

## **Local action to tackle financial insecurity 2021-22**

### **Summary of activities, trends and learning**

This report summarises the activities delivered by local authorities using flexible funding streams on financial insecurity over November 2021 – March 2022, and highlights trends and learning to enhance future policy and practice.

### **Funding context**

On 29 October 2021, the Scottish Government announced a £41 million Winter Support Fund to help people struggling financially during the winter.<sup>1</sup>

Key elements of the package included:

- £6 million for third sector partners to support low income families
- £10 million to help people who were struggling to pay fuel bills
- £25 million flexible funding to help local authorities support wellbeing and respond to financial insecurity based on local needs

National guidance was published to assist local authorities in deploying the £25 million element of this Fund.<sup>2</sup> This provided a strong steer in favour of cash-first approaches and the integration of money advice and holistic support services to prevent future need.

Evaluation of interventions in 2020-21 highlighted the positive impact of flexibility to respond to local needs.<sup>3</sup> This shaped the decision to take a similar approach for the delivery of the Winter Support Fund.

The impact of the Winter Support Fund was further bolstered by continued investment in wider low income supports, including the doubling of the Scottish Child Payment, increased value of Best Start Foods, expansion of Free School Meal provision and continued investment in the Scottish Welfare Fund and Discretionary Housing Payments. In March 2022 the Scottish Government published its second tackling child poverty delivery plan – Best Start, Bright Futures.<sup>4</sup>

On 21 February 2022 the Scottish Government announced an £80 million Local Authority COVID Economic Recovery Fund (LACER Fund)<sup>5</sup> which also provided additional financial support, targeting communities, businesses and low income households recovering from the pandemic and impacted by the cost of living crisis.

A consultation on a draft plan on ending the need for food banks was held between 20 October 2021 and 25 January 2022. A key action within the draft plan was to

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<sup>1</sup> [Financial help for families in need - gov.scot \(www.gov.scot\)](https://www.gov.scot/financial-help-for-families-in-need)

<sup>2</sup> [Who is at risk - Financial insecurity: guidance to local authorities over winter 2021-2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/who-is-at-risk-financial-insecurity-guidance-to-local-authorities-over-winter-2021-2022)

<sup>3</sup> [Activities delivered - Local action to tackle food insecurity: summary of activities, trends and learning - gov.scot \(www.gov.scot\)](https://www.gov.scot/activities-delivered-local-action-to-tackle-food-insecurity-summary-of-activities-trends-and-learning)

<sup>4</sup> [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot \(www.gov.scot\)](https://www.gov.scot/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-to-2026)

<sup>5</sup> [COVID Economic Recovery Fund - gov.scot \(www.gov.scot\)](https://www.gov.scot/covid-economic-recovery-fund)

strengthen cash-first responses to hardship, and the learning from the Winter Support Fund will help to shape this work. We will publish a final version of the plan in Autumn 2022.

### **Purpose of funding and target groups for support**

Local authorities were able to use their allocation from the £25 million funding flexibly to provide a range of practical and holistic supports to tackle financial insecurity over the winter months. The Guidance provided suggestions on the following areas of action, but local authorities were able to respond to wider emerging needs:

- 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

The Guidance identified the following groups who are at an increased risk of financial insecurity and may therefore be more likely to compromise on food, fuel and other essentials. These also cover the tackling child poverty priority groups<sup>6</sup>:

- Younger people
- Disabled people
- Lone parents
- Minority ethnic households
- People living in households with children
- Larger families
- People with No Recourse to Public Funds
- People living in households on low incomes
- People living in the most deprived areas

In addition, local authorities indicated that households who had recently lost the £20 Universal Credit supplement and households whose income was just above the threshold for entitlements were also approaching for support, but that officials had limited ways of proactively reaching these groups within existing data frameworks.

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<sup>6</sup> [Tackling child poverty priority families overview - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-published/2021/06/tackling-child-poverty-priority-families-overview/)

The flexibility in the funding available enabled local authorities to use their discretion when targeting support.

## **Reporting and practice development approach**

Distribution and reporting methods were agreed between the Scottish Government and COSLA. Funding was allocated to local authorities through a redetermination to General Revenue Grant with payments in the final two weeks of the current financial year. It was agreed that light touch monitoring reporting templates would be returned in April 2022 to [foodinsecurityteam@gov.scot](mailto:foodinsecurityteam@gov.scot).

Alongside this, officials met with local authority leads to gain a deeper understanding of delivery, as well as providing practical assistance to local partners in problem solving and good practice development. This took the form of semi-structured meetings and ongoing information exchange. This summary has been completed using the monitoring returns provided by 27 of the 32 local authorities.

## **Activities delivered**

The activities delivered using the funding have been grouped into six categories – cash-first responses, shopping card provision, money advice, direct assistance with food and fuel, wellbeing approaches and preventative measures. Views were also sought on challenges experienced by local authorities, including delivery risks and concerns in the year ahead.

## **Snapshot of spend**

A high-level breakdown of the spend against the 6 categories is summarised below, with around 70% of reported spend targeted at cash-first interventions.

- Over £14,000,000 was invested in cash-first responses, including almost £6,300,000 to the Scottish Welfare Fund, £50,000 for Discretionary Housing Payments and £7,700,000 for other cash-based assistance.
- Around £222,000 supported the provision of shopping cards
- Over £790,000 was allocated to deliver money advice
- Around £3,500,000 was allocated for direct assistance with food and fuel
- Over £2,000,000 was allocated to wellbeing, prevention and other supports
- Around £800,000 was carried forward to 2022-23.

Where funds have been carried forward, they will be used for activities that are consistent with the purpose of the Winter Support Fund.

## **Cash-first**

All local authorities that submitted returns included an element of cash-first action in their response. Most strengthened existing cash-first interventions, and some also put in place new interventions.

Local authorities reported that cash-first was the preference of most of the people seeking support, as this provided the greatest choice around food and other essentials, including access to different retailers which helped to meet different dietary and cultural needs and preferences. Support for cash-first has been echoed by the Trussell Trust and Independent Food Aid Network.

Examples included –

- Topping up existing locally delivered low income payments including school clothing grants and Scottish Child Payment bridging payments
- Funding new one-off payments to households in receipt of locally delivered low income supports, such as free school meals or council tax reduction
- One local authority extended provision of cash support in lieu of free school meals during the school holidays to low income families who fall just above the qualifying threshold
- Additional funding to Scottish Welfare Fund to supplement increased demand
- Increasing the value of crisis grants by 20% for remainder of 2021/22
- Bolstering other local discretionary funds in place and establishing new discretionary funding models. This included:
  - Integrated approaches to emergency financial assistance and money advice, such as the Flexible Food Fund in Argyll & Bute
  - Targeted cash support for groups who may not be accessing other supports, such as home-schooled young people and older adults
  - Targeted cash support for those in social rented sector
  - Targeted cash support to marginalised groups through trusted partners, including Gypsy Travellers and those who live on outer isles
- Help to write off debt for rent or household bills
- Paypoint vouchers that can be redeemed as cash were also used if a person did not have a bank account

## **Shopping card provision**

Shopping cards were issued by some local authorities, however they tended to be used where cash-first approaches could not be taken such as in cases where debt or coercive control may prevent a cash payment from reaching the intended recipient. They were also used to support people quickly where they may not otherwise be in receipt of existing local supports or may not have a bank account.

- The flexibility of the funding enabled local authorities to source shopping cards which reflected the shops available within their area
- Cards were distributed in a range of settings, including through money advisors and community groups

- One local authority had previously developed a flexible shopping card for use across the local area, this had the secondary objective of supporting the local economy. Another is piloting an online version with community groups.
- Some areas considered use of Scotland Loves Local cards and agreed to further consider and promote when there is greater availability in their area.

## **Money advice**

Money advice was often discussed with people when they contacted the local authority triage teams requesting financial assistance. Many reported that they signposted to the relevant advice provider either within the local authority or external stakeholder eg CAS. This provided them with access to a range of relevant services, including fuel advice, as well as welfare, debt and employability advice.

Funding was allocated to -

- Increase the capacity of financial inclusion teams to respond to demand– both within councils and other local advice providers
- Bolster provision for specific issues – one area focused on reviewing fuel debt and energy tariff suitability, another focused in disability benefit appeals
- Partnering with other local groups and services to reach those who may not be accessing advice and integrating advice alongside other services – one area helped to recruit two financial liaison officers linked to a food bank, another area integrated advice in to wider older peoples services through the joint health improvement team
- Developing skills and adapting services to increase access, including through a Financial Inclusion Traineeship Programme and Financial Inclusion Service Redesign programme

## **Direct assistance with food and fuel**

Significant funding was allocated by local authorities to directly mitigate, where possible, the challenges of food and fuel insecurity by taking a few different approaches.

- Promotion of direct assistance available, including targeted outreach to older people and other at-risk groups
- Provision of food and household items such as energy saving slow cookers
- Payments for household energy to supplier or via voucher
- Funded breakfast clubs and tea time clubs, free school meals for children in temporary accommodation, top-ups to school meal allowances and expanding school meal eligibility
- Assisting food banks and other community groups to purchase, store and redistribute food and other essentials - this included delivering services in remote areas such as through mobile pantries
- Supporting membership of groups and services that can reduce costs, including local pantries

## **Wellbeing approaches**

Financial hardship can significantly impact on health and wellbeing, and local partners highlighted this as a key area for further action. This included:

- Funding for connectivity and befriending services
- Providing starter packs to support those settling into a new home
- Funding for toys, including gifts at Christmas for children and young people
- Funding for clothing and toiletries following a midwife referral
- Providing cold weather resources such as blankets, hot water bottles, warm clothing, heaters
- Supporting people with funeral services and develop a traumatic loss service
- Additional targeted wellbeing support through a range of services, including children's services, adult social care, activities for people with learning disabilities, and specialist support to help improve cancer journeys

## **Preventative measures**

A number of local authorities took further action to help prevent future hardship. This tended to focus on strengthening pathways between services and meeting needs holistically, and actions often closely aligned with the provision of money advice and action to support wellbeing. Action included:

- Integrating questions on financial hardship in to the triage for general enquiries and making relevant onward referrals
- Active gap analysis of households who may be at risk and not already accessing services, and proactive outreach
- Helping to connect and coordinate multi-agency working to offer holistic support and reduce duplication, including through single contact points, referral pathway improvement and shared service planning
- Use of a range of platforms and trusted partners to promote support

## **Support for marginalised groups**

Local authorities often targeted and adapted supports to meet a range of different needs. This included:

- Proactive outreach, including through trusted partners for Gypsy / Travellers and asylum seekers and refugees
- Service improvements to support inclusion such as translated materials
- Targeted service provision, such as designated welfare rights officers and activities that are adapted to meet different needs – for example language assistance services

Similar activities were delivered through the Local Authority Covid Economic Recovery Fund (LACER) to further enhance the financial support provided. Initial insights to the LACER funding show that a few local authorities have already boosted payments for low-income families, provided child grants for families receiving Free School Meals, additional payments towards school clothing grants and are supporting a cash-first approach with the introduction of Scotland Loves

Local cards. Additional funding is also being used to bolster crisis payments including the Scottish Welfare Fund, Discretionary Hardship Funds and fuel insecurity.

## Trends

Activity in 2021-22 generally built on trends identified in 2020-21. There was a further strengthening of cash-first support with all local authorities taking action on this theme and around 70% of reported spend being targeted in this way. There is also evidence of deeper partnership working between relevant services, in particular through coordinating groups and referral pathway improvement.

Monitoring returns indicate that the key outcomes for people supported through this resource have been improved access to emergency financial assistance, increased financial gains beyond the value of crisis support, and improvements to mental health and wider wellbeing.

### 1. Further strengthening of cash-first responses

All local authorities that submitted returns included an element of cash-first action, often reflecting on feedback from last year which highlighted people preferred the choice of where to access food, and could better meet their dietary and cultural needs.

Most strengthened existing cash-first interventions, and some to put in place new interventions though others reported that it was challenging to consider new interventions when funding is announced with short notice and is time-limited in nature.

Local authorities reported continuing to value having the flexibility to provide alternative support, including shopping cards and through direct food and fuel provision where this may be the most appropriate response – for example in cases of debt or coercive control. This flexibility also enabled local partners to meet wider emerging needs, such as digital access and cold weather clothing.

### 2. Proactive and reactive responses

Following on from 2020-21, all local authorities continued to take inbound contacts on a range of issues via the National Assistance Helpline and linked local helplines. This service was closed on 1 May 2022 alongside related interventions targeted at those with heightened clinical risk, in line with clinical advice to support the effective management of COVID.<sup>7</sup> Local authorities have continued to support people experiencing financial hardship through a range of dedicated local contact points.

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<sup>7</sup> [Coronavirus \(COVID-19\): isolate and support data - 2 November 2020 to 30 April 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/information/coronavirus-isolate-and-support-data-2-november-2020-to-30-april-2022/)

Data held by local authorities was used to help proactively identify and reach out to people who may have been experiencing hardship, including data on council tax reduction, free school meal and school clothing grant eligibility. This had proved to be a vital resource in 2020-21 and was again valuable this year, but could be further improved.

### 3. Multi-agency partnerships and whole needs approaches

Many local partners further enhanced the pathways between services, building on experience from the previous year so as to offer holistic and person centred support. This reached beyond crisis provision, and often included employability, housing and befriending services. For example in Glasgow, the Glasgow Helps initiative provides a holistic pathway to a range of services delivered across sectors.



## Learning

A number of key learning points from funding in 2021-22:

- Flexible funding enabled local partners to build on and adapt existing services to meet emerging needs, drawing on learning from their earlier interventions and good practice examples in other areas. With this in mind, support for further shared practice exchange would likely be welcomed.
- While cash-first interventions continued to be the preference, some local authorities noted challenges – including the administrative resource required to collect bank details and process payments, and the difficulty of managing expectations when future funding is uncertain.
- As in 2020-21, local authorities reported that data agreements with the UK Government and Scottish Government at times limited their ability to target additional supports, and some noted that wider data gaps made it challenging to identify those who may newly be experiencing hardship.
- The limited lead in time available made it challenging for local partners to assess options and direct resource – this meant that many felt unable to explore new interventions. A longer term approach to investment could help to deliver change programmes with longer term outcomes.
- Longer term investment in administrative capacity was identified as key to scaling up hardship supports, especially in light of the likely increasing demand on these services linked to the rising cost of living.
- While only light touch monitoring was agreed between the Scottish Government and COSLA, some local authorities reflected that a standard methodology would help to better understand outcomes and impacts.

The learning from the Winter Support Fund will help to inform future action, including the forthcoming plan on ending the need for food banks which will be published in Winter 2022-23.