



REPORT TO: MORAY COUNCIL 7 DECEMBER 2022

SUBJECT: COST OF LIVING WORKING GROUP PROGRESS UPDATE

BY: DEPUTE CHIEF EXECUTIVE (EDUCATION COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)

1. REASON FOR REPORT

- 1.1 To inform the Council of the work to date of the Cost of Living Working Group and the plan of actions that the Group recommends be taken forward to assist in addressing the immediate impacts of the cost of living situation on the people of Moray, taking account of the impact it is possible for the council to have on this national crisis.
- 1.2 This report is submitted to Moray Council given the recommendations span the remits of a number of service committees in terms of the Council's Scheme of Administration.

2. RECOMMENDATION

- 2.1 It is recommended that the Council review and notes the work to date of the Cost of Living Working Group and approves:
- i) The terms of reference for the Cost of Living Working Group (Appendix 1);
 - ii) The proposed work plan of actions (Appendix 2) that the Group recommends be taken forward to assist in addressing the immediate impacts of the cost of living situation on the people of Moray, taking account of the impact it is possible for the council to have on this national crisis;
 - iii) the available funds for disbursement for 2022 (£10,700) from the 3 trust funds listed in the report be allocated as set out in section 3.18 to Moray Food Plus, to support warm banks and to the social work crisis fund;
 - iv) That the Cost of Living Working Group is tasked with prioritising the actions in the action plan and that it is remitted to the Corporate Management Team to consider the allocation of existing resources to the actions, taking account of the impact on

existing work and priorities with any consequence or gaps in action to be reported in the next update report to the Council; and

- v) That the Cost of Living Working Group will operate with a 4 month life from its initiation in October and report back to Council in February 2023.**

3. BACKGROUND

- 3.1 Following consideration of a notice of motion on the cost of living crisis, the Council on 29 June 2022 agreed to consider setting up a working group to look at the issue in more depth with a report looking at the options to determine the remit, composition and life span of the group to be presented to a future meeting of the Council (paras 12 and 15 of the minute refer).
- 3.2 A Cost of Living Working Group was convened in October 2022 and has met on 3 occasions. The group was concerned to ensure that cost of living work was distinct from current longer term work to address long term structural poverty in order to ensure that there is no duplication and no change of course from action already in progress to address poverty in Moray. An update on work to collate this wider poverty related work was reported to the Corporate Committee on 8 November 2022 (para 13 of the draft minute refers).
- 3.3 The group sought to focus on the additional mitigating actions that could be taken in the short term to quickly assist people who are vulnerable as result of the impact of the cost of living situation. In particular, concerns were noted in relation to people who were normally just above the poverty line, who may be in employment, may not be eligible for benefits but who are currently facing financial pressures. It was considered that the options for action may be simpler shorter term or one-off measures to alleviate the impact of the escalating cost of living. It was recognised that the impact would be across the people of Moray, council services and businesses and that these impacts may continue to escalate leading to greater pressure on council services. However, the Group was very aware of the limitations on the Council's ability to substantially change this national economic crisis and its wide effects.
- 3.4 Taking these issues into account, the recommended terms of reference for the Cost of Living Working Group are contained in **Appendix 1**. This sets out the proposed short term focus of the work, the functions of the Group and the outcomes it would seek to secure.
- 3.5 There have been a number of reports, questions and notices of motion to council and committees on matters relating to the cost of living situation as listed below. Items ii) to vi) have been considered by the group and the proposals to deal with these are set out in the report.
- i) Write off of school meals debt report to Council on 28 September – agreed to write off outstanding debt of £25,000
 - ii) Warm banks – Moray Council 28 September 2022
 - iii) Free School Meals Credit allocation – question raised at Education Children's and Leisure Services Committee on 8 June 2022

- iv) Library Charges - Education Children's and Leisure Services Committee 2 November 2022
- v) Fitlife Charges - Education Children's and Leisure Services Committee 2 November 2022
- vi) Council Phone Charges – Corporate Committee 8 November 2022

- 3.6 In order to discharge these terms of reference and where appropriate take action to respond to the issues in the notices of motion, the Group has worked to identify issues and actions that would fall within its remit and these have been collated into a work plan in **Appendix 2**. There was a recognition that it is not possible for the council to operate a full range of supports or benefits to alleviate the effects of the cost of living crisis. Therefore, the Group has tried to focus on actions where the council can make a unique contribution, where there can be better use made of current supports and where limited resources can be allocated to best effect.
- 3.7 In relation to resources there are three trust funds available that have been identified as a possible source of funding to support cost of living actions. These have a common purpose of benefitting the poor or the area. The funds have in the order of £10,700 to disburse from interest on an annual basis while protecting the main capital sum in the trusts. It would be appropriate within the terms of the trusts to allocate the available funds to support those experiencing difficulties as a result of cost of living pressures and proposals are made in section 3.18 below.
- 3.8 If approved, this will continue to develop and evolve as the early points are investigated. There are a number of actions in the plan where there is no resource allocated and as indicated in paragraph 3.19 below, further consideration will be required to assess relative priorities against existing planned work to identify how officer time can be released from other priorities in order to address the work in the action plan.
- 3.9 In recognition of the immediacy of the challenges people are facing as the cost of living escalates, where possible action has been instigated to progress the agenda that has been identified. Key points are highlighted in the paragraphs below in relation to information sharing, warm banks and financial supports.

Information:

- 3.10 Throughout discussions, for many points raised, others in the group were aware of services and supports available and this provided a useful sharing of knowledge. However, a key point this highlighted was the value and importance of communication and access to information. This is particularly the case because so many of the benefits and supports available rely on self-referral. A speedy response to this was to launch the Council's Cost of Living Hub with a bank of information on a whole range of advice and services. The web page include information on money advice services, business support, energy and waste saving tips, schools and childcare, warm welcome facilities, housing, sport and leisure and trading standards.

Warm Banks:

- 3.11 The notice of motion to the Council on 28 September 2022 (para 9 of the minute refers) asked for public buildings to be identified that could be used as warm spaces for public access and for the council to work alongside partners to encourage them to do the same. It was recognised by the group that this is an area where communities are already active including a number of community and church based groups who are putting arrangements in place. There is also some funding available to community groups that can be used to support cost of living issues. The Council's Community Support Unit is supporting these groups where appropriate. Council community centres and libraries are available as facilities that will provide a warm welcome to anyone who needs to access somewhere to keep warm. Staff in information hubs in libraries are also able to offer advice to anyone looking for additional information on council services. Therefore, with the arrangements in place and developing this is not an area that the group has identified for further council action at this time.

Free School Meals (FSM)

- 3.12 A report is being prepared for the January meeting of the Education Children's and Leisure Services (ECLS) Committee on the timing of the application of meals payments to young scot cards for provision of food in school.
- 3.13 The Group also considered the level of uptake of FSM across Moray, noting that in primary schools across Moray 75% of eligible pupils have a free school meal, whereas in secondary schools the take up rate is 35%, with some schools sitting below that level. The Group was keen to encourage the uptake of free school meals by those who are eligible. It should be noted that universal free school meals are in place for primary pupils in P1 to P5.
- 3.14 A further consideration related to free school meals is provision over the school holiday period, which can be challenging for some families. The Scottish Government has provided funding for the 2022/23 school year to enable the provision of alternative free school meal provision to all children and young people, eligible for free school meals on the basis of low income, in primary and secondary during the school holidays. This provision will cover the Christmas and Easter holidays during the 2022-23 school year; and also the mid-term holiday in February. In Moray there are currently 1414 eligible pupils and direct payments are made into bank accounts of eligible parents/carers at the rate of £2.40/week day which is a payment of £26.40 per child for the December holiday at a total cost of approximately £36,400.

Library Charges

- 3.15 The notice of motion from Education, Children's and Leisure Services Committee on 2 November 2022 (para 7 of the draft minute refers) on library charges requested that these are removed for all library users. At present only adults under 60 years of age pay fines with fees for books and CDs set at 60p/week with a maximum fine of £10.40. The total income from library charges was £8,500 in 2018/19 (income since then was disrupted due to the covid impact on service availability). The Group were supportive of removing

library charges both from a cost of living and a service perspective with the hope that removal of fees would encourage return of late items and not inhibit library usage by those who may have an outstanding fee.

Fitlife Charges

- 3.16 A notice of motion to ECLS Committee on 2 November 2022 (para 6 of the draft minute refers) recognised that engagement in sports is associated with increased well-being and requested a report to be brought forward on free Fitlife membership for children living in poverty in Moray. Committee agreed to refer consideration to the Cost of Living Working Group. The recommendation from the Group is that the Leisure Hardship fund is extended to include Fitlife membership for children and young people who are eligible for free school meals on financial grounds. This will require a proactive request to be made and will be managed within existing budget. The position on take up will be monitored.

Council Phone Charges

- 3.17 The Corporate Committee on 8 November 2022 (para 4 of the draft minute refers) requested a report on the implementation of free phone numbers for Council services users and on the implementation of free web-based methods of contacting Council services such as web chats and instant messaging. This is being prepared as part of a paper on the customer contact centre for January 2023.

Financial Supports

- 3.18 The work of the Group has also identified a range of areas where limited short term financial supports may be of assistance, which would require the allocation of a one-off budget to alleviate and mitigate the cost of living effects. These are noted below as areas for further work should the Council decide to allocate budget for this purpose.

	Proposal	Cost	Policy Issues/Notes
i) Library Charges	Remove library charges	£8500 (based on actual income 2018/19)	Permanent removal would require policy review
ii) Fitlife membership	Use the Leisure hardship fund to offer free membership for children and young people in receipt of free school meals	Within current budget	Review of scope of scheme required Time limit may be required for expression of interests May not be possible to offset full costs
iii) Food Support	Grant allocation to Moray Food Bank	£4,300	None
iv) Warm Places	Encourage local halls (etc.) to extend hours around events so that people can arrive early/stay on Small grant (e.g. up to £500) towards fuel	£2,100	None – arrangements to be set up to administer and develop basis for award of grants

	costs for locations offering warm places		
Flexible food fund (Food and Fuel support) Scottish Welfare fund top ups	Next meeting of working group to review use of fund and ongoing demand with potential to propose increase funding available to take account of predicted higher demand	No proposal at this time – to be considered by CoL WG in 2023	No change - Current guidance would continue to apply
Social worker support payments	Increase funding available to social work teams for emergency payments to families	£4,300	No change - Current guidance would continue to apply Tend to be used for short term emergency e.g. to top up energy meter, immediate access to food. Current budget is £14,000 and under pressure

Next Steps

- 3.19 It will be noted that the action plan in **Appendix 2** does not yet contain indications of timing, priority or an officer with responsibility to take the actions forward. There are a number of points of action identified that require further work to identify options, risks and resourcing implications (e.g. breakfast clubs, additional funding for financial support) and other actions that will require to be added to current operational workloads, such as communications. The timing of the issues are such that action is needed in the short term which means that recruitment may have too great a time lag to be effective, assuming budget was to be allocated. Therefore, once the CoL Working Group has considered and agreed prioritisation of the work in the action plan, it is proposed that the Corporate Management Team considers how these actions can be addressed within existing resources alongside current priorities. This will be managed as effectively as possible but may impact on the progress that can be made with both cost of living and other existing work.

4 **SUMMARY OF IMPLICATIONS**

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The work outlined in the report is supportive of the Council's People priority: to provide opportunities for people to be the best they can be throughout their lives with a strong and sustained focus on those individuals and groups in our society who experience the most disadvantage and discrimination

(b) Policy and Legal

Any policy issues arising from specific proposals are noted in the table at para 3.18 above

(c) Financial implications

It is proposed that the combined available funds for distribution from the Moray Council Charitable Trust, the Lawtie Trust and the Laing Trust are used to support the impacts of the Cost of Living crisis in Moray. There is £15,000 available for distribution in 2022/23 and this whole amount remains available subject to some geographical restrictions. It is proposed that this is allocated as noted in paragraph 3.18 above to the areas for action identified by the Cost of Living Working Group:

£4,300 Food Support

£2,100 Warm Banks Support (recognising alternative external funding is also available for application by community groups)

£4,300 Social Work emergency payments

The removal of library fees would reduce the income in that service leading to a budget deficit of £8500 based on income in 2018/19.

The offer free Fitlife membership to eligible children and young people may have a negative impact on the current income from Fitlife, especially if family memberships are cancelled. If there is significant interest the available budget may also be exceeded. To offset this, a time limit for application may have to be set and applications considered in the context of the available funding in order to manage the financial consequences to the council.

The allocation of any funds to other actions (e.g. flexible food fund should that be proposed following consideration in the new year) would be a call on council reserves which would be particularly challenging given the level of budget gap that the council faces in 2023/24 and 2024/25.

Corporate Management Team Additional Expenditure Warning

When the council approved the budget for 2019/20 on 27 February 2019 (para 4 of the Minute refers), the three year indicative budget before the council showed savings required in 2020/21 of £12.2 million and £6.7 in 2021/22. Although the final figures will vary, it is clear that the council will have to reduce its costs significantly across all services in future years. All financial decisions must be made in this context and only essential additional expenditure should be agreed. In making this determination the committee should consider:

- *Is there a statutory requirement to incur the expenditure?*
- *Are there any alternative actions available to avoid or reduce the cost?*
- *Are there alternative ways in which the service could be provided?*
- *What are the risks and consequences of not allocating the funding?*
- *Does the expenditure contribute to long term financial stability?*

If in light of these factors the spend is considered essential, Committees should consider how it could be accommodated within the service budget, including what other activity would have to cease or diminish with what impact and risk. Only following these considerations should request be made to the Council for additional budget allocation.

While in isolation these figures may not be significant, the cumulative impact of all new pressures will require to be taken into account for future years. If the committee recommends additional budget to be allocated this recommendation will be considered in the next quarterly budget monitoring report in the context of the current overall financial position of the council and in particular in the overall context of spend beyond affordable limits that impinges on the Council's reserves policy position.

(d) Risk Implications

Risks from this work include:

- an expectation is created that cannot be met in terms of alleviating the impact of the cost of living on people, services and business.
- the impact on council services cannot be mitigated and cost escalate significantly so the viability of some services is drawn into question in the short or longer term
- the workforce implications of the planned actions cannot be resourced, or the staffing demand places unacceptable pressure on other priorities
- the financial implications of the further support identified cannot be met, especially in light of the wider financial context facing the council
- the Council workforce is currently fully committed and releasing resources to action the work identified in the action plan will impact on the progress that can be made on other priorities
- the interest in the free Fitlife membership could exceed the available budget and mitigations have been suggested to quantify this

However, the implications of the cost of living crisis have been well reported in the press and were noted at the council meeting on 29 June 2022 when this matter was raised in a notice of motion and so it is recognised that there are also risks of taking no action. Determining a response in light of all of the risks requires a careful balance of the issues, actions and possible impacts.

(e) Staffing Implications

There are no specific staff resources allocated for cost of living work and the timescales for response limit the effectiveness of any new appointment. Therefore, this work is being accommodated within existing resources, which will impact upon what can be achieved and will affect the pace of other work. In particular to date the progress on revising the corporate plan and work on the digital and pastoral care aspects of the Improvement and Modernisation Programme in Education

have been slowed and other areas have had less senior management oversight. Further implications will depend upon the demands in particular service areas.

(f) Property

Council services are offering “warm welcomes” to members of the public who need to access a warm and safe place. This is being done within existing service parameters and so there are no property implications identified. Local temporary signage is being displayed.

(g) Equalities/Socio Economic Impact

The work of the Cost of Living Working Group aims to address the economic impact of the cost of living crisis on the people of Moray. There are no specific equalities implications identified as a result of this report.

(h) Climate Change and Biodiversity Impacts

There are no specific implications

(i) Consultations

The members of the cost of living working group have contributed to the development of the work supporting the recommendations in this paper and are in agreement with the content.

5. CONCLUSION

- 5.1 A cost of living working group has been established in response to the decision of the Council on 29 June 2022. Initial meetings have produced recommended terms of reference, an initial action plan and some immediate responses on publishing a cost of living information hub, offering warm spaces and identifying possible financial supports. Given the positive progress that has been established, it is recommended that the Council confirms the establishment of the short life group for an initial period of 4 months to oversee and maintain the momentum on the proposed work plan.**

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Background Papers:

Ref: SPMAN-1108985784-841
SPMAN-1108985784-842
SPMAN-1108985784-840