

EAST RENFREWSHIRE COUNCILCABINET18 August 2022Report by Directors of Environment & Business Operations & PartnershipsFLEXIBLE LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND**PURPOSE OF REPORT**

1. The purpose of this report is to bring forward proposals for use of the Local Authority COVID Economic Recovery Fund in East Renfrewshire.

RECOMMENDATIONS

2. The Cabinet is asked to approve the following recommendations:
- a) Note the allocation of £1.469m of Local Authority Covid Economic Recovery funding to East Renfrewshire Council;
 - b) Approve those projects seeking support as outlined in Annex A of the report;
 - c) Delegate authority jointly to the Directors of Environment and Business Operations & Partnerships to flexibly manage budget changes across individual proposals throughout the year to meet local demand; and
 - d) Note that a final report outlining actual spend and progress in terms of delivery and impact will come back to a future Cabinet meeting.

BACKGROUND

3. 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. Funds were to be allocated via a weighted formula based on the number of towns and population in a local authority area and deprivation indices.

4. This funding is to 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.

5. Following approval of the distribution methodology by COSLA Leaders, East Renfrewshire has been awarded £1.469m to be used to support covid economic recovery activity.

6. The guidance attached to the fund advises that local interventions must meet one or more of the following principles of spend, but innovative approaches that address multiple principles are encouraged:

- i. 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.
- ii. Projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts.
- iii. Support the low-income households that are disproportionately impacted by the pandemic and the current cost of living crisis, to become more economically active.

7. In April the Cabinet agreed a three-tiered approach to this fund, to provide an appropriate balance of support for the local economy as well as low-income households:

- i. Support to businesses who are linked to low-income households. This will focus on prioritising support to businesses in sectors with lower-paid staff. This will aim to reduce any adverse COVID impacts to employees and, where relevant, support towards increased fair work practices (i.e. Real Living Wage accreditation).
- ii. Support to businesses who have been most adversely affected by the pandemic. This will support the wider economic recovery across East Renfrewshire. This support will include direct support to businesses (including compliance with COVID requirements) as well as initiatives to stimulate economic activity (including the 'Shop Local' campaign).
- iii. Support to low-income households who have been most adversely affected by the pandemic. This will focus on providing direct (i.e. shopping vouchers, food) and indirect (i.e. advice around income maximisation and fuel poverty) support to residents. This will be targeted at those households most in need as identified in the research findings and by ongoing engagement through the Child Poverty Oversight Group.

8. The Cabinet also agreed the funding allocation for the temporary posts of COVID Compliance Officer and Fuel Poverty Officer and that consideration would be given to any further temporary resource required to manage this fund and; delegated to the Director of Business Operations and Partnerships and the Director of Environment to make initial commitments within the spirit of the national guidance and to bring a further update to Cabinet once the specific allocation was known and more detailed proposals had been developed.

FUNDING PROPOSALS

9. 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.

10. There has been broad engagement with a range of internal and external stakeholders to build on the research and consultation on the impact of Covid in East Renfrewshire and to develop a series of proposals for consideration. These proposals, listed in Annex A, provide a mix of outcomes across the 3 criteria specified. This includes options for payments direct to

individuals, by topping up previous hardship payment allocations for people experiencing financial insecurity. It should be noted that direct support to local people (unemployed) and grant support to local businesses can be accommodated within existing Economic Development team budgets.

11. Given the tight timescales involved, some degree of flexibility and pragmatism will be required to use of the funding. Spend and commitments will be reviewed quarterly and levels of funding and numbers supported will flex according to demand. The fund will be managed jointly by the Directors of Environment and Business Operations & Partnerships, who should have authority to manage the funding within the parameters set out with a final report coming back to a future Cabinet.

FINANCE AND EFFICIENCY

12. Proposals will be funded through the Flexible Local Authority Covid Economic Recovery Fund until end of 2023. There may also be potential to extend some projects further into 2023/24 using additional unallocated covid reserves and proposals for this are being developed and will be brought to Cabinet later in the autumn.

CONSULTATION AND PARTNERSHIP WORKING

13. A call for proposals was issued on 25 May 2022 to internal and external stakeholders with a working group set up with officers from Economic Development and Business Operations & Partnerships to assess proposals against the fund's objectives. The allocation of funding is informed by the evidence gathered through the recent consultation and community research findings around the impact of COVID in East Renfrewshire. In delivering support, we will utilise ongoing multi-agency partnership working including the Covid Humanitarian Support Group, the Child Poverty Oversight Group and the Local Employability Partnership.

IMPLICATIONS OF THE PROPOSALS

14. There are no specific implications of this report in terms of staffing, property, legal, ICT, equalities, or sustainability, although there are some areas (e.g. fuel poverty) which are likely to need longer-term funding which is still to be identified. The intention of this funding is to support work to mitigate the widening inequalities arising from the pandemic and support local economic recovery. Any proposals funded will be required to consider these implications for that project.

CONCLUSIONS

15. This funding will provide much needed support to our local businesses and residents who have been adversely impacted by COVID-19. The recent research and engagement findings allow the opportunity to take an evidence-based approach to target this funding to the areas of most need and which are likely to see the greatest impact.

RECOMMENDATIONS

16. It is recommended that Cabinet:

- a) Note the allocation of £1.469m of Local Authority Covid Economic Recovery funding to East Renfrewshire Council;
- b) Approve those projects seeking support as outlined in Annex A of the report;
- c) Delegate authority jointly to the Directors of Environment and Business Operations & Partnerships to flexibly manage budget changes across individual proposals throughout the year to meet local demand;
- d) Note that a final report outlining actual spend and progress in terms of delivery and impact will come back to a future Cabinet meeting.

Directors of Environment and Business Operations & Partnerships

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Annex A: Covid Economic Recovery Fund 2022 Business Support and Low Income Household Funding Proposals

| Project Title | Description | Financial Request |
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| Fuel Poverty Officer | Cabinet on 7 April 2022 agreed to this funding to extend this post to 31 March 2023. | £35,000 |
| Covid Compliance Officer | Cabinet on 7 April 2022 agreed to this funding to extend this post to 31 March 2023. | £40,000 |
| East Renfrewshire Council / Barrhead Housing Association Tenant Economic Recovery Support | To support tenants that are in need at this unprecedented time of demand for services and cost of living increases. This will include discretionary financial awards, taking account of the size of the household and nature of the hardship being experienced and what will stimulate proactive recovery from Covid. This will include but not be limited to: Community Chest/Hardship fund which gives access to grants of up to £250; activities related to skills development and employability and clothing for a specific event or need e.g. a job interview, winter coat, shoes. | £169,600 |
| Winter Clothing Support | This project will provide financial support to low-income families across ER. This project would provide a cash payment to school pupils who are in low-income households but do not quite meet the eligibility for the Family Bridging Payments being provided by Scottish Government. Approximately 500-600 pupils would directly benefit from this project. | £65,000 |
| Adult Learning/Family First/Education Project | This project will increase the wellbeing and skills of parents living in poverty to support their child's learning at home and in nursery leading to increased confidence which will enable them to move volunteering into employment. | £54,860 |
| 'Scotland Loves Local' Gift Card - Low Income Household Payments | Provision of funding to low income households to assist in mitigating poverty. Eligible Households would be those in receipt of formally-assessed Council Tax Reductions in bands A to G (c.4,532 households) and will receive a gift card for £100, which must be spent with local businesses in ER, assisting the local business community. Costs cover gift card, additional staff and associated costs. | £511,291 |
| Discretionary School Vouchers | This project will provide financial support to low-income families across East Renfrewshire. This project would provide vouchers to school pupils who are in low-income households or who find themselves in short-term financial need. Vouchers will be issued at the discretion of headteachers and senior | £10,000 |

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| | leadership teams on a case-by-case basis. Approximately 400 pupils would directly benefit from this project. | |
| Additional Staff for Accounts Payable/Compliance | There is a significant volume of work required to process hardship payments in tight timescales, with large datasets, in a secure financial control environment to protect against fraud and ensure best use of resources. The funding will be used to recruit additional staff for the Accounts Payable and Compliance team. The funding will support all target groups by processing and paying the request for payments through the Integra system that all departments within East Renfrewshire Council request. | £58,400 |
| Low Income Household Holistic Support | This funding would 'top up' the Scottish Welfare Fund budget; extend the current Humanitarian Discretionary Fund administered by MART; and provide a new fuel poverty fund. Currently there is not enough existing funding available to meet the predicted demand in each of these areas over the rest of 2022/23. Based on previous demand, it is expected that over a 12 month period the team might make an additional 300 SWF payments, 400 Discretionary payments and 300 Fuel Poverty payments. | £250,000 |
| Grow Local Supplier Development | Resources through Business Gateway ER to develop the Grow Local supplier development scheme which supports local SMEs to improve their tendering potential with the public sector. ERC is currently the second bottom ranked Council in Scotland for procurement spent on local enterprises. Local supplier development is a key principal of community wealth building and is essential for economic recovery. Successful local SMEs provide low income residents with employment opportunities. | £10,000 |
| Dunterlie Foodshare 2022-2023 | This funding would enable the continuation and development of the project over the next 18 months and allow the group to respond to the growing cost of living crisis and its effects on local people and families including providing food vouchers alongside existing food provision, creating greater awareness of the project and developing the help and support available to those using the Dunterlie Foodshare. | £24,925 |
| Thornliebank Foodshare 2022-2023 | This funding would enable the continuation and development of the project over the next 18 months and allow the group to respond to the growing cost of living crisis and its effects on local people and families including providing food vouchers alongside existing food provision, creating greater awareness of the project and | £24,925 |

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| | developing the help and support available to those using the Thornliebank Foodshare. | |
| Prevention Officer Trading Standards | The Project will be linked to Key Outcomes and delivered by Trading Standards and will combine Enforcement with Prevention to make our community a place where reputable traders are supported to recover from the impact of Covid and consumers can employ reputable traders with confidence. | £58,000 |
| Economic Recovery Graduate Interns | Recruitment of graduate interns from the East Renfrewshire area to work on projects that support economic recovery. Graduates will have at least 1 barrier to employment and will work on projects including but not limited to: 'Grow Local' supplier development scheme which supports local SMEs to improve their tendering potential with the public sector and assist in the developing a community wealth building approach to economic development in East Renfrewshire and assist with the East Renfrewshire place campaign | £32,000 |
| Greenlaw Growth | With the new Greenlaw Works opening to support both start up and growing business there is a need to ensure that those who are based in this flexible workspace have on hand a wide range of support to assist them to succeed. The immediate support available will be through Business Gateway and Economic Development. To make Greenlaw Works a place of knowledge, capacity building and growth, the aspiration will be to bring in key partners to support this wide and varied business base. | £40,000 |
| Social Enterprise Development and Network | There is a thriving Social Enterprise model within ER and this is supported through both Business Gateway and the Voluntary Action East Renfrewshire team. Many social enterprises require additional skills to truly develop them from being a small provider to one that could provide on a larger scale, increased and improved services. In turn, this would create greater organisational wealth and profitability as well as additional employment and economic opportunities. | £15,000 |
| Development of Green Business Initiatives | This programme will support several businesses who have innovative ideas and concepts to change the way their business operates and deliver projects which will meet reducing carbon, increasing efficiency, improving processes to reduce waste or other similar initiatives to meet the green agenda and the target of net zero. | £25,000 |
| Black & Minority Ethnic (BAME) Business Network | This project will focus on economic community building within the local BAME business community; create a BAME Business Network and deliver the first annual event; engage with the BAME community to identify businesses needing | £35,000 |

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| | support and businesses able to offer peer support and develop a suite of materials in required languages and appropriate business related topics. | |
| Real Living Wage | The marketing to business and direct payment for one year to encourage take up of the RLW in the area, including grants to support transition | £9,999 |
| Totals: | | £1,469,000 |