

Cost of Living supports 2024/25**Report by Saty Kaur, Chief Officer Corporate Solutions****Report for Decision****1 Recommendations**

Council is asked to:

- Note the research and analysis of findings related to poverty as set out at 3.3-3.7.
- Recognise the significant work undertaken around employability support as set out at 3.8-3.11.
- Agree to fund £462,500 to support Cost of Living interventions detailed in 3.22-3.24, from COVID recovery funds.
- Agree to delegate authority of allocation of funding to the Cost of Living Task Force.

2 Purpose of Report/Executive Summary

To provide Council with options for future poverty reduction interventions and associated costs.

Date 16th May 2024**Report Contact:** Saty Kaur, Chief Officer Corporate SolutionsSaty.Kaur@midlothian.gov.uk

3 Background

- 3.1** At its meeting of 29 August 2023, Council approved the allocation of £140k to fund activity for September 2023 to March 2024 to support communities facing a Cost of Living crisis, with the allocation of the funding delegated to the Cost of Living Task Force (COLTF) to determine. This was in addition to existing funding from the Local Authority Covid Emergency Recovery (LACER) funds which Midlothian Council received for 2021/22.
- 3.2** At the COLTF meeting on 20 March 2024 the COLTF agreed to use unspent funds from the above allocation(s) to fund mitigation measures until the end of June 2024. COLTF requested officers to bring back a fuller report of interventions to be considered by COLTF to then be recommended to Council to be funded for 2024/25, including both mitigation and prevention measures.

Research and analysis

Single Midlothian Plan Reducing Poverty Theme

- 3.3** The Reducing Poverty theme, including child poverty, reports on progress against 3 outcomes:
- poverty and child poverty is reduced through use of partnership levers and resources,
 - benefit income maximised for individuals and families and financial resilience is improved for low-income households
 - the most significant impacts of poverty on individuals and families are reduced.

Good progress has been made towards all 3 outcomes and associated actions as detailed in the Single Midlothian Plan H2 Performance Report (Half year October 2023 to March 2024) report later on the agenda for today's meeting.

- 3.4** As part of the Single Midlothian Plan Reducing Poverty theme of the plan, local people and partners were asked what would make the most difference in relation to reducing poverty. From the analysis of the Citizens Panel, 92% of respondents said we need to focus on reducing the number of people who struggle to pay for food and fuel, and 90% said we need to ensure there is fair work for people and increase the number of businesses offering good fair work opportunities. Through the Hackathon results young people indicated the need for a focus on better pay and support for everyone trying to gain employment, improved transport links and better access to support available.
- 3.5** Out of the 7,900 Midlothian residents deemed economically inactive from October 2022 to October 2023 only 200 indicated they were actively seeking work. Therefore, there is a need to focus interventions

and support on those in receipt of benefits and in low paid employment, as well as those who are economically inactive and seeking work.
COLTF commissioned research

3.6 In 2022, COLTF commissioned Nick Hopkins to undertake a review of poverty, which was presented to COLTF in Spring 2023. Four themes emerged from this research:

- Increasing benefit take up/ access to money advice
- Reducing household outgoings/ building financial resilience.
- Mitigating food insecurity and destitution.
- Developing a whole system approach.

Income Maximisation Review

3.7 The Child Poverty Action Group has commissioned research into Income Maximisation Services in Midlothian. This is being analysed with the full report and actions to be published shortly. Initial findings suggest a need to streamline income maximisation services and further work is required to be done to present options for future models of delivery.

Work ongoing and progress to date

No One Left Behind funding

3.8 Positive outcomes have been achieved through the No One Left Behind (NOLB) Scottish Government funded projects. Over the last 12 months, the Parental Employability Support Fund (PESF) has achieved outcomes as follows:

186 new parents	114 existing parents	Total of 300 parents have been worked with
42 entered employment. (25 unemployed/ 17 employed and progressed in employment)	38 entered employment. (23 unemployed / 15 employed and progressed in employment)	80 parents entered employment, self-employment MA or progressed in employment.
121 parents receiving 1:1 keyworker support have achieved a total of 275 qualifications. 36.78% of parents achieved work related accredited qualifications (this includes the 31 NOLB grants parents who achieved 19 qualifications)		
9 parents started Further Education/Higher Education		

- 3.9** For the training for parents, barrier free/childcare subsidy fund:
- 121 parents have utilised the free work-related accredited courses through PESF to gain qualifications and/or have accessed funding to attend external employability related training.
 - 13 parents receive support with childcare initial costs through the childcare subsidy fund. While a further 49 parents accessed the barrier free fund for support for exams/resits, ID, PVGs, online virtual training and/or resources to remove barriers towards employment.
 - 78 parents received support/ costs towards travel with a total of 311-day tickets being issued, Bus and taxi being provided to courses not on direct bus routes and petrol costs to training.
 - 29 parents have received clothing/ PPE for work due to need.
- 3.10** For delivery of paid work placements for parents:
- 13 placements in total:
 - 8 Third Sector Interface placements (all started)
 - 5 Local Authority (LA) placements
 - 1 placement in LA did not start.
 - 7 have secured employment so far
 - 3 are actively continuing to be seeking employment.
 - 2 have withdrew from PESF programme due to personal situations.
- 3.11** In addition, through NOLB, Employability for All Ages, 255 young people and adults (who are not parents including young people) are being supported. 80 of these started in quarter 4 - 32 new into employment, 11 into college and 75 gained qualifications. Intensive support has been provided for 7 young people with disabilities who have started with the programme in the last quarter.

Child Poverty Action Plan

- 3.12** Examples of positive delivery over the last 6 months from the child poverty plan:
- rollout of the Money Matters training for Communities, Lifelong Learning and Employability and Housing Services,
 - childcare consultation,
 - cost of school day work,
 - 'our story' lived experience peer research project underway with 15 peer researchers being trained
 - near completion of the Income Maximisation Review.

Fair Work agenda

- 3.13** There are a number of registered [living wage employers in Midlothian](#).
- 3.14** The Council employs over 4000 staff, with the majority resident in the Midlothian area. The Council is a Living Wage Accredited employer and pays Living Wage for all staff including apprentices and 16–17-year-old workers. The Council does not use zero hours contracts and opposes the use of hire and rehire practices.
- 3.15** The Council had a range of family friendly policies to help tackle the gender pay gap and create a family friendly workplace including:
- Adoption Policy
 - Carer Policy
 - Family Leave Policy
 - Flexible Retirement Policy
 - Hybrid Working Policy
 - Maternity Policy

It also has a range of policies aimed to create a more diverse and inclusive workplace:

- Equalities and Diversity Framework
- Gender Based Violence Policy
- Menopause Policy
- Mental Health and Wellbeing Policy
- Recruitment and Selection Policy
- Sexual Harassment Policy
- Transgender Equality Policy

The Council is Equally Safe accredited (Bronze)

- 3.16** However there is still a need to support businesses to improve their rates of pay and to provide opportunities for women to secure higher paid hourly work. Analysis of women working in Midlothian show they are earning nearly £4 an hour below the Scottish average (earning £14.04 per hour as opposed to the Scottish average of £17.93 per hour), whereas men working in Midlothian are earning £18 an hour.
- 3.17** From the research undertaken to date, it is apparent that a number of private companies in Midlothian do not pay the real Living Wage. Discussions are taking place to identify where steps could reasonably be taken to support these employers to provide fairer working environments that would alleviate pressure on household finances. Further information will be presented to members when fully scoped out.

Next steps and proposed interventions (mitigation and prevention)

3.18 It is clear that the Cost of Living Crisis continues for Midlothian communities and there is little indication that this will change in the near future. From analysis of the current context and use of the current mitigating interventions delivered to date, alongside feedback from local people, focus sessions with Trusted Partners, and the pressure that is experienced from CABs, Foodbanks and Food Pantries for their services, it is the view of officers that there is still a need to plan for mitigation actions throughout 2024/25 to support communities.

3.19 Examples given through the above feedback of how the cost of living crisis is impacting households included

- instances of residents requiring unique supports in the current environment
- family breakdowns impacting the ability to make car repayments where the car is essential for work
- people experiencing drastic increases in living costs through increased mortgage payments
- the financial impact of the removal of the temporary rent cap and eviction moratorium from 1st April 2024
- continuation of high food and fuel costs
- debt and winter debt from 23/24 and worries about 24/25 winter living costs.

3.20 Throughout 2023/24, COLTF has raised concerns on a range of issues such as the Cost of School Day, food poverty, baby milk costs, support for older people, employability etc. There have been discussions on how to move from mitigation to prevention, and the research that has been undertaken will help to inform that approach.

3.21 However, as preventative measures are designed and delivered, it is important to acknowledge that there are still communities who face significant financial challenges and require immediate interventions to sustain their households and meet basic living costs. As such, set out below are a range of interventions and indicative costs.

Council is asked to fund the interventions described in 3.22 – 3.24 to support communities who are experiencing poverty and inequality in the current cost of living crisis.

Existing interventions proposed for continuation

3.22 From mitigations delivered by COLTF in the last two years, it is suggested that Council approve the continuation of the following interventions:

- **Trusted Partner model:** the current Trusted Partner model is due to finish end June 2024. Focus groups have taken place with the Trusted Partners and the view from them is that a number of users are reliant on the funding; therefore, to remove this would present significant risk, driving more people into poverty.
- **Food Pantry/Fund:** A pilot project is proposed to establish a central food storage in Midlothian where pantries could bulk purchase/store/access, which would drive down their costs, developing a sustainable pantry network. This would centralise waste food and stock donations to ensure equitable spread across Midlothian. This would require funding for a part time Development Worker and money for the rental of an industrial/storage unit. Whilst this is being established, it is proposed to consider allocating funding to the existing pantry/food models to transition to the pantry network.
- **Warm and Well Hubs:** These are funded to the end June 2024, then it would be intended to pause the Warm and Well Hubs as a range of summer programme activity will be on offer for children and young people over the summer holidays with food offerings included. In 2023/24, the hubs ran from September 2023 to June 2024. It is proposed COLTF consider if they should be re-established after the summer holidays to run again until Summer 2025.
- **With You:** this intervention provides financial supports to tenants who engage in WithYOU support living in temporary and permanent accommodation that are currently affected by the cost-of-living crisis. This includes financial support for those who are struggling with arrears, heating costs and basic daily essentials (cleaning products, detergents, towels, self-care products) and for tenants who are not eligible for Crisis Care Grants.
- **Holiday food vouchers:** Previously Midlothian Foodbank issued 400 food vouchers to families for Christmas 2023 as a pilot. This was well received by communities and a further £15k has been allocated to Midlothian Foodbank to be used for vouchers over the Summer 2024 holidays. It is proposed that COLTF consider funding for the upcoming Christmas 2024 and Easter 2025 holiday period.

NEW mitigation interventions

3.23 Following discussions at COLTF, the following new mitigations are proposed for Council's approval:

- **Trusted Partner model – school expansion:** A pilot Trusted Partner model has been adopted in Woodburn Primary School. Following analysis of outcomes, it is proposed to consider a rollout of this model across all 32 primary schools for in the 2024/25 financial year, noting that this would be a flexible approach designed in partnership with the primary school to meet the needs of their learners
- **Discretionary funding for various supports** – food provision for youth activities, pantry vouchers, qualifications for learners due to no Individual Training Accounts and transport costs to enable people to access supports.

Preventative interventions

3.24 As part of the shift towards prevention, the following new interventions are proposed for approval by Council:

- **Development of a pantry network:** supporting communities to access food has been a theme throughout the response to the cost of living crisis. As referenced in 3.22 above, a pilot project is proposed to establish a central food storage in Midlothian where pantries could bulk purchase/store/access, which would drive down their costs, developing a sustainable pantry network. This would centralise waste food and stock donations to ensure equitable spread across Midlothian.

This would require funding for a part time Development Worker and money for the rental of an industrial/storage unit. It should be noted that in 2023, officers submitted an application to secure external funding for this pilot, but the application was unsuccessful, therefore Council is asked to allocate funding to this pilot.

- **Income Maximisation Officers:** In response to the pandemic, the Council funded 2FTE Income Maximisation Officers that were employed by Citizens Advice Bureau (CAB) to deliver Income Maximisation supports. The funding ended in March 2024.

Analysis of the work to date shows that in 2023/24 the impact of the income maximisation work that CAB delivers resulted in:

- Dakeith CAB Total Financial Gains - £4,001,420
- Penicuik CAB Total Financial Gains - £2,646,344
- Total Midlothian Gains - £6,647,764

From this, the contribution from the Council resulted in financial gain for clients amounting to a total of £269,416 (Dalkeith CAB - £113,078 / Penicuik CAB - £156, 338)

Whilst the review of Income Maximisation concludes and the findings analysed for consideration, Council are asked to continue to fund 2FTE for one year.

Scottish Welfare Fund

- 3.25** Following establishment of a pilot Scottish Welfare Fund (SWF) assessment team, work is ongoing to identify causes for applications to SWF. This will lead to recommendations on preventative approaches that could be considered for implementation to reduce SWF applications and try and move people from crisis to more sustainable ways of managing household income and budgets (where this is feasible for households).
- 3.26** Midlothian is part of the Improvement Service and SOLACE's Local Government Benchmarking Framework and Peer Collaborative Improvement programme. Midlothian has been identified as an authority of high performance in SWF assessment and processing times and is collaborating with East Renfrewshire, Falkirk and Inverclyde Councils, and CoSLA to look at SWF in more detail. The programme scope also includes the wider poverty agenda and the SWF review and action plan. It is hoped that as part of this programme, learning from other authorities can be adopted to better understand the reasons for SWF applications and what earlier interventions can be introduced to prevent households reaching crisis stage, and what holistic approaches can be introduced to support communities. Further updates will be provided during the programme.

Summary

- 3.27** In the tables below are indicative costs for the proposed interventions listed in 3.22 – 3.24.

	Mitigating Intervention - existing	Costing	Notes
1	Continuation of Trusted Partners model with wider flexibility (reheatable foods, debt support, interim travel support fund, laundry etc). Current funding fully spent/allocated. Request for funding 2024/25	£159,500 (9 months figure, June 24 – Mar 25)	Existing TP model finishes end June 2024. This proposal is to extend to March 2025
2	Continuation of Food/Pantry Fund <ul style="list-style-type: none"> • Midlothian Foodbank • Central Dalkeith and Woodburn Pantry • Gorebridge Pantry • MAEDT Pantry • Newtongrange Dev Trust Pantry • Food Fact Friends 	£30,000 (£5,000 each)	Acting as a transition fund whilst the pantry network is established (linked to intervention nos 8 & 9)
3	Holiday food vouchers provided by Midlothian Foodbank for referred families	£15,000	Funding allocated for Summer 2024 already. Request for Christmas 2024 and Easter 2025
4	Warm and Well Hubs	£25,000	This is the same allocation as 2023/24 to run from September 2024 to June 2025
5	With You – providing cash first supports to tenants	£30,000	As per previous year(s) funding allocation
	Summary total	£259,500	

	Mitigating Intervention – new	Costing	Notes
6	Expansion of school Trusted Partner model - 32 primary schools	£64,000 (£2,000 per primary school)	Following assessment of the Woodburn Primary School pilot
7	Discretionary funding (various) – food for youth provision, pantry vouchers and allocation for funding towards qualifications for learners as no ITAs, bus tickets to support people to access supports.	£10,000	
	Summary total	£74,000	
	TOTAL mitigation interventions	£333,500	

	Preventative Intervention	Costing
8	Central food storage – hire of a storage unit to enable bulk purchases and central distribution	£15,000 for 18 months
9	Central food coordinator hosted by Third Sector for 18 months	£50,000 for 18 months
10	Income maximisation staffing	£64,000 for 2 workers for 1 year
	TOTAL preventative interventions	£129,000
	TOTAL funding requested	£462,500

4 Report Implications (Resource, Digital and Risk)

4.1 Resource

In summary to resource all mitigation actions for 2024/25 would require £333,500 and to resource all preventative actions for 2024/25 would require £129,000. The overall total is £462,500 if all interventions are approved by Council, to be funded from COVID recovery funding.

4.2 Digital

None

4.3 Risk

Midlothian communities are continuing to face significant challenges due to the Cost-of-Living crisis. Winter pressures are forecast to continue across 2024/25 due to current economic and social pressures. Council has the opportunity to fund a range of supports to aid residents during this time and work to prevent further poverty and inequality.

4.4 Ensuring Equalities (if required a separate IIA must be completed)

All Cost of Living interventions are intended to reduce inequality and tackle poverty.

4.4 Additional Report Implications (See Appendix A)

See Appendix A

Appendices

Appendix A – Additional Report Implications

APPENDIX A – Report Implications

A.1 Key Priorities within the Single Midlothian Plan

The Single Midlothian Plan aims to reduce poverty, inequality and mitigate against the cost of living crisis.

A.2 Key Drivers for Change

Key drivers addressed in this report:

- Holistic Working
- Hub and Spoke
- Modern
- Sustainable
- Transformational
- Preventative
- Asset-based
- Continuous Improvement
- One size fits one
- None of the above

A.3 Key Delivery Streams

Key delivery streams addressed in this report:

- One Council Working with you, for you
- Preventative and Sustainable
- Efficient and Modern
- Innovative and Ambitious
- None of the above

A.4 Delivering Best Value

The mitigating and preventative actions have been independently reviewed through the Hopkins report and have found to be based on delivering best value using an asset-based partnership model.

A.5 Involving Communities and Other Stakeholders

We have utilised feedback from the Citizens Panel, Hackathon and Trusted Partners to design and deliver cost of living interventions.

A.6 Impact on Performance and Outcomes

Robust tracking is in place across the range of mitigating actions and will continue for 2024/25 for the interventions that are funded.

A.7 Adopting a Preventative Approach

The request for interventions will directly support preventative measures for Midlothian residents.

A.8 Supporting Sustainable Development

By utilising a community-based partnership model for the cost of living supports it reduces some of the climate change associated costs for example being able to access services locally and accessing other climate change services like Changeworks.