

## Local Authority Covid Emergency Recovery Funds

Report by J Tranent, CSWO & Chief Officer Children's Services, Partnerships and Communities and D Oliver, Chief Officer Place

### Report for Decision

#### 1 Recommendations

Council are recommended to:

- Agree the division of LACER funds between the two Scottish Government recommended areas for support, Low Income Households 71% **£961,219** and Business Support 29% **£398,781**.
- To adopt the project proposals for the LACER funds which will support live well locally partnership models, support households on low income and stimulate economic activity in Midlothian.
- To agree to continue to fund the Trusted Partner model of distributing funds to those most in need at a local level. This has a primary focus on supporting local people to access food, as well as heating their homes, as part of mitigation towards the cost of living crisis.

#### 2 Purpose of Report/Executive Summary

The purpose of this report is to outline the LACER Funds available, the criteria for the funds and associated actions to mitigate consequences of Covid19 and the Cost of Living Crisis.

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**Report Contact:** Annette Lang, Group Service Manager (CPP & CLLE) or Annie Watt Acting Economic Development Manager

**Email:** [annette.lang@midlothian.gov.uk](mailto:annette.lang@midlothian.gov.uk) or [annie.watt@midlothian.gov.uk](mailto:annie.watt@midlothian.gov.uk)

### 3 Background

- 3.1 Scottish Government announced late in 2021/22 an £80m Local Authority COVID Economic Recovery Fund ('fund') to be provided to Councils in 2021/22 with COSLA Leaders subsequently agreeing the basis for distribution between Councils. This funding is flexible and ultimately is designed to empower local authorities to utilise funding where they consider this necessary or justified based on local circumstances. **Midlothian's allocation is £1.360 million** and was carried forward at the financial year end as part of the earmarked reserves.

**The guiding policy intent of this funding is to support local economic recovery and cost of living impacts on low-income households.** It is acknowledged that Local Authorities are best placed to understand the needs of businesses and communities locally and therefore will need flexibility to design and deliver interventions that best meet that local need. Joint guiding principles to support flexible usage are set out below.

#### 3.2 Joint Guiding Principles

This fund is provided to Local Authorities via General Revenue Grant, so that it can be used for appropriate interventions in Covid economic recovery based on individual local needs at Local Authority discretion. As such, Councils will retain flexibility on how and when they use these funds.

However, below are set out the draft high-level principles that could **guide** the usage of this fund by Local Authorities.

Overarching guiding principles:

- Interventions made under this fund should be based on a clear economic recovery and/or low-income household support rationale.
- A collaborative approach towards sharing of best practice and learnings from different interventions should be adopted to maximise benefits and positive effects while minimising risk and unintended consequences.
- Principles of spend (Local Authorities may wish to allocate funding based on one or more of the following):
  - Support to low-income households that are disproportionately impacted by the pandemic and the current cost of living crisis, become more economically active.
  - Interventions that support local economic recovery and contribute to businesses being able to move from surviving the period of trading restrictions towards recovery, growth, adaptation and building resilience.
  - Projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts.

The principles of spend outlined above are to be used as a guide, with Local Authorities ultimately able to utilise this funding flexibly, as required. Local Authorities are able to decide on multiple interventions at different points as locally appropriate.

#### 4. Next Steps

Over the last two years a number of funds and projects have been coordinated by the Council to support low income households and business support. These have included:

##### **Low Income Households:**

- Direct Payments
- Top ups to existing means tested payments
- An increase to the welfare fund
- Central distribution of food vouchers
- Trusted Model distribution of financial support to those on low income and suffering from food and fuel poverty from the winter flexible fund.

##### **Business Support:**

- Covid response funds targeting specific business types: Taxi operator and driver funds, Nightclub, Brewers, Hospitality, Leisure and Retail (2021/22), Soft Play and B&B's (2021 only).
- Newly Self Employed Hardship Funds (2020 lockdown funds).
- Discretionary Fund (Midlothian Allocation £1,561,947).
- Business Start up Fund £76k – ongoing.

The trusted partner's model to support low income families has been particularly successful. Local organisations applied to become a trusted partner, 10 were selected including development trusts, housing association, and CABx and grass root organisations. £124,000 was allocated to the 10 organisations.

From January to March 2022, excluding Penicuik and Dalkeith CAB, the remaining 8 organisations have distributed £91,494 providing 741 instances of support to Midlothian residents. 77% of the funding supported residents with food and fuel costs, including dealing with fuel poverty. Other costs included white goods, petrol, outdoor clothing for school camp, a bed, bedding, warm clothing, job related expenses and phone bills.

All residents receiving support have reported a relief of stress and anxiety and improved mental health and wellbeing.

We have received a number of positive statements from partners and recipients of the funding however two are highlighted below which are reflective of the overall comments.

Feedback from a trusted partner "99% of the money distributed was going to pay for increasing gas/electricity costs. One person said they were needing it to buy food, but everyone else for was energy costs. Even paying to charge electric devices in our home is becoming problematic financially."

Feedback from a local person receiving support "I currently pay £160 for my electricity bill per month but this is due to go up next month, all 5 of us need new winter coats and clothing. Thank you very much for this".

Low Income Households £961,219:

After analysis of the criteria of the funding, the needs of local communities, feedback from trusted partners and the clear intention of supporting people with solutions as close to the point of the issue/problem arising within their community the following project proposals are recommended. There needs to be a clear focus on supporting those on local income to be able to eat and heat their homes. The Live Well Locally approach has the potential to increase local access to services and support people in their communities whilst building relationships and trust, thereby supporting a more inclusive and accessible support model for those service areas supported by the Living Well Locally model, which in turn will help to lever in preventative support.

The Live Well Locally partnership model would retain the existing 10 trusted partners with the options for a small number of trusted partners to be included for example a YES fund for MC Housing Officers. Also for other providers if gaps in access are identified. To set up a robust partnership model a LACER development worker would be employed to develop the Live Well Locally Approach. This would require to be done in a sensitive, flexible way with partners.

The aim of the Live Well Local Partnership Approach would be to:

- Firstly help local people access food and heat their homes.
- Support poverty prevention work.
- Increase access to income maximisation support.
- Support local people to manage their debt.
- Link with partners to provide direct financial support to low income families.
- Provide local people with a council key worker to support them to access council services in localities.
- Increase information on council services for example housing.
- Provide practical support to secure alternative emergency support, for example, direct access in localities to support the completion of welfare fund applications.
- Secure support for employability and career advice in localities.
- Increase cross council and partnership working in local communities.

As this project would be a pathfinder we would wish support from an external provider to evaluate and track the impact and possible expansion of the model. The external partners would look to evidence and evaluate the following outcomes:

- Impact of having access to alternative emergency funds at the same time as having access to a food pantry membership.

- Impact of having locality support from the council through key workers to access council services
- Impact on locality partnership working and what is essential for success including practical elements.

The following staffing and funding has been provisionally identified to support the Live Well Locally Approach – Budget estimations further work is required to refine the budget:

- £54,219 - Grade 8 Live Well Locally LACER– Development Worker
- £500,000 - Trusted Partner Delivery Model to Tackle Financial Insecurity  
£104,500 - (3 months x4) £418,000 for full year. Inclusion of Council Housing Officers as trusted partner.
- £50,000 - management costs and hosting costs for Live Well Locally Approaches
- £122,000 2 Income maximisation and 2 key worker from the Live well Locally Approach x 4     £30,500
- £100,000 back fill council staff including housing officer, contact centre staff, employability staff and other staff as identified as the project progresses.
- £25,000 for external provider for evaluation and impact tracking (estimated cost).
- £50,000 Equipment (digital), materials, additional security and contingency (this requires further work to estimate costs dependent on model and security arrangements)
- £60,000 Development Fund/Barrier Free Funding

Total £962,219 (a further review of the budget predictions is required).

### **Business Support £398,781:**

Over the last two quarters' we have been working with businesses to increase local economic activity through developing a collaborative culture and we plan to step this up for 2022/23. The LACER funds proposal for business support is aimed at further supporting this collaborative approach by creating sectoral groups and cross sector collaborations to increase local B2B spend, developing a more localised supply chain and encourage peer learning and community support to strengthen Midlothian's local economy.

### **Social Enterprise Start and Grow fund £80k**

£1500 - £4k staggered payments based on potential evidenced by business plan and projections.

Applications sources:

- Community based social enterprise sessions
- Clients approaching BG for business support unaware of the social enterprise model
- Community Planning Partners, to promote awareness sessions with specific groups, for example over 50's & young people.

Outcomes:

- Community capacity building / ownership
- Jobs/placements/volunteering opportunities
- Improved local services mindful of Net Zero & 20 Min Neighbourhoods

Example - The Wonderland Book Festival at Vogrie in July, influenced by Council Officers, set up May 2021 and now employing 15 staff.

### **Business Associations £15k:**

Low value grant (£1500- governance, website and marketing) to help businesses come together, collaborate and make things happen, geographic and thematic groupings, opportunity to link to localising the supply chain, realise cost efficiencies and develop shared marketing. Business Associations will be able to access funds to develop initiatives in their locality, an example could be Place Based Investment Programme for a retail shop front improvement scheme.

### **Member of staff £25k:**

Part time Officer (20hrs p/w) to develop and coordinate the trader associations and events working with the BG team.

### **Tourism Support £10k:**

Financial support for Midlothian Tourism Forum, grant would cover cost of a part time worker and a website. The forum currently has space allocated on the Locate in Midlothian website with the ED Digital Officer managing this on their behalf; approval of this fund would relinquish Council resource and give them control over content and marketing. MTF has 55 members and they are recruiting for new board members; with a voluntary board, it is essential that they have paid resource to drive forward campaigns and membership. We supported MTF with £5.5k in 2021 to cover the part time post as they were not charging membership, fees will come into force within the next couple of months which means that Midlothian Council should not have to fund staffing again in the future.

### **Green Transition Fund £268,781:**

Similar to the 3<sup>rd</sup> phase of the Discretionary Fund, this will be for businesses that have signed up to the Midlothian Pledge and have a Green project that requires financial support. Businesses will need to contribute 30% of the total project cost.

**Total £398,781**

## **5. Report Implications (Resource, Digital and Risk)**

### **5.1 Resource**

The LACER funds total £1,360 million, the proposals recommends **£961,219** to support low income households and **£398,781** for business support. LACER funds have only been allocated for 22/23. Therefore the impact of the projects would require to be evaluated in order to leaver funds on a “spend to safe” basis for future years where appropriate.

### **5.2 Digital**

Further work would be required by the Development Officer to explore digital requirements and solutions for the Live Well Local Approaches.

### **5.3 Risk**

Failure to deliver the project in a year is the highest risk alongside failure to secure the correct staffing and establish agreement with local partnership providers.

### **5.4 Ensuring Equalities (if required a separate IIA must be completed)**

If in principle the proposed projects are approved an IIA will be developed.

## **APPENDIX A – Report Implications**

### **A.1 Key Priorities within the Single Midlothian Plan**

The projects proposed span a number of the thematic priorities within the Single Midlothian Plan but it directly applies to the overarching vision to reduce poverty.

### **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**

### **A.5 Involving Communities and Other Stakeholders**

The trusted partners have directly provided feedback on their data returns and reflected to Scottish Government on the experience of being a trusted partner and the successes and areas for improvement.

### **A.6 Impact on Performance and Outcomes**

As outlined in the next steps section of this report an external provider will be secured to evaluate the impact of the projects in order to ascertain impact on performance in the following areas:

- Impact of having access to alternative emergency funds at the same time as having access to a food pantry membership.
- Impact of having locality support from the council through key workers to access council services which could result in a reduction to call to the contact centre and housing for example.
- Impact on locality partnership working and what is essential for success including practical elements.

## **A.7 Adopting a Preventative Approach**

Midlothian Council is committed to adopting a 'Preventive approach'. Preventive work takes place at a variety of levels including universal and targeted. The projects outlined create a partnership approach to putting in place practical supports to assist with poverty prevention or escalation of an individual or family or businesses situation.

## **A.8 Supporting Sustainable Development**

Locality working in our communities with existing and new partners can assist sustainable development on a number of fronts including working from shared premises, reduce travel for service users and other benefits still to be realised through the projects set out in this report.