

**ISLANDS COST CRISIS EMERGENCY FUND 2024/25**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The Islands Cost Crisis Emergency Fund (ICCEF), which aims to help island authorities take urgent action to support households through the cost of living crisis, was set up in December 2022. £1 million funding has been identified for the 2024/25 financial year. The funding will be distributed to the six Local Authorities with responsibility for islands through the 2024/25 Local Government Revenue Grant.
- 1.2 This funding is for 2024/25 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 2023/24 was £141,000 and the funds were distributed as detailed in **Table 1** below. The allocation will remain the same for 2024/25, £141,000.
- 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. The outcomes of this funding are expected to have stronger focus on child poverty.
- 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 four island foodbanks as detailed in **Table 1**.

**RECOMMENDATIONS**

It is recommended that the Policy and Resources Committee:-

- a) Note the funding announced by the Scottish Government for 2024/25 financial year for Local Authorities with responsibility for islands.
- b) Agree that arrangements for the fund are the same as those initiatives agreed for 2023/24 and detailed in **Table 1** to ensure that the support reaches communities as quickly and effectively as possible.

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**2.0 INTRODUCTION**

- 2.1 On 22 May 2024, the Scottish Government announced that Islands Cost Crisis Emergency funding of £1m would be available for the 2024/25 financial year. The funding will be distributed to the six Local Authorities with responsibility for islands through the 2024/25 Local Government Revenue Grant. The fund will be administered by Scottish Futures Trust (SFT) on behalf of the Scottish Government.
- 2.2 This report provides the Policy and Resources Committee with an overview of proposed arrangements for the fund in 2024/25.

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Policy and Resources Committee:-
- a) Note the funding announced by the Scottish Government for 2024/25 financial year for Local Authorities with responsibility for islands.
  - b) Agree that arrangements for the fund are the same as those initiatives agreed for 2023/24 and detailed in **Table 1** to ensure that the support reaches communities as quickly and effectively as possible.

**4.0 DETAIL**

- 4.1 The Scottish Government has announced that there will be an allocation of £1 million Island Cost of Crisis Emergency funding for 24/25 and this will be distributed across the six Local Authorities with responsibility for islands.
- 4.2 The funding is for the 2024/25 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 2025.
- 4.3 The allocation for Argyll and Bute in 23/24 was £141,000. Policy and Resources

Committee in August 2023 agreed to delegate the arrangements for Argyll and Bute’s allocation of the 23/24 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 **Table 1** below:-

<b>Table 1 ICCEF 2023/24 Distribution</b>	
Argyll and Bute Council Love Local Giftcards	£100,000
Food Bank Grants	£16,000
Free School Meal Top Ups	£25,000
<b>TOTAL ICCEF 23/24</b>	<b>£141,000</b>

4.4 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**.

4.5 It should be noted that the current mechanism for providing the school meal top up payments needs further discussion with the Education department to ensure that the payments are reaching the eligible students directly. Discussions will also be required with colleagues in Revenue and Benefits regarding the uptake of Love Local cards.

## 5.0 CONCLUSION

5.1 The £1 million Islands Cost Crisis Emergency Fund 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.

## 6.0 IMPLICATIONS

6.1 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.

6.2 Financial – Argyll and Bute’s allocation of the £1 million fund will be £141,000.

- 6.3 Legal – None.
- 6.4 HR – None.
- 6.5 Fairer Scotland Duty:
  - 6.5.1 Equalities – None
  - 6.5.2 Socio-Economic Duty – None
  - 6.5.3 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.
- 6.6 Climate Change – If the option to continue using Love Local cards is taken spend will be restricted to premises within Argyll and Bute.
- 6.7 Risk – None.
- 6.8 Customer Service – This funding will ensure the Council are supporting our island communities and households across Argyll and Bute.
- 6.9 The Rights of the Child (UNCRC) – No implications anticipated however the funding will assist in tackling the cost of living crisis which aims to improve finances for those on islands including children.

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

**Councillor Jim Lynch, Depute Policy Lead for Economic Development, Housing, Communities and Islands**

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August 2024