

ISLANDS COST CRISIS EMERGENCY FUND 2023/24

1.0 EXECUTIVE SUMMARY

- 1.1 The Island Cost of Crisis Emergency funding, which aims to help island authorities take urgent action to support households through the cost of living crisis, was set up in December 2022. In 2022/23 £1.4 million funding was allocated. This year an additional £1 million funding has been identified for the 2023-24 financial year: [Financial support for islanders - gov.scot \(www.gov.scot\)](https://www.gov.scot). The funding will be distributed to the six Local Authorities with responsibility for islands through the 2023/24 Local Government Revenue Grant. It brings the total support provided by the fund to £2.4 million.
- 1.2 This funding is for 2023/24 financial year only, and will be allocated via a grant offer across the six local authorities using 100% population basis as recommended by the joint Scottish Government/COSLA settlement Distribution Group approved by the COSLA political Leaders.
- 1.3 The allocation to Argyll and Bute for 2022/23 was £197,000 and the funds were distributed as detailed in Table 1 below. The allocation for 2023/24 is £141,000 however at the time of writing formal notification is still awaited in regard to any details of the fund.
- 1.4 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 on their islands. The fund should be used to target island areas only, by providing immediate help to those who are struggling most, either through existing schemes and/or other new support where need is greatest.
- 1.5 Given the critical nature of the fund it is important that the funding reaches communities as quickly as possible. In regard to this members may be minded to support the same initiatives as were agreed last year focusing on Love Local cards, free school meal top ups and grants to 4 island foodbanks as detailed in Table 1. It should however be noted that this year there is £56,000 less available to distribute and therefore there will need to be reduction made in one or more of the 3 areas of support or a change in the focus. In addition, the formal letter of offer has still be received and details checked in regard to any specific requirements.

2.0 RECOMMENDATIONS

It is recommended that the Policy and Resources Committee:-

- a. Note the funding announced by the Scottish Government as part of its Emergency Budget Review for 2023/24 financial year for Local Authorities with responsibility for islands; and
- b. Agree that arrangements for the fund be based on funding to support similar initiatives to those agreed for 2022/23 and detailed in Table 1 but that the specific details and funding split be delegated to the Executive Director with responsibility for Development and Economic Growth in consultation with the Leader, Depute Leader, Leader of the largest Opposition Group and the Policy Lead for Islands to ensure that the support reaches communities as quickly as possible.

3.0 DETAIL

- 3.1 The Scottish Government has announced that there will be an allocation of £1 million Island Cost of Crisis Emergency funding for 23/24 and this will be distributed across the six Local Authorities with responsibility for islands.
- 3.2 The funding is for the 2023/24 financial year only. The fund of £141,000 to Argyll and Bute will be paid as a redetermination of the General Revenue Grant during the last 2 weeks in March 2024. The formal letter of grant has still be received.
- 3.3 As members will recall the Scottish Government first provided Island Cost of Crisis Emergency funding in 2022/23. The allocation for Argyll and Bute in 22/23 was £197,000. Policy and Resources Committee in December 2022 agreed to delegate the arrangements for Argyll and Bute's allocation of the 22/23 funding to the Executive Director with responsibility for Development and Economic Growth in consultation with the Leader, Depute Leader, Leader of the largest Opposition Group and the Policy Lead for Islands the allocation was agreed as detailed in the table below:-

Argyll and Bute Council Love Local Giftcards	£149,280
Argyll and Bute Council Love Local Giftcards Fee	£5,832.85
Food Bank Grants	£27,550.75
Free School Meal Top Ups	£14,336.40
TOTAL IECCF 22/23	£197,000

- 3.4 Members may wish to support the same initiatives as last year however as there is a reduction in the funding allocation for 2023/24 of £56,000 changes will need to be made in regard to each specific allocation or a change to the focus. In this regard a delegation is sought that would allow sufficient time to determine what is possible with the funding available and the details of the allocation as well as allow receipt of the formal letter of offer and check any additional requirements.

4.0 CONCLUSION

- 4.1 The £1 million Islands Cost Crisis Emergency allocation will support those on islands facing even more significant cost of living challenges. Estimates indicate that Islands are facing around 20% to 66% higher costs of living than the UK average. High fuel costs, a colder climate and the lack of consumer choice is also intensifying the impact of the cost crisis. Argyll and Bute Council's share of the fund is £141k based on our island population. The delegation recommended will ensure that the Council can distribute this funding as quickly as possible, once Argyll and Bute's allocation has been formally confirmed by letter with all relevant criteria provided by the Scottish Government.

5.0 IMPLICATIONS

- 5.1 Policy – The Scottish Government's £1 million Islands Cost Crisis Emergency allocation will support those on islands facing even more significant cost of living challenges.
- 5.2 Financial – Argyll and Bute's allocation of the £1 million fund will be £141,000.
- 5.3 Legal – None.
- 5.4 HR – None.
- 5.5 Fairer Scotland Duty:
- 5.5.1 Equalities – None
- 5.5.2 Socio-Economic Duty – None
- 5.5.3 Islands – The Islands Cost Crisis funding announced by the Scottish Government will help support our island communities who are facing a higher cost of living than the UK average.
- 5.6 Climate Change – If the option to continue using Love Local cards is taken spend will be restricted to premises within Argyll and Bute.
- 5.7 Risk – None.
- 5.8 Customer Service – This funding will ensure the Council are supporting our island communities and households across Argyll and Bute.

**Executive Director with responsibility for Development and Economic Growth:
Kirsty Flanagan**

Policy Lead for Islands and Business Development: Councillor Liz McCabe

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August 2023