

THE COST OF LIVING **CRISIS** IN CYNON VALLEY

MAY 2022

Beth Winter MP

WORKING TOGETHER IN CYNON
FOR A FAIRER FUTURE FOR ALL

EXECUTIVE SUMMARY

It is important to me to understand the impact the cost-of-living crisis is having on people in Cynon Valley, and to identify what can be done to protect people.

I conducted a survey of Cynon Valley residents to ask how they were being impacted by the cost-of-living crisis and what can be done to help.

The survey was open for 14 days, between 1st April and 15th April 2022. People submitted their responses on my website, or by returning paper copies which could be collected from my office, or at the street stalls I ran around the constituency.

In total, I received **659 responses** from constituents in the Cynon Valley. You can see the breakdown of people who responded in the chart below. **61% of respondents relied on wages** for the majority of their income, **14% relied on pensions** and **19% relied on benefits**. The other 6% relied mostly on student loans or on income from assets (for example, landlords).

The people who responded



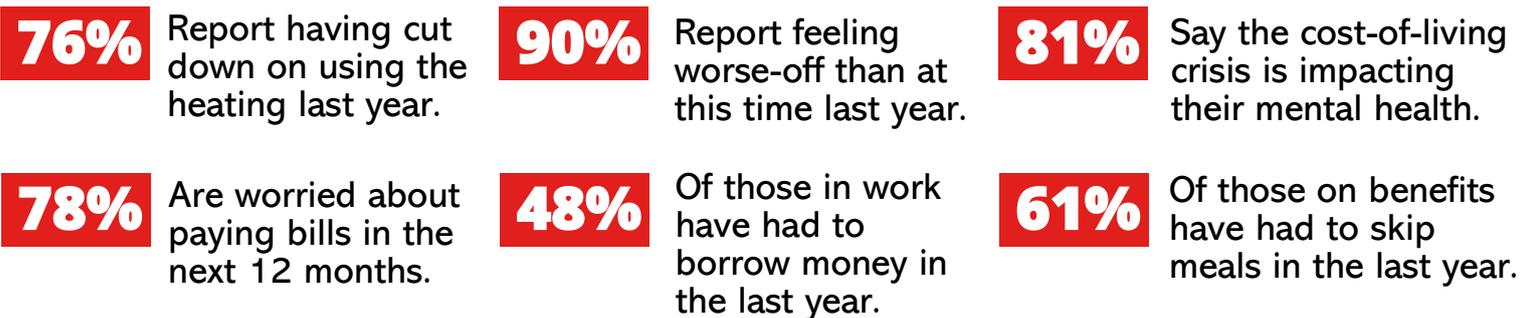
The survey consisted of 7 questions, plus, in question 8, an opportunity to make any additional comments about the cost-of-living crisis and the actions they would like me to take. In total, 308 people made additional comments.

Pages 4-6 of this document go into detail on the survey responses.

People were given the choice of remaining anonymous, and a majority chose to do so.

Some key figures and quotes are reported below. I would like to thank everyone in Cynon Valley who took the time to complete the survey, showing the heart-breaking reality of this cost-of-living crisis in our communities.

Key Figures



Key Quotes

“It was already bad before the energy prices increased. Life genuinely doesn't feel worth living any more. I feel guilty for bringing my children into this awful mess of a world.

“Both my wife and I work full time and don't feel any better off. Most schemes are aimed at people on benefits which I understand but working people need help too.

“Being disabled, having the heating on is imperative when it's chilly... I tend to stay in one room which I heat but layer up to go to the toilet or kitchen. I have no idea what I'm going to do next winter, something has to give.

INTRODUCTION

The cost-of-living crisis is making life a misery for people in Cynon Valley.

Inflation is reaching record highs, and **everything is going up except incomes**. Energy prices are going up 14 times faster than wages.

At the same time, the Government has forced through a National Insurance rise, and a real terms cut to benefits and pensions.

As usual, it is the poorest who are the hardest hit.

But the cost-of-living crisis is not inevitable. There is enough wealth in this country to house us all, to feed us all, to keep us all warm.

The cost-of-living crisis is a political choice. It has been created by people in positions of authority; people who have the power to make all our lives better if they chose to do so.

Both the Spring Statement, and the Queen's Speech have come and gone without any meaningful attempts to protect people from falling into poverty.

The backdrop to the current crisis is twelve years of Westminster austerity keeping wages, pensions and benefits low.

Reductions in spending on public services have particularly hit local government, where they have stripped £90 million from the budget of Rhondda Cynon Taff County Borough Council.

This is money that could have been invested in essential local services benefitting our communities and our local economy.

UK Government funding is inadequate to meet Wales's needs, thus further limiting the possibilities for positive action to help Welsh individuals and families.

The responses to my cost-of-living survey paint a bleak picture of poverty, anxiety and despair.

We have allowed poverty to become normalised in our society.

Some of the figures, and some of the quotes, are harrowing.

We need emergency measures to raise incomes and control prices. We also need urgent action to better distribute the enormous wealth in this country.

I have outlined some of the possible policies that I believe could be adopted by this Government in the 'Where do we go from here?' section at the end of this report.

Together, we can build a fairer, greener future for Cynon Valley.



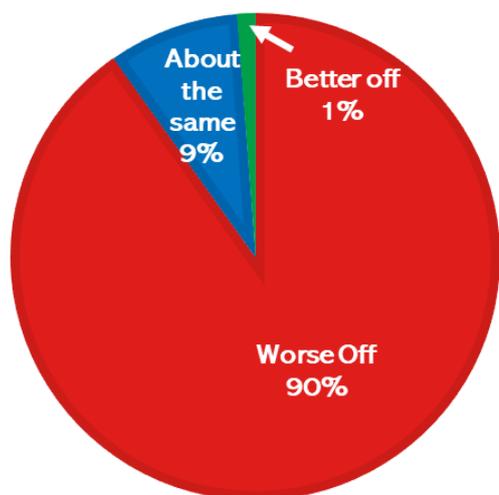
Beth Winter
Cynon Valley MP



“

The cost of living is a political choice. It has been created by people in positions of authority. People who have the power to make all our lives better if they chose to do so.

WORSE OFF OR BETTER OFF?



The survey asked people how they felt about their financial situation **'compared to this time last year'**.

An overwhelming **90%** of respondents felt worse-off than they did 12 months prior. Only **1%** of respondents said they felt better-off.

These numbers varied depending on source of income. **99% of people on benefits** reported feeling worse off, with a single vote for 'About the same'. This is perhaps not surprising with the £20 cut to Universal Credit followed by a real terms cut to benefits.

By comparison, **89%** of people whose main income comes **from wages** felt worse-off. The survey responses suggest that in-work poverty is rampant in Cynon Valley. This reflects the findings of the Bevan Foundation research I commissioned recently, which found that the median earnings of working families in Cynon Valley are well below the Welsh average.

Finally, **86% of pensioners** felt worse-off. After putting into the system for their entire lives, pensioners deserve better.

Many of those who did not themselves feel worse-off left comments expressing fear and anxiety about the wellbeing of their loved ones.

Fig 1: How respondents felt about their financial situation compared to this time last year.

99% Of those on benefits feel worse-off than last year.

86% Of those on pensions feel worse-off than last year.

MENTAL HEALTH IMPACT

The survey asked people whether or not their financial situation was having an impact on their mental health. As shown in figure 2 below, an upsetting **81% of respondents said yes**.

Yes, 81%

No, 19%

Fig 2: Are financial worries having an impact on your mental health?

Answers to this question differed significantly depending on people's main source of income. **98%** of those on benefits report that money problems are impacting their mental health, compared to **81%** of those in work and **56%** of those on pensions.

Of the 308 responses to Q8, over a quarter referred to being worried and anxious about their situation. Statements like "not sleeping through worrying" and "stressed about paying bills" are all too frequent in the additional comments section. Some typical responses are given below.

The cost-of-living crisis is exacerbating an already catastrophic mental health crisis in our society. This will inevitably lead to an increase in demand for already stretched services.

“

Just worried about the future and don't see any point to living the way things are.

“

I genuinely feel very overwhelmed and scared about our finances.

“

It is affecting my sleep. I am worrying constantly. I keep watching my gas and electric meter.

THE LAST 12 MONTHS

This spring we have seen an increase in National Insurance contributions, a real terms cut to benefits, rocketing fuel costs, huge increases in energy bills and more. I wanted to know what the last year has been like for people before those changes came into effect. Figure 3 shows the bills people have struggled to pay in the last year.

In the last year, almost **60% of people have struggled to pay their energy bills**. More than 1 in 3 people in Cynon struggled to pay their Council Tax in the last year, and a quarter struggled to pay their rent or mortgage.

Once again, there are clear differences between those with different income sources.

88% of those on benefits have struggled with their **energy bills** and 53% struggled with their **water rates**. Among those in work, those figures fall to 52% and 28% respectively, and for pensioners they fall to 36% and 16%.

Respondents had the opportunity to select 'Other' and specify other living costs which they'd struggled with. People reporting struggling with food shopping, insurance, fuel and other motoring costs, clothing, school uniform, educational materials, pet food and paying debts.

These numbers, and some of the comments, are extremely distressing. Many people are worried about how to cope with the increasing cost of living. **We aren't talking about luxuries, we are talking about the basics that people need to survive.**

Many people with children report going without so that their children could have enough food. Many older or disabled respondents expressed fears about their ability to heat their homes. For many, the consequences of this could be poor health and even loss of life.

Figure 4 shows some of the measures people have resorted to in the last 12 months in order to survive. A staggering 76% of people have had to **cut down on the heating** and 48% have had to **borrow money**.

Once again, the figures for those on benefits are particularly alarming. 79% of people on benefits report having had to **borrow money**, 61% report having **skipped meals** and 25% report having had to use a **food bank**.

By comparison, 11% of those on pensions report having had to borrow money, 19% report having skipped meals and less than 1% report having had to use a food bank. For those in work, 48% borrowed money, 31% skipped meals and 7% had to visit a food bank.

This is the picture in Cynon Valley before people were hit with rising energy bills, the increases in fuel and food costs, and before the Government introduced the National Insurance rise this spring.

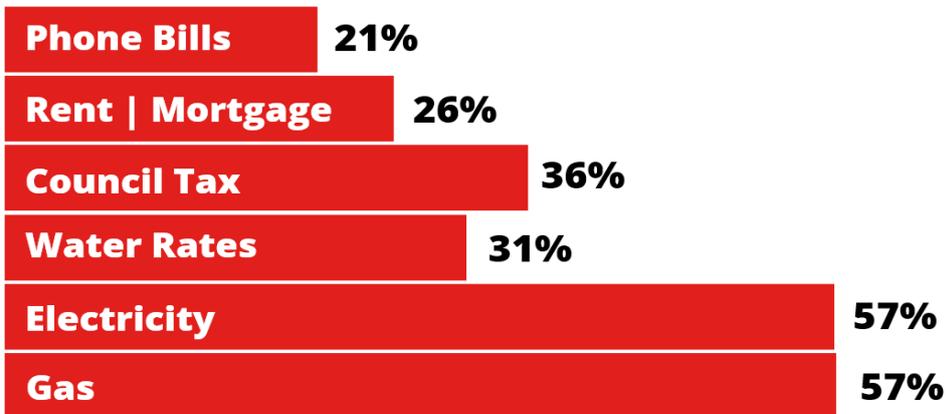


Fig 3: In the last 12 months, I have experienced difficulty paying...

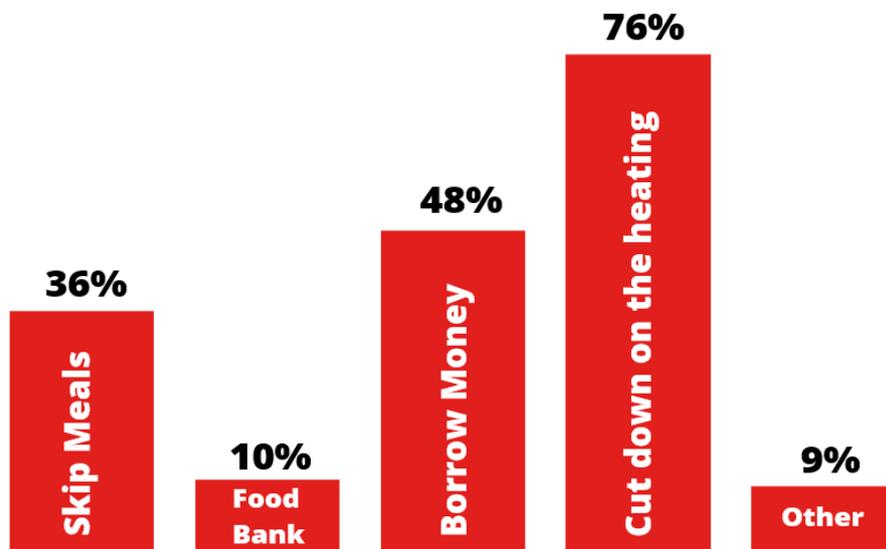


Fig 4: In the last 12 months, I have had to...

THE NEXT 12 MONTHS

With people already stretched to the limit, and with prices continuing to rocket, the survey asked people in Cynon Valley how they planned to cope with the expected increases in costs. The Figures on this page show people’s answers, and their fears for the year ahead.

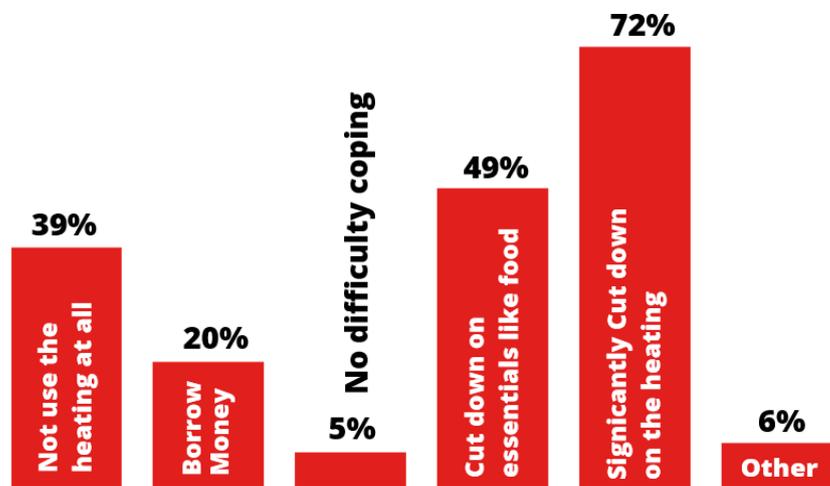


Fig 5: Respondents were asked, ‘How will you cope with the expected increase in energy costs in April?’

Upsetingly, as many as 39% of people said they would simply not put the heating on **at all**. This number is 52% for those on benefits. A majority of respondents in Cynon Valley who are on benefits do not expect to be able to put the heating on at all this year. 22% of pensioners say they will not put the heating on at all this year.

72% of respondents report that they will **significantly cut down on heating** and this number is the same across all income sources.

Almost 50% of those asked said they would be **cutting down on essentials such as food** in the months ahead, with 36% of respondents already skipping meals.

While a handful of respondents indicated that they were having no difficulty coping, there were many additional comments that indicated their concern for how others would manage, especially younger people, and family members.

Figure 6 sets out people’s main worries for the next 12 months.

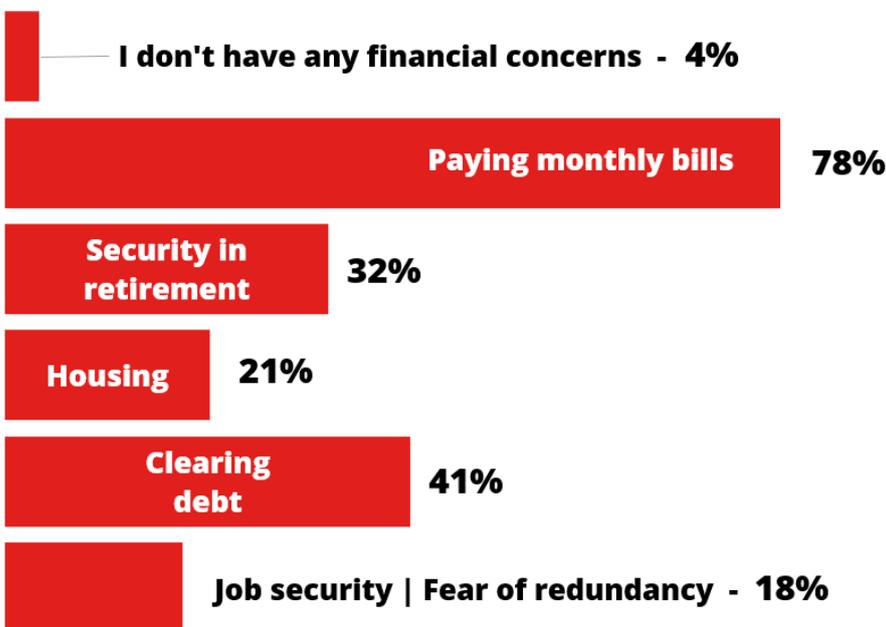


Fig 6: Respondents were asked, ‘What are your main concerns regarding your future financial security?’

Paying bills is by far the greatest cause of people’s anxiety for the year ahead, with more than three quarters of people raising it as a concern. Over 90% of people on benefits are concerned about paying bills, and 82% of those in work.

The second greatest worry is “**clearing debt**” at 40% of respondents, which as shown in Figure 6, is a significant area of concern and needs attention. Clearing debt was a concern for 59% of people on benefits and 43% of those in work. Only 8% of those on pensions were worried about paying debts.

Security in retirement is the biggest cause for concern among pensioners, raised by some 65%, compared to 49% who are worried

about paying monthly bills. **Job security** was raised as a concern by 26% of those in work.

The amount of **borrowing** that people are having to do is extremely worrying. The increase in debt in the community is an area for concern, and it is essential that this is highlighted to Government. It is noteworthy that fewer people are anticipating borrowing money in the year ahead than have borrowed money in the past year.

CONCLUSIONS & NEXT STEPS

This report paints a bleak picture about the cost-of-living crisis in Cynon Valley. But it is not just about describing the problem; it is also about looking for solutions.

People were asked about their ideas for solutions and a number of ideas were put forward from respondents. These included:

- Increase Universal Credit
- Introduce a Windfall Tax
- Fund home insulation and solar panels
- Bring energy companies into public ownership
- Make sure people are paid a decent wage/pay rises needed
- Keep protesting and campaigning for a better society
- A change of government

Where do we go from here?

98% of people on social security say financial problems are having an impact on their mental health. I have consistently argued for an increase in social security, and for Universal Credit and legacy benefits to be both increased in line with inflation and with the £20 uplift restored, as the Welsh Affairs Committee called for .

82% of working people are worried about paying their bills in the year ahead. I support Trade Union demands for inflation-busting pay increases, particularly in the public sector and for the key workers who brought us all through the Covid-19 pandemic. Pay rises are not simply gifted, they must be fought for. The working class must organise. Join a Trade Union today. And if you are already in a union, get active in your union!



Fig 7: Image of small change tumbling from a Jar (Photo: Josh Appel for Unsplash.com)

65% of pensioners in Cynon Valley are worried about security in retirement.

With the Government breaking the triple lock, things aren't going to get easier. After putting into the system for their entire lives, our pensioners deserve better. I will continue to campaign for ex-mineworkers to get the money they earned, and for full restitution for the WASPI women.

We need to overturn a decade of under investment through austerity, and we need to end the rip-off of privatisation. I believe in improving our public services by returning sectors such as energy, water and transport into public ownership.

I have spoken in Parliament on several occasions for a **Windfall Tax** on the profits made by energy companies, and the introduction of a **Wealth Tax** to ensure the massive wealth in this country is shared fairly. I believe we need to support radical

new policies that guarantee a **right to food** and **access to affordable housing.** My Cynon Valley Climate Assemblies have called for investment in renewable energy, home insulation and solar panels to help bring down people's bills.

Above all, I will continue to campaign for those most in need in Cynon Valley and against the way this Government is continuing to ignore the needs of its people.

I will take this report to The Prime Minister, and to Keir Starmer and to Welsh Government and I will make sure that it cannot be ignored.

As your MP, I will ensure that the voice of the people of Cynon Valley, seen throughout this report, is heard loud and clear.

CYNON VALLEY VOICES

“

Just worried about the future and don't see any point to living the way things are.

“

I genuinely feel very overwhelmed and scared about our finances.

“

It is affecting my sleep. I am worrying constantly. I keep watching my gas and electric meter.

“

Why are the rich getting richer while we all suffer? Extra energy costs, extra NI, higher food costs, all at the wrong time.

“

Us elderly people have worked very hard over the years and we have very little back to survive on.

“

There needs to be a re-focus on peoples living standards

“

Our bills and food are going to be more than we have coming in... Simple as that really!

“

We are apparently the 5th richest economy in the world so why the heck is ANYONE hungry and cold in the UK.

“

I have £25 for gas, electric, internet, water and food. What am I supposed to do?! Living costs are destroying my life.

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Scan the QR code to read the report online.

Beth Winter MP

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