

LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND

1.0 EXECUTIVE SUMMARY

- 1.1 COSLA Leaders and Ministers have agreed an £80m Local Authority COVID Economic Recovery (LACER) Fund available to Local Authorities in 2021/22. Argyll and Bute Council share of the funding is £1.449m. This funding is flexible and ultimately is designed to empower Local Authorities to utilise funding where they consider this necessary or justified based on local circumstances.
- 1.2 The guiding policy intent of this funding is to support local economic recovery and cost of living impacts on low-income households. The Council has discretion to choose how to use these funds within the boundaries set by joint guiding principles to support flexible usage. These principles are set out at appendix 1 of this report.
- 1.3 At the Council's Budget Meeting held on 24th February 2022, the Committee noted the announcement by the Scottish Government, and agreed to the delegation of Argyll and Bute Council's allocation of the funding to the Leader, Depute Leader and Leader of the largest Opposition Group.
- 1.4 Officers prepared a report with a suite of options and the Executive Director Kirsty Flanagan met with the Leader, Depute Leader and Leader of the largest Opposition Group on Monday 4 April to agree the suite of options. This report provides all Members with the detail of the options agreed.
- 1.5 A further option for the continuation of 2 COVID officers is recommended to be paid from the monies within the Recovery and Renewal Fund and is included for Council approval.
- 1.6 It is recommended that Council:-
- a) Note the suite of options that have been agreed under delegation by the Leader, Depute Leader and Leader of the largest Opposition Group on 4 April 2020.
 - b) Approve that £70,000 of funding to support the continuation of 2 COVID Support Officers be funded from the Council's Recovery and Renewal Fund.

LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND

2.0 INTRODUCTION

- 2.1 Following the announcement of COSLA Leaders and Ministers in regard to the Local Authority COVID Economic Recovery (LACER) Fund the Council delegated the decision as to how this money would be spent to the Leader, Depute Leader and Leader of the largest Opposition Group.
- 2.2 A suite of options has now been agreed and this report provides Members with detail of all the options agreed.
- 2.3 A further option for the continuation of 2 COVID officers is recommended to be paid from the monies within the Recovery and Renewal Fund and is included for Council approval.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Council:-
- a) Note the suite of options that have been agreed under delegation by the Leader, Depute Leader and Leader of the largest Opposition Group on 4 April 2020.
 - b) Approve that £70,000 of funding to support the continuation of 2 COVID Support Officers be funded from the Council's Recovery and Renewal Fund.

4.0 DETAIL

- 4.1 The options explored by officers and agreed by the Leader, Depute Leader and Leader of the largest Opposition Group are outlined in paragraphs 4.2 through to 4.10.
- 4.2 **OPTION 1: ISSUE SCOTLAND LOVES LOCAL CARDS TO HOUSEHOLDS IN RECEIPT OF COUNCIL TAX REDUCTION SCHEME**

FUNDING ALLOCATED: £797,720

- Issue a Scotland Loves Local card worth £120 to households in receipt of Council Tax Reduction Scheme. This is different to the £150 under the Cost of Living Award, agreed with the Scottish Government to all Band A-D

households as it only applies to those in receipt of Council Tax Reduction Scheme and therefore targets the more vulnerable.

- These cards can only be used in shops with Argyll and Bute boundaries, which ensures that local economies will see a benefit from these funds, as well as the individuals and families that will receive them.
- At present, Marks and Spencer's, Boots, Aldi and a number of retailers selling food accept these cards – further retailers have still to sign up to the scheme. If the scheme were to be promoted into April before the issue of cards later that month, then it is hoped that more local business will look to sign up to the scheme.

Cost Breakdown of Scheme:-

Programme Funding (£120 card provided to 6,531 recipients)	£783,720
Administration Fee	£14,000
TOTAL COST	£797,720

4.3 OPTION 2: SUPPORT FOR THE GYPSY TRAVELLER POPULATION WITH FOOD AND FUEL COSTS

FUNDING ALLOCATED: £10,000

- Representatives of the Council met with the Scottish Government in February 2022 to talk about the projects that the Council is delivering with Community Planning Partners using Scottish Government Covid related flexible funding to support vulnerable people with food and fuel insecurity amongst other health and wellbeing matters.
- The only vulnerable group that did not have any direct intervention or support in our area appears to be Gypsy Travellers. There are around 14 families living in Argyll and Bute that can be classified as being in this vulnerable group.
- Housing Services have set up a multi-agency working group to focus on supporting the Gypsy Traveller communities in the area. Membership of the group includes delegates from;
 - MECOPP (Minority Ethnic Carers of People Project), a support and advocacy group for the Gypsy Traveller community.
 - NHS Health
 - Education
 - Housing
 - The landlord, ACHA
 - Police Scotland
 - Strathclyde Fire and Rescue
 - It is planned to have delegates from Gypsy Traveller communities on the group but this has not been achieved yet.
- The proposal is to set-a-side £10,000 of funding to pay for MECOPP to engage with this harder to reach community on the important subject of the cost of living increases, fuel poverty and the impact of factors such as their

remote rural locations and the facilities available to them for everyday living has on their livelihoods

- The funding will be spent on engagement activities and food and fuel vouchers and will be used as an incentive for community participation and engagement in this process and for the communities to become key contributors to the overall work of the multi-agency working group.
- The outcome for the use of these monies will be the provision of a report about the impact of Covid and increases to the cost of living to the communities and other factors affecting them. This report will give the working group essential information in forming plans for future works and improvements for the travelling communities in Argyll and Bute. Officers will continue to work with MECOPP to uncover the full extent of the impact Covid has had on this community.
- It should be noted that the majority of Gypsy Traveller families will be entitled to a Scotland Loves Local card as per Option 4.2. However, given the acute circumstances faced by members of these communities, their remote rural locations, the living accommodation and the fact they cook, wash and shower in on-site central amenity blocks, any additional support that individual families receive through vouchers for their participation in the engagement activities will be put to good use.

Cost Breakdown of Scheme:-

Engagement Activities/Report	£5,100
Food and Fuel Vouchers (£350 voucher to 14 families)	£4,900
TOTAL COST	£10,000

4.4 OPTION 3: WORKING WITH ALIENERGY TO FURTHER ALLEVIATE FUEL POVERTY IN ARGYLL AND BUTE

FUNDING ALLOCATED: £50,000

- ALlenergy is a long established and well-known trusted local frontline advice agency and works to alleviate fuel poverty through direct one-to-one support to low income households, which are struggling to pay their energy bills. It is the only local provider of fuel poverty advice in Argyll and Bute.
- Increases to the energy price cap in October 2020 has meant that ALlenergy has been experiencing a significant increase in the number of requests they have received for help from an average of 100 requests per month to over 200 requests per month more recently.
- ALlenergy offers support to low income households who are disproportionately affected by the pandemic and current cost of living crisis. Unfortunately these factors are true for a particularly large proportion of Argyll and Bute Households where average energy costs are more than £1,200 per year above the national average at £3,186 per year compared to the national average of £1,971 per year as reported by the Local Government Information Unit (LGIU).

- This proposal includes the provision of £40,000 to cover the costs of an Energy Advisor post for 12 months increasing ALLenergy's capacity to support on average 40 more families per month, approximately 480 in the year to receive important fuel poverty advice and to access key Scottish Government affordable warmth support schemes throughout the year ahead.
- An additional £10,000 would be used to top up the Council's credit with the Fuel Bank Foundation to allow for more top up vouchers and bulk heating fuel deliveries to be made to vulnerable people. ALLenergy applied for £6,500 worth of fuel top up vouchers in the last calendar year on behalf of the Council through the Flexible Food Fund. The level of demand has doubled this year and another £10,000 should see it through to the end of December 2022 at least.

Cost Breakdown of Scheme:-

Energy Advisor Post	£40,000
Credit for Council's Fuel Bank Foundation	£10,000
TOTAL COST	£50,000

4.5 OPTION 4: PAYMENT TO ARGYLL AND BUTE CITIZENS ADVICE BUREAU IN ORDER TO SUPPORT INCREASE IN DEMAND DUE TO COST OF LIVING CRISIS

FUNDING ALLOCATED: £40,000

- The Argyll and Bute Citizens Advice Bureau is seeing an increase in demand from individuals and families due to the cost of living crisis.
- The funding would be used to
 - provide additional staffing to fill existing gaps in availability of generalist advice
 - support the development of volunteer advisors and provide more advisor training.

4.6 OPTION 5: PAYMENT TO BUTE ADVICE CENTRE IN ORDER TO SUPPORT INCREASE IN DEMAND DUE TO COST OF LIVING CRISIS

FUNDING ALLOCATED: £40,000

- Similar to the Argyll and Bute Citizen's Advice Bureau allocation in Option 4 above.
- This funding would provide additional staffing to enable officers to conduct proactive front line advice for very vulnerable people in communities that may be missing out given the increased volume of enquiries that the advice agency is currently receiving due to the cost of living crisis.

4.7 **OPTION 6: NEW ENTERPRISE SUPPORT GRANT**

FUNDING ALLOCATED: £120,000

- £3k to help new businesses to start up and establish.
- Open April – September 2022 for applications, from pre-starts and recent starts.
- Online application form then virtual meeting with Business Gateway advisor to identify viability, confirm need for grant and proposed use of grant.
- Initial £1k when approved, then £1k after 3 months follow up and final £1k at 6 month.
- Evidence of trading required at month 3, staggered payments linked to follow-up.
- Include retail sector to help support town centres.
- Part-time start-ups can be considered where there is potential to become full time or to create a job.
- With a budget of £120,000, 40 new businesses could be assisted to start or establish.

Cost Breakdown of Scheme:-

New Business Start Up per business	£3,000
No. of businesses supported	40
TOTAL COST	£120,000

4.8 **OPTION 7: SMALL BUSINESS DEVELOPMENT GRANT**

FUNDING ALLOCATED: £200,000

- £500 up to £5k to help existing micro and small businesses to improve their resilience or growth via projects to:
- Implement green initiatives – e.g. changing packaging
- Implement digital development – e.g. improve website
- Implement marketing improvements – e.g. advertising/trade fairs
- Improve efficiency/innovation – e.g. capital equipment
- Online application form then virtual meeting with advisor to identify viability, confirm need for grant and proposed use of grant
- With a budget of £200,000, 40+ businesses could be assisted to improve their resilience.

Cost Breakdown of Scheme:-

Business Development (per business – anticipating 40+ businesses)	£500-£5,000
TOTAL COST	£200,000

4.9 **OPTION 8: ARGYLL AND BUTE SHOP LOCAL CARD**

FUNDING ALLOCATED: £40,000

- Continues to 2022/23 and into 2023/24 buying additional cards and continuing the scheme include full costs and marketing scheme. This will enable the cards to gather momentum over the next 2 years supporting local businesses.
- Should the Council choose to not allocate funding to this scheme, it will be discontinued or officers will require to try and source the money from elsewhere.

Background Information on Scheme thus far:-

- 198 cards have been purchased to the value of £10,025
- This money will stay in Argyll and Bute – cards purchased for Argyll and Bute can only be used in Argyll and Bute shops, who have signed up to the scheme.

Cost Breakdown of Scheme:-

Funding to continue scheme (2 years)	£30,000
Marketing uptake	£10,000
TOTAL COST	£40,000

4.10 **OPTION 9: SECTOR SUPPORT GRANT**

FUNDING ALLOCATED: £150,000

- Part of the small business development grant or standalone, to help micro and small businesses to implement projects that contribute to the sector as well as benefiting the business e.g.:-
 - Tourism & hospitality - support businesses with a project that improves the visitor experience/facilities e.g. café/pubs improve their seating/outdoor facilities
 - Food & drink – new product development grant to support testing, packaging, labelling etc or to target new markets
 - Retail – support to retailers moving into an empty shop (where there is little or no displacement) e.g. refurbishment or kit out costs
 - Option to provide additional business support to hard hit areas including Bute and Kintyre due to unemployment remaining higher than average - support via specialist advice, locally tailored grants to meet local priorities and targeted marketing activity
- Officer's recommendation is that the £150,000 would be targeted initially at business support to hardest hit areas and sectors.

Cost Breakdown of Scheme:-

Sectoral support (per business, anticipating 15+ businesses)	£500-£5,000
Regional support (per region, anticipating 3 regions)	£25,000
TOTAL COST	£150,000

4.11 ADDITIONAL OPTION: COVID SUPPORT/REGULATORY SERVICES RECOVERY

FUNDING REQUIRED: £70,000

- This would be a continuation of the 2 existing posts for another year at £70,000 that will help provide Covid public health advice to local businesses, support in the response to outbreaks and incidents and support the environmental health service to meet increasing demand and carry out the activities “paused” during the pandemic. There is an opportunity for one post to be a graduate post which would address the long-term workforce planning issues and support our “growing our own” policy.
- It was anticipated that there would have been a separate allocation supporting environmental health enforcement activities, (as there was for 2020-22) but this was not included in the Finance Order.
- These front-line officers will be “boots on the ground” (not office based) and will be the first point of contact for Covid related issues and environmental health requests. Whilst many of the restrictions have been relaxed, ongoing referrals from NHS and cases of Covid in the community are high. There are ongoing requirement to support business in complying with the guidance, and updating risk assessments. The need to respond to specific high-risk outbreaks remains in place particularly associated with businesses in accordance our Joint Health Protection Plan priorities. Associated with Covid recovery, there is an increased number of events/ festivals which require resourcing over the year; reactive environmental health service requests have increased by 60% since 2020 and there are new demands arising from short-term let licensing regime and the Ukrainian resettlement plans over the next 6- 12 months. All these increase the demand on the stretched environmental health resource.
- There is a need to restart the Council’s statutory Food Control Programme, and current resources are 5FTE equivalent officers below what is required to deliver the statutory work. The risks are that the Council is identified by the Food Standards Scotland as a “failing authority unable to deliver statutory food authority duties, unsupported businesses and export business are unable to be export, and a deterioration in food safety standards in Argyll and Bute increasing the risks of food poisoning and public health

Cost Breakdown of Scheme:-

2 x Covid/Environmental Health Support Officers	£70,000
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TOTAL COST	£70,000
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The Leader, Depute Leader and Leader of the largest Opposition Group considered this option and recommended that, as there was insufficient funding in the LACER Fund, that this option is funded from the Council's Recovery and Renewal Fund.

- 4.12 A summary of the options agreed from the LACER funding are summarised in Appendix 2 and Appendix 3 also provides an analysis of how each option delivers on the guiding principles as issued by Scottish Government. The small residual balance left in the LACER fund will be transferred into the Recovery and Renewal Fund.

5.0 CONCLUSIONS

- 5.1 The report outlines a suite of proposals, agreed under delegation by the Leader, Depute Leader and Leader of the largest Opposition Group on 4 April 2020, providing a wide range of support to the local economy and to low-income households that are to be funded from our share of the £80m Local Authority COVID Economic Recovery Fund.
- 5.2 In addition, a further option in respect of the continuation of 2 COVID Support Officers for the period of 1 year is recommended to be funded from the Council's Recovery and Renewal Fund.

6.0 IMPLICATIONS

- 6.1 Policy – Scottish Government Policy is to ensure that this funding is to support local economic recovery and cost of living impacts on low-income households.
- 6.2 Financial – The 9 options outlined in paras 4.2 to 4.10 will be funded from the Council's share of the LACER funding and the additional option outline in paragraph 4.11 will be funded from the Council's Recovery and Renewal Fund held in earmarked reserves.
- 6.3 Legal – None
- 6.4 HR – None
- 6.5 Fairer Scotland Duty
- 6.5.1 Equalities – None
- 6.5.2 Socio-Economic Duty – None
- 6.5.3 Islands – None
- 6.6 Climate Change – None
- 6.7 Risk – None
- 6.8 Customer Service – the options set out within the report ensures that the Council are supporting both the economy and vulnerable/low-income households across Argyll and Bute.

**Executive Director with responsibility for Development and Economic Growth:
Kirsty Flanagan**

Policy Lead: Councillor Robin Currie

March 2022

For further information contact:

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APPENDICES:

Appendix 1 – Local Authority Covid Economic Recovery Fund Guiding Principles
Appendix 2 – Breakdown of the costs of each project
Appendix 3 – Delivery of Options against Guiding Principles

APPENDIX 1 – £80M FLEXIBLE LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND GUIDING PRINCIPLES

£80m Flexible Local Authority COVID Economic Recovery Fund

COSLA Leaders and Ministers have agreed an £80m Local Authority COVID Economic Recovery Fund ('fund') to be provided to Councils in 2021/22. This funding is flexible and ultimately is designed to empower local authorities to utilise funding where they consider this necessary or justified based on local circumstances.

The guiding policy intent of this funding is to support local economic recovery and cost of living impacts on low-income households. It is acknowledged that Local Authorities are best placed to understand the needs of businesses and communities locally and therefore will need flexibility to design and deliver interventions that best meet that local need. Joint guiding principles to support flexible usage are set out below.

Joint Guiding Principles

This fund is provided to Local Authorities via General Revenue Grant, so that it can be used for appropriate interventions in Covid economic recovery based on individual local needs at Local Authority discretion. As such, Council's will retain flexibility on how and when they use these funds.

However, below are set out the draft high-level principles that could *guide* the usage of this fund by Local Authorities. Some illustrative examples are noted in Annex A:

Overarching guiding principles:

- 1.1 Interventions made under this fund should be based on a clear economic recovery and/or low-income household support rationale.
- 1.2 A collaborative approach towards sharing of best practice and learnings from different interventions should be adopted to maximise benefits and positive effects while minimising risk and unintended consequences

Principles of spend (Local Authorities may wish to allocate funding based on one or more of the following):

- 1.3 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
- 1.4 Projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts
- 1.5 Support to low-income households, that are disproportionately impacted by the pandemic and the current cost of living crisis, become more economically active

The principles of spend outlined above are to be used as a guide, with Local Authorities ultimately able to utilise this funding flexibly, as required. Local Authorities are able to decide on multiple interventions at different points as locally appropriate.

Reporting

Scottish Government and Local Government officers will work to agree the terms of qualitative and quantitative data reporting to enable Local Authorities to share learnings with the Scottish Government. This is intended to enable learning from the opportunity this £80m represents to inform future policy development, particularly regarding local interventions which jointly sought to address economic recovery and support to low-income households.

ILLUSTRATIVE EXAMPLES OF POSSIBLE INTERVENTIONS

These are a non-exhaustive list intended to guide and assist in local thinking. Innovative interventions not covered which meet the principles are encouraged.

Overarching guiding principles:

Principle 1: Interventions made under this fund should be based on a clear economic recovery and/or low-income household support rationale.

Examples:

- LAs may consult with local business stakeholders to determine best interventions in their respective context
- LAs may have light-touch local sectoral analysis of funding to show link with economic need, which could build on similar examples such as the template for evaluation of the flexible funding element of the Winter Support Fund
- LAs may have targeted intervention at those known to have been impacted most by the pandemic and/or any EQIA

Principle 2: A collaborative approach towards sharing of best practice and learnings from different interventions should be adopted to maximise benefits and positive effects while minimising risk and unintended consequences

Examples:

- Presentation at COSLA-SLAED-SG Business Grant 'Project Group' and other relevant forums

Principles of spend (Local Authorities may wish to allocate funding based on one or more of the following):

Principle 3: Local Authorities may wish to allocate funding to interventions that support local economic recovery and enable businesses to move from surviving the period of trading restrictions towards recovery, growth, adaptation and building resilience

Examples:

- Business Improvement Districts
- Place Based Investment Programme
- Scotland Loves Local or local equivalent scheme
- Targeted direct financial support to local businesses
- Targeted joint work or support on a sectoral basis for sectors that are particularly important for the local economy
- Improving digital access for businesses and consumers
- Expanding or enhancing existing economic development activity
- Funding for continuing COVID compliance, adaptation and resilience officers

Principle 4: Local Authorities may wish to allocate funding to projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific context

Examples:

- Providing pre-paid vouchers, Scotland Loves Local cards or local equivalents to low-income households, such as those in receipt of Council Tax Reduction and other low-income households.
- Direct assistance to access food, fuel and other essentials – where this is more appropriate or is the preference of individuals themselves – with contracts supporting local businesses / organisations.

Principle 5: Local Authorities may wish to allocated funding to support the low-income households, that are disproportionately impacted by the pandemic and the current cost of living crisis, become more economically active

Examples:

- Proactive financial assistance to low-income households, for example households in receipt of Council Tax Reduction and/or Free School Meals on the basis of low income. Providing pre-paid vouchers, Scotland Loves Local cards or local equivalents to low-income households, such as those in receipt of Council Tax Reduction and other low-income households.
- Proactive financial assistance to support those likely to experience hardship – including people who may have been impacted by the cut to Universal Credit and those who may not be eligible for mainstream or other support.
- Proactive financial assistance to a particularly vulnerable group, e.g., older people in low-income households.

APPENDIX 2: SUMMARY OF THE FUNDING ALLOCATED TO EACH PROJECT UNDER LACER FUND

PROJECT COSTS

OPTION	DETAIL OF PROJECT	FUNDING ALLOCATED (£)
1	ISSUE SCOTLAND LOVES LOCAL CARDS TO HOUSEHOLDS IN RECEIPT OF COUNCIL TAX REDUCTION SCHEME - £120 PER CARD	797,720
2	SUPPORT FOR THE GYPSY TRAVELLER POPULATION WITH FOOD AND FUEL COSTS	10,000
3	WORKING WITH ALIENERGY TO FURTHER ALLEVIATE FUEL POVERTY IN ARGYLL AND BUTE	50,000
4	ARGYLL AND BUTE CITIZENS ADVICE BUREAU – SUPPORTING INCREASE IN DEMAND DUE TO COST OF LIVING CRISIS	40,000
5	BUTE ADVICE CENTRE – SUPPORTING INCREASE IN DEMAND DUE TO COST OF LIVING CRISIS	40,000
6	NEW ENTERPRISE SUPPORT GRANT	120,000
7	SMALL BUSINESS DEVELOPMENT GRANT	200,000
8	ARGYLL AND BUTE SHOP LOCAL CARD	40,000
9	SECTOR SUPPORT GRANT	150,000
	TOTAL	1,447,720
	<i>NOTE: This does not include the additional option of Covid Support/Regulatory Services Recovery</i>	

APPENDIX 3 – GUIDING PRINCIPLES – DELIVERY OF OPTIONS

GUIDING PRINCIPLES	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5	OPTION 6	OPTION 7	OPTION 8	OPTION 9
Interventions made under this fund should be based on a clear economic recovery and/or low-income household support rationale	√	√	√	√	√	√	√	√	√
A collaborative approach towards sharing of best practice and learnings from different interventions should be adopted to maximise benefits and positive effects while minimising risk and unintended consequences	√	√	√	√	√	√	√	√	√
Interventions that support local economic recovery and contribute to businesses being able to move from surviving the period of trading restrictions towards recovery, growth, adaption and building resilience	√	x	x	x	x	√	√	√	√
Projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts	√	x	√	√	√	√	√	√	√

Support to low-income households, that are disproportionately impacted by the pandemic and the current cost of living crisis, become more economically active	√	√	√	√	√	x	x	x	x
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