

Cost of Living Crisis update noted etc.

4 There was submitted a report by the Director of Regional Economic Growth providing an update on the Cost of Living Crisis and how it continued to impact the residents of Glasgow, advising that

- (1) the Glasgow City Region (GCR) Intelligence Hub (IH) had conducted research into the impacts of the Cost of Living Crisis since the issue became prevalent in 2022 which had culminated in the IH producing numerous briefings for the GCR in response to national policy developments, as well as a bespoke piece of research produced for the Scottish Cities Alliance;
- (2) the energy price cap was a mechanism used by Ofgem to limit the amount that energy suppliers could charge customers annually, with reviews every 3 months and according to the consultancy Cornwall Insight, high energy prices were likely to be the new normal due to continuous geopolitical risks in the Middle East and the war in Ukraine;
- (3) evidence from the Resolution Foundation had shown that individuals with relatively low levels of earnings were disproportionately affected by the increase in the price of essential goods, such as energy and that less energy efficient heating systems and poorer housing conditions contributed to these individuals spending a higher proportion of their income on energy than those earning the median-wage or above;
- (4) Glasgow had the highest share of pre-1918 housing stock, with this type of housing often likely to be less energy-efficient, have poorer insulation and outdated heating systems, leading to higher energy consumption and costs and this demonstrated the need to reduce fuel poverty by driving retrofit initiatives;
- (5) UK rents had increased by 3.9% in the 12 months to October 2024, which was down from 9.1% a year ago, the lowest growth rate for over 3 years since August 2021 and the first time that earnings were rising faster than rents since September 2021 and annual rental growth in Glasgow had also slowed down, more than the 2.9% UK rate; and
- (6) that the pressure felt by households by the continued rise in the Cost of Living remained and this was likely to drag people into poverty, resulting in increased pressure and costs on the delivery of Council services.

After consideration, the committee noted

- (a) the report; and
- (b) that further updates would be provided on the Glasgow City Region Intelligence Hub's work on the Cost of Living Crisis.