



Appendix 1
26th May 2022
Community Planning
Partnership

Cost of Living Crisis Task Force

Date: 26th May 2022

Report Contact: Community Planning Partnership Board

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For Noting

Midlothian Council will consider the need to create a Cost of Living Crisis Task Force as a matter of urgency.

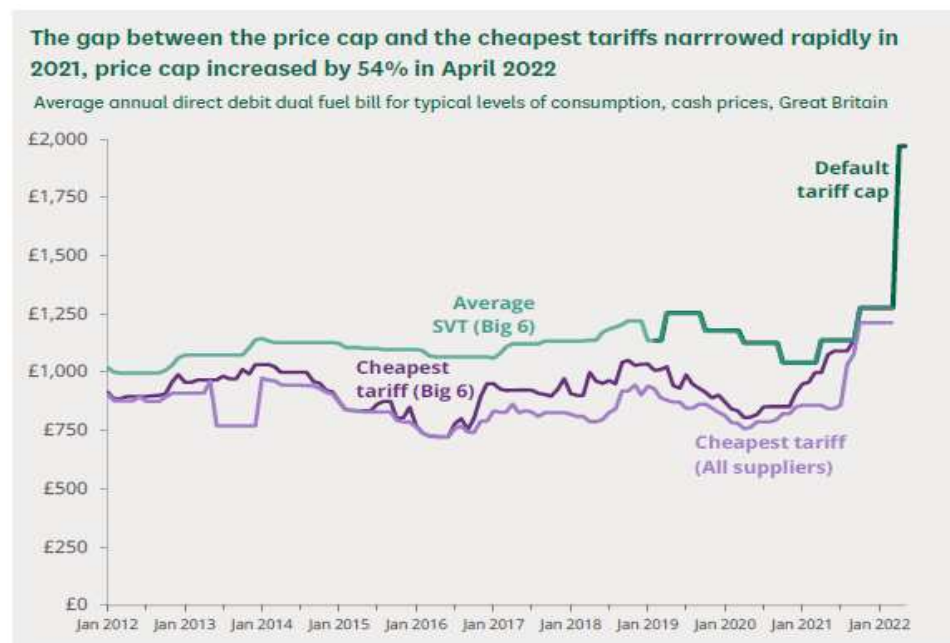
Background

The UK is currently facing an unprecedented storm of increasing prices, bills and tax.

Since late 2021 there has been a fall in UK household's disposable incomes due to a rise in prices which has led to a 'cost of living crisis'. The 40 year high inflation rate of 9% is the main driver of the cost of living crisis which has outstripped wage and benefit increases ([Wilkes, 2022](#)).



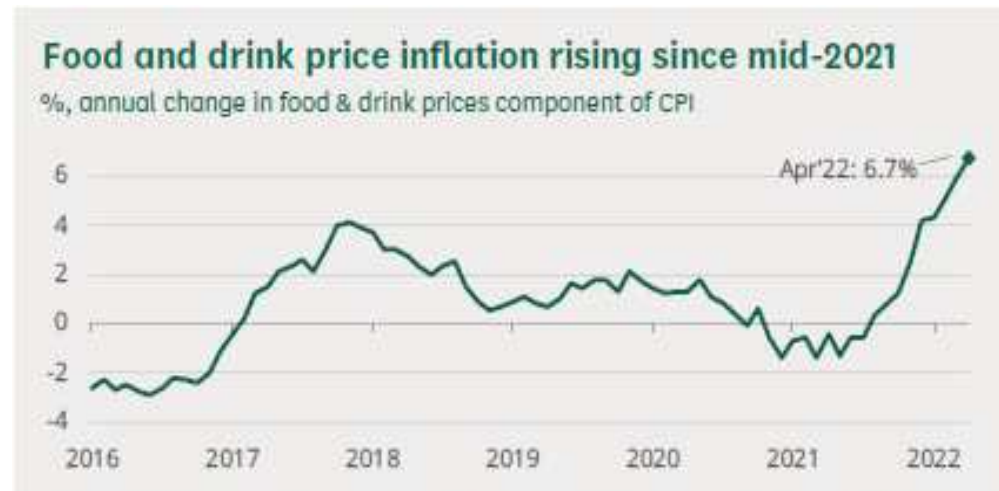
One key aspect of the 'cost of living crisis' is the rapid rise in energy costs. In the year to April 2022, domestic gas prices increased by 95% and electricity prices by 54%. Furthermore, on 1 April 2022 the new price cap came into force, leading to default tariffs increasing from £1,277 to up to £1,971 per year. Prepayment customers have seen an increase of £708 from £1,309 to up to £2,017. In May that the price cap is due to rise even further in October to £2,800 – pushing up the average bill by £800 ([Wilson and Westwater 2022](#)). This will mean that more households will be pushed into fuel poverty and those already experiencing fuel poverty will be pushed further.



Source: [Retail market indicators](#) (prices and profits), Ofgem

There has been a recent announcement to provide financial support of £400 rebate on energy bills this October as part of a package of new measures to tackle soaring prices. This is to replace the £200 original energy bill discount scheme. The lowest income households will also get a payment of £650 to help with the cost of living. The chancellor also announced top-ups for those with additional support needs and those in receipt of a pension worth £150 and £300 respectively ([BBC News, 2022](#)).

Increases in food and drink prices are also exacerbating the 'cost of living crisis'. Food and non-alcoholic drink prices were 6.7% higher in the year to April 2022, which is up from 5.9% in March and the highest rate of increase since June 2011.



Source: ONS, Food and non-alcoholic drink component of CPI, series [D7G8](#) [18 May 2022 update]

Several factors have led to food and drink price rises including supply chain challenges, rising wholesale costs and labour shortages. The Russian invasion of Ukraine has also affected food prices on international markets as both countries are important producer's agricultural products, for example wheat ([Francis-Devine et al 2022](#)).

The impact on households is already being noted with 87% of adults in the UK reported an increase in their cost of living in April 2022 ([Office for National Statistics; Francis-Devine et al, 2022](#)). The price rises will impact low-income households the hardest as a larger proportion of their bills are on energy and food. The Resolution Foundation estimates an extra 1.3 million people will fall into absolute poverty in 2023, including 500,000 children.

Role of a potential Task Force

The role of the Cost of Living Crisis Midlothian Task Force (CLCMTF) would be to

- (i) conduct primary research into the impact Midlothian households are experiencing now and potential future impact from forecasted price rises.
- (ii) identify and co-design interventions to mitigate the impacts of the crisis for Midlothian's households. The Task Force will work closely with local organisations to identify resources that can help those affected by rising living costs with practical assistance. They will also look at ways

to support households to maximise their incomes and reduce outgoings. This crisis is unprecedented and escalating at a significant rate and therefore needs a joined up immediate response to help those in need in our communities.

There will be a number of local people and families who for the first time find themselves in this position. We have a range of organisations both local and Midlothian wide, including food banks and energy advice, but the pressure on them will increase dramatically thus an exploration on support we can provide them is vital.

Therefore Midlothian Council will consider the need to establish a Cost of Living Crisis Task Force as a matter of urgency.

Sources

1. Giles Wilkes, 2022, [Cost of living crisis | The Institute for Government](#)
2. Wilson and Westwater 2022 [Cost of living crisis: 5 ways prices have increased - and where to find help - The Big Issue](#)
3. Francis-Devine et al. 2022 [Rising cost of living in the UK - House of Commons Library \(parliament.uk\)](#)
4. BBC News, 2022 [Every household to get energy bill discounts of £400 this autumn - BBC News](#)

Cost of Living Task Force – Membership and Terms of Reference

Membership

It is proposed that membership would comprise 5 Elected Members of the Council with representation as follows: two from SNP, two from Labour and one from the Scottish Conservatives.

Terms of Reference

The Group will have a Chair from its composition determined by the membership of the Group. The Group will also include the members of the Council's Corporate Management Team and presentations can be called by relevant officers when required.

The Task force is responsible for:

- Seeking and Scrutinising local data relating to the Cost of Living Crisis
- Providing Officers with a political steer on the shaping of priorities to tackle the cost of living crisis.
- Reviewing, challenging and approving options for tackling the cost of living crisis for onward approval by Council.
- Providing advice and guidance to the Council regarding the cost of living crisis

The Cost of Living task force will normally meet on a monthly basis (subject to breaks for the summer recess, Christmas/New Year holidays and school holidays). The Council will decide on the schedule of meetings for the Cost of Living Task Force, usually on a rolling annual basis which will be published.

A special meeting can be called, at any time, by the chair giving detailed reasons for such a meeting.

The quorum for meetings of the Cost of Living Crisis Task Force will be 3 Councillors.

The Minutes of the Group will be recorded by the Officer clerking the meeting and submitted to the next ordinary meeting of the Task Force for approval.