



THE EDINBURGH PARTNERSHIP

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

2. Executive Summary

- 2.1 Through the UK Shared Prosperity Funding, there are proposed plans for some additional capacity for third sector crisis grant programmes, and income maximisation advice capacity in Edinburgh.
- 2.2 To help with welfare rights and debt advice service capacity, Capital City Partnerships is leading on the development of a new employability programme for welfare rights advisors, in partnership with the main providers; and a staff wellbeing programme is being formed for this workforce.
- 2.3 A co-ordinated promotion of citizen and staff awareness of help available to households who are worrying about money or struggling to get by, during this autumn and winter period.

3. Recommendations

3.1 The Board is recommended to:

- i. Note the update from the last meeting, and the analysis and actions from the special Edinburgh Partnership meeting in June.
- ii. Note the link of this work with the Review of welfare rights and debt advice services and the start of working on the Review's recommendations.

4. Main Report

- 4.1 This rise in the cost of living is resulting in significant difficulties for everyone in Edinburgh. The drivers of these increasing pressures are international and macroeconomic, and the tools to make the most effective direct solutions are largely in the hands of national governments, but partners have and continue to provide and plan for additional assistance.
- 4.2 Since the last meeting, a special meeting of the Edinburgh Partnership on 29 July 2022 reviewed evidence on where additional support in the city is needed, and what partnership actions would have the greatest impact. The partnership reviewed available evidence on the impact of the cost of living crisis in Edinburgh, with a particular emphasis on evidence gathered from money advice

services across the city working to help citizens access benefits entitlements, manage debts and other household costs. This analysis showed:

- 4.2.1 Clear increasing numbers of advice clients seeking support for rising fuel costs and food crisis
 - 4.2.2 Increasing numbers of clients seeking advice on returning to work
 - 4.2.3 Continuing high caseloads of clients seeking help with benefits, debt, and housing issues
 - 4.2.4 A relatively stable profile of clients by household characteristic, with no evidence to date of increasing demand from older clients or other specific groups, and
 - 4.2.5 Relatively low awareness of how to get help with money problems – 52% of people across Scotland report that they would ‘do not know where to go to get help’.
- 4.3 Alongside these issues, the significant workforce and capacity issues within the money advice sector, with longstanding challenges around staff recruitment, retention, and workforce wellbeing were reported.
- 4.4 In response to this evidence, the partnership consider those areas where additional support in the city is needed, and what partnership actions could have the greatest impact.
- 4.5 Within this analysis, the partnership noted the importance of direct cash support to preventing immediate crisis and welcomed the financial interventions undertaken and planned by the Council to date.
- 4.6 In addition to these payments, the partnership considered two further areas for additional partnership activity. These include actions to improve access to and promote awareness of income maximisation advice, and other available supports.

Additional partnership actions to address the cost of living crisis

- 4.7 **Income maximisation advice** relates to support needed to help citizens make full access to benefits entitlements, improve benefits uptake rates, manage debts, and increase income through employment. Evidence from Council and third sector operated money advice services shows a strong impact on household incomes and good return on investment for public spending. Average financial gains from some services are estimated at £1,300 per family supported, or almost £2 for every £1 of public investment.
- 4.8 To increase capacity in the sector, the partnership noted and welcomed proposals for Council’s provisional UK Shared Prosperity Fund Edinburgh Investment Plan to incorporate funding for third sector operated income maximisation and welfare rights provision in this financial year.



- 4.9 In addition, and to build on this investment, the partnership:
- 4.9.1 Agreed that as a matter of priority, partners will collaborate to implement an employability programme for welfare rights advisors in Edinburgh to build the skilled workforce needed by the sector.
 - 4.9.2 Noted that a strategic review of the welfare rights and debt advice sector in Edinburgh is planned for completion in September 2022, and that implementation of that review is critical to a citywide response to the cost of living crisis.
 - 4.9.3 Agreed that additional action is needed to **raise awareness of and promote access to** financial and other crisis support available to Edinburgh citizens.
 - 4.9.4 Agreed that partners will collaborate on a joint programme to promote citizen and staff awareness of help available to households who are worrying about money or struggling to get by during this autumn and winter period. This will include advice on how to check benefits entitlements and encourage benefits uptake.
 - 4.9.5 Agreed that partners will collaborate on raising awareness among frontline staff groups on the tools and support available for clients who are struggling or worrying about money.
 - 4.9.6 Agreed to investigate into prevention work and not just focus on mitigation with a specific mention of the impact of housing costs and maximising any opportunities in regard to community benefits through the portal.
- 4.10 In July 2022, a special meeting of the Finance and Resources Committee recommended and has now been subsequently approved by Council on 25 August of further financial support for low income families: £1,212,000 of Council funds to clear school meal debts and make a one-off payment to families of £100 for each child in receipt of free school meals. There continues to be amendments and further requests of additional work, that will support the Edinburgh citizen during winter.
- 4.11 The strategic review (referenced in 4.9.2) has concluded with seven themes and 24 recommendations, which are all very interlinked. A presentation of this work is an agenda item at Edinburgh Partnership meeting on 6 September 2022.
- 4.12 Work has already commenced within the theme of Workforce – “A workforce plan for welfare rights and debt advisors with shared training and wellbeing resources, and a new route into welfare rights employment or volunteering opportunities for those with lived experiences”.

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	Change¹	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. 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.	

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



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.

