni.org/Programmes/Communities-in-Action->

Community portraits and short films made by Communities in Action groups with support from the Open University can be viewed at:

<http://www.poverty.ac.uk/community/northern-ireland/communities-action>

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**Published: April 2014**