

# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>21 September 2022</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Cost of Living Supports</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ provide the Executive Committee with an overview of the support that is being provided from across the Council to households in South Lanarkshire significantly impacted by the cost-of-living crisis

## 2. Recommendation(s)

2.1. The Executive Committee is asked to approve the following recommendation(s): -

- (1) that the range of support being provided by the Council to households in response to the impact of the cost of living crisis is noted;
- (2) that the approach to the proposed write-off of school meal debt as outlined in section 6 is approved and agrees to refer the matter to Finance and Corporate Resources Committee for consideration; and
- (3) that it be noted that the Council remains prepared to provide further assistance to households should additional resources be provided by the Scottish Government.

## 3. Background

- 3.1. The energy costs paid by households have increased significantly over the past year. Nearly three quarters of households in Scotland were expected to be in fuel poverty by January 2023 according to a report by the University of York published on 8 August 2022.
- 3.2. In addition, businesses are charging more for their products as a result of the higher costs they face resulting in increased costs for households.
- 3.3. The consumer price index (a core measure of inflation) rose to 10.1% in July (as reported by Bank of England) indicating the rising prices households face for many essential goods and services. Given household income is not keeping pace with inflation, this will result in more pressure on household budgets. Rising interest rates will also increase the costs for many households.
- 3.4. Some measures have been put in place by the UK government this year to support households with most of it targeted to those on low incomes. This includes payments of £150 for those on disability benefits, £650 to those claiming means tested benefits, up to £300 cost of living payment for pensioners and a £400 discount on energy bills for most households. The Scottish Government continued with the Scottish Child Bridging Payment of £520 for 2022 and continued to introduce a number of other new

and replacement benefits. Is also recently announced a rent freeze to March 2023 and an increase to the Scottish Child payment to £25 per week from £20 effective from 14 November.

- 3.5. The UK Government has recently announced a new Energy Price Guarantee that will ensure a typical household pays an average of £2,500 a year on their energy bill for the next two years, starting 1 October 2022.
- 3.6. It is recognised that both governments may put in place further support over the coming weeks and months.
- 3.7. The cost-of-living crisis is expected to result in many more households experiencing poverty. This will likely result in an increase in council tax and rent arrears, an increase in consumer debt and an increase in the use of prepaid energy meters.
- 3.8. While it is recognised the Council cannot fully remove the financial pressure on households, there are a range of actions being taken that will provide vital support. These are summarised in the following sections of the report covering both new and existing support. This includes the range of relevant actions being taken by the Council to support households following receipt of £4.685m from the Local Authority COVID Economic Recovery Fund (LACER Fund) as covered in the briefing to elected members in April 2022.

#### **4. New Council Support for Households**

##### **4.1. Financial Wellbeing Support Fund**

- 4.1.1. The Council is now operating a new fund designed to specifically support households experiencing financial hardship. Payments totalling £250 are made to eligible households, with support offered on accessing benefits and further specialist help (e.g., in managing debt). This fund is operated on a referral basis. Most referrals for the fund are received from Money Matters Advice Service and Housing Services.
- 4.1.2. Also, the council has a route for the Citizens Advice Bureaux to refer their clients for access to the financial support. Plans are also being developed to encourage referrals from NHS Community Link Workers who are based in GP surgeries.
- 4.1.3. £1.720m has been allocated to the fund to support households. This also includes provision for an additional two temporary Money Advisors to support the provision of advice to clients at a cost of £0.080m.

##### **4.2. Energy Support**

- 4.2.1. From 1 September, the Council will provide specific support for households on prepaid meters, a group considered especially vulnerable to rising energy prices. This will provide voucher payments of £49 per household and advice on energy use. The funding allocated to this support project is £0.850m. Referrals can be made from Money Matters Advice Service, Housing Services and Citizens Advice Bureaux. Referral pathways are also being developed with the Community Link Workers.
- 4.2.2. The Money Matters Advice Service has also employed two dedicated Energy Advisors at a cost of £0.075m to support households in managing their energy costs and consumption.
- 4.2.3. £0.050m is being used to support a Capped Meter Fund. This supports social rented tenants who are struggling to meet utility costs and where the gas meters can often be capped. The gas meters are capped as when the annual gas safety check is completed and there is no credit in the prepayment meter, it cannot be completed, and

the service is disconnected. The Capped Meter Fund allows a limited provision of gas to be supplied to allow the meter to be uncapped and a gas safety check to be completed. The fund is being used to prevent households having no gas supply because it has been capped.

### **4.3. Education Advice Project**

- 4.3.1. There are 2 FTE Family Wellbeing Assistants based in two schools (£0.065m) – Calderside Academy and Lanark Grammar. These two schools were selected following consideration of deprivation levels and provided one urban setting and one rural setting.
- 4.3.2. Working with school staff such as PT Pupil Support and Equity Leads, the main duties are to support families in accessing help, recording actions and outcomes of supports offered and to follow up on support for families. It is also important staff are visible around the school with parents/carers to help build relationships.
- 4.3.3. In all referrals or contact, the identification of crisis is the key priority (e.g., no funds, food or energy) and managed immediately by the completion of crisis grant application, referral to food banks or for emergency fuel vouchers. An assessment is then undertaken which identifies other support e.g., financial advice, benefits and welfare rights support.

### **4.4. Other Support**

#### **4.4.1. Digital Inclusion**

Funding of £0.120m has been supplied from the Digital Inclusion group to community facilities to improve Wi-Fi in community facilities. This is to help residents, particularly in high SIMD areas, access services digitally. Examples of the support that will be provided include provision of wi-fi in community centres and libraries within neighbourhood planning areas and sheltered housing complexes, and software that can read web content to users.

#### **4.4.2. Lived Experience Funding**

The Council is also providing community partnerships with lived experience funding to focus on tackling poverty priorities. As well as their annual small grants programme of £500 each to allow local groups to feedback lived experience information to the Community Planning Partnership Board, a proposal will be presented by the Community Participation and Engagement team to the Board meeting on 14 September recommending an additional £5,500 of funding is distributed to the two established Community Partnerships in Cambuslang / Rutherglen and Clydesdale, to allow them to carry out a project each based on local priorities. This would be focused on a poverty related issue in each area and the information collected through the project will be fed back to the Board to be used in policy and planning by the partners collectively and individually.

#### **4.4.3. Money Matters – Employability Advisor**

Money Matters Advice Service has recruited a designated Employability Advisor to take referrals from the Employability Service at a cost of £0.060m. This role has been created using one-year, temporary funding from the Employability Service, as research has shown that both debt and money management issues feature high in the barriers that prevent people from taking up employment. The Employability Service wishes to ensure all their clients will be offered a bespoke service that will assist them with benefits, debt and budgeting advice as part of their journey back into employment.

## **5. Existing Council Support for Households**

### **5.1. Money Matters Advice Service**

5.1.1. The Council's Money Matters Advice Service provides residents with free and confidential debt, welfare benefit and tax credit advice. The service can tailor advice to the circumstances of each client ensuring income is maximised, advice on the options that are available to help clients manage debt and can help challenge benefits decisions if claims have been refused.

5.1.2. Promotional material is being printed for distribution around libraries, elected member surgeries and foodbanks to promote the service provided and the contact routes into the service for support.

### **5.2. Scottish Welfare Fund**

5.2.1. The Scottish Welfare Fund provides crisis and community care grants to residents. In 2022/23, an additional £1.345m was added to the budget from the LACER Fund to provide increased capacity to help more households in crisis. The total budget for the Scottish Welfare Fund covering both crisis and community care grants is £3.402m.

### **5.3. Support for Tenants**

5.3.1. Housing staff continue to support tenants experiencing financial difficulties and rent arrears by early intervention and a person-centred approach focussed on supporting the tenant to find a resolution. In addition, all tenants who move on to Universal Credit are provided with support by the Rent Income Support Team which ensures they are receiving the correct housing costs and signpost to other sources of support and advice.

5.3.2. A Tenancy Sustainment Fund has also been established by the service which is targeted at tenants in rent arrears to assist them in sustaining their tenancy and ultimately preventing homelessness. An additional £0.350m was added to the Tenancy Sustainment Fund for 2022/23 from the LACER Fund. The total budget for the fund is £0.750m and supports council tenants, RSL tenants and private sector tenants.

5.3.3. All officers have been made aware of the additional routes of financial support and advice available from the government, DWP, Energy Advice Scotland, utility suppliers and third sector. Training on Financial and Debt Awareness was rolled out to all housing officers dealing with rent in June 2022.

5.3.4. The service will make use of its Housing News publication which goes out to all tenants in the Autumn and also social media messaging to encourage tenants to talk with their Housing Officer about problems with their rent during this time.

### **5.4. Provision of Benefits**

5.4.1. The Council also provides the following additional benefits to support low-income households:-

- ◆ Council tax reduction (£23.263m)
- ◆ Free school meal payments (£1.499m)
- ◆ School clothing grants (£1.944m)
- ◆ Discretionary housing payments (£0.845m)
- ◆ Housing benefit (£57m)

5.4.2. Council officers are working with a range of partners to ensure families access other entitlements. This includes working with families to ensure children aged two to three years of age who meet the eligibility criteria for free early learning and childcare are

accessing a place. More recently, a focus has also been taken to increase the uptake of young people under 22 years of age applying for free travel.

## **6. School Meal Debt**

- 6.1. The Executive Director (Finance and Corporate Resources) was asked by the Administration to bring forward proposals to write off school meal debt. The matter was also discussed at the meeting of the Finance and Corporate Resources committee on 7 September. The Council has put money aside at the end of the financial year 2021/22 to write off school meal debt. The position on amounts owed for school meals has been reviewed by colleagues in Education and Community and Enterprise Resources, in two parts. Firstly, amounts relating to P1 to P5 pupils who now receive Universal Free School Meals, children that have left school and amounts owing from before 2020/21. These amounts total £0.100m.
- 6.2. It is proposed that this school meals debt is taken forward for write-off. In line with the process for other debts, formal write-off of this debt would be made through a report to Finance and Corporate Resources Committee on "revenue collection and approval for debt write off". It is proposed that this be done in November 2022.
- 6.3. On all remaining school meal debt, Education Resources are working with schools, to review amounts owed for school meals. This exercise is being done with the utmost sensitivity and will identify further cases where write-off of debt is appropriate. It is proposed that amounts identified between now and November will be added to the figure at 6.1 above, for write off at the November Finance and Corporate Resources Committee. This will continue as a rolling process and amounts identified after that point in time will be taken to the next available committee for write off.
- 6.4. There continues to be joint working within the Council by Community and Enterprise Resources providing the school meal service and Education Resources to support families and signpost all supports available. The Council continues to provide a school meal for all children who require one, even if they are unable to pay on the day.

## **7. Summary of Support**

- 7.1. The council has in place a package of support to a value of £92m with nearly £3m from new measures in 2022/23 and £89m from existing budgets. It is stressed that the package of support may prove insufficient in the face of likely demand this winter for financial assistance. Funding constraints limit the support that can be provided by the Council. If further funding was provided by the government, then more support would be offered by the Council.

## **8. Employee Implications**

- 8.1. The Financial Wellbeing Support Fund is being supported by a team comprising 7 FTE.
- 8.2. An additional 2 FTE Money Advisors, 2 FTE Energy Advisors and 1 FTE Employability Advisor have been recruited on a 12-month basis to supplement the resources available to the service. An additional 4 FTE have also been allocated to the Scottish Welfare Fund, also on a 12-month basis to support the provision of crisis and community care grants.

## **9. Financial Implications**

- 9.1. The financial implications of providing the range of support described in the report are being met from existing budgets and from funding through the Council's allocation of Local Authority COVID Economic Recovery Fund (LACER) from the Scottish Government.

- 9.2. The table below summarises the full extent of the budget allocations covered within the report:

<b>Budget</b>	<b>Value</b>	<b>Comment</b>
<b>New council support</b>		
Financial Wellbeing Support Fund	£1.720m	Funded by LACER
Energy Support	£0.975m	Funded by LACER
Education Advice Project	£0.065m	Funded by LACER
Digital Inclusion	£0.120m	Existing budget
Lived Experience Funding	£0.006m	Subject to CPP approval
Employability Advisor for Money Matters Advice	£0.060m	Employability funding
<b>TOTAL</b>	<b>£2.946m</b>	
<b>Existing council support</b>		
Scottish Welfare Fund	£3.402m	£1.345m funded by LACER
Support for Tenants	£0.750m	£0.350m funded by LACER
Council Tax Reduction Scheme	£23.263m	Existing budget
Free School Meal Payments	£1.499m	Existing budget
School clothing grants	£1.944m	Existing budget
Discretionary Housing Payments	£0.845m	£0.100m funded by LACER
Housing Benefit	£57.000m	Existing budget
<b>TOTAL</b>	<b>£88.703m</b>	
<b>OVERALL TOTAL</b>	<b>£91.649m</b>	

- 9.3. In addition to the above, £0.100m will be allocated to meet the costs of writing off school meal debt.
- 9.4. It may be necessary to re-allocate funding across the initiatives in the event there is significant unforeseen demand. The impact of the cost-of-living crisis is likely to continue well into 2023/24, therefore, in the event any of the LACER funded projects do not fully spend this year, the funds will be carried forward to support households into the next financial year.
- 9.5. In the event further funding is provided by government to councils to allow additional support to be put in place, it will be necessary to consider the ability of the Council to put in place any staffing resource that may be required given the recruitment pressures being experienced across many service areas.

## **10. Climate Change, Sustainability and Environmental Implications**

- 10.1. There are no direct climate change, sustainability and natural environment implications arising from this report.

## **11. Other Implications**

- 11.1. It is likely that the actions outlined in the report will not be sufficient to fully mitigate the worst effects of the cost-of-living crisis being experienced by many households. This reflects the scale and depth of the crisis and the need for significant input from other sectors such as government and the energy sector.
- 11.2. There is a risk the teams that support the actions within the report, particularly the Financial Wellbeing Support, Money Matters Advice Service and Scottish Welfare Fund experience significant pressure in the delivery of support because of the numbers of households that refer for assistance. Close monitoring of referrals and

caseloads will identify peaks in demand and processes will be updated where possible to help mitigate any impact.

## **12. Equality Impact Assessment and Consultation Arrangements**

12.1. There is no requirement to equality impact assess the content of this briefing paper.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

6 September 2022

### **Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, effective, efficient and transparent

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact: -

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