
NORTH AYRSHIRE COUNCIL

21 March 2023

Cabinet

Title: Islands Emergency Cost Crisis Fund

Purpose: To seek Cabinet approval for the allocation of the Scottish Government Islands Emergency Cost Crisis Fund.

Recommendation: That Cabinet approves the proposed distribution of the Islands Emergency Cost Crisis Fund.

1. Executive Summary

- 1.1 The Island Cost Crisis Emergency Fund provided, from December 2022, an additional £1.4 million investment (£1.1 million resource and £300k capital) throughout the remaining 2022-23 financial year to specifically recognise and tackle the challenges faced by island communities.
- 1.2 This fund is being directly allocated to Local Authorities, through a 100% population formula as approved by the COSLA Settlement Distribution Group and COSLA Leaders.
- 1.3 The fund was allocated to local authorities for use in financial year 2022-23 in December 2022. This report outlines the criteria for the fund and the proposed arrangements for the North Ayrshire allocation.

2. Background

- 2.1 The Islands (Scotland) Act 2018 (“the 2018 Act”) introduced measures to underpin the Scottish Government’s objective to meet the needs of island communities. Section 3 of the 2018 Act places a duty on Scottish Ministers to prepare a National Islands Plan (NIP).
- 2.2 The National Islands Plan (NIP) is a Scottish Government plan and sets out how the quality of life will be improved for island communities, across Scotland’s 93 inhabited islands, through a collective responsibility to deliver its 13 Strategic Objectives and associated commitments.
- 2.3 Throughout 2022 high rates of inflation have contributed to a cost crisis, which follows on from the Covid-19 pandemic, Brexit and a period of prolonged austerity. Islands already experience higher costs of living. High fuel costs, a colder climate and the lack of consumer choice is further intensifying the impact of the cost crisis.

The Island Cost Crisis Emergency Fund

- 2.3 Whilst island communities can access a wide range of existing funding from the Scottish Government, the Island Cost Crisis Emergency Fund represents an additional £1.4 million investment (£1.1 million resource and £300k capital) throughout the remaining 2022-23 financial year. This has been developed to specifically recognise and tackle the challenges faced by island communities.
- 2.4 This fund is being directly allocated to Local Authorities, through a 100% population formula as approved by the COSLA Settlement Distribution Group and COSLA Leaders. Allocations for are as North Ayrshire Council follows:

Local Authority	Resource (£000)	Capital (£000)
North Ayrshire Council	63	17

- 2.5 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 in their area. Local authorities have discretion to identify and support those most vulnerable and in need.
- 2.6 The targets/milestones against which progress in achieving objectives/expected outcomes shall be monitored are completion of the monitoring template by 31 March 2023.
- 2.7 Local Authorities responsible for islands should:
- Use this funding to target island areas only; and
 - Use the funding to target immediate need and help those who are struggling due to the cost crisis; and
 - Use the funding for existing schemes and/or other new support where they feel the need is greatest.
- 2.8 Given the flexibility around this funding, Scottish Government expects the administrative cost to local authorities to be minimal.

Proposed Allocation in North Ayrshire

- 2.9 The proposed allocation in North Ayrshire is based on the criteria at 2.7 above. There are already arrangements in place for energy efficiency, energy crisis support and welfare rights advice for residents and it is proposed to use existing mechanisms to provide targeted support for islands communities. Schools have quickly identified potential areas of spend which will mitigate cost of living challenges which particularly affect island communities. Mini-enquiries on child poverty and the cost of living have recently been held on Arran and Cumbrae and key themes and potential mitigations have been identified. It is proposed that local third and voluntary sector organisations will be funded to address locally identified challenges. Therefore, the following arrangements are proposed:

Table 1

Purpose	Funding allocation
EnergySmart (existing service which supports energy efficiency measures in homes and crisis grants). In addition, £5,000 will also be contributed from Covid Recovery funding for this service.	£10,000
Money Matters (existing service which supports Welfare Rights assistance/representation to North Ayrshire residents to ensure they receive their legal entitlement to state benefits). In addition, £5,000 will also be contributed from Covid Recovery funding for this service.	£10,000
Schools (Arran High, Arran primary schools, Largs Academy and Cumbrae Primary School) Proposed purposes include: <ul style="list-style-type: none"> • Remote, online after school study support for islands pupils who are unable to attend in person due to costs and availability of transport; • The introduction of laundry and other family support initiatives in schools; and • The introduction of visiting specialists to broaden the experience of children due the unavailability or unaffordability of transport for visits to mainland facilities and experiences. 	£15,000 (total)
Third and voluntary sector groups on Arran and Cumbrae Two mini-enquiries have been held on Arran and Cumbrae to identify key island challenges in relation to the cost of living crisis. Key themes have been identified, with potential mitigations which can be delivered locally, over and above the proposed support (above) for energy and welfare rights advice. Due to the timing of the award of the funding to councils, it is proposed that Arran CVS (in its role as a partner organisation in the Third Sector Interface) supports the identification of relevant delivery groups in the third and voluntary sector and supports the Council to award the funding in conjunction with the chairs of the North Coast and Cumbraes and Arran Locality Partnerships and Council officers, with the awards being reported to the Locality Partnerships and Scottish Government. Connected Communities will contribute £2,000 to the fund to provide a total allocation of £30,000 across the two islands.	£28,000

2.10 £17,000 capital has been allocated to North Ayrshire. The disbursement is being discussed with Scottish Government due to the short timescale for spend. It is anticipated that this will facilitate the purchase of items of equipment for community organisations. The outcome will be reported to the Locality Partnerships.

2.11 Discussion has taken place with Scottish Government and these proposals have been approved in principle.

3. Proposals

- 3.1 It is proposed that Cabinet approves the proposed distribution of the Islands Emergency Cost Crisis Fund.

4. Implications/Socio-economic Duty

Financial

- 4.1 The proposed funding allocations are fully funded by the Scottish Government Islands Emergency Cost Crisis Fund.

Human Resources

- 4.2 None.

Legal

- 4.3 The National Islands Plan (NIP) is a Scottish Government plan and sets out how the quality of life will be improved for island communities, across Scotland's 93 inhabited islands, through a collective responsibility to deliver its 13 Strategic Objectives and associated commitments.

Equality/Socio-economic

- 4.4 The Scottish Government Islands Emergency Cost Crisis Fund has been introduced to specifically recognise and tackle the challenges faced by island communities.

Climate Change and Carbon

- 4.5 The proposals include an allocation to the EnergySmart scheme which focuses on energy efficiency.

Key Priorities

- 4.6 The following Council key priorities will be progressed by these proposals:
- North Ayrshire's children and young people have the best start in life
 - North Ayrshire's residents and communities are safe
 - North Ayrshire's residents and communities enjoy good life-long health and well-being
 - North Ayrshire is a sustainable environment.

Community Wealth Building

- 4.7 Funding awarded through the Scottish Government Islands Emergency Cost Crisis Fund will be allocated to local organisations, giving them financial power to support their own communities.

5. Consultation

- 5.1 Consultation has taken place with chairs of the North Coast and Cumbraes and the Arran Locality Partnership, the communities of Arran and Cumbrae through the Cost of Living mini-enquiries, the Third Sector Interface partners and Scottish Government. Progress will be reported to the relevant Locality Partnerships.

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Background Papers

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