

**LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND UPDATE**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 COSLA Leaders and Ministers 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 was £1.449m. This funding was considered to be flexible by the Scottish Government and ultimately was designed to empower Local Authorities to deliver funding where they considered this best addressed local circumstances in terms of economic recovery and dealing with the cost of living crisis.
- 1.2 At the Council's Budget Meeting held on 24<sup>th</sup> 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.
- 1.3 Officers prepared a report with a suite of options and under the delegation agreed by Council, the Executive Director with overall responsibility met with the Leader, Depute Leader and Leader of the largest Opposition Group on 4 April 2022 to agree the suite of options, and an update on the options explored was presented to the Council at its meeting on 28<sup>th</sup> April 2022. This report provides all Members with an update on progress with the agreed options.

**RECOMMENDATIONS**

It is recommended that the Policy and Resources Committee:-

- a. Note the progress to date with the suite of previously agreed options for the LACER funding.
- b. Approve the refocus of £35k of funding from sector support to provide additional regional support to businesses in the hardest hit areas - Campbeltown, Lochgilphead, Isle of Bute and Dunoon.
- c. Agree that the overspend of up to £36,713 in relation to the issue of Scotland Loves Local Cards is met from the Recovery and Renewal Fund

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**2.0 INTRODUCTION**

- 2.1 Following the announcement of COSLA Leaders and Ministers with 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. This approach was subsequently approved at the April 2022 Council meeting.
- 2.2 This report provides Members with detail of all the options agreed and progress made.

**3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Policy and Resources Committee:-
- a. Note the progress to date with the suite of previously agreed options for the LACER funding.
  - b. Approve the refocus of £35k of funding from sector support to provide additional regional support to businesses in the hardest hit areas - Campbeltown, Lochgilphead, Isle of Bute and Dunoon.
  - c. Agree that the overspend of up to £36,713 in relation to the issue of Scotland Loves Local Cards is met from the Recovery and Renewal Fund

**4.0 DETAIL**

- 4.1 The options agreed are outlined in paragraphs 4.2 through to 4.10 with updates on progress made.
- 4.2 **OPTION 1: ISSUE SCOTLAND LOVES LOCAL CARDS TO HOUSEHOLDS IN RECEIPT OF COUNCIL TAX REDUCTION SCHEME**

**FUNDING ALLOCATED: £797,720**

- The Council are about to enter into contracts with Miconex Ltd and EML to

issue around 6,650 Scotland Loves Local Gift Card each with a value of £120. The cards are due to be distributed on 28 and 29 November to people in receipt of CTR between 28 April 2022 and 31 October 2022.

- Preparations are underway to support the issue of the cards with targeted communications and proactive customer services. There are currently over 1,510 businesses that have signed up to receive the Scotland Loves Local gift cards including Aldi, Marks and Spencer's Wee Toon Trends, Trespass. These businesses are listed here: [Argyll and Bute Gift Card | Scotland Loves Local Gift Cards \(scotlandgiftslocal.com\)](https://www.scotlandgiftslocal.com).
- The costs associated with this option will be more than the funding allocated by the Council at a maximum £834,432.91. The administration fee for the project is £30,432.91, well over the anticipated amount of £14,000. This is primarily due to the need to send two letters to the recipients of the cards instead of the anticipated single letter. To issue a single letter only the Council would need to share National Insurance Numbers with the supplier. All three of the other local authorities running these schemes has felt that is too great a risk in data security terms. Hence we now have two letters to issue, the first to give recipients the activation code and the second to issue the card itself. In addition there will be 6,658 cards issued to cover any new CTR claimants between April 2022 and October 2022 at a cost of £120 per card with an additional 42 cards prepared as backup for any cards that are lost or damaged in the activation process. It is recommended that the overspend of up to £36,713 is funded from the Recovery and Renewal Fund.

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

##### **FUNDING ALLOCATED: £10,000**

- A Consultation Day with the Gypsy Traveller community took place on 12<sup>th</sup> November. The funding will pay for the engagement activities and food and fuel vouchers used as an incentive for community participation and engagement in this process.
- Housing Services are working with MECOPP (Minority Ethnic Carers of People Project), a support and advocacy group for the Gypsy Traveller community, who will be carrying out a consultation questionnaire which will ask about how the cost of living has affected Gypsy Traveller families with a particular focus on energy costs and any possible impacts of the cost of living on mental health. A £20 Tesco voucher will be provided to each household taking part and the intention is to have 15 households involved.
- The outcome of the Consultation Day will determine how direct payments are given to Gypsy Traveller households.
- Housing Services have had two Gypsy Traveller Working Group meetings with key partners including Education and the Police. Delegates from the Gypsy Traveller communities are also representatives on the group – from the official sites and also from the general community.

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

**FUNDING ALLOCATED: £50,000**

- Allenergy has used the funds given to them to increase the number of fuel vouchers available through the fuel bank foundation by £10,000 and employ extra resources to meet the increased demand for their services over the year. These funds have been a vital additional help for both agencies to be able to provide customers with more support during the cost of living crisis.

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**

- Argyll and Bute Citizens Advice Bureau was awarded £40,000 to allow for more staffing resource to meet the increased demand for their services in relation to income maximisation and money advice.

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.
- These funds have been a vital additional help for both agencies to be able to provide customers with more support during the cost of living crisis.

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

**FUNDING ALLOCATED: £120,000**

- Grant of up to £3k to help new businesses to start up and establish.
- Launched in May 2022 for applications, from pre-starts and recent starts (trading less than 3 months). [Business Start-Up Grant 2022 \(argyll-bute.gov.uk\)](https://businessstart-up.grant2022.argyll-bute.gov.uk)
- It is recommended that due to strong demand, £35,000 is transferred from the Sector support Fund (to fund an additional 12 start-up grants in Dunoon, Bute, Lochgilphead and Campbeltown).
- Fund expected to be fully allocated by the end of November 2022.

Progress to 24/10/22

No. of applications received	48
No. of businesses approved	40
No. of businesses rejected	4
No. of applications in review	3
Total cost approved	<b>£118,762</b>
Budget committed	99%

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

**FUNDING ALLOCATED: £200,000**

- Grant for existing micro and small businesses to improve their resilience or growth. [Small Business Development Grant \(argyll-bute.gov.uk\)](http://argyll-bute.gov.uk)
- Maximum grant was reduced from £5,000 to £3,000 pre-launch to help manage demand and avoid displacing the Local Growth Accelerator Programme grant of £5k.
- Launched in May 2022 for applications from businesses trading for at least 3 months.
- Fund expected to be fully allocated by the end of December.

Progress to 25/10/22

No. of applications received	70
No. of businesses approved	53
No. of businesses rejected	9
No. of applications in review	4
Total cost approved	<b>£151,309</b>
Budget committed	76%

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

**FUNDING ALLOCATED: £40,000**

- The contract has been awarded to Miconex to continue the facilitation of Argyll and Bute Card into 2022/23 and into 2023/24. This will enable the Shop Local campaign to gather momentum and support local businesses over the next 2 years.
- The marketing budget has been allocated to create six short promotional films, to increase business registration, help raise awareness of the card and showcase local areas.
- Local businesses across Argyll and Bute were invited to become Business Ambassadors for the cards, which involved their participation in the short films. Businesses were provided with guidance on running their own online marketing campaign for the card, which commenced in October 2022.
- The first promotional teaser film was released in October 2022 and can be

accessed in the following link: <https://www.youtube.com/watch?v=GvGRy-ea92I>.

- The five area-based promotional films will be rolled out from the beginning of November 2022, to coincide with the disbursement of LACER funded cards and the festive season.

Background Information on Scheme thus far:-

- 280 cards have been purchased to the value of £14,130.00
- 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.
- The Argyll and Bute Card can be purchased online, in the following link: <https://scotlandgiftslocal.com/product/argyll-bute-gift-card/>

Cost Breakdown of Scheme:-

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

#### 4.10 **OPTION 9: SECTOR SUPPORT GRANT**

**FUNDING ALLOCATED: £150,000**

- The original sectoral proposal was refocused to provide regional support to businesses in the hardest hit areas - Campbeltown, Lochgilphead, Isle of Bute and Dunoon.
- The budget agreed has been used to upweigh or extend existing schemes;
  - 12 additional business start-up grants administered via Business Gateway; and
  - Town centre premises improvement scheme administered via Transformation Projects & Regeneration team. The focus on grants to support physical works to town centre businesses to retain businesses and also encourage new businesses into the town centre to compliment the start-up grants and shop local campaign.

Revised Cost Breakdown of Scheme:-

<b>Project</b>	<b>Budget</b>	<b>Committed as at 24/10/22</b>
Transfer to New Enterprise Support Grant Option 6 for Business start-up grant in priority areas (Campbeltown, Lochgilphead, Isle of Bute and Dunoon)	£35,000	£35,000
Town centre scheme (Campbeltown, Mid	£115,000 split across the 4 areas	To date 8 grants awarded -

<p>Argyll/Lochgilphead, Isle of Bute and Dunoon) with a focus on grants to support physical works to improve town centre shop fronts for both existing businesses as well as new businesses in vacant shops thereby increasing footfall, supporting shop local campaign and improve the appearance of our shopping areas</p> <p>Campbeltown, Dunoon and Bute (working with Bute Bid) Schemes have been launched and applications have been received and further applications expected pending formal quotes for works. Mid Argyll scheme just launched</p>		<p>£20,000 awaiting applications from businesses in Dunoon, Campbeltown and Isle of Bute that will commit the remaining allocated funding. Based on levels of interest to date all funding for the Mid Argyll Scheme is expected to be committed in the next few months</p>
<p><b>TOTAL COST</b></p>	<p><b>£150,000</b></p>	<p><b>£55,000</b></p>

## 5.0 CONCLUSIONS

- 5.1 The report outlines progress with a suite of proposals in relation to the LACER funding distributed to Councils from the Scottish Government. The chosen options were agreed under delegation by the Leader, Depute Leader and Leader of the largest Opposition Group on 4 April 2022, 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. This approach was noted by the April 2022 Council meeting. A key change is to transfer £35,000 out of Sector Support Grant to New Enterprise Support Grant due to demand on business gateway SME support in hardest hit areas.

## 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 covid recovery funds, with a small overspend proposed to be funded from the Recovery and Renewal Fund.
- 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 – The funding helps support the viability of a number of our town centres.
- 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 for Economy and Rural Growth: Councillor Robin Currie**

November 2022

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