

Item: 14

Policy and Resources Committee: 24 September 2024.

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. Overview

- 1.1. 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. The fund was to be used to provide immediate help to families, communities and businesses who were struggling most, either through existing schemes and/or other new support where need was greatest. Allocated funds were to be distributed by local authorities "based on their local knowledge and understanding of the impacts of the cost crisis on their islands".
- 1.2. 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.
- 1.3. Orkney's share of the Islands Cost Crisis Emergency Fund for 2023/24 was £218,000. A new distribution mechanism was used that year, whereby the Orkney Partnership's Cost of Living Task Force was invited to make recommendations to the Council on local distribution of the funds, and to action their recommendations once approved. Delegated authority to scrutinise and approve the recommendations was assigned to the Corporate Director for Enterprise and Sustainable Regeneration. The new mechanism proved successful, with the funds distributed promptly and efficiently to those in greatest need.
- 1.4. The Scottish Government announced in June 2024 that the Islands Cost Crisis Emergency Fund was to run for a third year, with Orkney's allocation again being £218,000. The criteria for 2024/25 are as before, but with a stronger emphasis on tackling child poverty.

- 1.5. It is proposed that the same distribution mechanism should be used for the 2024/25 allocation of the Islands Cost Crisis Emergency Fund as was used for the 2023/24 allocation. The criteria for 2024/25 state that “While the spirit and deliverables of the ICCEF remain the same, this year’s round of the fund will have an even stronger focus on tackling child poverty”.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Agree that the Orkney Partnership’s Cost of Living Task Force should be invited to make recommendations to the Council on the local distribution of Orkney’s allocation of the Islands Cost Crisis Emergency Fund for 2024/25, and to action their recommendations once approved.
 - ii. Agree that authority to scrutinise and approve the recommendations made by the Cost of Living Task Force should be delegated to the Corporate Director for Enterprise and Sustainable Regeneration.

3. Background

- 3.1. 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.”
- 3.2. The Orkney Partnership established the multi-agency 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, including the co-ordination of partnership action plans relating to child poverty, food dignity and fuel poverty. Since June 2023, the Chair of the Cost of Living Task Force has been the Chief Officer of the Orkney Health and Social Care Partnership.
- 3.3. A [report](#) was submitted to Policy and Resources Committee on 19 September 2023, recommending that the Orkney Partnership’s Cost of Living Task Force should be invited to make recommendations to the Council with regard to the distribution of Orkney’s allocation of Islands Cost Crisis Emergency Fund for 2023/24, and to action their recommendations.

- 3.4. The report further recommended 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.
- 3.5. Collectively, the members of the Task Force can offer unparalleled expertise, capacity and local knowledge, as well as direct access to the people and communities who are still struggling the most as a consequence of the cost of living crisis. Many of the projects and services delivered by the organisations represented by members of the Cost of Living Task Force directly support the people and communities targeted by the Islands Cost Crisis Emergency Fund.
- 3.6. The Cost of Living Task Force submitted their recommendations for approval in two tranches, with the majority of the fund being committed by the end of November 2023 and the remaining funds committed in January 2024. This enabled some of the funds to be distributed to those in greatest need before Christmas 2023. A report on the allocation of the funds was submitted to the Scottish Futures Trust, which administered the fund on behalf of the Scottish Government, in April 2024, and is appended to this report at Appendix 1.
- 3.7. A letter confirming Orkney's allocation of £218,000 from the Islands Cost Crisis Emergency Fund for 2024-25, and setting out the criteria for the fund, was received from the Deputy Director of Land Reform, Rural and Islands Policy at the Scottish Government on 19 June 2024.

For Further Information please contact:

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Implications of Report

1. Financial

- 1.1. Orkney's allocation for 2024/25 is £218,000, which will be paid as a redetermination of the General Revenue Grant during the last two weeks of March 2025. This funding has been allocated to spend in the 2024/25 financial year.
- 1.2. Local authorities are asked to submit a short report by 31 March 2025, setting out:
 - How the funding was used to tackle the challenges faced by our island communities due to the current cost crisis, with a specific focus on measures aimed at tackling child poverty;
 - The impact the funding has had within the communities;

- Any challenges they encountered whilst delivering the funding.
2. **Legal** - Where an award of funding is made to an enterprise providing goods or services, care must be taken to ensure that such award is made in compliance with the Subsidy Control Act 2022.
 3. **Corporate Governance** - Not applicable.
 4. **Human Resources** - No implications.
 5. **Equalities** - 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.
 6. **Island Communities Impact** - Island Communities Impact Assessment is not required for the local distribution of a Scottish Government fund with criteria set by Scottish Ministers.
 7. **Links to Council Plan** - The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
 - Growing our economy.
 - Strengthening our Communities.
 - Developing our Infrastructure.
 - Transforming our Council.
 8. **Links to Local Outcomes Improvement Plan** - The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
 - Cost of Living.
 - Sustainable Development.
 - Local Equality.
 9. **Environmental and Climate Risk** - Not applicable.
 10. **Risk** - Not applicable.
 11. **Procurement** - Not applicable.
 12. **Health and Safety** - Not applicable.
 13. **Property and Assets** - Not applicable.

14. Information Technology - Not applicable.

15. Cost of Living - The recommendations in this report contribute directly to the mitigation of the impact on individuals, families and communities of the cost of living. A priority of the Orkney Children's Services Plan 2023-26 is "Reducing Poverty and Disadvantage". Statutory annual Local Child Poverty Action Reports include information about how partner agencies have sought to mitigate the impact of the Cost of Living on children's lives and outcomes during the year in question.

List of Background Papers

Letter from Scottish Government dated 18 June 2024 confirming the criteria and Orkney's allocation of the Islands Cost Crisis Emergency Fund 2024-25

Orkney Child Poverty Strategy 2022-26 [orkney-child-poverty-strategy-2022-2026.pdf](#)

Orkney Children's Services Plan 2023-26 [Item 10 Children's Services Plan \(orkney.gov.uk\)](#)

Orkney Local Child Poverty Action Report 2022-23 [orkney-local-child-poverty-action-report-2022-23.pdf](#)

Report to Policy and Resources Committee re. Islands Cost Crisis Emergency Fund 2023-24 [Item 18 Islands Cost Crisis Emergency Fund.pdf \(orkney.gov.uk\)](#)

Appendices

Appendix 1: Report on the allocation of the Islands Cost Crisis Emergency Fund 2023-24

**MONITORING TEMPLATE
ISLANDS COST CRISIS EMERGENCY FUND 2023-24**

Name of Local Authority: Orkney Islands Council

Name and role of respondent (on behalf of LA): George Vickers, Community Planning Business Manager

Date: 19/04/2024

This form is designed to help Scottish Government understand how your Local Authority has utilised funding provided by the Islands Cost Crisis Emergency Fund.

*Please send completed templates by **30 April 2024** to ann.macdonald@scottishfuturetrust.org.uk.*

Thank you for your assistance.

1. Activities Funded through Islands Cost Crisis Emergency Fund

Please use the table below to briefly detail the main activities being funded to tackle the challenges faced by your island communities due to the current cost crisis in 2023-24 financial year. (See Annex A for further detail on policy intent and activities).

Details of activity	How has the level of need for this activity been determined?	Are there specific groups to whom this support is targeted or adapted?
<p>Orkney Money Matters (OMM) was established as a partnership project, led by Voluntary Action Orkney, to reduce levels of financial insecurity in Orkney through the creation of an 'advice-and-cash-first' referral pathway.</p> <p>This funding will provide further funding for 2024/25 to strengthen the capacity of Orkney Money Matters partners, by part funding posts based at THAW (Orkney's fuel poverty charity) and the CAB that provide one-to-one support for people in need.</p>	<p>Recommendation of grant recipients was delegated by the Council to the Cost of Living Task Force, a multi-agency group previously established by Orkney's community planning partnership. The Task Force invited partners to put forward projects, evaluated which would best meet the fund's criteria and recommended the levels of support needed. All recommendations were accepted by the Council.</p>	<p>Those facing difficulties in meeting day-to-day household expenditure, including those in a financial crisis.</p>

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	<p>OMM's proposal evidenced that the numbers attending the Orkney Food Bank, and other providers of emergency support, had dramatically increased, demonstrating the need for this type of assistance.</p>	
<p>The funding allowed every child entitled to a Young Scot card (children aged 11+) who lived on the isles to have sixteen single ferry trips paid for them, or for children on Papay and North Ronaldsay, free plane trips because they do not have a daily ferry service.</p>	<p>As above re. the role of the Cost of Living Task Force.</p> <p>Children and young people aged eleven on the Orkney Mainland can access free bus transportation using their Young Scot card but children and young people in the isles need to pay for the cost of the ferry to come into the town to meet friends or participate in many activities. Families living on the ferry-linked isles are therefore a key priority group in Orkney's Child Poverty Strategy 2022-26.</p>	<p>Children aged 11+ who live on the ferry linked isles.</p>
<p>Every Child Deserves a Christmas: 300 grants of £60 per child given by the Orkney Charitable Trust to families with children who are struggling financially. The grants were to help families with the costs associated with Christmas, including for gifts, functional items (coats etc.), food (including Christmas dinner) and memorable trips out.</p>	<p>As above re. the role of the Cost of Living Task Force.</p> <p>The need for the grants was identified by the Orkney Charitable Trust, who have provided grants of this nature for nine years and have recorded an increase in demand over this time.</p>	<p>Families with children, on low incomes.</p>
<p>£30 per week to be paid to children in low-income households while they are not entitled to either SCP or EMA and continue to study.</p>	<p>As above re. the role of the Cost of Living Task Force.</p> <p>This gap in provision was identified by the Education Service.</p>	<p>Children in full time education who are no longer entitled to the Scottish Child Payment and not yet entitled to Educational Maintenance Allowance.</p>

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<p>School participation funds: each school in Orkney was provided with a ringfenced fund to cover the full expense of outdoor residential trips, outdoor education activities and general trips, for children whose families could not otherwise afford them. The fund was also used to provide equipment for children and young people in hardship to attend activities. The fund allowed schools to run events or to help the children and families access activities.</p>	<p>As above re. the role of the Cost of Living Task Force.</p> <p>Schools have noted an increase in the number of children who are not able to participate in both in and out of school activities when there is an additional charge. Enabling participation is a priority of the Orkney Child Poverty Strategy 2022-26.</p>	<p>School children whose parents cannot afford additional charges for school activities.</p>
<p>The funding was to the Orkney Foodbank for:</p> <ul style="list-style-type: none"> • Food parcels – basic foods and basic household goods that will support families for three days. • Electricity costs – so families can afford to cook meals and keep their homes warm. 	<p>As above re. the role of the Cost of Living Task Force.</p> <p>The Foodbank noted that the cost of living crisis is now significantly impacting on both demand and donations which they were no longer able to meet without additional support.</p>	<p>Those who had insufficient funds to buy food or electricity to cook and heat food.</p>
<ul style="list-style-type: none"> • £7,500 was used by THAW Orkney to provide Cosy Home packs which will help people stay warm in their homes. These will be bespoke for every household to meet their needs and can include everything from small white goods to assist with reducing household energy bills to thermal blankets. • £5,000 additional grant was used to assist households in fuel poverty with small repairs to improve their homes, e.g., draughtproofing. 	<p>As above re. the role of the Cost of Living Task Force.</p> <p>THAW had recorded an increase on demand for their services caused by rising fuel prices and the general cost of living crisis which they were not able to meet.</p>	<p>Those with insufficient funds to heat their home.</p>
<p>This funding allowed Age Scotland Orkney (ASO) to offer help to people over the age of 65 years in the form of cash or food vouchers to use in local businesses as some people may find vouchers more acceptable than a cash alternative.</p>	<p>As above re. the role of the Cost of Living Task Force.</p> <p>ASO noted from feedback from clients that older people are cutting back on heating, food and socialising, and are a particularly difficult group</p>	<p>People aged 65+.</p>

**MONITORING TEMPLATE
ISLANDS COST CRISIS EMERGENCY FUND 2023-24**

	to reach as many do not like to ask for help.	
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2. Details of Spending

Please list the amount (£) of spend allocated to each of the activities described above.

Grant recipient	Project	Award
Voluntary Action Orkney	Orkney Money Matters	46,900
Orkney Islands Council (Education, Leisure and Housing)	Travel vouchers for isles children and young people	9,600
Orkney Charitable Trust	Every Child Deserves a Christmas	18,000
Orkney Islands Council (Education, Leisure and Housing)	Cover for gap in SCP/EMA	6,000
Orkney Islands Council (Education, Leisure and Housing)	School Participation Funds	40,000
Orkney Foodbank	Food parcels and electricity vouchers	40,000
THAW Orkney	Cosy Home packs and small repairs	12,500
Age Scotland Orkney	Cash or food vouchers for older people in hardship	45,000
		218,000

Is the allocation sufficient to fund these activities? Have you utilised your entire allocation?

The funds were sufficient to deliver the activities agreed with the Cost of Living Task Force, but there was work that partners identified where there was insufficient funding to support. The entire amount allocated to Orkney was utilised.

MONITORING TEMPLATE

ISLANDS COST CRISIS EMERGENCY FUND 2023-24

3. Partnership Working

Please list any delivery partners associated with the funded activities and briefly explain their role.

The lead partners for the eight projects listed in answer 1 are as follows: Voluntary Action Orkney (part funding posts based in Orkney CAB and THAW), OIC Education (money going to Orkney Ferries), Orkney Charitable Trust, OIC Education, OIC Education, Orkney Foodbank, Thaw and Age Scotland Orkney.

How was the funding available through the Islands Cost Crisis Emergency Fund promoted among local communities?

Due to the short time available to allocate and spend the funds, a challenge fund was not feasible, and was not in any case a preferred option. The community planning partnership's Cost of Living Task Force proved the ideal channel through which to alert the key agencies in Orkney working to respond to the cost of living crisis. The Task Force reached its recommendations through mature discussion and consensus.

4. Impact

Please provide a brief assessment of the impact of the funded activities/schemes and the extent to which activity is meeting or partially meeting identified need.

This fund was primarily used to help households which agencies were working with to help to help them meet their basic household expenditure. This will have ensured that many households were better able to heat their homes, feed themselves, participate in school activities, to socialise, stay in full time education and have the type of Christmas they would not otherwise afford.

This was the second round of the Islands Cost Crisis Emergency Fund. Have your delivery priorities changed compared to last year or have you decided to continue supporting the same activities? Why?

For the first year, the focus was on supporting Third Sector agencies which provided support to those struggling with the cost of living crisis. This was because many of those agencies were struggling with funding as a result of the cost of living crisis and especially the high cost of electricity in Orkney. With the second round, there was more emphasis on providing funds and support directly to families struggling with the cost of living crisis and underlying poverty.

**MONITORING TEMPLATE
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5. Challenges

Have you faced any challenges so far in delivering these activities, or reaching the intended groups? Please give brief details.

The key challenge we faced was the short time available to allocate the funds and for the work to be done.

Any other observations you want to share?

More notice of the availability of funding would allow for wider engagement with the community on the best ways to spend the money, although we are confident that all the projected supported were effective at alleviating the impact of the cost of living crisis.

MONITORING TEMPLATE

ISLANDS COST CRISIS EMERGENCY FUND 2023-24

Annex A

Policy Intent and Activities

Scotland's islands already experience higher costs of living, with high fuel costs, a colder climate, geography, reliance on ferry or air travel and the lack of consumer choice further intensifying the impact of the cost crisis.

Whilst island communities can access a wide range of existing funding from the Scottish Government, the continuation of the Island Cost Crisis Emergency Fund represents an additional £1 million investment in 2023-24 which has been developed to specifically recognise and tackle the challenges faced by island communities.

This funding is intended to help Local Authorities with responsibility for islands to support islanders most impacted by the cost crisis. 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.

Local Authorities have discretion to identify and support those most vulnerable and in need.

Given the flexibility around this funding, Scottish Government expects the administrative cost to Local Authorities to be minimal. In all cases, administrative costs should be kept to a minimum.

Scottish Government anticipates that the funding will be spent by 31 March 2024.