

EAST RENFREWSHIRE COUNCILCABINET13 May 2021Report by Director of EnvironmentSCOTTISH GOVERNMENT COVID BUSINESS SUPPORT –
LOCAL AUTHORITY DISCRETIONARY FUND**PURPOSE OF REPORT**

1. The purpose of this report is to provide an update on the development and implementation of an East Renfrewshire Council model for the distribution of the Scottish Government's Local Authority Discretionary Fund.

RECOMMENDATIONS

2. It is recommended that the Cabinet:
- a) Approve the proposal that the additional grant received of £1.254 million be used for top-up payments to those eligible businesses that have already received a grant; and
 - b) Note that Council staff have administered over £17 million of Covid business support grants since March 2020.

BACKGROUND

3. The aim of Scottish Government's Local Authority Discretionary Fund is to mitigate the short-term financial challenges being experienced by local businesses adversely impacted by COVID-19 restrictions.

4. Unlike previous funds which have been targeted towards specific groups or sectors impacted by COVID-19, this fund seeks to empower local authorities to direct additional financial support to specific groups or sectors within the business community where they consider this to be necessary or justified based on the distinct characteristics of their local economies.

5. East Renfrewshire Council were originally allocated £539,846 for the scheme in December 2020.

6. The Council in December 2020 delegated to the Director of Environment in consultation with the Leader of the Council to prepare a scheme for the Local Authority Discretionary Fund. This has been done. The scheme was launched by the Council on 27th of January 2021 and details of the approved scheme were circulated to all Elected Members in early February 2021. The broad details of the previously approved eligibility criteria for the fund and proposed payments are attached as appendix 1.

7. The Scottish Government in March 2021 announced additional funds to Local Authorities for the Local Discretion Fund to enable them to provide additional support for businesses in their area. The Council were allocated a further £1,254,281.

REPORT

8. In accordance with the approved scheme East Renfrewshire Council have been using this funding to provide direct financial support to businesses in the area for the purposes of mitigating immediate financial challenges arising from COVID-19 restrictions and regulations.

9. For the additional funds received in March 2021 it is proposed that top-up payments will be made to local eligible businesses who have already received support from the Discretionary Fund. This is the approach which has been adopted by other local authorities.

10. This fund is one of a number of funds to support business in relation to Covid. To date, Council staff have processed 4,975 grant payments amounting to £17,320,000 since March 2020. This work has been undertaken in addition to normal duties since March 2020.

FINANCE AND EFFICIENCY

11 There are no financial implications arising directly from this report. The grant is being provided by the Scottish Government.

CONSULTATION AND PARTNERSHIP WORKING

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

IMPLICATIONS OF THE PROPOSALS

13. There are no equalities, IT or staffing implications associated with this report.

CONCLUSIONS

14. The Fund will provide much needed support to those local businesses who have been adversely impacted by COVID-19 restrictions and regulations introduced since October 2020.

RECOMMENDATIONS

15. It is recommended that the Cabinet;

- a) Approve the proposal that the additional grant received of £1.254 million be used for top-up payments to those eligible businesses that have already received a grant; and

- b) Note that Council staff have administered over £17 million of Covid business support grants since March 2020.

Director of Environment

Further information can be obtained from: Michael McKernan, Economic Development & Inclusive Growth Manager, Economic Development (Strategic Services) michael.mckernan@eastrenfrewshire.gov.uk

Convener contact details

Councillor Tony Buchanan
(Leader of the Council)

Office: 0141 577 3107
Mobile: 07976 360398

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APPENDIX1

East Renfrewshire Council – Discretionary Business Fund Grant.

The Discretionary Business Fund aims to provide a £2,000 grant to local businesses that are experiencing immediate financial challenges as a result of the COVID-19 restrictions and regulations but 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.

*The discretionary fund will provide a **one-off payment of £2,000 per business** (enabling the provision of support for approximately 270 businesses).*

The business must fall into one of the following 3 categories:

- businesses that supply goods or services to those who have been closed or restricted;
- businesses facing hardship as an indirect consequence of the current restrictions but have not been eligible to receive financial support through the Strategic Framework Business Fund;
- businesses who do not have business premises and are therefore ineligible for grants attached to the rates system.

Other Eligibility Includes:

- *business must operate within East Renfrewshire*
- *must be a small or micro enterprise employing less than 50 staff;*
- *must be ineligible for any scheme of support introduced since October 2020 by the Scottish Government, this will also include any new schemes of support which may be announced by the Scottish Government prior to the end of March 2021;*
- *business is not connected to a tax haven, as set out in the Coronavirus (Scotland) (No 2) Act 2020;*
- *must be able to present robust evidence (e.g. profit and loss accounts, invoices and receipts, details of contracts lost, cancelled booking diaries/work schedules, cancelled customer bookings) to show that income in the period October to December 2020 was at least 30% lower than in the equivalent period in 2019. **Acceptability of this evidence will be at the discretion of the grant processing team.***
- *must be able to provide evidence (e.g. proof of cancellations/lost bookings) that loss of income was as a result of COVID-19 restrictions e.g. travel restrictions or supply of goods/services to businesses that have been directly required to close / modify operations.*
- *must have been trading from 01 November 2020;*
- *must provide details and evidence of a business bank account (in the form of an uploaded bank statement) into which grant payments will be made (in the case of self-employed discretion will be applied as long as there is clear evidence of trading from the personal bank statements provided);*

- *business premises (where applicable) must be registered for non-domestic rates. Businesses that pay rates through their landlords rather than directly must provide evidence of this;*
- *business has not breached wider COVID regulations/requirements leading to enforcement action;*
- *open to Limited Companies (including Scottish Charitable Incorporated Organisations and social enterprises), Sole Traders, Trusts, Partnerships, Community Interest Companies, freelancers or the self-employed;*
- *non premise based businesses will be required to provide evidence to demonstrate proof of identity (e.g. passport) and address (e.g. Council tax bill, utility bill);*
- *businesses will be required to provide evidence of active trading in the period before restrictions came into place on 9 October 2020;*
- *self-employed will be required to confirm that self-employment makes up at least 50% of their income from employment;*
- This grant will be operated on a first come first served basis and the fund will close as and when the budget has been fully committed;
- Any appeals received relating to unsuccessful applications will be reviewed by the Economic Development Manager whose decision will be final; and
- This fund will be promoted through the East Renfrewshire Council website, Business Gateway East Renfrewshire social media channels and through partner organisations such as the East Renfrewshire Chamber of Commerce and the three East Renfrewshire Business Improvement Districts.