
Report to: Special Council

Date of Meeting: 19 December 2022

Subject: Cost of Living in Clackmannanshire

Report by: Strategic Director Partnership and Performance

1.0 Purpose

- 1.1 This report updates Council on the current cost of living pressures affecting families in Clackmannanshire. It sets out the actions already taken to provide additional assistance this year and proposes further initiatives to help mitigate unfolding impacts of the cost of living crisis. This report recognises that a significant amount of work is already in place aimed at supporting families and mitigating the worst impacts at a local and national level, and, along with our partners in Clackmannanshire, seeks to build on work to date whilst identifying gaps and seek solutions to address these.

2.0 Recommendations

- 2.1. Council is asked to:
- 2.2. Note the actions already taken by the Council and partners, to support families impacted by the cost of living crisis, set out at paragraph 3.7;
- 2.3. Note the further work being developed by the Clackmannanshire Alliance to support communities impacted by the cost of living crisis, set out at paragraph 3.9;
- 2.4. Approve an allocation of £7000 from within the existing Partnership & Performance budget to support local organisations to provide practical cost of living support for families in immediate need, see paragraph 3.11 for details;
- 2.5. Note that further cost of living update reports will be brought to Council in early 2023, and regularly thereafter.

3.0 Considerations

- 3.1 The Scottish Government published a report in November 2022 which analysed the impacts of the cost of living crisis on Scotland. This report reflected the latest UK Consumer Price Index (CPI) showing inflation running at 10.1%, the highest level since 1982, interest rates at the highest level since 2008 along with predictions from the Bank of England that the UK will shortly

enter recession and will likely remain in recession for much of 2023. In addition, the Scottish Economy is forecast to contract in 2023. The result of these factors is a cost of living crisis, anticipated to have detrimental effects on businesses, communities, households and public sector budgets, and which follows a challenging economic landscape as a result of the Covid-19 pandemic, Brexit and a period of prolonged austerity.

- 3.2 The negative impacts of rising costs are already being experienced by families and will likely worsen over the coming months with the anticipated recession. Evidence published by Scottish Government in November 2022 shows that the impact of cost of living pressures will affect some groups and households disproportionately. The evidence suggests that low income households are most at risk and those on low incomes with particular characteristics are more likely to fare the worst. Groups identified as being particularly at risk include minority ethnic families; asylum and refugee families; gypsy travellers, women and lone parent families (and other gendered factors) and disabled people.
- 3.3 Socio economic factors are also evidenced as particular risk groups. These include households in receipt of income related benefits; households narrowly ineligible for means tested benefits due to earnings being just above the threshold; households who rent their homes and rural and island households.
- 3.4 Evidence has also been published by Scottish Government on the social and wellbeing impacts of cost of living. This includes health and mental health impacts from living in households which are cold and damp, including acute conditions and growth and cognitive issues in children; specific impacts on vulnerable people and those with chronic health conditions or disabilities; health and mental health impacts on people facing difficult financial pressures leading to increased levels of stress and anxiety and increased levels of stress resulting from insecure employment and insecure tenures, all of which has an impact on any children living in families impacted by these factors.
- 3.5 In the 2022/23 Programme for Government (PfG), the Scottish Government announced a package of support to aid families and businesses. Almost £3 billion has been allocated to mitigate the impact on households, including a range of support for energy bills, childcare, health and travel, as well as social security payments. This includes increasing the Scottish Child Bridging Payment to assist families with school age children receiving free school meals on the basis of family low income; Initiatives such as the Fuel Insecurity Fund and Discretionary Housing Payment support to take account of energy bills in applications for payments and new legislation to protect tenants from rent increases and evictions. Alternative funding support for energy bills has also been announced to help families at risk of self-disconnection or self-rationing of energy over winter. More information is expected on this scheme from the Department for Business, Energy and Industrial Strategy (BEIS) and engagement is ongoing with Council officers on this at the time of writing this report.
- 3.6 Whilst the main drivers of the cost of living crisis are macroeconomic, and the tools to make the most effective direct solutions are largely in the hands of national governments through, for instance, social security systems, taxation, and market regulation, there is an important role for Local Government and Community Planning Partners to ease some of the impacts of the cost of

living crisis and to identify and address gaps in provision or groups for which existing or emerging cost of living provision does not meet.

- 3.7 In August Clackmannanshire Council agreed a package of support totalling £1.075m to help local families funded through various Covid support funds including Financial Insecurity and Winter Wellbeing Fund; Family Wellbeing Fund and Local Authority Covid Economic Recovery Fund (LACER). This enabled the following support to be provided for local families, communities and businesses:
- i. A cost of living payment of £100 for over 5000 Clackmannanshire residents eligible for Council Tax Reduction. The Council committed £539,000 to this scheme in autumn 2022, aligned with both Challenge Poverty Week and the energy price cap update.
 - ii. Implementation of activities to support wellbeing, through targeted responses to address financial insecurity. This included cash-first initiatives alongside the integration of money advice and holistic support services to prevent future hardship. These initiatives included increased emergency financial assistance through Scottish Welfare Fund and Discretionary Housing Payment; proactive financial assistance including those impacted by the cut to Universal Credit and those not eligible for mainstream or other support and direct assistance to access food, fuel and other essentials. This investment totalled £271,000.
 - iii. Challenge Poverty Week 2022 - the focus of this year's multi-agency conference in support of the national Challenge Poverty Week in October was on cost of living and the main drivers: income from employment; social security; and costs of living around energy and food costs. The event, hosted by the Clackmannanshire Alliance heard from speakers from the Poverty Alliance and the Fraser of Allander Institute as well as experts from Scottish Government, Social Security Scotland, Citizens Advice Bureau and others through Cost of Living workshops. An evaluation of the event was considered by the Alliance in December and has helped shape the early development of poverty mitigation priorities for 2023.
 - iv. As part of ongoing work to tackle child poverty, all education settings have continued their work to reduce the cost of the school day, ranging from clothing banks, food availability, preloved items swap shops to master classes for families cooking on a budget.
 - v. Support for families through the Family Wellbeing Partnership (FWP) which aims to improve the wellbeing and capabilities of families. Clackmannanshire's FWP work in partnership with Columba 1400 is funded by the Scottish Government's Social Innovation Partnership. The Social Innovation Partnership is a collaboration between the Scottish Government and The Hunter Foundation which seeks to invest in solutions to tackle poverty through innovation and creative solutions. The Family Wellbeing Partnership seeks reform towards person-centred approaches and holistic models of support to improve outcomes for families in Clackmannanshire. This work includes the Values Based Leadership programme with Columba 1400 and recent cohorts involved the STRIVE (safeguarding through rapid intervention) team and Employability cohort. The FWP has facilitated

increased pace of collaboration within Clackmannanshire and beyond, to improve the outcomes for families.

- vi. Building on the learning from STRIVE and the support for low income families during the Summer of Food and Wellbeing, there is now a significant focus on preventative measures and early help, which aims to avoid families and individuals falling into crisis. This includes cash-first approaches, development of local child care and child wellbeing solutions for low income families and development of enhanced employability offers. An Early Help Team within People Services is also being established. With support of the Scottish Government's new Family Wellbeing Fund, a collaborative approach to commissioning is being progressed which will enable families with lived experience of poverty and related issues to influence the development of services to support them. In addition this fund will provide additional resource to families at greatest risk of breakdown. Winter funding from the Family Wellbeing fund was also allocated to STRIVE to enable the provision of financial support to families in, or on the edge of crisis. The Council is also working directly to support families of children with complex medical needs at home, who may be facing higher bills as a result of health related equipment costs or particular vulnerabilities in the event of a loss of power over the winter months.
- vii. The Scottish child payment has been increased by Scottish Government to £25 per week and for all children under 16 years. There are a number of other payments/grants available for families including Child Winter Heating Assistance, Best Start Grants, Best Start Foods, Job Start Payment and Young Carer Grants. Families can get advice on all of these from Citizens Advice Bureau and the Energy Advice Team within the Council. More information on these can be found on [clacks.gov.uk](https://www.clacks.gov.uk) and by visiting Clackmannanshire Citizens Advice Bureau <https://www.clackscab.org.uk/>
- viii. In early December 2022 the Council agreed additional funding to the Scottish Welfare Fund (SWF). The fund administers grants to individuals on behalf of the Scottish Government for both Crisis Grants which covers short term crisis including food, gas, electric and clothing, and Community Care Grants that support individuals to maintain their tenancy and can include essential household living items. Recognising the likely increase in applications over the winter period Council has agreed additional funding up to £150,000 to enable payment of both grants up to 31st March 2023.
- ix. Ensuring that information and advice on the cost of living and accessing services and support is located in one centralised portal on Clacks.gov.uk. This ensures that all support currently available is clearly accessible and can be navigated from the home page. Signposting to the Scottish Government Cost of Living website is included as will signposting to local community support cost of living information and advice. A cost of living leaflet resource is also being developed to ensure accessibility of information, advice and services for those without ready access to the web-based resource.
- x. A range of support is also being provided by community and voluntary sector partners in Clackmannanshire. Detailed information is being compiled and will shortly be published, however this includes support around provision of food, cooking skills and equipment; access to energy vouchers; access to

clothing and household equipment and provision of warm and safe spaces across Clackmannanshire where residents can access support.

- 3.8 In addition to these initiatives, work has been undertaken by Council officers to identify gaps or further support required particularly within the context of the cost of living crisis during the winter months and colder weather. A cross-service Incident Management Team was convened which considered existing service provision and anticipated gaps across the following themes: support with income, benefits and employment; support with fuel and heating; support with food; health and wellbeing; housing and homelessness; transport, support for businesses; support in an emergency or crisis and support for our workforce.
- 3.9 A special meeting of the Clackmannanshire Alliance Board was also convened by the Council Leader in late November with partners and key local community organisations. The focus of the meeting was to ensure that Community Planning Partners collective work around the cost of living crisis is co-ordinated, joined-up and informed by community need. Discussions with partners focussed on identifying specific cost of living challenges for families and communities in Clackmannanshire and particular gaps in provision; identifying existing or planned work by community partners and identifying partnership solutions to help families and communities with the cost of living. Early priority actions have been identified by Alliance partners which will be further developed and progressed in early 2023. These include:
- i. The urgent creation of a one stop shop approach for all energy, financial and mental health and wellbeing advice to address poverty and wellbeing ensuring that information, advice and support is available in one place and that signposting and referral pathways are clear, streamlined and that employees across the partnership are knowledgeable in the support available and the dignified approaches required;
 - ii. Building on the one stop shop approach, improving the use of data and data sharing across partners to ensure that the most vulnerable residents and families are receiving the targeted support they require;
 - iii. Improved collaboration to reach families and communities in greatest need and ensure support is provided around access to food, budgeting, cooking tools and cooking skills and to mitigate the impacts of high energy costs for the most vulnerable Clackmannanshire residents. This also includes ensuring that practical energy support is also provided through increased awareness of Priority Services Scheme and pre-payment voucher schemes;
 - iv. The Clackmannanshire Alliance, alongside the Family Wellbeing Partnership are also scoping options to establish a local foundation which will coalesce funds aimed at improving wellbeing, mitigating poverty and directly supporting individuals and families in greatest need, enabling access to funds utilising cash first approaches. This foundation would also source future funding. This work requires further scoping which will be taken forward in early 2023.
- 3.10 In recognition that Alliance partners will further develop and progress these actions from now and into early 2023, specific engagement has been progressed over the last week with local organisations to identify urgent gaps in cost of living provision. This work has been taken forward with

Clackmannanshire Citizens Advice Bureau, The Gate and Clackmannanshire Third Sector Interface (CTSI). Through this engagement immediate priorities have been identified where practical action could make a difference. These include ensuring we can meet increased demands for access to emergency energy vouchers for very vulnerable residents and provision of food packs with recipes, cost-efficient cooking equipment (air fryers) and coaching in their use for a number of families over the Christmas period and into the early New Year. While plans are underway by Clackmannanshire's voluntary sector to secure longer term funding for these initiatives, there are immediate, identified gaps through January and February.

- 3.11 It is therefore proposed that Council agrees the allocation of £4,000 to Citizen's Advice Bureau to bolster the provision of emergency energy vouchers (approx. 140 additional vouchers at a value of £29 each); and £3,000 to The Gate to double the capacity of a food initiative, extending its reach to all Clackmannanshire beyond its current funded limited of Alloa South East. In doing so it is anticipated that 35 to 40 vulnerable families will benefit. This allocation totalling £7,000 will be met from within the existing Partnership & Transformation budget, currently projecting an underspend of £39,000 for 2022/23.
- 3.12 In recognition that the cost of living crisis is a rapidly unfolding situation, the priority actions identified by the Clackmannanshire Alliance being progressed in early 2023, and with a number of developing national developments around the cost of living crisis, it is proposed that a further report is brought to Council in early 2023, with regular updates thereafter as required.

Conclusion

- 3.13 The Council, the Alliance and Clackmannanshire's communities have responded collectively and with vigour and pace to the cost of living crisis. Whilst significant supports and information are already in place, it is recognised that more coordination and effort is required; both immediate actions and over the coming months to respond to an unfolding situation the like of which has not been seen for generations.

4.0 Sustainability Implications

- 4.1 No sustainability implications are identified.

5.0 Resource Implications

5.1. Financial Details

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes X
- 5.3. Finance has been consulted and has agreed the financial implications as set out in the report. Yes X

5.4. Staffing

No staffing implications are identified.

6.0 Exempt Reports

6.1. Is this report exempt? Yes (please detail the reasons for exemption below) No X

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all	<input type="checkbox"/>
Our families; children and young people will have the best possible start in life	X
Women and girls will be confident and aspirational, and achieve their full potential	<input type="checkbox"/>
Our communities will be resilient and empowered so that they can thrive and flourish	X

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes X No

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes X

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None.

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at

which the report is considered)

Yes (please list the documents below) No

Scottish Government - The Cost of Living Crisis in Scotland: Analytical Report
November 2022

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