

**To: Economy and Regeneration Policy Board**

**On: 14 March 2023**

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**Report by: Chief Executive**

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**Heading: Local Authority Covid Economic Recovery Funding Update**

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## **1. Summary**

- 1.1 Renfrewshire was awarded £2.654M from the Scottish Government Local Authority Covid Economic Recovery (LACER) Fund and a report to Leadership Board in April 2022 outlined proposals in terms of spend.
  - 1.2 This report provides an update on spend to date and outlines plans for the financial year 23-24 to utilise the remaining funds.
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## **2 Recommendations**

### **2.1 Board members are asked to:**

- (i) Note the contents of the report and spend to date.
- (ii) Approve the proposed use of funding for 23-24 for similar activities
- (iii) Continues to delegate authority jointly to the Head of Policy & Commissioning and the Head of Economy & Development to flexibly manage budget changes across individual proposals throughout the year to meet local demand and council priorities,
- (iv) Note that a final report outlining actual spend will come back to a future board meeting.

### 3. Background

- 3.1 On 21st February 2022, Scottish Government announced a new £80 million Covid Economic Recovery Fund aimed at supporting businesses and communities to help Scotland as it moved to a new phase in the Coronavirus pandemic.
- 3.2 Renfrewshire was awarded £2.654M to be used to support covid economic recovery activity.
- 3.3 Local interventions had to meet one or more of the following principles of spend:
- 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.
  - Support the **low-income households**, that are disproportionately impacted by the pandemic and the current cost of living crisis, **become more economically active**.
- 3.4 A range of project proposals were provided to board as outlined in section 4. These are also detailed in Appendix 1.

### 4. Update on Progress and Spend

- 4.1 There were 5 broad areas of support agreed under the LACER fund for Renfrewshire. These were:
- Continuing or Creating Employment for unemployed people
  - Flexible Training Fund to increase employment opportunities
  - Financial support to unemployed people
  - Supporting Business
  - Financial insecurity payments
- 4.2 The proposals agreed by board provided a mix of outcomes across the 3 criteria specified and (as requested by board) could be delivered with 100% of the funding available being allocated to directly support local people (unemployed / low income / low skilled/ transitioning to employment) or to support the growth, adaptation, resilience and recovery of local businesses stimulating local economic activity across Renfrewshire.
- 4.3 It was agreed to have a flexible approach with funding and so levels of funding and numbers supported would change according to demand.

Authority to flex the budget across proposals was sought and agreed and this has been used to ensure that funding goes where impacts can be made. Delegated authority to manage the funding flexibly was provided to the Head of Economy and Development and Head of Policy and Commissioning.

- 4.4 Funding has generally gone well for year 1 with some areas (Employment and Financial Insecurities) committing more than initially planned. Other areas have spent or committed less than originally planned and have more to spend in the second year.
- 4.5 For both the Business Support theme and Parental Employment additional funding from other sources were made available in year and with a short timescale to spend the budgets. As such these funds (ERDF and Scottish Government funding) were used first as they were time restricted with LACER funds being used after they were fully committed.
- 4.6 A summary of the current financial position is below with more details provided in the Appendix.

Full Budget Allocation for Renfrewshire	Initial Proposals Outlined in Leadership Board Report	Actual Spend 22-23	Planned 23-24	Remaining Budget
£2,654,000	£1,810,000	£794,849	£900,000	£959,151

- 4.7 Within the proposals for spend for 23-24 consideration has been given to new anticipated budgets for parental employability however as the grant awards have not yet been made then the same request for flexibility is requested for the year ahead to allow budget changes across proposals to be managed throughout the year.
- 4.8 A budget of £959,151 remains uncommitted from the LACER support. This will be kept under review during 23/24 and potentially utilised to support Council financial sustainability pressures as outlined in the recent budget report (March 2023).
- 4.9 Further reports to board in due course will provide an overview of the full spend for the programme.

## APPENDIX 1 Overview of Spend and Future Proposals

Theme 1: Continuing or Creating Employment	Those Supported:	Description:	Outcomes Planned and Achieved	Grant Support
Outlined in Leadership	80 employers / businesses,	Grant support to 80 businesses to continue	80 businesses supported	Estimate £240,000

Board Report	80 young people	the employment of a young unemployed person (Kickstart Plus)	80 young people employed for additional 6 months	
Delivered in 2022-23	<p>20 young people and employers</p> <p>20 long term unemployed adults</p> <p>Jobs fully funded for 10 people with disabilities</p> <p>10 Ukranian unemployed refugees</p> <p>4 unemployed parents employed</p>	<p>A total of 64 paid placements / traineeships / jobs or trainee style extensions were provided during 22-23.</p> <p>Participants were from a range of priority groups for Renfrewshire.</p> <p>More information is provided in the Appendix.</p>	<p>20 Kickstart Places for Young People</p> <p>20 Funded Work Placement Extensions for Long Term Unemployed</p> <p>10 Supported Employment Posts for people with disabilities</p> <p>10 paid council traineeships for Ukranian Refugees</p> <p>4 part time/ school hour posts for unemployed parents</p>	Committed £329,000
Planned for 23-24	<p>10 long term unemployed adults</p> <p>7 people with disabilities</p> <p>3 Ukranian refugees</p>		<p>5 Funded Work Placements for Long term Unemployed Adults</p> <p>7 Supported Employment Posts for People with Disabilities</p> <p>3 traineeships for Ukranian Refugees</p>	£150,000
<b>Theme 2: Flexible Training Fund</b>	<b>Those Supported:</b>	<b>Description:</b>	<b>Outcomes Planned</b>	<b>Grant Support</b>
Outlined in Leadership Board Report	UC claimants both employed but low waged or unemployed and looking	A flexible training fund for UC claimants (either unemployed or in low paid work) to increase their skills and qualifications to	250 UC claimants achieving new skills and qualifications	£250,000

	for work.	prepare them for higher paid employment. Up to £3,500 available where this secured employment.		
Delivered in 22-23	UC claimants both employed but low waged or unemployed and looking for work.	<p>A range of training and support was provided to individuals requiring support.</p> <p>We also block booked some group training with 20 candidates undertaking LGV license training and certification (due to current demands) 8 of which have already secured employment.</p>	<p>67 people were supported with training courses and certifications for work.</p> <p>Costs varied per person from £100 for First Aid training and certification to around £3,000 for LGV training (16 weeks) and certifications.</p>	£111,300
Planned for 23-24		Continuation of the programme and plans to support around 80 additional people.	Due to the ongoing need for LGV drivers it is likely that further support will be requested in this sector. The fund is not prescriptive though and all training requests are considered.	£120,000
<b>Theme 3: Support to Unemployed People</b>	<b>Those Supported:</b>	<b>Description:</b>	<b>Outcomes Planned</b>	<b>Grant Support</b>
Outlined in Leadership Board Report	Unemployed Parents moving into work.	Employment transition Fund supporting the additional costs parents may face in the early stages before being paid (transport, childcare, work clothes, etc). Estimate 3 months of reducing support valued at around £1000/ person.	200 UC parents financially supported to move into work	£200,000
	Unemployed people starting work or training.	3 months free bus travel for UC adults (who don't qualify for the young persons bus pass scheme) when they enter employment	<p>600 UC claimants provided free travel for 3 months</p> <p>This allows additional support in the early stages of work while benefits</p>	£120,000

		or training for employment.	change and pay is retrospective.	
Delivered in 2022-23		Parental Transition Fund	Funding has been committed to 35 parents so far but potentially more will be required in the last 5 weeks of the financial year.	£35,000
		Travel Support	59 people have received travel support, the number will go up in the final month of the year	£13,000
Planned for 23-24		Parental Transition Fund	This support will be moved to the new budget provided through the Scottish Government Parental Employment Funding for 23-23.	£0 from LACER as Funding changing to SG funds for 23-24
		Travel Support	Change to travel and clothing for work support	£30,000
<b>Theme 4: Supporting Business</b>	<b>Those Supported:</b>	<b>Description:</b>	<b>Outcomes Planned</b>	<b>Grant Support</b>
Outlined in Leadership Board Report	Grant support to adapt and grow / to make future savings (financial and carbon)	Net Zero Business Grant: Co-invest with business on 50:50 basis with grants of between £5k- £10k.  Business Growth Grant: co-invest with business on 50:50 basis with grants from £1k to £10k to grow and develop the business.	50 businesses reduce carbon footprint  150 businesses grow / develop	£400,000  £500,000
Delivered in 22-23			16 growth grants to local businesses	£106,549 spent / committed
Planned for 23-24	40-50 business grants		To be used across both Net Zero and Business Growth grants depending on demand	£250,000
	Number of businesses (6-8)	Targeted approach to subsidise start-up costs of new businesses seeking to occupy key vacant TC (G/F)	Bringing 6-8 empty properties (across Renf town and village centres) back into use	£250,000

		properties		
<b>Theme 5: Financial Insecurity Payments</b>	<b>Those Supported:</b>	<b>Description:</b>	<b>Outcomes Planned</b>	<b>Grant Support</b>
Outlined in Leadership Board Report	Hardship Payments	£100 payment to be provided to people experiencing financial insecurity as a result of the cost of living crisis. Applications will be made by referral initially through support. £100 payment level was uprated to £150 during 22/23 due to increasing cost inflation being experienced by households.	1000 payments to be supported – these may be unique referrals or second payments if significant issues being experienced.	£100,000
Delivered in 22-23	Hardship Payments	£100 payment to be provided to people experiencing financial insecurity as a result of the cost of living crisis. Applications will be made by referral initially through support.	2000 payments made / planned in 22-23	£200,000
Planned for 23-24	Hardship Payments	£150 payment to be provided to people experiencing financial insecurity as a result of the cost of living crisis. Applications will be made by referral initially through support.	6,667 payments planned in 23-24	£100,000

## Implications of the Report

1. **Financial** – the paper provides an overview of funding provided for covid economic recovery in Renfrewshire. No additional council funding is required. All funding goes directly to people and businesses in Renfrewshire.
2. **HR & Organisational Development** – no implications
3. **Community/Council Planning** –  
  
**Jobs and the Economy** – the report outlines a number of areas of work to support economic growth, encouraging more people to be economically active, supporting business growth and development.
4. **Legal** – no implications.
5. **Property/Assets**- no implications.
6. **Information Technology** – no implications.
7. **Equality & Human Rights**- The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.
8. **Health & Safety**- None.
9. **Procurement** – None.
10. **Risk**- None.
11. **Privacy Impact**- None.
12. **Cosla Policy Position**- Not Applicable.

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Previous Reports:

Leadership Board, 20 April 2022, "COVID Economic Recovery Fund"

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