

November 2022

Portfolio insights on the cost-of-living

INSPIRING SCOTLAND

INTRODUCTION

At Inspiring Scotland, we are very aware of the pressure that the increased cost-of-living is having on people and the funded charities we support.

Throughout autumn we worked with portfolio partners to gather and share insights on what this pressure looks like, and how charity partners are responding.

In 2022-23 Inspiring Scotland will work with over 450 social impact partners through 17 programmes. This work is made possible by the investment of the Scottish Government and other funders and investors.

This reach enables us to gather a wide range of insight how the cost-of-living crisis is impacting people across Scotland.

Through autumn 2022, fund teams gathered and shared information from portfolio partners about:

- how concerned they are about cost-of-living crisis for people they support, their organisations, their staff and volunteers**
- what challenges people are facing due to the cost-of-living crisis**
- what concerns partners have for the sustainability of their organisations**
- what they are doing to mitigate the impact**
- how Inspiring Scotland can provide support**

Insights were gathered through regular virtual portfolio catch-ups enabling charity partners to share and support each other. Surveys were also distributed to complete anonymously. This has been added to insights gathered by Inspiring Scotland staff to produce this summary.

PORTFOLIO INPUT

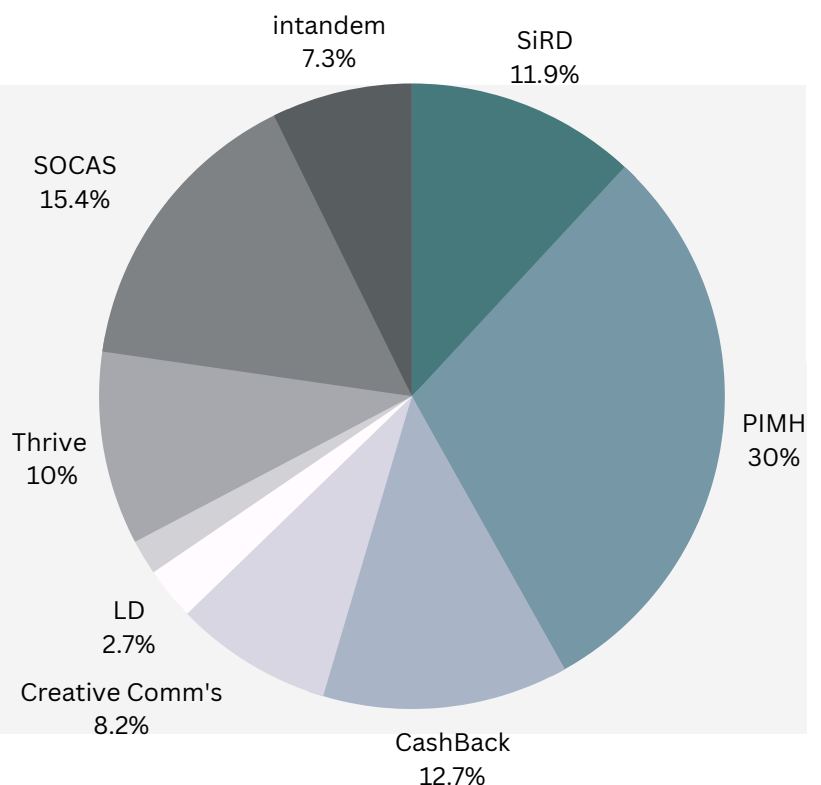
Structured input was gathered from 111 people representing 92 voluntary sector organisations. Additional input was collated from front-line services delivering through the Autism, Equality and Human Rights and Delivering Equally Safe programmes.

Responses came from a range of project staff, charity leaders and volunteers. Input gathered via portfolio meetings and surveys used a mixture of questions including scales and open text questions.

- **61% of 'structured input' was from participants in programmes with a focus on children and young people. This includes the CashBack for Communities programme, Our Future Now (OFN), Thrive Outdoors, intandem and the Perinatal and Infant Mental Health Fund (PIMH)**
- **59% of 'structured input' was from participants in programmes providing support with people's mental health and social care needs. This includes the Support in the Right Direction (SIRD) programme, Survivors of Childhood Abuse Support Fund (SOCAS), Inspiring inclusion (LD), PIMH and the Autism programme.**

Portfolio input

This graph shows how responses were split across different funding programmes



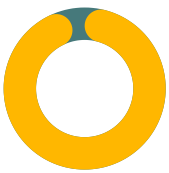
Concern about the cost-of-living

When asked to rank how concerned they were about the impact of the increased cost-of-living on their organisations, their staff and the people they support, people were in agreement that the impact is being felt across their organisations.

Across programmes respondents felt an average of 82% of the people they support will be strongly impacted by increases to the cost of living

Concerns of funded partners

Concern for the people they support



Charity partners expressed high levels of concern for the people they support. On scale of 1-5, the average concern level was 4.85 out of 5

Concern for staff



Low paid voluntary sector staff will also be impacted by cost-of-living pressures. The average concern level was 4.36 out of 5

Concern for volunteers

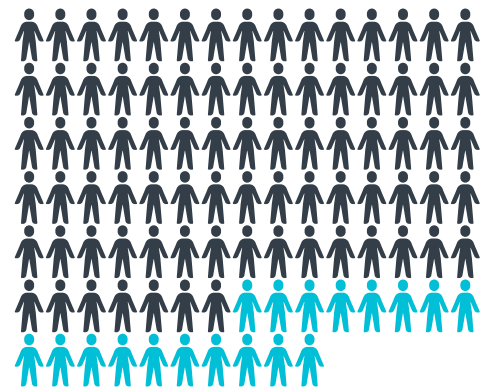


Charity partners are concerned for the impact on their volunteers - so vital to enabling them to deliver support. The average concern level was 4.30 out of 5

Concern for their organisation



The resources organisations have to meet demand are stretched, and the sustainability of their delivery is under huge pressure. The average concern level expressed for organisations was 4.32 out of 5



On average charity partners feel 82% of people they support will be strongly impacted by cost-of-living increases

"They were already suffering financial hardship and inflation and rising costs is impacting on their mental health and wellbeing. In turn, this impacts in all areas of their lives. When they are feeling stressed and anxious their usual coping strategies don't work and they are overwhelmed. Our partners already have debt issues and sometimes seek grants and loans to make ends meet." Autism partner

CHALLENGES FOR PEOPLE

We asked charity partners about the challenges they are seeing for the people they support.

There were three main groups of challenges people are facing. They are experiencing pressures to household finances particularly energy and food costs, but also transport and clothing. This is having an impact on their mental and physical health, and knock-on effects impacting educational attainment, and on the ability of people to access the support they need.

People are choosing between heating and eating

01

Over half of respondents identified energy and food costs impacting on people's ability to access the basic necessities needed. Partners repeatedly stated people are choosing between heating and eating.

The cost of transport and clothing was also cited as adding to family pressures.

People are struggling with their mental and physical health

02

Increased anxiety, relationship pressures, feeling overwhelmed and the heightened sense of uncertainty in the future were all mentioned by partners as impacting on people's ability to cope.

Limiting electricity use, reducing shopping to save money, and not being able to afford to make appointments or gain respite, is also having an impact on people's physical health.

"The biggest impact is the anxiety that the increasing prices are having on families. Living in an atmosphere where anxiety is heightened. Struggling to buy basic food items and knowing that heating costs will rise in the winter will put an increased burden on families who may have to choose whether they eat or heat their homes and if they have the financial means to pay for these increases."

CashBack for Communities partner

CHALLENGES FOR PEOPLE

People need to prioritise basic needs, which is having a knock-on effect

03

There are knock on effects to not being able to afford the basics. People are unable to both physically get to the support they need, but also, where financial issues are the main concern, are unable to focus on other deep rooted issues that need to be addressed.

Partners commented that educational attainment is impacted when children can't afford to charge devices, or don't have clean clothes, and the basics they need.

Partners stated people are beginning to view sport and cultural activities as luxuries, and not attending, thus increasing social isolation.

"Poverty. Our families are making difficult choices just now and some are coming to our services hungry. We are beginning to notice that some are not spending money travelling to services as well. This is leading to a sense of hopelessness." intandem partner

"People are experiencing heightened anxiety, isolation, loneliness, despair, distress and possible increase in self-destructive behaviours. They can be more focussed on trying to survive day-day that they are unable to focus on their therapeutic journey/recovery (we saw this during covid)." SOCAS charity

"Families will have to forego any 'luxuries' such as external activities. These types of activity strengthen family bonds, develop creative and physical skills and support development of social skills. This on top of covid restrictions spells total disaster for young children who by the age of 3 will have had a starkly different early years experiences than someone a few years older." Thrive Outdoors partner

CHALLENGES FOR ORGANISATIONS

We asked partners about how the challenge of increased costs was impacting on their organisations.

Responses were a combination of concerns about the sustainability of their organisation, and concerns about being able to deliver services that meet the needs of the people they support.

Organisational challenges



The main challenges organisations identified are:

- Staff retention
- Insufficient funding, the need to fundraise more, and difficulty fundraising
- Cost of running the organisation (staff salaries, heating, running costs) are unsustainable
- Staff and volunteers themselves are impacted by cost-of-living pressures
- Staff and volunteer wellbeing and resilience

"Staff can't afford to travel to work, they are also reducing their food purchases and usage of fuel. Some staff have left because they can't afford to work here any more and the organisation can't afford to pay them more" OFN partner

"Charities are already expected to do a lot with a little. There is an ongoing expectation that the lowest paid, least represented sector, will continue to be the last line of defence" Creative Communities partner

Service delivery challenges

The main service delivery challenges identified are:

- Concern about meeting level of demand for support, waiting lists and increased referrals
- Concern that staff and volunteers won't have the skills and resilience to provide the levels of support people are needing



"Will we be able to keep up with demand? Can our staff/volunteers do this without burning out? Can we afford to open later and provide food? Will funders be flexible in increasing budgets and salaries in line with inflation?" Thrive Outdoors partner

RESPONSES

We asked partners about what they are doing now, or plan to do, to mitigate the impact of cost-of-living increases.

Responses were a combination of what they are doing to mitigate the impact on their organisation, and what they are doing to further help the people they support.

Organisational responses



- **21% respondents referred to cutting costs and reviewing budgets**
- **13% said they have been able to increase staff salaries or improve staff incentives**
- **12% referred to applying for additional funding and increased focus on seeking new income**
- **7% have put an additional focus on wellbeing support for staff**

"We are supporting our staff team by offering an additional inflationary pay-rise. We have advised all staff that we are here to support them and to make us aware if they are getting into any financial difficulties. We are looking at making savings wherever we can, including a review of our outgoings across the Board." CashBack for Communities partner

"We are reviewing our budgets to find out if there is any possible way to increase our staff wages. But at the same time we also need to build up our contingency reserves. We have kept our suggested donation from parents at the same cost as last year." Thrive Outdoors partner

" We are actively reviewing our budgets to look for savings to allow us to meet our commitments to staff and to utility costs etc but, like most third sector organisations, there are limited solutions without it impacting significantly on our service delivery. " Support in the Right Direction (SiRD) project

RESPONSES

Service delivery responses



- **28% identified increased work to refer service users to food banks or get help with benefits, and increased links with other groups who can help them**
- **14% spoke about trying to change service models and develop new projects (eg food banks, outreach, flexible appts, extended hours) to help meet need**
- **10% referred to providing free meals or food parcels and vouchers**
- **9% of responders are providing crisis funds/ items for service users**
- **6% have changed to provide free or reduced costs services**

"We are delivering more group sessions targeting cooking on a budget and asking families what they feel would benefit them. We have linked with Network Rail for free/ discounted travel passes for geographically remote families and are linking in with other organisations for free SIM cards, electronic devices, vouchers etc to benefit families." PIMH Fund charity

"We are starting a new community hub. This will be a warm place for families and volunteers to attend and have some breakfast and an opportunity to save money on utilities. It will also have a swap shop. We are currently working with supermarkets to offer blankets to families. The hub will also tackle social isolation and partner agencies will provide support to maximise income, breastfeeding support, debt advice."
PIMH Fund charity

"We provide financial checks to help identify sources of income, benefits of grant funding that may be available to survivors. This removes additional stresses for survivors when worrying about children, food, getting into debt. We were able to make applications to local grant funded charities which meant Mums were able to pay for school meals, clothing and transport so children were minimally impacted by their parents circumstances."
Delivering Equally Safe report

HOW WE CAN HELP

We asked portfolio partners how we can all help each other, and what Inspiring Scotland can do to support them.

Continuing to share information, resources, ideas and training was a consistent priority for funded organisations.

As was a request for an uplift in funding and a request to be flexible with funding.

Other suggestions included:

- **help to amplify the voice of the voluntary sector, and showcase the positive impact of services**
- **continue to share the challenges the sector is facing with Scottish Government and investors**
- **support collective discussions on how the the voluntary sector can can deliver on Fair Work principles ensuring fair rates of pay for staff.**

Inspiring Scotland fund teams continue to work with investors and the Scottish Government as funders of different portfolio programmes. The relevant portfolio responses have been shared with Scottish Government policy colleagues.

Programmes are gathering additional information to show the increased support partner charities are providing and why, and where, it is needed. We also co-ordinate peer support for charity leaders so they can support each other with the challenges they are facing.

We will continue to add value through our Specialist Volunteer Network, responding to training and resource needs.

Alongside our Scotland Funders' Forum partners we are committed to:

- **Trust communities and offer flexibility**
- **Listen to and advocate with the sector**
- **Take a supportive approach**
- **Act with urgency**

ACKNOWLEDGEMENTS

Thanks to portfolio partners for sharing with us, and each other, how they are responding to the challenges faced by the cost-of-living crisis.

Thank you to the Scottish Government and investors for funding the vital work of portfolio partners.

Input for this summary was gathered from organisations funded by the Scottish Government and other funders through the following programmes:

CashBack for Communities

Creative Communities

Inspiring Inclusion - Learning Disabilities programme

Our Future Now

Thrive Outdoors

Survivors of Childhood Abuse Support Fund (SOCAS)

Perinatal and Infant Mental Health Fund

Support in the Right Direction

intandem

With additional context from the Autism, Equality and Human Rights and Delivering Equally Safe programmes.

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