

ANGUS COUNCIL

17 DECEMBER 2020

**SCOTTISH GOVERNMENT DISCRETIONARY BUSINESS SUPPORT GRANT AND WINTER
HARDSHIP PAYMENT AND FUTURE NATIONAL GRANT AND PAYMENT SCHEMES**

**REPORT BY VIVIEN SMITH – DIRECTOR – STRATEGIC POLICY, TRANSFORMATION AND
PUBLIC SECTOR REFORM AND IAN LORIMER – DIRECTOR OF FINANCE**

ABSTRACT

This report seeks approval to administer on behalf of Scottish Government a Discretionary Business Support Grant Scheme and to delegate establishing criteria for awarding such grants (in so far as not set by Scottish Government) in the Director – Strategic Policy, Transformation and Public Sector Reform following consultation with the Director of Finance, the Leader and Deputy Leader of the Administration and Leader of Non-Administration; and to delegate approval of grants of over £1000 to named officers responsible for verification of business grant applications.

The report also seeks delegated authority for the Director of Finance (i) to make winter hardship payments on behalf of the Scottish Government, and (ii) to administer and arrange the administration of payments whether under grant schemes or otherwise where the Scottish Government is funding such payments in light of the fact that Scottish Councils are being asked on an ongoing basis to facilitate various payments under grant schemes and otherwise by Scottish Government, both during the COVID pandemic and beyond.

The requests for delegation will ensure officers can move swiftly to process and disperse grants and other payment schemes as soon as practicable after Scottish Government finalise the same.

1. RECOMMENDATIONS

It is recommended that Angus Council:

- (i) Note that Councils are being asked by Scottish Government to administer a further scheme of business support grants arising from the COVID-19 pandemic but in this instance with a degree of local discretion to be applied in establishing criteria for awarding such grants
- (ii) Note the details of the Council's allocation from the Scottish Government for this proposed scheme of business support grants
- (iii) Note the guidance under which the scheme needs to be used are awaited;
- (iv) Delegate to the Director – Strategic Policy, Transformation and Public Sector Reform following consultation with the Director – Finance, the Leaders of the Administration and Non-Administration and the Deputy Leader of the Administration authority to establish and implement a Discretionary Business Support Fund scheme as outlined in this report (including establishing criteria for awarding such grants) subject to confirmation of funding, guidance and criteria from Scottish Government and;
- (v) Delegate the Service leader – Strategic Policy and Economy, Manager – Economic Development. Team Leader Economic Development and Manager - Strategic Policy and Planning to approve applications of over £1000 should that be required for this scheme
- (vii) Note that the scale of support that will be provided under the scheme will depend on the national and local criteria to be applied
- (viii) Note that Councils are being asked by the Scottish Government to make a £100 winter hardship payment to eligible families as set out in Section 3 of this report, fully funded by the Scottish Government; and
- (ix) Delegate to the Director of Finance, following consultation with the Director of Education and Lifelong Learning, (including the right to sub-delegate this delegation), authority to make the winter hardship payment of £100 per child to eligible families in line with the Scottish Government's eligibility criteria and on the basis set out in Section 5 of this report, including the right to sub-delegate this delegation.

(x) Note that Scottish Councils are being asked to facilitate various payments under grant schemes and otherwise by Scottish Government, both during the COVID pandemic and beyond, which payments are funded by Scottish Government directly.

(xi) Delegate to the Director of Finance, (including the right to sub-delegate this delegation), authority to administer and arrange the administration of payments whether under grant schemes or otherwise where the Scottish Government is funding such payments and has asked that local authorities in Scotland administer the payments, provided (i) that such administration does not require additional resources to be paid for by Angus Council and (ii) a follow up report is brought to Council or the relevant Committee or Sub-Committee confirming the detail of such payments).

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/COUNCIL PLAN

The proposal to implement a Discretionary Business Support Grant Scheme is aligned to the Council strategic priority of Economy and Make Angus a Go to Place to do Business

3. BACKGROUND

The Scottish Government's current financial support offer for businesses is underpinned by the Coronavirus (COVID-19): Strategic Framework Business Fund. While this Fund will provide a vital lifeline to many businesses over the coming months it will not be sufficient to fully address the challenges that the business community will confront over the coming months. By necessity, the financial support distributed through the Strategic Framework Business Fund does not reflect the nuanced impact of restrictions across different sectors, business types and localities.

As such, the Scottish Government has announced additional funding for 2020-21 to support businesses and the self-employed, specifically, the £30 million discretionary funding and a second round of the Newly Self-Employed Hardship Fund (£15m). The aim of these funds is to provide financial assistance to businesses or the self-employed experiencing short term cash-flow challenges as a result of COVID-19 restrictions

Discretionary Business Grant Support Funding

The Scottish Government has earmarked an additional £30 million in funding for businesses through a discretionary funding pot for local authorities. Unlike previous funds which have been targeted towards specific groups or sectors impacted by COVID-19, this funding is designed to empower local authorities to direct additional financial support to specific groups or sectors within the business community where it considers it necessary or justified based on the distinct characteristics of their local circumstances and economies.

This recognises the insight that councils have on the business community in their area and where funding would be most effectively spent in supporting local economies.

This draws on a [similar fund introduced by the UK Government in England](#) as an addition to its core business support funding. Through this scheme, UK Government applies a 5% top up to the business support funding it has committed to providing local authorities based on what tier level they are in and the associated impact on businesses through closures and restrictions. Within some broad parameters, it is then for councils to determine how they choose to spend this money in order to alleviate the financial challenges faced by businesses in their area. At £30 million, the discretionary fund proposed is approaching 10% of the funding allocated to the Strategic Framework Business Fund.

While SG recognise the importance of giving councils autonomy in utilising this funding, discussions with CoSLA have indicated that setting some parameters around how it should be spent would be helpful in supporting local authorities to make more rapid decisions in allocating and distributing their allocation. The Scottish Government also considers factors such as the financial support that businesses have already received and the level of grant awards to be important considerations in determining where funding should be awarded.

The Scottish Government is working closely with CoSLA and local authority representatives to develop appropriate and supportive guidelines to accompany the funding allocations.

Discussions with CoSLA and local authority representatives indicate that the most appropriate way of distributing this funding would be to calculate allocations based on the proportion of companies that comprise Scotland's business base that are registered in each local authority area.

At CoSLA Leaders' Group on 27 November 2020 it was agreed to allocate £5m to those local authority areas currently in tier 4 and the remaining £25m to be split between all local authorities based on percentage share of registered businesses.

Angus Council will be allocated £529,113 based on having 4,480 (i.e. 2.1%) of registered businesses.

COVID Hardship Payment for Low Income Families

As part of the Scottish Government's Winter Plan for Social Protection local authorities have been asked by the Government to make a payment of £100 to each eligible child in families in receipt of free school meals. This has been agreed through COSLA Leaders.

Councils have been making payments to eligible families for the equivalent of free school meals during school holidays since the start of the pandemic and this will continue to the Easter holidays in 2021, all fully funded by the Scottish Government. The £100 hardship payment is over and above those school meal payments but is directed at the same group of eligible families so Councils have the information and systems to make these payments quickly and with limited administrative burden. All costs associated with this £100 payment will be met by grant allocated to the Council by the Scottish Government.

The Government propose that payments be made in 2 tranches. Tranche 1 would be based on those children eligible for Free School Meals as at 30 November 2020 which would be paid prior to Christmas. Tranche 2 would be for any newly eligible children between 1 December and the end of the winter term (23 December 2020) who would receive their payments no later than the second week in January.

Having considered this ask officers believe that our systems and processes would allow Friday 18 December 2020 to be applied as a cut off for Tranche 1 payments so eligible children can receive a payment on 23 December 2020. Applying this later cut-off than the Government and COSLA have asked for would allow the families of more children to receive their payment before Christmas. Any newly eligible children covering the 3 days 21-23 December 2020 would receive their payment in January.

4. PROPOSALS – DISCRETIONARY BUSINESS SUPPORT GRANTS

Should agreement be given by Council to the recommendations in this report, the guidance from Scottish Government will be followed, complemented where appropriate, with local evidence to develop a scheme to administer the funding received. Experience of administering other schemes will be drawn upon with the aim to develop a proposal that best meets local needs and offers support to businesses as quickly as possible within the funding available.

To enable the Council to administer and allocate this funding as swiftly as possible, prior to implementing the proposed scheme, officers will consult with the Leader of the Administration and Non-Administration and the Deputy Leader of the Administration.

Currently there are four officers responsible for verifying grant applications and approving payments. These are Service leader – Strategic Policy and Economy, Manager – Economic Development. Team Leader Economic Development and Manager - Strategic Policy and Planning. It is proposed to continue with this arrangement for the Discretionary Fund and delegate authority to approve applications of over £1000.

5. PROPOSALS – WINTER HARDSHIP PAYMENT

Council is being asked to authorise the Director of Finance to make the £100 payment to eligible families in line with the Scottish Government's eligibility criteria. As set out above the intention is to make the payment to those families with eligible children by 23 December 2020 (tranche 1) and by 15 January 2021 (tranche 2).

6. FUTURE GRANT AND OTHER PAYMENTS BY SCOTTISH GOVERNMENT

The Scottish Government are asking local authorities to be involved in the administration of grant schemes and other payment initiatives which are agreed and financed at a national level in Scotland. Often such payment schemes are put in place at a very short notice. So that officers may implement such payments timeously, a general delegation is sought by the Director of Finance seeking permission to administer these as they arise provided that such administration does not require additional resources to be paid for by Angus Council.

7. FINANCIAL IMPLICATIONS

In relation to the Discretionary Business Support Grant Angus Council will be allocated £529,113 based on having 4,480 (i.e. 2.1%) of registered businesses. Members will appreciate that there is a risk that there is more demand for support than funding available and in this scenario it may be necessary to amend or ration the support provided unless further Government funding is made available.

In terms of the Winter Hardship Payment the Council's funding allocation has still to be confirmed but in any event the funding received will match the payments made so the full cost will be met by the Scottish Government. A small amount of funding for Council administrative costs is also to be provided (expected to be circa £8,000) but the value of this has still to be confirmed.

In terms of future grant schemes and other payments proposed and financed at a national level, a delegation is sought to administer payments provided that such administration does not require additional resources to be paid for by Angus Council.

7. OTHER IMPLICATIONS

- (i) Administration of a grant scheme such as the Discretionary Business Support Grant is time consuming and resource intensive. Making the process as efficient as possible is important. Depending on the level of guidance provided by Scottish Government we may need to make local decision on where to target funds e.g. sectors. This is likely to vary between local authority areas. As indicated, with regard to the proposed Scottish Government winter hardship payment to eligible families, Angus Council has the information and systems to make these payments quickly and with limited administrative burden.
- (ii) In terms of equality implications, the following should be noted by Council:
 - a. **Discretionary Business Grant Support Funding**
 - b. **Winter Hardship Payment**
 - c. **Future Grant and other payments by Scottish Government.** The equality implications will be assessed for each such grant or other proposed payments as they arise.

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