

Item: 18

Policy and Resources Committee: 19 September 2023.

Islands Cost Crisis Emergency Fund.

Joint Report by Chief Officer, Orkney Health and Social Care Partnership, Corporate Director for Strategy, Performance and Business Solutions and Corporate Director for Enterprise and Sustainable Regeneration.

1. Purpose of Report

To consider a proposal for expenditure of the Council's allocation from the Scottish Government's Islands Cost Crisis Emergency Fund for 2023-24.

2. Recommendations

The Committee is invited to note:

2.1.

That, in December 2022, the Scottish Government established an Islands Cost Crisis Emergency Fund, in recognition of the higher costs of living experienced by residents of Scotland's islands, to be distributed by local authorities "based on their local knowledge and understanding of the impacts of the cost crisis on their islands".

2.2.

That Orkney's share of the Islands Cost Crisis Emergency Fund for 2022/23, amounting to £305,000, was allocated by the Council to the Third Sector Cost of Living Crisis Fund, administered by Voluntary Action Orkney.

2.3.

That a second tranche of the Islands Cost Crisis Emergency Fund has been announced for 2023/24, with Orkney's allocation being £218,000, to be used "by providing immediate help to people, communities and businesses who are struggling most, either through existing schemes and/or other new support where need is greatest".

2.4.

That the Orkney Partnership has established a multi-agency Delivery Group, the Cost of Living Task Force, with a brief to co-ordinate an agile response to the cost of living crisis, supporting both immediate need and longer-term prevention of poverty and disadvantage, which includes the co-ordination of partnership action plans relating to child poverty, food dignity and fuel poverty.

2.5.

That many of the projects and services delivered by members of the Cost of Living Task Force directly support the immediate need of the people and communities targeted by the Islands Cost Crisis Emergency Fund and, with additional resources, could be rolled out to support many more.

2.6.

That, collectively, the members of the Cost of Living Task Force can offer unparalleled expertise, capacity and local knowledge, as well as direct access to the people and communities who are struggling most as a consequence of the cost of living crisis.

2.7.

That the Cost of Living Task Force is currently chaired by the Chief Officer, Orkney Health and Care.

It is recommended:

2.8.

That the Cost of Living Task Force should be invited to recommend how best the Islands Cost Crisis Emergency Fund 2023/24 should be spent and to action their recommendations.

2.9.

That all recommendations made by the Cost of Living Task Force regarding expenditure of the Islands Cost Crisis Emergency Fund 2023/24 should be scrutinised and approved by the Corporate Director for Enterprise and Sustainable Regeneration prior to implementation.

2.10.

That the Islands Cost Crisis Emergency Fund should be administered by the Community Planning Business Manager.

3. Islands Cost Crisis Emergency Fund

3.1.

In December 2022, the Scottish Government released an Islands Cost Crisis Emergency Fund to support those who were struggling most due to the cost of living crisis, either through existing schemes or new support. The Council's share of the Fund amounted to £305,000, which included £65,000 reserved for capital spend, its purpose being to enable the Council to take immediate action to provide support to the community where need was greatest. There was a short deadline for expenditure of the Islands Cost Crisis Emergency Fund which had to be spent by 31 March 2023.

3.2.

At that time many Third Sector organisations in Orkney were finding it difficult or impossible to cover their rising operational costs while seeing more people coming to them for support. The Council therefore decided to allocate the 2022-23 Islands Cost Crisis Emergency Fund to Orkney's Third Sector in the form of a Third Sector Cost of Living Crisis Fund, with the distribution to be administered by Voluntary Action Orkney, in liaison with Council officers, via a Grant Funding Agreement. This was a tried and tested methodology which had previously been used to distribute the Third Sector Covid-19 Emergency Fund. The funding was assigned in full to Voluntary Action Orkney before the deadline for expenditure of 31 March 2023, with the full agreement of the Scottish Government. The Third Sector Cost of Living Crisis Fund has since been allocated in full to Third Sector organisations via two bidding rounds managed by Voluntary Action Orkney.

3.3.

On 25 July 2023, Scottish Government wrote to Local Authority Directors of Finance to advise of additional funding for local authorities to continue the delivery of the Islands Cost Crisis Emergency Fund in 2023-24, with the same criteria as before. Orkney's allocation for 2023-24 is £218,000, to be spent by 31 March 2024.

4. Cost of Living Task Force

4.1.

In June 2022, the Orkney Partnership Board agreed to adopt a Poverty Pledge which stated:

"We believe that it is not acceptable that people in our community live in poverty. Over the coming years, we will commit our time, energy, and resources to do all we can, in partnership, to work towards the elimination of poverty throughout Orkney."

4.2.

The Board agreed to establish a short life working group to co-ordinate actions arising from the Partnership strategies for child poverty, food dignity and fuel poverty. The Cost of Living Task Force replaced and expanded the scope of the Child Poverty Task Force, which had completed its brief and was wound up on publication of the Orkney Child Poverty Strategy 2022-26. The Task Force was chaired by Craig Spence, Chief Executive Officer of Orkney Housing Association Ltd and Chair of Orkney Charitable Trust.

4.3.

In September 2022, the Board agreed that one of its three strategic priorities for the new Community Plan 2023-30 (Orkney's statutory Local Outcomes Improvement Plan or LOIP) should be the Cost of Living. In March 2023, the new [Orkney Community Plan 2023-30](#) was approved by the Board and the Cost of Living Task Force was redesignated a Delivery Group with a brief to deliver the strategic priority of Cost of Living.

4.4.

The Cost of Living Task Force was assigned the aim “To co-ordinate an agile response to the cost of living crisis, supporting both immediate need and longer-term prevention of poverty and disadvantage” and five outcomes to work towards:

- Adoption of advice-and-cash-first approach to address hardship.
- Improved uptake of locally administered funding and support.
- Co-ordination of partnership action plans relating to child poverty, food dignity and fuel poverty.
- Wider understanding of poverty and its prevention in terms of human rights, equality and fairness, and community wellbeing.
- Evidence of mitigation of the immediate cost of living crisis and of the longer-term reduction of persistent poverty in Orkney.

4.5.

In June 2023, the Board made new appointments to the roles of Chair and Vice Chair of the Orkney Partnership Board and Chairs of the three new Delivery Groups. The new Chair appointed to the Cost of Living Task Force was Stephen Brown, Chief Officer, Orkney Health and Social Care Partnership.

4.6.

Since June 2023, the Cost of Living Task Force has collectively compiled Orkney’s statutory Local Child Poverty Report for 2022-23. The draft report has been submitted for consideration by the Policy and Resources Committee on 19 September 2023. The LCPAR 2022-23 incorporates a report on the first year of progress in the implementation of Orkney’s Child Poverty Strategy 2022-26.

4.7.

Many of the projects and services delivered by members of the Cost of Living Task Force and reported on in the LCPAR 2022-23 directly support the people and communities targeted by the Islands Cost Crisis Emergency Fund. With additional resources, these projects and services could potentially be rolled out to support many more in this cohort. One example is the creation of the Papdale School Participation Fund, a joint initiative between Papdale School, Papdale Parent Council and Orkney Charitable Trust. The Participation Fund addresses a key action in the Child Poverty Strategy, to “Remove barriers to participation in school trips and experiences”, which supports the strategic priority of “Prospects” and the outcome “Every child has a good start in life”. It is an ambition of the Cost of Living Task Force to roll out this model to other schools in Orkney, to ensure that no child is excluded from school activities because their family is unable to afford the cost.

4.8.

As at August 2023, membership of the Cost of Living Task Force comprises the Council (officers from Schools, Community Learning, Development and Employability, Housing, Strategy and Partnership), NHS Orkney, Orkney Health and

Care, Voluntary Action Orkney, Orkney Housing Association Ltd, Orkney Charitable Trust, Age Scotland Orkney, Homestart, Orkney Citizens Advice Bureau, Orkney Foodbank, THAW Orkney, Skills Development Scotland and Social Security Scotland.

5. Proposal for consideration

5.1.

Collectively, the members of the Cost of Living Task Force can offer unparalleled expertise, capacity and local knowledge, as well as direct access to the people and communities who are struggling most as a consequence of the cost of living crisis. It is therefore proposed that the Cost of Living Task Force should be invited to recommend how the 2023-24 tranche of the Islands Cost Crisis Emergency Fund should be spent and to action their recommendations.

5.2.

To ensure robust governance, it is proposed that all recommendations for expenditure made by the Task Force should be scrutinised and approved by the Corporate Director for Enterprise and Sustainable Regeneration prior to implementation.

5.3.

Should any funds remain unspent at 31 March 2024, they will be returned to the Council's General Fund for expenditure at the discretion of the Corporate Director for Enterprise and Sustainable Regeneration.

6. Equalities Impact

A full Equality Impact Assessment was undertaken on both the [Orkney Community Plan 2023-30](#) and the [Orkney Child Poverty Strategy 2022-26](#), and published at the same time as the approved plans. The proposals in this report will additionally contribute toward The Fairer Scotland Duty, set out in Part 1 of the Equality Act 2010, which requires public bodies in Scotland to pay due regard to how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.

7. Links to Council Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority of Strengthening our Communities.

8. Links to Local Outcomes Improvement Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Cost of Living.

9. Financial Implications

9.1.

The Islands Cost Crisis Emergency fund is allocated to local authorities on the condition that “Local authority decisions on where funding will be directed should be based on their local knowledge and understanding of the impacts of the cost crisis on their islands. The fund should be used to target island areas only, by providing immediate help to people, communities and businesses who are struggling most, either through existing schemes and/or other new support where need is greatest.”

9.2.

Orkney’s allocation for 2023-24 is £218,000, which will be paid as a redetermination of the General Revenue Grant during the last two weeks of March 2024. This funding has been allocated to spent in the 2023-24 financial year. The fund is being managed by the Scottish Futures Trust on behalf of the Scottish Government as part of the overall Islands Programme.

9.3.

Local authorities are asked to submit a short report by 31 March 2024, setting out:

- How the funding was used to tackle the challenges faced by our island communities due to the current cost crisis;
- The impact the funding has had within the communities;
- Any challenges they encountered whilst delivering the funding.

10. Legal Aspects

There are no significant legal implications arising directly from the recommendations contained in this report.

11. Contact Officers

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