

EAST RENFREWSHIRE COUNCILCABINET05 December 2024Report by Director of EnvironmentLOCAL DISCRETIONARY FUND 2 – REQUEST FOR FURTHER  
BUSINESS GROWTH INTERVENTIONS**PURPOSE OF REPORT**

1. The purpose of this report is to provide Cabinet with an update on the progress on the Local Discretionary Fund 2 programme (LDF2) which was originally approved on 13 October 2022 and to seek approval for further business growth interventions to use the remaining funds.

**RECOMMENDATIONS**

2. The Cabinet is asked to:
- a) Note the activity to date on the Local Discretionary Fund 2 programme;
  - b) Agree to additional activities to use the remaining Local Discretionary Fund 2 allocation, as set out in paragraph 10;
  - c) Delegate to the Director of Environment to vary the amounts allocated under each intervention, based on the level of take up and to ensure full spend of the Scottish Government allocation; and
  - d) Agree to extend the programme of activities until the end of March 2026.

**BACKGROUND AND REPORT**

3. As part of the Scottish Government's response to the COVID-19 pandemic East Renfrewshire Council was awarded £1,254,281 in 2022, for the Local Discretionary Fund to support local businesses. On 13 October 2022, Cabinet approved the use of this grant.

4. The purpose of LDF2 was to mitigate the short-term financial challenges being experienced by businesses adversely impacted by restrictions and regulations introduced to control the spread of COVID-19. Unlike previous funds, which were targeted towards specific groups or sectors, this fund empowered local authorities to direct additional financial support to the wider business community, where they considered this to be necessary or justified based on the distinct characteristics of their local economies.

5. Non-statutory Government guidance for the use of this funding sought to support local authorities in making decisions on how they should distribute the money, whilst recognising that variability within and across local economies would demand differing approaches.

6. The programme has been implemented from December 2022 and supports businesses up to the end of March 2025. Agreement has been reached through COSLA that unspent funds can be carried forward into the next financial year, 2025/26. The programme has strict eligibility criteria and a robust due diligence process for assessing each grant

application and award. This process produces a clear audit trail of application, documentation and decision making.

7. At the end of September 2024, the programme has achieved the following:

- Engaged with over 200 businesses;
- Provided grant and business support totalling £760,056;
- Carried out 10 business networking events to promote services to the local business community;
- Created a business partnership approach with Business Improvement Districts and the East Renfrewshire Chamber of Commerce;
- Developed an account managed approach to local businesses in conjunction with Scottish Enterprise and Business Gateway East Renfrewshire; and
- Awarded funds to businesses that will safeguard 507 FTE positions and support up to a further 336 FTE jobs within 3 years.

8. Applications can take some time to be developed into viable propositions and for the Economic Development team to carry out their due diligence checks. Extending the period to the end of March 2026 to spend the LDF2 funds will allow more businesses to prepare their applications fully and take advantage of the grant assistance available.

9. Consultation within our business community including East Renfrewshire Chamber of Commerce and the three Business Improvement Districts has identified other areas of support that could benefit businesses in the longer term, which will assist with their growth.

10. It is proposed that the remaining funds, £494,225 be carried over, allowing use until the end of March 2026, both to continue delivery of existing support mechanisms to more local businesses and to develop new programmes to respond to local business needs. The rationale behind this proposal is as follows:

- the level of spend was not as high as expected in 2024/25 however, the Economic Development team have been actively promoting LDF2 to local businesses in recent months, so more grants are expected to be approved over the next 18 months; and
- LDF2 is a secure source of funding, when support for Economic Development funds is currently in a state of flux.

## Continuation of Current Programmes

### **Micro Grant Funds (Up to £500 grant award)**

Small businesses (under £50,000 turnover) can apply for one grant per year to assist in business growth or diversification through a piece of equipment, E-commerce activity, training, health and wellbeing of the workforce or ideas testing. To date this programme has supported 14 businesses.

**Businesses to be supported 10**

**Total allocated: £5,000**

### **Growth Grant Funds (£1,000 to £10,000 with 50% match funding required)**

Businesses must be trading for over 12 months and operate on a full-time basis (over 30 hours per week). Grants available: £1,000 Grant - with current turnover of above £100,000 per annum; £5,000 Grant - with current turnover of above £150,000 per annum and £10,000 Grant - with current turnover of above £250,000 per annum. All business must be able to demonstrate that the grant award will facilitate increased turnover in the 12 months following the grant award and ability to grow or sustain their workforce. To date this programme has supported 14 businesses.

**Businesses to be supported 10**

**Total allocated: £35,000**

**Special Growth Grant (up to £20,000 with 50% match funding required)**

The amount has been reduced to £20,000 from £50,000 as grants awarded so far have averaged £26,000 in value. Businesses should have a turnover in excess of £500,000 and a workforce of at least 10 employees to qualify for this grant. To date this programme has supported seven businesses.

**Businesses to be supported 3**

**Total allocated: £60,000**

**Get to Zero - Grants (Up to £5,000)**

Funding for sustainable technologies such as solar, thermal, air and ground source systems as well as low energy lighting, insulation and more energy efficient equipment. Businesses have an option for a free energy audit to help them understand their carbon footprint and recommendations for further energy saving measures. To date this programme has supported four businesses.

**Businesses to be supported 10**

**Total allocated: £43,750**

**Enhanced Digital Activity**

Digital technologies are driving transformative change, reshaping product markets, and altering the way businesses market their work. This programme offers one to one advice and support to businesses wishing to develop and improve their digital presence. To date this programme has supported 30 businesses.

**Businesses to be supported 20**

**Total allocated: £50,000**

**Accelerator Programme 2025**

This new programme will deliver a range of individual support to up to 10 professional services businesses who wish to move from home-based working into a permanent office situation. The programme will use the co-working space at Greenlaw Works as a long-term incubator space. Businesses wishing to start on this programme have access to dedicated office space within Greenlaw Works for a period of 18 months along with support from the Council's Economic Development team including Business Gateway East Renfrewshire. Programme costs include rental costs at Greenlaw Works, consultancy and professional service support. The Accelerator Programme 2024 has supported nine businesses.

**Businesses to be supported 10**

**Total allocated: £140,000**

**Marketing Costs**

Promotion of the various grant schemes, through events, social media and advertising, to local businesses to encourage maximum take up.

**Total allocated: £2,000**

**Staffing Costs**

Current staffing posts are funded through LDF2 monies until March 2025. Further staffing support to cover the programme extending into the next financial year would also be required until end of March 2026 for 2 posts. Duties will include initial assessment of grant applications; organising grant events; promotion of grant support to Business Improvement Districts; attending business community partnership events and promotion of upcoming procurement opportunities for local businesses.

**Total staffing costs £93,475**

**New Programmes for 2025**

**Business Gateway – ER Procurement Programme**

This programme will provide dedicated procurement support for a wide range of sectors in East Renfrewshire including health and care. The programme will run eight workshops for up to 10 businesses, with dedicated support and follow up during the course of the 12-month period to assist with submissions and tenders as required. This programme will provide expert help to encourage and support businesses to bid for public sector contracts.

**Businesses to be supported 10**

**Total allocated £45,000**

**Hospitality Masterclass Support**

Hospitality businesses were one of the hardest hit during the COVID pandemic and have since seen a downturn due to the cost-of-living crisis. The business to consumer sector is also less eligible for other grants and support programmes. This programme will support the foundational economy. Examples would be provision of specialist courses such as social media, marketing, understanding legislation, staff training, customer service training and access to other recognised courses through Visit Scotland. Support would also include information on becoming living wage, fair work and being a flexible employer.

**Businesses to be supported 20**

**Total allocated £10,000**

**Retail Masterclass Support**

Retail businesses were impacted during the COVID pandemic and have seen a downturn due to the cost-of-living crisis. Examples of this would be provision of specialist courses such as social media, marketing, e-sales, display training, stock management training and facilitation of other recognised courses. Support would also include information on becoming living wage, fair work and being a flexible employer. This programme will support the foundational economy. This cohort could also serve as a focus group to inform and assist with BID and regeneration team activities.

**Businesses to be supported 20**

**Total allocated £10,000**

The Economic Development team are proposing that the following programmes are cancelled due to lack of demand from local businesses or support being provided from other sources:

- New Start Grant (£500 grant award);
- New Enterprise Academy Programme;
- Get to Zero - Green Jobs Training (Up to £1,000); and
- Support for Local Events

Benefits

11. The programme outlined above would support over 125 local businesses with specific growth activity that would improve their resilience and improve job retention, job creation opportunities and increased turnover.

12. This would be additional support to businesses, which have the potential to grow, including new starts. Success will be measured by creating wider economic activity across East Renfrewshire in terms of growth and employment-generating opportunities as part of the mid-year and end-year reporting process.

**FINANCE AND EFFICIENCY**

13. There are no financial implications arising directly from this report. Activity will be funded through the Scottish Government LDF 2 allocation of £1,254,281.

14. The Council must comply with the conditions of the grant, as set out in Scottish Government's Offer of Grant. All programmes of support will be subject of monitoring and regular review. Should take up in any programme be less than what has been anticipated, the budget will be reallocated based on demand and needs of business to other programmes within the list presented in the report. This is subject to approval of delegated authority to the Director of Environment to vary the funds to ensure full spend of East Renfrewshire's Local Discretionary Fund for business.

## **CONSULTATION AND PARTNERSHIP WORKING**

15. Consultation has taken place with a range of key stakeholders within the local business community including the Council's Economic Development team, Business Gateway East Renfrewshire, East Renfrewshire Chamber of Commerce and the 3 Business Improvement Districts.

## **IMPLICATIONS OF THE PROPOSALS**

16. There are no equalities, IT or staffing implications associated with this report. There are no subsidy control implications associated with the proposals.

## **CONCLUSIONS**

17. The proposals presented fully allocate the balance of £494,225 across a range of strategic measures and interventions to support more local businesses. Delegation of authority to the Director of Environment to reallocate any funds if required, between all the proposals set out in the report, will ensure a full spend of the Scottish Government Grant Award.

## **RECOMMENDATIONS**

18. The Cabinet is asked to:

- a) Note the activity to date on the Local Discretionary Fund 2 programme;
- b) Agree to additional activities to use the remaining Local Discretionary Fund 2 allocation, as set out in paragraph 10;
- c) Delegate to the Director of Environment to vary the amounts allocated under each intervention, based on the level of take up and to ensure full spend of the Scottish Government allocation; and
- d) Agree to extend the programme of activities until the end of March 2026.

Director of Environment

Further information can be obtained from Michaela Sullivan, Head of Place, 0141 577 3116 [michaela.sullivan@eastrenfrewshire.gov.uk](mailto:michaela.sullivan@eastrenfrewshire.gov.uk)

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