



THE EDINBURGH PARTNERSHIP

1. Edinburgh's response to the cost of living crisis

2. Executive Summary

- 2.1 There has and continues to be a lot of activity to try and mitigate against this current cost of living crisis, but it will not prevent everyone from falling into poverty or severe poverty.
- 2.2 We continue to take a targeted approach and raise the awareness of the available cost of living support with key frontline staff.
- 2.3 There are challenges in managing the current demand for support, in that demand is outweighing capacity, which in turn impacts on the people seeking support and the workforce supporting these people.
- 2.4 Continue to work towards the delivery of coordinated support across the whole system and capitalise on any new funding opportunities.

3. Recommendations

- 2.1 The Board is recommended to:
 - i. Note the current activity and support to date.
 - ii. Note the challenge and proposed next steps.

4. Main Report

- 4.1 There is lots of activity and support to date, but we know that this is not enough due to ever increasing demand for services (details on the factors contributing to this crisis and Edinburgh's response is in appendix).
- 4.2 In order, to be able to recommend any possible further actions, we needed to understand what additional support was being planned by partners. And thereby ensure that it is all connected and that this extra support helps the people most at risk. The LOIP Delivery Group and LCPAR/ Poverty Group organised an event in April 2022 to bring together key partners to discuss what more can be done. These discussions have contributed to the proposed actions in this report and incorporated into our ongoing poverty work.

- 4.3 The priority has been cash first followed by support in income maximisation, welfare rights and debt advice and energy advice.
- 4.4 There is still a lot of confusion about how the system works. This is clearly articulated in the forthcoming Towards a Hunger Free Edinburgh consultation. Clear communications around the type of support services available is important whilst recognising and managing demand with allocated capacity.
- 4.5 It is proving difficult to increase capacity in the system due to staffing and funding issues. Demand for welfare rights and debt services has been for the last year and continues to be very challenging to manage. As a result, there has and continues to be a high staff turnover. The situation has and is further exasperated by recruitment issues, the training and supervision of new staff.
- 4.6 We need to ensure that we minimise the impact on staff who are dealing with people experiencing this financial crisis in terms of their own wellbeing.
- 4.7 The mapping and review of services currently underway will help to resolve this; as workforce planning and development will be a key theme within the recommendations but there is a need for some more funding to support this increasing need.
- 4.8 We will continue to link in and ensure Edinburgh maximises any funding opportunities in Scottish Government's recent Tackling Child Poverty Delivery Plan 'Best Start, Bright Futures' and the forthcoming UK Shared Prospective Fund for advice services.
- 4.9 We will continue to take a targeted approach and develop a system that allows an early identification of people in crisis. This may take the form of new opportunities to automate an early warning system e.g. if people fall into rent arrears, they automatically receive the offer of a welfare rights and debt advice appointment.
- 4.10 And continue to work towards the delivery of coordinated advice support across the whole system.

5. Contact



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APPENDIX

Cost of living crisis – outlining the factors and detailing Edinburgh’s response

There are several factors contributing to this national crisis, the table below details the contributing factors and their impact:

Factor	Change ¹	Impact
Rising consumer price inflation	Consumer Prices Index (CPI) rose by 9.0% in the 12 months to April 2022, up from 7.0% in March. Predicted to reach levels not seen since early 1980’s. Inflation for poorest households runs at 4 percentage points higher than average household and 6% points higher than the richest households.	Increase in severity of poverty Increase in hunger and fuel poverty Higher risk of debt and rent arrears Higher risk of homelessness and destitution
Rising food prices	Average grocery bills +£180. ‘Lowest cost price index’ reports: Pasta +50% Crisps +17% Bread +16% Beef +16% Rice +15% 20,000 people in food crisis in Edinburgh pre-pandemic.	Poorer health outcomes (physical and mental health) Increased inequalities
Rising home energy prices	Energy prices account for a third of CPI inflation. 54% increase in bills with more to follow. Number people in fuel crisis expected to double.	
Rising fuel prices	Average petrol prices stood at 161.8 pence per litre in April 2022, compared with 125.5 pence per litre a year earlier. The April 2022 price is the highest recorded. The average price of diesel in April 2022, which was 176.1 pence per litre, was also the highest on record.	

¹<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/april2022>

	The 12-month rate for motor fuels and lubricants was 31.4%, the highest since before the start of the constructed historical series in January 1989.	
Wage increases not in line with inflation	Average wage forecast to rise by 3.9% in 2022 versus an inflation rate of currently 9% (average).	
Changes in taxation	Frozen personal tax allowances and increases on National Income Contribution. Equivalent to a 1% wage cut for people on low incomes.	
Changes in benefits	Worse off than last year, a 3% real terms cut in the value of DWP benefits. (N.B. Changes to Universal Credit taper rates may help to mitigate this but complex and it estimated that 73% of UC families are still worse off than last year.)	

The Scottish Government has responded:

- To mitigate, as fully as possible, the spare room subsidy (commonly known as Bedroom Tax) support delivered through Discretionary Housing Payments via Local Authorities.
- Increasing Social Security Scotland benefits (Scottish Child Payments, Adult Disability Payment, Child Disability Payment)
- Increased support for home energy efficiency
- Funding to Council's to apply cost of living awards of £150 to Council Tax bands A-D and those in receipt of Council Tax Reduction in Bands E-H. As well as this, where no Council Tax liability existed, citizens received £150.

And recently, the UK government has announced support for the rising energy costs:

- To mitigate against these costs, targeted support for people on benefits and pensioners
- To mitigate the increases in energy costs, universal support of £400 for everyone in October.



However, even with these support measures, this only offsets 82% of expected energy price rises and 93% offset for the poorest households. Potentially this one-off and flat payments could leave high risk groups (highlighted as priority groups within the Local Child Poverty Annual Reporting (LCPAR)) under supported - families where a member of the household is disabled and families with 3 or more children.

The current predicted net affect is that the headline poverty trend will not be affected but that severe poverty is rising. Currently being estimated as an increase of 11,000 people in Edinburgh, equivalent to a 20% increase.

Edinburgh's current activity and support to date

In Edinburgh the use of the allocation of £6.435m was set out in the budget motion as follows:

'We have elected to spend the majority of this figure supporting the most vulnerable households through the cost of living crisis. We are committing to providing a cash grant of £150 to each of the 33,000 low-income households across the city at a total cost of £4.95m. On top of this, we will provide £100 for every child within a low-income home by utilising the free school meals qualification (£1m). This could give a family with three children £600 in total support include the Council Tax credit support of a further £150 to offset the cost of living crisis and escalating energy bills. We will also be providing an additional £450k in crisis grant funding'.

Advice and Support such as income maximisation, welfare rights, debt and money management, raising the profile of services by promoting the [Worrying about Money](#) resources. A £300k investment in income maximisation and household support from the Council. Edinburgh Food Project's employing more staff for their Money Advice Service, to increase money advice capacity in their foodbank centres. Welfare Rights Advisors work in most deprived areas Deep End GP surgeries linking with the Community Link Worker network, with additional monies of £61k per annum from Scottish Government. Citizen Advice Edinburgh ensuring every customer has a financial health check to pick up any issues. One Parent Family Scotland offers advice and information and can support single parents to access grants from other organisations. They are running groups and free counselling to help parents, as seeing mental health issues exacerbated by this crisis. However, there is no capacity in the system; demand is higher than what is currently being funded for welfare rights and debt advice services.

Emergency Relief Cash through Scottish Welfare Fund £800k, free school meals and school clothing grants (the uptake has increased three fold).

Energy support – £500k and an extra £100k to Home Energy Scotland for energy crisis support from the Council. Home Energy Scotland taking a



targeted approach, prioritising families on low incomes by working in partnership with the Maximise! programme and 1 in 5 schools programme; as well as working closely with NHS and Edinburgh Health and Social Care by taking the learning from the annual flu vaccination campaign/ COVID vaccinations to build into ongoing work. Partnership working between Changeworks and community cafes: e.g. Ripple's Hub Grub Community Café in Restalrig, helping to inform people on how to reduce energy costs. The City of Edinburgh Council's Advice Shop direct referrals to Home Energy Scotland increasing each week.

Food support in the format of cash first. The Council provided £244k funding to foodbanks and food initiatives across the City over the last year in recognition of increased demands anticipated by the withdrawal of additional pandemic related support and the cost of living challenges. This includes an additional £4k for foodbanks, community food projects, and £40k for school breakfast clubs. Examples of local community food support are:

- The Health Agency partnered with Wester Hailes Edible Estates is continuing the development of a food pantry in Wester Hailes.
- NE Edinburgh, Ripple and Cyrenians partnership provides a food pantry, foodbank at St Margaret's with budgeting project and free meal vouchers for the Ripple Café.

Core employability support

Edinburgh has a mature employability and skills intervention model with an aim to increase household income and reduce the poverty gap. The portfolio of investment circa is £7 million. To enable a strategic focus and operational delivery, work is based on the Joined up for model. For example, the Joined up for Families involves:

- Parental Employment Support Fund services aimed at low income and unemployed parents from six identified priority groups
- Maximise! Citywide service embedded in schools which offers family support, advice and employability and has Home Energy Scotland link for fuel poverty
- Intensive Family Support and Early Years, working across 10 standalone early years in the city and also focus on welfare training via CPAG for staff
- Subsidised Childcare under review making sure that it is meeting need and filling any gaps
- Whole Family Equality Project will offer advice, employability and family wellbeing to black and minority ethnic families and young people.
- Barclay's Emergency Fund, £100k of access to crisis grants to fund childcare, household items, barrier removal for jobs being distributed to key partners.



