



REPORT TO: MORAY COUNCIL ON 30 NOVEMBER 2021

SUBJECT: WINTER SUPPORT FUNDING

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

1. REASON FOR REPORT

- 1.1 To inform the Council of the introduction and proposed implementation of the Scottish Government's Winter Support Funding in the final quarter of 2021/22.
- 1.2 This report is submitted to Council in terms of Section III (B) (7) of the Council's Scheme of Administration relating to the regulation and management of finances of the Council in accordance with the policies determined by the Council and to prepare and review from time to time such rules as may be necessary for the proper administration of the Council's financial affairs.

2. REASON FOR URGENCY

- 2.1 The funding has only recently been announced by the Government.

3. RECOMMENDATION

3.1 It is recommended that Council:

- (i) Note the work of the Money Advice Moray team and the success of the Flexible Food Fund scheme;**
- (ii) Note the Scottish Government's policy intentions of the new Winter Support Fund 2021/22;**
- (iii) Approve the proposal at paragraphs 4.3 and 4.4 to enhance the existing Flexible Food Fund scheme for the final quarter of 2021/22 to deploy the Winter Support Fund and delegate authority to the Benefits and Money Advice Manager to determine and manage the amounts payable under the Scheme within the confines of the Scottish Government funding;**
- (iv) Authorise the allocation of Scottish Government pandemic funding to recruit one temporary post for a clerical assistant on grade 3 for a period of 12 months to support the Money Advice Moray team.**

4. **BACKGROUND**

- 4.1 Previous briefings to the Emergency Cabinet IMT last year (17 April 2020, 5 May 2020, 7 July 2020 and 17 November 2020) set out how the Council intended to allocate Scottish Government funding for the provision of food to individuals and local communities throughout Moray during the pandemic.
- 4.2 The Flexible Food Fund (FFF) was developed in-house in response to the Scottish Government principles of managing a food fund which included providing local flexibility, financial support and a whole household, whole needs response. The FFF was launched on 12 May 2020 and is still running to date. Our approach in Moray to food and financial insecurity has been recognised as a best practice by the Scottish Government as it offers a “cash-first” solution alongside a holistic and long-term support service for individuals and families experiencing extreme financial hardship.
- 4.3 FFF grants, which are fully funded by the Scottish Government, are paid directly into eligible householders’ bank accounts. The scheme provides up to two monthly payments which represent a contribution towards household food costs. The amount of a payment is based on the size of household. Columns 1 and 2 of the table in paragraph 4.5 below provides details.
- 4.4 To be eligible for the FFF, clients should be in receipt of, or have underlying entitlement to, certain benefits (means tested benefits such as Universal Credit, and those that provide evidence of circumstances such as disability benefits) and are struggling to make ends meet during the crisis.
- 4.5 The Money Advice Moray (MAM) team, which administers the FFF scheme, also works with householders to maximise income through benefits and other grants, help with budgeting, reviewing bills and debts, offering statutory and non-statutory debt solutions. Householders are advised from the start of the process that payment of FFF comes alongside this wider support and failure to engage with the MAM team may result in the second monthly payment being withdrawn.
- 4.6 In 2020/21, the FFF scheme paid out £499,952 over two tranches of Scottish Government funding. The first tranche was active up to 30 September 2020 and the second tranche ran from 01 December 2020 to 31 March 2021. When the second tranche opened it was a restart of the scheme which meant that it was open to anyone to apply including recipients from the first tranche. Over 703 households received FFF from the first tranche of funding in 2020/21 and 759 households from the second tranche. 26% of households received payments in both tranches and 76% maintained their engagement with the Money Advice Moray team and received two monthly payments.
- 4.7 In 2021/22 the Scottish Government provided funding for the full financial year. The scheme was reopened on the 01 April 2021 and is still in operation. So far £189,110 has been paid out to 736 households with around 43% engaging with the Money Advice Moray team and receiving two monthly payments. **Appendix 1** provides more detailed information on the 2021/22 scheme to date.

5. **WINTER SUPPORT FUNDING**

5.1 On the 29 October 2021 the [Scottish Government announced](#) that a further £41 million would be made available to support low income households across Scotland. Guidance has recently been made available to local authorities in deploying £25 million of that funding to support households experiencing financial insecurity. A further £10 million will be available through national partners who are tackling fuel poverty, and a further £6 million through third sector partners that support low income households.

5.2 To tackle financial insecurity over winter 2021-22, local authority options under the Sinter Support Funding guidance include:

Emergency financial assistance, such as:

- Supplementing local budgets for the Scottish Welfare Fund
- Boosting local funding for Discretionary Housing Payments
- Proactive financial assistance to support those likely to experience hardship – including people who may have been impacted by the cut to Universal Credit and those who may not be eligible for mainstream or other support
- Build upon supports already delivered by local authorities, such as Scottish Child Payment Bridging Payments.
- Financial assistance to access to food, fuel and other essentials
- Direct assistance to access food, fuel and other essentials where this is more appropriate or is the preference of individuals themselves
- Other activities and services, as necessary, to support individuals to overcome financial crisis and support wellbeing, including targeted activity to support marginalised groups, activity to prevent and address homelessness, and funding to community and third sector organisations

5.3 As the period of funding is restricted to the financial year 2021/22, this limits the scope for further considerations and development of processes and resources. As the guidance provides a strong steer in favour of cash-first responses, the integration of money advice and holistic support services to prevent future hardship, it is therefore proposed that the Council's existing FFF scheme be enhanced to deliver the Winter Support Funding.

5.4 It is proposed that the FFF scheme is enhanced inviting households to access the financial support available for the period 05 January 2022 to 31 March 2022. The existing monthly payment towards food costs will be enhanced to incorporate a contribution towards fuel costs, as outlined in paragraph 4.5 below. Based on previous tranches of the FFF it is anticipated that over 700 households are likely to access this funding and based on the 2021/22 household demographic at Appendix 1, it is anticipated that a budget of £163,000 will be required to provide a single payment to eligible householders.

- 5.5 It is proposed that discretion is given to the Benefits and Money Advice Manager to finalise the value of the payments under the proposed enhancement of the Flexible Food Fund scheme taking into account of the funding allocation once this is notified to the council. Indicative payments would be as follows.

Household size	Existing Monthly FFF Payment	Additional contribution towards fuel	Total monthly payment
Single adult	£70	£30	£100
Single parent + 1 child	£160	£40	£200
Single parent + 2 children	£220	£50	£270
Single parent + 3 children	£280	£60	£340
Single parent + 4 children	£340	£70	£410
Single parent + 5 children	£400	£80	£480
Couple	£130	£40	£170
Couple + 1 child	£220	£50	£270
Couple + 2 children	£280	£60	£340
Couple + 3 children	£340	£70	£410
Couple + 4 children	£400	£80	£480
Couple + 5 children	£460	£90	£550

* For each additional child or adult, payment will increase by £70.

6. STAFFING

- 6.1 The Money Advice Moray team have been operating the Flexible Food Fund over the last 18 months with no additional resources. Their core work (debt advice, income maximisation and welfare benefit advice) has increased due to the additional demand created by the impact of the pandemic and the financial incentive of operating the FFF scheme. The FFF scheme also creates additional administration work for the team in terms of payment and audit processes and this is on top of the onerous admin related to the EU funding compliance. Although the Winter Support Funding is restricted to the remainder of the current financial year, it is highly anticipated that the Scottish Government will continue to look to local authorities to provide this type of service, particularly as they are promoting a cash-first approach to food / financial insecurity across Scotland and there is currently an consultation on the ending of foodbanks and considering alternative approaches. Consequently it would be beneficial for the team to be supported with their additional admin tasks for an initial period of 12 months.
- 6.2 Scottish Government funding streams include provision for administrative costs and it is proposed to use this to fund an additional temporary administrative resource to the MAM team for one year.

7. SUMMARY OF IMPLICATIONS

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

Poverty and social inclusion is the overarching priority of the LOIP. Local Authorities and NHS have statutory duties to reduce child poverty in Scotland.

(b) Policy and Legal

It is understood that COSLA Leaders have received a verbal update on the Winter Support Funding and distribution was to be formally considered by the Settlement and Distribution Group on Wednesday 17 November and Leaders thereafter.

The Department for Work and Pensions have advised that local welfare provision - such as financial and in-kind payments made by a local authority to help meet an immediate short term need arising out of an exceptional event or exceptional circumstances, and that requires to be met to avoid a risk to the wellbeing of an individual - will be disregarded when it comes to legacy benefits. This means that a crisis cash payment, voucher or card provided by a local authority should not affect social security entitlement under the current circumstances.

(c) Financial implications

Grant Funding

A budget of £163K will be required to operate the enhanced Flexible Food Fund scheme proposed in this report. The existing FFF has an outstanding budget and it is estimated that by the end of December the unspent budget requirement would be in the region of £45K. Once offset, the net Winter Support Fund budget would be approximately £118K based on the indicative values in this report.

The Scottish Government proposes that the funding is allocated through a redetermination to General Revenue Grant with payments in the final two weeks of the current financial year. Local authorities are required to complete a reporting template to outline how the funding is being deployed, an estimate of costs and whether the allocation is sufficient to fund these activities. However local authorities have not been notified of their funding allocation.

Although the Winter Support Fund allows for the uplift of the Scottish Welfare Fund budget, spending on the total available budget currently stands at 59%. However it should be noted that this budget includes an accumulation of previous years' unspent budget. Spending against the 2021/22 annual budget is currently at 95%.

Staffing Costs

£24K (grade 3 including on-costs) for 1 FTE clerical assistant on a temporary basis covering a period of 12 months to support ongoing demand for Flexible Food Fund payments. Scottish Government funding streams include provision for administrative costs and it is proposed to use this to fund an additional temporary administrative resource to the MAM team for one year.

(d) Risk Implications

The funding allocation for the Moray Council under the new Winter Scheme is not known yet but a verbal update should be able to be given at Committee.

The risk of not approving the additional temporary post are:

- i. Reduced ability to provide core functions of debt advice, income maximisation and welfare benefit advice which will also impact on EU project targets.
- ii. Potential negative impact on EU funding administration and compliance due to the service being over-stretched.

(e) Staffing Implications

Detailed in paragraph 5 above.

(f) Property

No impact

(g) Equalities/Socio Economic Impact

The Scottish Government guidance provides relevant data on potential risk groups which may be affected by financial insecurity. The existing scheme and the proposed enhanced scheme does not exclude any of these risk groups.

(h) Consultations

Consultation has taken place with the Depute Chief Executive (Education, Communities and Organisational Development), the Head of Governance, Strategy and Performance and Tracey Sutherland, Committee Services Officer and any comments have been incorporated into the report.

8. CONCLUSION

- 8.1 The financial impact on households from the pandemic has not diminished. More recently with the ending of the furlough scheme, removal of the £20 Universal Credit uplift and the concerns over rising fuel costs, these have continued to negatively affect household budgets creating worries over deepening financial insecurity. [The Joseph Rowntree Foundation has provided an independent report on the impact of poverty in Scotland in 2021.](#)**
- 8.2 It is anticipated that the Scottish Government will continue to look to local authorities to provide local support to families and individuals with a strong steer in favour of cash-first responses alongside the integration of money advice and holistic support services to prevent future hardship.**
- 8.3 It is recommended that the Council approve the proposal to enhance the Flexible Food Fund scheme for the remainder of the financial year to incorporate the Winter Support Funding and authorise the temporary increase of 1 FTE clerical assistant to support the Money Advice Moray team.**

Author of Report: Norma Matheson, Benefits and Money Advice Manager
Background Papers: