
North Ayrshire Background and local context

2023



Although recent data indicates that rates of child poverty in Scotland appeared to be stabilising, the effects of the recent cost of living crisis have exacerbated the structural challenges which exist in many of our communities in North Ayrshire, the most challenging symptom of which is the second highest level of child poverty in Scotland.

According to figures released by [End Child Poverty in Scotland](#) in July 2022 there are 5,394 or 24.7% of children in North Ayrshire living in poverty. However, these figures were sourced from the Department for Work and Pensions (DWP) and came with a caveat that data collection was impacted due to the Covid-19 Pandemic and that statistics should not be compared with previous years. Therefore, the true figure is likely to be greater. **North Ayrshire currently has the second highest levels of child poverty in Scotland.**

They found that in October/November 2022:

- Around six in ten low-income families are not able to afford an unexpected expense
- Over half are in arrears
- Around a quarter use credit to pay essential bills
- Over seven in ten families are going without essentials
- Around four in ten families with children are spending less on food for their children.

The Joseph Rowntree Foundation report 'UK Poverty 2023' found that:
"We are in the midst of a profound cost of living crisis with huge implications for society. Many of us are having to make difficult choices on what spending we prioritise, but some of us face increasingly bleak choices."



They also forecast that whilst inflation is expected to fall during 2023, prices are expected to continue to rise along with rents and mortgage payments, and wages are not expected to keep up. Scottish Government figures from 2019-20 showed that more than one in four of Scotland's children are living in poverty. The Resolution Foundation forecasts that the rate of child poverty in Scotland will be 29% by 2023-24 and Scottish Government projections indicate that, without significant change in national policy, the figure could reach 38% by 2030-31.

The Scottish Government's 2022 publication 'The Cost-of-Living Crisis in Scotland: An Analytical Report' found that low-income households with little or no savings are most impacted and also made reference to the higher costs of living for people in rural and island households for some goods and services, including off-gas-grid fuel and transport. While the most vulnerable members of our communities are continuing to access advice services in the largest numbers, there is evidence nationally, echoed by local advice services, that there are more people seeking help now who were traditionally less likely to access advice services e.g. homeowners and professional people. Many people who sit just above the benefits entitlement threshold are facing financial difficulties. Increasing numbers of people who are in a debt solution (payment plan/debt arrangement scheme etc.) are finding that they can no longer afford their contributions and more clients are presenting with complex debt.



North Ayrshire

For the most recent time period available, North Ayrshire had:

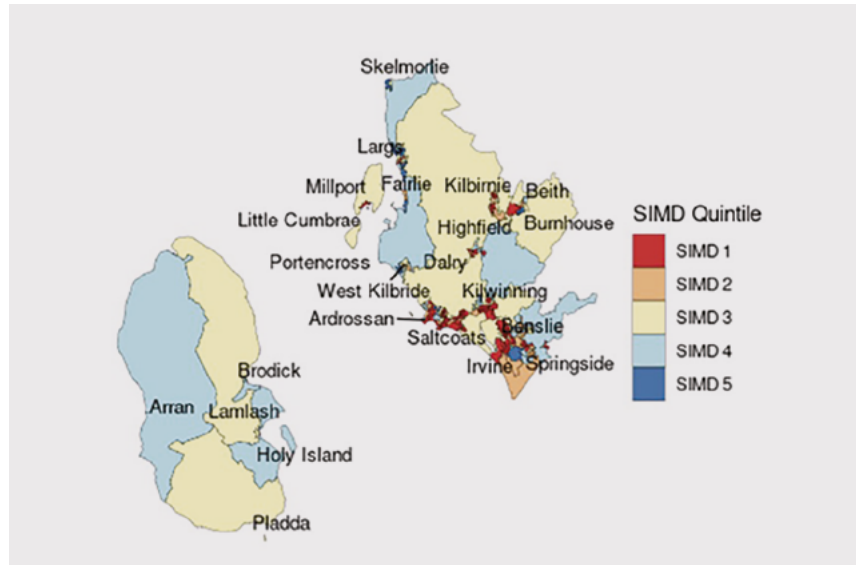
- 1 A total population of **134,220** people, where **47.5%** were male, and **23.3%** were aged over 65.
- 2 **9.7%** of people lived in the least deprived SIMD quintile, and **40.9%** living in the most deprived quintile.

Table 1: Percentage of the North Ayrshire population living in the 2016 and 2020 SIMD Datazone Quintiles in 2016 and 2021 respectively.

Quintile	Percent of 2016 Population (SIMD 2016 Ranking)	Percent of 2021 Population (SIMD 2020 Ranking)	Difference
SIMD 1	40.9%	40.9%	0.0%
SIMD 2	20.0%	18.5%	-1.4%
SIMD 3	14.1%	15.8%	1.7%
SIMD 4	15.9%	15.0%	-0.9%
SIMD 5	9.2%	9.7%	0.5%

Source: Scottish Government, Public Health Scotland, National Records Scotland

Map of Data Zones within North Ayrshire coloured by SIMD quintiles:



Source: Scottish Government, Public Health Scotland, National Records Scotland

The population in North Ayrshire is estimated to decrease by 1.7% from 2021 to 2026. Although the overall population is projected to decrease, the older population of North Ayrshire is expected to increase, while the population aged under 65 is expected to decrease.

The dependency ratio is the number of people aged 0-15 and 65+ as a percentage of those aged 16-65. For North Ayrshire, the figure was 65.6% for the most recent year. For North Ayrshire, the projected figure for 2031 is 77.2%.

Income from employment

North Ayrshire is particularly vulnerable to economic crisis, with the 7th lowest employment rate, (which has improved from the 2nd lowest in Scotland (73.6%) compared to a Scottish average of 74.4%). This most recent data release reflects the period January – December 2022 and shows an 8.7% increase from the previous data release.

The North Ayrshire rate for claimants as a proportion of the working age population (aged 16-64) is 4.6%. This compares to regional figures of 4.3% for East Ayrshire and 3.7% for South Ayrshire and a Scottish average of 3.3%. This dataset is for March 2023 and shows the rate has remained the same compared to other areas where figures have increased.

In comparison to other local authority areas North Ayrshire has significantly higher levels of youth unemployment at 6.4% (youth claimant count), the 2nd highest rate in Scotland and is significantly higher than the Scotland average rate of 4.1%. Addressing youth employment remains a priority given its impacts on future life chances.

Mental Health

The Mental Health Foundation reports that more than one in nine (13%) adults in Scotland are feeling hopeless, four in ten (40%) feeling anxious and one-third (33%) feeling stressed, when thinking about their financial situation in the past month. The Mental Health Foundation is warning of a significant rise in mental health problems without adequate support.

In 2020/21, 22% of people in North Ayrshire were prescribed medication for anxiety, depression, or psychosis in North Ayrshire HSCP. This is a 35.3% increase from the rate 10 years prior in 2010/11.

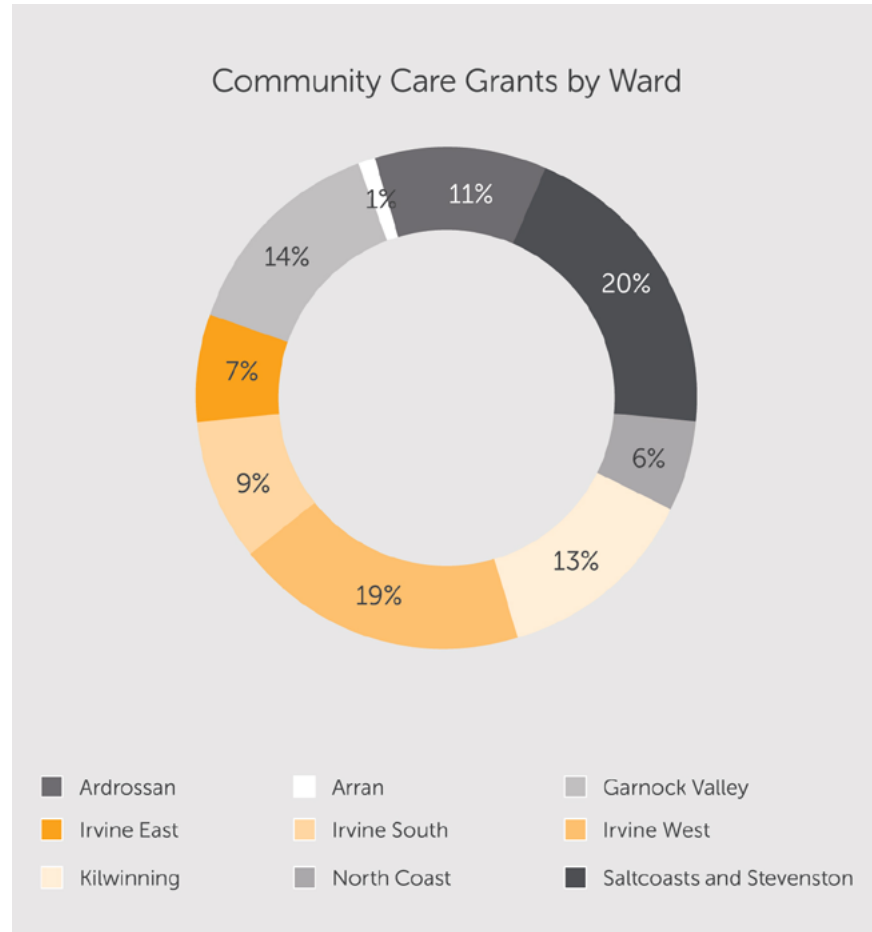
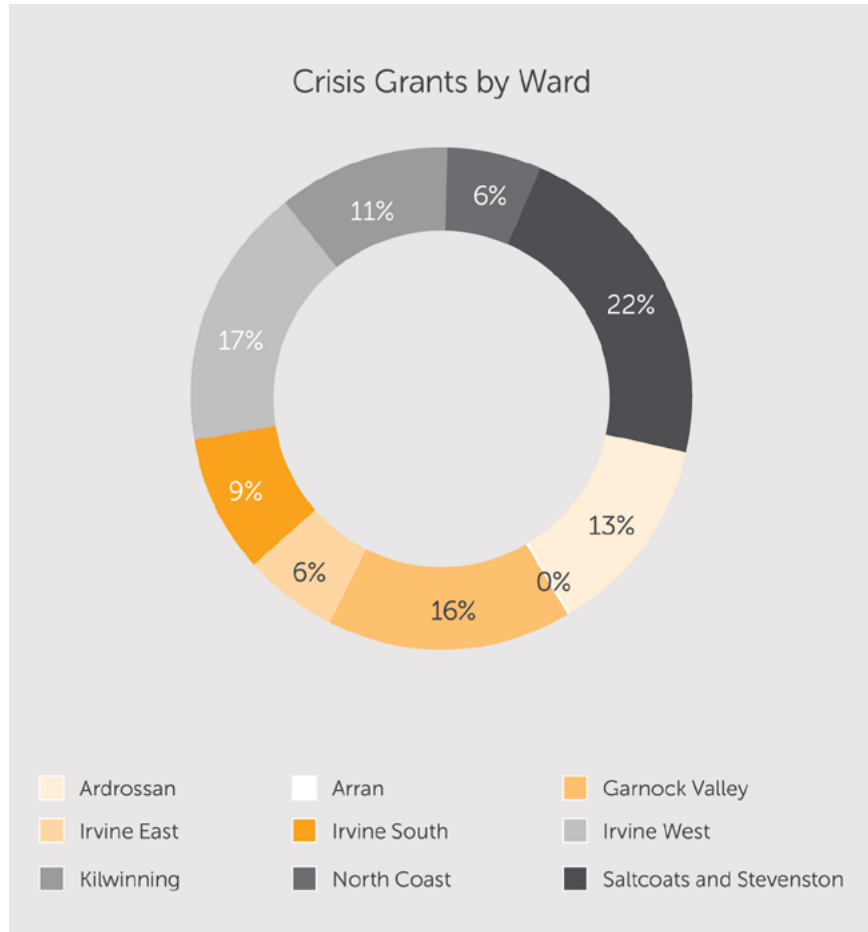
Many adults in Scotland are concerned about not being able to maintain their standard of living (75%), heat their home (70%) or pay general monthly household bills (65%). Significantly, more than half (52%) of adults in Scotland were at least a little worried about being able to afford food over the next few months, rising to 69% of those aged 18 to 34.

Costs of living

It is estimated that around 62% of Scottish households are now living in fuel poverty (paying more than 10% of their income on energy). This figure rises to 80% for low-income households. Another significant change is that almost half of all 'non-income' poor are now also likely to be fuel poor, up from 9.5% in 2019-20.



How does this manifest itself in North Ayrshire in 2023?



Recently, the Council has agreed funding packages to support our communities during the current cost-of-living crisis.

These included:

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- 1 A £1.4 million Child Poverty and Cost of Living Fund**
 - 2 More than £2 million for an Energy Support Scheme** which offers advice and support to help people lower their energy bills, as well as practical help to install energy-saving features in homes. This support will be directed to those who need it most and more details on this initiative will be announced in the coming weeks.
 - 3 Two additional payments of £100 per child** to increase the two separate Scottish Government Child Bridging Payments of £130 for families of children who are eligible for a free school meal, due to be distributed in October and December. The £100 payments will also be extended to low-income families with children of pre-school age, with approximately 3,300 families across North Ayrshire due to receive payment.
 - 4 £500,000 to build on our existing Community Food Network** to ensure basic food provision is available to anyone who requires the support, recognising the growing membership and anticipated increase in demand due to the impact of the rise in the energy cap.
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The package also included a Public Transport Travel Scheme to support travel to work, a community transport initiative, support for the delivery of the Council's Modern Apprenticeship Programme, new Skills for Life Work placements and Employer Recruitment Incentives.

Other recent interventions include:

- 1 Support for our Community Food Larders and specific Community Centres in relation to **'warm spaces/banks'**, with co-located advice services, encouraging our communities to use already available, halls, centres, community cafes and libraries better, ensuring they feel comfortable in order to stay longer.
- 2 A business review of our Community Larders and testing of **bulk buying scheme to reduce the costs** of food purchase.
- 3 A partnership with the **local credit union** to provide low-cost loans to higher risk groups.
- 4 Community Planning **'Community Books'** which will focus on supporting the most vulnerable to find warm places, low-cost meals and so on.

The Scottish Government Local Child Poverty Dashboard showed, between 2018 and 2019, a significant drop in the number of people in North Ayrshire who felt they were managing well financially, having gone down from 62% to 49%, whilst across Scotland numbers remained fairly static. In addition, since 2017, the statistics show an increasing number of adults with no savings, against a slight reduction across Scotland.

In North Ayrshire we are fully committed to becoming a fairer and more equal society. The Council shapes its strategies and focuses its work on tackling inequalities and creating a society where no one lives in poverty, where the economy is inclusive and where everyone has the same life chances to live fulfilling and healthy lives. Our Community Planning Partners e.g. NHS Ayrshire and Arran, Police and Fire Services, Third Sector Interface, etc. are committed to this ambition.

