

To: Leadership Board

On: 24 February 2021

Report by: Chief Executive

Heading: COVID-19: Support to local Businesses

1. Summary

- 1.1 The Covid-19 pandemic has had a significant impact on the UK, Scottish and Renfrewshire economies. This has affected most economic sectors and has placed a large proportion of Renfrewshire businesses in a precarious economic position.
 - 1.2 Local Government has played a significant role in providing business support throughout the COVID-19 crisis. Of particular importance has been Local Government's role in channelling the grant support from Scottish Government to businesses.
 - 1.3 Since April 2020, Renfrewshire Council has been administering a range of Scottish Government programmes of business support to help mitigate the impact of COVID-19.
 - 1.4 The purpose of this report is to provide an update on the types and levels of funding provided and to specifically provide details of the Councils approach to the Discretionary Funds allocated to Renfrewshire Council for local businesses.
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2 Recommendations

- 2.1 It is recommended that the Board:
 - i. notes the report and the allocation of circa £44M funding to businesses through funding programmes announced to date; and
 - ii. notes the Council's Discretionary Fund Programme of circa £3.5M and plans for its disbursement to Renfrewshire businesses most in need.
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3 Background

- 3.1 Supporting Business and their Workforce is a key priority of the Councils Economic Recovery Plan. Business is the principal provider of job opportunities in Renfrewshire. Many sectors have struggled due to the pandemic restrictions in terms of customer footfall, trade and supply chains. The pandemic has changed economic behaviour and businesses need to adapt with new skills for this new economy. The initial pressure for businesses is to survive, and financial support is key to this.
- 3.2 Local Government has played a significant role in providing business support throughout the COVID-19 crisis. That has included information, advice and support from local economic development teams, the Business Gateway service and regulatory services such as Environmental Health and Trading Standards.
- 3.3 Of particular importance has been Local Government's role in channelling the grant support from Scottish Government to businesses, with Local Government receiving and processing almost 150,000 applications and distributing over £1bn in grants to date.
- 3.4 Renfrewshire Council has been key to the business support grants to Renfrewshire businesses and will continue to administer further funds to support businesses during the pandemic.

4. Grants Administered to Date by Renfrewshire Council

- 4.1 The Councils Economic Development Team have been administering Scottish Government Grants to business over the last year.
- 4.2 Table 1 below indicates the range of grants administered from April 2020 to date. These grants (once complete) are estimated to be in the region of £44M distributed through 6,000 awards of grant to local businesses and self employed people.

Table 1: Grants Administered to Date by Renfrewshire Council

Fund	Dates	Description	No of Grants Awarded	Level of Grants Approved
COVID-19 Business Support Grants	April – July 2020	Support to businesses with a property in Renfrewshire with Rateable Value under £51k	2,416	£27,226,250
Newly self-employed/B&B	May – June 2020	£2k grant to those newly self employed.	202	£404,000
Business support - Brake Restrictions fund	October 2020	Support to businesses closed by law during October restrictions	206	£572,145
Brake restrictions Furlough Grant	Oct – Nov 2020	£1650 grant to support furlough costs of Brake Restricted employers.	110	£181,500

Fund	Dates	Description	No of Grants Awarded	Level of Grants Approved
Transitional support for childcare providers	Sep - Oct 2020	Funding to help childcare providers meet the extra costs of complying with public health guidance.	62	£378,750
Business Contingency Fund: softplay/nightclubs etc	Nov 2020	One-off grants of up to £50,000 available to businesses in both sectors forced to close since March.	6	£170,000
Strategic framework business fund - temp closure/bus restriction	Nov 2020 – Mar 2021	Required to close by law £2k every 4 weeks for RV ≤£51k £3k every 4 weeks for RV >£51k Operations are restricted by law £1.4k every 4 weeks for RV ≤£51k £2.1k every 4 weeks for RV >£51k	Live programme – Estimate 800	Estimate £7M
Retail Sector Top Up Support Hospitality Top Up Grant	Jan 2021	Additional Grants to Strategic framework Recipients £6k for RV ≤£51k and £9k for RV >£51k £6k RV≤ £51k and £25k RV> £51k	Live programme – Estimate 800	Estimate £6M
Taxi and Private Hire Driver Support Fund	Jan-Feb 2021	£1,500 grant to taxi and private hire drivers	Live programme, estimate 1330 awards	Estimate £2M

- 4.3 A range of new and additional grant programmes for 2021 were recently announced and these are outlined in appendix 1 to this report (appendix 1 shows all of the Grants that are currently live or about to be launched).
- 4.4 One of the long anticipated grants has been the Local Government Discretionary Fund which was announced by the Scottish Government on 17 November 2020 but required a long lead-in time to ensure that other targeted programmes could launch. The Discretionary Fund would then add value, and not duplicate, the other programmes.

5. Renfrewshire Discretionary Fund

- 5.1 On 17 November 2020 the Scottish Government announced the introduction of a £30M Local Authority Discretionary Fund as part of the COVID-19 business response. A grant award of up to £1,054,071, payable in the financial year 2020/21, was subsequently offered to Renfrewshire Council to support businesses experiencing financial challenges as a result of restrictions and regulations introduced to control the spread of COVID-19. The programme value was then doubled in a Scottish Government announcement on 28th January and then doubled again on 11 February giving Renfrewshire £3,503,108 to award to local businesses.

5.2 The main guidance around the allocation of the funds was:

- Use Council knowledge of the local economy to direct funding towards businesses experiencing immediate financial challenges as a result of COVID-19 restrictions and regulations, specifically those who have been without financial support since October 2020.
- Prioritise small and microbusinesses (50 employees or fewer) and the self-employed as the intended recipients. This cohort are typically less resilient to the ongoing disruption caused by COVID-19 and have less capacity to secure funding from alternative sources. By targeting the financial support towards smaller businesses, local authorities will also ensure that a greater proportion of the funding is retained within local communities.
- Give precedence to businesses that have experienced disruption without having been specifically required to close or adapt their operations as a result of regulations. This may, for example, include businesses in the supply chain of or that derive a significant portion of their trade from closed or restricted sectors such as hospitality and tourism as well as companies impacted by travel restrictions
- Make the level of payments consistent with support paid through the Strategic Framework Business Fund recognising that companies supported through the discretionary fund are likely to be smaller but also recognising the need for flexibility in this regard.

5.3 While the Renfrewshire grant allocation of £3.5M is to be welcomed, the challenge facing all local authorities is that almost every business has been adversely impacted by the pandemic. In the first round of grants (April – July 2020) Renfrewshire Council awarded 2,416 grants to local businesses however the discretionary fund is likely to support around 500 businesses (if the average grant is £7,500).

5.4 Renfrewshire Council launched Phase 1 of the Discretionary Fund with the initial allocation of £1M. Further Phases will follow due to the increase of grant funding. A fuller outline of Phase 1 of the Discretionary Fund is attached as appendix 2 but this can be summarised as support under 3 categories:

Category 1: businesses significantly impacted by the legal closure/ restrictions of key sectors from March 2020 to date.

Category 2: businesses significantly impacted by the “work from home” requirement from March 2020 to date meaning that people are no longer in workplaces.

Category 3: Businesses significantly impacted due to the inability of people being able to meet as a group from November 2020 to date.

- 5.5 The Phase 1 Discretionary Business Fund will provide grants of £5,000 and £10,000 to local businesses experiencing immediate financial challenges as a result of the COVID-19 restrictions and regulations that have not been able to access the Strategic Framework Business Fund or other business grant funds provided by the Scottish Government. In particular, this fund will aim to assist businesses that have been without financial support since October 2020 and not eligible for any other grant programme.
- 5.6 The Phase 1 fund was open for applications from 3 February 2021. Work is now underway to develop Phase 2 of the programme with the additional funds allocated from the Scottish Government.

6. Next Steps

- 6.1 The short term outlook for Renfrewshire's business community remains precarious and the duration of the current lockdown means considerable uncertainty for many.
- 6.2 The Council will continue to work with the Scottish Government and local partners to support Renfrewshire businesses; enabling them to innovate, adapt and become more resilient, and working to provide the right business and funding support to support their survival and future development.
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Implications of the Report

1. **Financial**
Grants awarded to the Council will be monitored in accordance with the terms and conditions of grant. The Council will liaise with Scottish Government to comply with drawdown requirements and financial reporting requirements.
2. **HR and Organisational Development - none.**
3. **Community Planning**
 - Our Renfrewshire is thriving – the Business Grants are essential to business survival at this crucial time, and the sustaining of employment associated with the business.
 - Our Renfrewshire is well - The grants are positively impacting on the physical, emotional and mental health and wellbeing of business owners who are really struggling through the pandemic.
 - Reshaping our place, our economy and our future - The grants will help to secure the future of the business in Renfrewshire.
4. **Legal - none**
5. **Property/Assets - none**
6. **Information Technology - none.**

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 because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety - None**
 9. **Procurement - none**
 10. **Risk**
The projects actively monitor key risks and issues associated with delivery in accordance with the Council's Project Management Framework. Risks are identified and mitigating actions and allowances have been made and will be continually monitored.
 11. **Privacy Impact - None**
 12. **COSLA Policy Position - None**
 13. **Climate Risk – None..**
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List of Background Papers

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Appendix 1

List of Current and Planned Scottish Government Grant Programmes

	Fund	Value	Status	Where to apply
Generic Support				
1	Strategic Framework Business Fund	<p><u>Required to close by law</u> £2k every 4 weeks for RV ≤£51k £3k every 4 weeks for RV >£51k</p> <p><u>Operations are restricted by law</u> £1.4k every 4 weeks for RV ≤£51k £2.1k every 4 weeks for RV >£51k</p>	Live Open for Applications	Local Authority
2	Local Authority Discretionary Fund	Discretion of individual local authorities	About to be launched	Local Authority
Hospitality Industry Support				
3	Hospitality Top Up Grant	£6k RV≤ £51k and £25k RV> £51k	Live	Local Authority
4	Self-Catering Accommodation	Up to £10k	About to be launched	Local Authority
5	Visitor Accommodation Hostels	Level to be determined	Live	VisitScotland
6	B&B and Guesthouse Support	£2k	About to be launched	Local Authority
Self-Employed				
7	Taxi and Private Hire Driver Support Fund	£1.5k	Live	Local Authority
8	Mobile Close Contact Services Fund	£2k	Launch Date February	Local Authority
9	Newly Self-Employed Hardship Fund	£2k	Launch Date February	Local Authority
10	Travelling Show People Support Fund	£10k	Live	Corra Foundation
Tourism Sector Support				
11	Tour Operators	Level to be determined	Launch Date February	VisitScotland
12	Visitor Attractions (excludes publicly-owned visitor attractions)	Up to £25k	Launch Date February	VisitScotland
13	Ski Centre Support Fund	Level to be determined	Launch Date February	Enterprise Agencies
14	Outdoor Tourism Sector Recommissioning Fund	£1k - £15k	Live	VisitScotland
15	Sector and Destination Operational and Market Readiness fund	Level to be determined	Live	VisitScotland
Retail				
16	Retail Sector Top Up Support	£6k for RV ≤£51k and £9k for RV >£51k	Live	Local Authority
Wedding and Events Industry Specific Support				

17	Wedding Sector Support Fund	Up to £25k	Launch Date February	Enterprise Agencies
18	Events Industry Support Fund	Level to be determined	Launch Date February	EventScotland
19	Pivotal Event Businesses Fund	£25k - £150k	Live	EventScotland
Cultural Sector Support				
20	Grassroots Music Venue Stabilisation Fund	£5k - £50k	Launch Date February	Creative Scotland
21	Creative Industries Business Support	£5k - £50k	Launch Date February	Enterprise Agencies
22	Museums Recovery and Resilience Fund Top up	£5k - £400k	Live	Museum & Galleries Scotland
23	Arts Venues (Specific)	£800k - £1.4m	Live	Creative Scotland
24	Culture Collective	£100k - £300k	Live	Creative Scotland
25	Youth Arts Fund	£5k - £30k	Live	Creative Scotland
26	Creative Communities	£10k - £30k	Live	Inspiring Scotland
Other				
26	Travel Agents	£10k for RV ≤£18k and £25k for RV >£18k	Launch Date February	Local Authority
27	Brewer Support Fund	£10k RV ≤£18k £25k RV £18k - £51k £30k RV >£51,001 <u>or</u> production over 5,000HL in 2019	Launch Date February	Local Authority
28	Indoor Football Centres	£10k for RV ≤£18k and £25k for RV >£18k	Launch Date February	Local Authority

Renfrewshire COVID-19 Discretionary Business Grant

The purpose of this grant is to provide support to businesses which can demonstrate a loss of income linked to Covid-19 restrictions but who have been ineligible for, and not received support, from business support grant schemes introduced since 1st November AND are not expected to be eligible for grant schemes due to come on stream during February 2021.

To apply for the grant applicants must fall into one of the following categories:

Category 1: businesses significantly impacted by the legal closure/ restrictions of key sectors from March 2020 to date

With a specific focus on:

- Supply chain businesses to the retail/ hospitality / leisure sectors and / or to Glasgow Airport
- Chauffeur drive and car hire reliant on airport activity

Category 2: Businesses significantly impacted by the “work from home” requirement from March 2020 to date meaning that people are no longer in workplaces

With a specific focus on:

- Day-time only takeaways
- small town-centre shops with no passing trade
- Animal boarding / day care
- Office cleaning / catering suppliers

Category 3: Businesses significantly impacted due to the inability of people being able to meet as a group from November 2020 to date

With a specific focus on:

- Educational / Group / music / classes
- outside sports activity not covered in other grant programmes (eg horseriding centres)

Additional eligibility criteria are:

- business premises must be registered for non-domestic rates in Renfrewshire.
- must be a small or micro enterprise employing < 50 staff.
- must provide details and evidence of a business bank account) into which grant payments will be made (in the case of sole traders discretion will be applied as long as there is clear evidence of trading from the personal bank statements provided).
- must have been trading as of 17 March 2020.
- must be able to present robust evidence (e.g. invoices and receipts, details of contracts lost etc) to show that income in the period October 2020 to January 2021 was at least 50% lower than in the equivalent period in 2019-20.
- business has not breached wider COVID regulations/requirements leading to enforcement action.
- open to Limited Companies, sole traders, partnerships and community interest companies.

Levels of Funding Available:

The discretionary fund will provide a one-off payment of either £5,000 [RV < 10k] or £10,000 [RV > 10k] per business depending on the rateable value of their premises.