

**To: Leadership Board**

**On: 20 April 2022**

---

**Report by: Chief Executive**

---

**Heading: COVID Economic Recovery Fund**

---

## **1. Summary**

- 1.1 As part of the COVID Economic Recovery Fund the Scottish Government has provided £80m between local authorities to provide support to businesses and low-income households. COSLA and Scottish Government have worked to agree to a flexible approach to the use of these funds to achieve the policy ambition.
  - 1.2 The purpose of this funding is to support business recovery and cost of living impacts on low-income households. Local authorities are seen as best placed to understand the needs of businesses and communities locally and have been asked to design and deliver interventions that best meet that local need.
  - 1.3 This report sets out proposals for the allocation of this funding in Renfrewshire.
- 

## **2. Recommendations**

- 2.1 It is recommended that the Board:
  - (i) Notes the allocation of funding to Renfrewshire Council;
  - (ii) Approves the proposed use of the funding;
  - (iii) Delegates 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 as outlined in paragraph 4.3.
  - (iv) Notes 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 moves to a new phase in the Coronavirus pandemic.
- 3.2 This funding will be provided through the general revenue grant, with local authorities having flexibility to target support either using existing schemes, place-based investment programmes or individual grant schemes that can support both businesses and low-income households.
- 3.3 Following the approval by COSLA Leaders of the distribution methodology, Renfrewshire has been awarded £2.654M to be used to support covid economic recovery activity.
- 3.4 The challenge facing all local authorities is that the funding, whilst welcome, is finite in nature and will not fully satisfy the potential demand for support. To address this challenge, this proposal delivers a range of different supports with the dual policy aim of supporting both low-income households to become more economically active and local businesses to grow.
- 3.5 Scottish Government have confirmed that light touch monitoring and reporting is proposed, like that agreed for the Covid business support discretionary grants in 2020 and 2021.
- 3.6 The latest unemployment figures for Renfrewshire are outlined in Table 1 below to provide a context for members decisions today on funding options. Claimant count (universal credit) figures are now close to the pre-pandemic figures of March 2020 and in some cases, such as 18-24 years olds, are significantly lower now than they were two years ago.

### 4. Funding Proposals

- 4.1 Local interventions must meet one or more of the following principles of spend but innovative approaches that address multiple principles are encouraged.
1. 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**.
  2. Projects that can rebuild consumer confidence and **stimulate demand and economic activity** in their specific contexts.
  3. Support the **low-income households**, that are disproportionately impacted by the pandemic and the current cost of living crisis, **become more economically active**.

**Table 1: Unemployment (claimant count) statistics; Renfrewshire 2020-2022**

	Claimant numbers	Of which male	Of which female	Aged 16-17	Aged 18-24	Aged 25-49	Aged 50+
Mar-20	4,015	2,655	1,360	20	745	2,250	1,000
Apr-20	6,685	4,395	2,290	25	1,140	3,855	1,665
May-20	7,530	4,910	2,620	35	1,360	4,270	1,860
Jun-20	7,480	4,825	2,655	30	1,475	4,155	1,815
Jul-20	7,765	4,965	2,800	30	1,550	4,280	1,905
Aug-20	7,780	4,975	2,805	25	1,565	4,250	1,935
Sep-20	7,535	4,825	2,710	25	1,505	4,120	1,885
Oct-20	7,045	4,510	2,535	25	1,370	3,830	1,825
Nov-20	7,150	4,580	2,570	25	1,330	3,900	1,895
Dec-20	7,045	4,505	2,540	25	1,305	3,810	1,900
Jan-21	6,960	4,470	2,490	25	1,290	3,755	1,860
Feb-21	7,190	4,630	2,560	25	1,325	3,930	1,910
Mar-21	7,240	4,650	2,590	20	1,360	3,995	1,860
Apr-21	7,030	4,495	2,525	20	1,320	3,870	1,820
May-21	6,630	4,190	2,325	20	1,190	3,605	1,700
Jun-21	6,080	3,860	2,125	20	1,060	3,340	1,565
Jul-21	5,890	3,765	2,125	15	1,090	3,265	1,520
Aug-21	5,635	3,545	2,090	15	995	3,160	1,465
Sep-21	5,075	3,215	1,860	10	825	2,905	1,335
Oct-21	4,725	2,970	1,760	15	740	2,745	1,225
Nov-21	4,515	2,850	1,665	15	695	2,615	1,190
Dec-21	4,420	2,810	1,615	15	685	2,565	1,155
Jan-22	4,325	2,785	1,540	15	635	2,525	1,155
Feb-22	4,330	2,815	1,515	15	650	2,550	1,115
Mar-22	4,180	2,710	1,470	15	620	2,470	1,075
change Feb 2022 - Mar 2022	-3.5%	-3.7%	-3.0%	0.0%	-4.6%	-3.1%	-3.6%
change Mar 2020 - Mar 2022	4%	2%	8%	-25%	-17%	10%	8%

- 4.2 The proposals listed in Appendix A to this report provide a mix of outcomes across the 3 criteria specified and can 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. This includes options for payments direct to individuals, by topping up previous funding allocations made for hardship payments to people experiencing financial insecurity.
- 4.3 There will be a need to take a flexible approach with funding and so spend will be reviewed quarterly and levels of funding and numbers supported will be changed according to demand.

Authority to flex the budget across proposals is sought and a full and final report of spend will come back to a future Leadership Board. The fund will be managed

jointly by the Head of Policy & Commissioning and the Head of Economy & Development.

4.4 At this point, a summary of the potential numbers supported through the funding, and the outcomes are estimated to be as follows:

Those Supported:	Description:	Outcomes	TOTALS:
150 businesses	Grant support to adapt and grow / to make future savings (financial and carbon)	<ul style="list-style-type: none"> <li>150 businesses grow / develop</li> <li>50 businesses reduce carbon footprint</li> <li>Up to 150 businesses more efficient</li> </ul>	230 businesses financially supported
80 employers / businesses,  80 young people	Grant support to 80 businesses to continue the employment of a young unemployed person (Kickstart Plus)	<ul style="list-style-type: none"> <li>80 businesses supported</li> <li>80 young people employed for additional 6 months</li> </ul>	80 young people secure additional 6 months employment
UC claimants	Grant support to train/ reskill or to move into work	<ul style="list-style-type: none"> <li>250 UC claimants achieving new skills and qualifications</li> <li>600 UC claimants provided free travel for 3 months</li> <li>200 UC parents financially supported to move into work</li> </ul>	250 UC claimants get skills/qualifications
Financial Insecurity 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.	<ul style="list-style-type: none"> <li>1000 payments to be supported</li> </ul>	600 UC claimants financially supported to work/ search for work
			200 families in poverty financially supported to move into work
			1000 people to receive further hardship payments

---

## Implications of the Report

1. **Financial** – No additional finance is sought. Funding of £2.654M to support the proposed interventions is being provided by Scottish Government
2. **HR & Organisational Development** – None.
3. **Community/Council Planning** – None.
4. **Legal** – None.
5. **Property/Assets** – None.
6. **Information Technology** – None.

## 7. Equality & Human Rights

- (a) 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.

13. **Climate Risk** – Not Applicable.

---

## List of Background Papers

None.

---

**Author:** Ruth Cooper, Economic Development Manager;

**Email:** [ruth.cooper@renfrewshire.gov.uk](mailto:ruth.cooper@renfrewshire.gov.uk)

## Appendix A: Covid Economic Recovery Fund 2022

### Business Support and Low Income Household Funding Proposals

Project Title:	Description:	Financial Value:	Number Benefiting:	Proposed Budget:	Spend Criteria in order of impact (1/2/3)
Net Zero Business Grant	Additional funds to bolster the pilot £100k grant fund to support businesses to grow and adapt to meet net zero aspirations and to reduce reliance on gas / electricity with potential savings to be made.	Co-invest with business on 50:50 basis with grants of between £5k- £10k.  (assume average grant of £8k)	50 businesses at £8k average	<b>£400,000</b>	1 and 2
Business Growth Grant	Expand the current programme to support Business Growth and Development of local businesses.	Co-invest with business on 50:50 basis with grants from £1k to £10k.  (assume average grant of £5k)	120 businesses at £5k average	<b>£600,000</b>	1 and 2
Kickstart Plus Programme	Extend the current programme (ends 31 <sup>st</sup> March) to offer 6 month sustainment grants to local businesses retaining a young unemployed Kickstart Trainee for another 6 months.	Co-invest with Business.  Grants average £3k each	150 grants at £3k average	<b>£450,000</b>	3, 1 and 2
UC Skills and Training grants programme	NEW: A flexible training fund for UC claimants (either unemployed or in low paid work) to increase their skills and qualifications to prepare them for higher paid employment (with employability support from the Invest team). Grant will mostly be spent in local businesses.	100% grant funded (but with checks that the training might already be available free of charge).  Average grant £1000 but available support up to £2,500	350 grants at £1k	<b>£350,000</b>	3 and 1

UC Parental Employment Support Fund	NEW : Targeting parents on UC (unemployed) and moving into work this fund will support the additional costs they 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. Grant will mostly be spent in local businesses.	100% grant funded Estimate £1,000 per person	350 people	<b>£350,000</b>	3 and 1
UC adult travel support for starting work	3 months free bus travel for UC adults (who don't qualify for the young persons bus pass scheme) when they enter employment or training for employment. This allows additional support in the early stages of work while benefits change and pay is retrospective. Estimate £200 per person	100% grant funded Estimate £200 per person	1,000 people	<b>£200,000</b>	3 and 2
Financial Insecurity 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	2,000 awards	<b>£200,000</b>	2 and 3