

## Home-Start Cymru submission to the Economy, Trade and Rural Affairs Committee

Cost of Living

May 2022



In light of the nature and remit of Home-Start Cymru's services and the breadth of expertise of our staff and volunteers, this response will associate directly with the following consultation questions:

- *How are cost of living pressures affecting the workforce, and how are different groups within the workforce being affected?*
- *How are rural communities being affected by the cost of living crunch, and to what extent are the pressures they face different to urban areas?*

### Introduction

Home-Start's Cymru's vision is "For every parent in Wales to have the support they need to give their children the best possible start in life". The majority of the families we support live in poverty, over half suffer from mental health concerns, many are socially isolated, and most face significant financial challenges.

With cost of living at its highest for decades and spiking costs of essential goods, petrol and energy, alongside the economic impacts of the pandemic, families across Wales are facing a double hit, with impacts further exacerbated for families living in rural communities where geographical isolation can limit access to vital support systems and services more commonly found in urban areas. Parents in employment are finding themselves financially trapped amongst complex benefit systems that can penalise them for working.

Adverse impacts from the cost of living crisis are also being felt by the workforce, with the third sector particularly affected. Workers are on the brink of burnout following the intense pressures of the last 2 years and organisations are constrained in how they can relieve the pressures by short term and lack of core funding.

### Key messages

- Short term/grant funding dependant third sector organisations, are acting as lifelines for many families at this time, but hold up a workforce of fatigued frontline workers on the brink of collapse. With wellbeing a concern, methods of prevention to preserve a vital workforce serving families in crisis is needed.
- Parents in employment face complex and significant financial dilemmas, with current economic standards and stagnant benefit rates presenting complex financial challenges.
- The experiences of rural communities during the cost of living crisis present unique challenges distinct from those living in urban areas, with particular barriers derived from limited and costly public transport and a growing digital divide.

[Detailed Response](#)

**1. Grant dependant third sector organisations acting as lifelines for increasing numbers of families at this time, whilst holding up a fatigued workforce on the brink of collapse**

- 1.1. Increasing workloads: as the cost of living crisis continues to strip away disposable income of families across Wales, more are finding themselves approaching crisis point and demand for support from organisations like Home-Start Cymru is on a sharp and consistent rise. Our staff have seen a huge increase in demand for support, alongside increasing need for support from clothing and food banks in recent weeks.
- 1.2. Cost of living impacts: while third sector workers, including HSC frontline staff and volunteers, are committed to providing a service for those who need it, often holding large caseloads, they face their own personal reality of rocketing prices and increased NI rates, placing them under greater financial pressure than ever.
- 1.3. Third sector funding: increasing workloads and the impacts of the pandemic have taken a toll on the workforce, further exacerbated by their own financial challenges as a result of the cost of living crisis. For third sector organisations, dependant on short term grant funding often without sufficient core funding, increasing salaries in line with cost of living pressures to relieve that burden for staff is more challenging than for other sectors. Similarly, ensuring sufficient funding to meet the increasing demand on services is challenging in the current financial climate.
- 1.4. Mental health and well-being: as a result of persistent workload pressures over the past 2 years, intensified by the personal impacts of the cost of living crisis, mental health and wellbeing of the workforce is suffering. Workers are fatigued but demand continues to make it difficult to prioritise self-care, whilst the pandemic has made it more difficult to connect with others outside of work, and a lack of certainty in relation to long term income/salary rises can heighten anxiety.
- 1.5. Given the enormous pressures on the third sector as a result of the cost of living crisis; with many organisations also trying to extend a response to the specific needs of increasing numbers of refugees entering Wales, organisations must be supported to reduce the pressures on fatigued frontline workers so they don't burnout under the challenging conditions of the current time. Uplifts in project funding, much of which has remained stagnant for some time, would help organisations to increase salaries to support the workforce with inflation impacts.

**2. Parents in employment face complex and significant financial dilemmas, with current economic standards and stagnant benefit rates presenting complex circumstances for employment.**

- 1.1. Complex eligibility criteria for financial benefits/ assistance can make entering full time employment difficult, forcing parents to evaluate the benefits of doing so when low income work without additional financial support can be disadvantageous for families, now more than ever in the midst of a cost of living crisis.

- 1.2. Many families supported by Home-Start Cymru are in receipt of some sort of benefit. As the national rate of benefits remain stagnant, while inflation prepares to peak, the cost of essential services, such as childcare, continues to rise.

*"I can't afford to go back to work as childcare is so difficult to pay. I know UC will give me a percentage towards it, but it is so expensive that by the time I've paid for childcare, it is hardly worth going back to work"* – Parent supported by Home-Start Cymru

- 1.3. As a result of the cost of living crisis, the choice to work for the purpose of career progression or self-empowerment, as well as earning a living, has seemingly been stripped away, making attaining income a simple case of survival. While it is estimated unemployment rates have improved by roughly 1.6% compared to the start of 2021, restricted options for parents to maximise income, while juggling parenthood, risks a resultant rise in rates of households out of full time employment.<sup>1</sup>

- 1.4. A major effect of the cost of living crisis is the number of families being thrust into extreme debt, the impacts of which will be felt for a lifetime. For example, there has been an immediate impact of the rise in energy costs on increasing debt. Only four weeks after energy prices rose, some of our families cannot meet the increased costs, and are keeping their old direct debit arrangements in place, accruing fuel debt rapidly instead.

*"I can't afford any more a month, so I'm keeping the direct debit the same, but I know this isn't covering half of my monthly bill. But what am I meant to do? At least I have some food money by doing this"*. – Parent supported by Home-Start Cymru

- 1.5. During this time families are desperately looking for ways to maximise their income, however, complex thresholds for maintained financial assistance for working parents are often a barrier to parents entering work full time as they will lose out on vital support offers.

- 1.6. For parents who may often be accessing a number of benefits, it is vital these systems work alongside each other better to provide the assistance families need to maintain economic activity and longer-term career aspirations. Assistance systems must consider the wider picture for parents who may need support across several key areas.

### **3. The experiences of rural communities during the cost of living crisis present unique challenges distinct from those living in urban areas.**

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<sup>1</sup> Clark, D. 2022. *Unemployment rate in Wales 1992-2022*. Available at: [• Unemployment rate Wales 2022 | Statista](#) [Accessed: 10 May 2022]

- 1.1. The cost and efficiency of public transport in many rural communities across Wales acts as barriers to access in many vital areas.
- a. Transport links in rural communities are extremely limited; often infrequent and limited bus routes are available, while ticket pricing is extremely high in comparison to city centre rates.
  - b. Frequency and cost barriers associated with public transport prevents parents and families from accessing a number of services, including those providing targeted support for cost of living pressures, improving social connectedness and enhancing parent-child bonds; these include:
    - Accessing foodbanks: for those living in the middle of Wales, the majority of foodbanks are based across the borders of Wales, whereas there are many located in the South of Wales serving a more urban population.<sup>2</sup>
    - Toddler-parent groups are less available in rural regions with more based in urban areas. Parents must front high transport costs to travel to groups to receive support targeted at developing quality parent-child bonds.
  - c. The limitations of transport in rural areas places significant strain on families, who may be dependent on informal support systems, such as relatives, for transport, shopping and activities.
  - d. Parents in rural areas who are dependent on limited public transport to access basic needs, such as food shopping, also face juggling young children and carrying home essentials and can face judgement from fellow passengers and transport workers. A key example of this can be seen throughout the experience of Sian Whelptom. Whelptom was told to leave the bus as her young son was crying, leaving the mother of three 'no choice but to leave the bus with her three children and six bags of shopping when the driver stopped.'<sup>3</sup>
  - e. There are several ways in which these barriers faced by families can be resolved. These need to be explored in order to ease everyday cost of living pressures for families and facilitate access to needed services, such as medical appointments, and reduce social isolation. These could include:
    - Community taxis; creating a family friendly service with non-judgemental drivers that can be accessed at a low cost by parents needing to access areas for vital goods and services. Schools may have a good insight into the families that may be struggling with getting children to school or accessing services, creating a reliable referral pathway.
    - Accelerated take up campaigns; encouraging use of transport services alongside cost alleviation initiatives for those in rural areas otherwise

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<sup>2</sup> Independent Food Aid Network. 2022. *IFAN Member Organisations*. Available at: [Our members - Independent Food Aid Network UK](#) [Accessed: 10 May 2022]

<sup>3</sup> BBC News. 2004. *Crying son 'ordered' off bus*. Available at: [BBC NEWS | Wales | Crying son 'ordered' off bus](#) [Accessed: 10 May 2022]

isolated if lacking access to transport.

- 1.2. The cost of living crisis, alongside an adapted society of online and blended workers, has widened the digital divide. The effects of digital poverty are seemingly exacerbated by living in a rural area.
  - a. Home-Start Cymru's network of volunteers commonly connect with their families via telephone in order to coordinate visits and sustain regular contact. Families living in financial crisis during this time are more commonly struggling to keep credit on their devices as finances go towards immediate essentials, such as heating and food. Living in rural, hard to access areas can make it more difficult to provide the support needed, with communication between volunteer and family more challenging; a situation that may otherwise be resolved more simply in an urban area. Barriers for rural communities can cause significant disruption to the delivery of vital support for families, increasing isolation.

7% of the population in Wales (or approximately 180,000 people) are not online.<sup>4</sup> Multiple factors contribute towards a lack of access to online technology, with key influencing factors including low income and poor connectivity in rural areas. As such, individuals are at a disadvantage as they are cut off from accessing a range of services, more so since the pandemic as many have moved online or to a blended approach. This can impact their ability to access health care, social support, employment opportunities and to simply maintain social connectivity.
  - b. Alleviating digital poverty would make a significant difference to the ways in which our families living in rural areas can access our services and other vital support, as well as health services, employment opportunities, and many other services. Things that would help could include:
    - Roll out of social tariffs for rural areas
    - Mobile phone schemes; free sim plans for families far from support hubs
    - Provision of technical equipment

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<sup>4</sup>Digital Communities Wales. *Digital Inclusion in Wales*. Available at: [Digital inclusion in Wales \(gov.wales\)](https://gov.wales/digital-inclusion-in-wales) [Accessed: 10 May 2022]