
BORDERS DISCRETIONARY SUPPORT FUND FOR BUSINESS

Report by Executive Director, Finance & Regulatory

SCOTTISH BORDERS COUNCIL

25 March 2021

1 PURPOSE AND SUMMARY

- 1.1 This paper provides Elected Members with an update on the Borders Discretionary Support Fund and a proposed methodology for delivering this funding to local businesses**
- 1.2 The Council was initially provided with a grant of £672,021 from Scottish Government to administer a COVID-19 Local Authority Discretionary Fund. This funding package was subsequently increased from £672,021 to £3,100,000.
- 1.3 The key aim of the fund, agreed by Executive on 19 January 2020 is to help mitigate the short-term financial challenges that are currently being experienced by local businesses that have not been able to access support from Scottish Government since October 2020.
- 1.4 The application process for the fund was available on line during the month of February, with approximately 500 applications received through an on-line application process. A methodology and suggested funding allocation based on need and the number of eligible applicants has been developed by officers to try to distribute the funding in a fair and reasonable manner to businesses throughout the Scottish Borders. In doing so officers have placed emphasis on the range of support available to businesses, the need to ensure the support provided to each business is material enough to make a difference and also as far as possible to ensure the funding provided recognises the relative size of businesses. The intention is to fully expend the one off funding available.
- 1.5 Subject to Council approval it is intended to initiate payments to businesses by the end of March.

2 RECOMMENDATIONS

2.1 It is recommended that Council:

- a) Agrees the methodology and funding allocations proposed to distribute the funding for the Borders Discretionary Support Fund as set out in this report;**

- b) Note that based on current information and subject to final checks 447 local Borders based businesses will benefit from the discretionary fund; and,**
- c) Note that a final report will be brought back to Executive by the end of May 2021 setting out the final numbers and types of businesses assisted by the Borders Discretionary Support Fund.**

3 BACKGROUND

- 3.1 A variety of support packages have been delivered and are currently in place to help support businesses experiencing financial impacts as a result of COVID-19.
- 3.2 In November 2020, the Scottish Government announced a commitment to establish a £30 million Discretionary Fund to help enable Local Authorities to provide additional support to businesses in their local area.
- 3.3 The Scottish Government subsequently increased the value of this fund to £120 million nationally, with the allocation for Scottish Borders Council finally totalling £3.1 million.
- 3.4 The key aim of the fund agreed by Executive Committee on 19 January was to provide financial support for businesses that have not received financial support from the Scottish Government, despite experiencing disruption due to COVID-19 regulations and restrictions introduced since October 2020.
- 3.5 An on-line application process was developed and launched by the Council in February and approximately 500 applications were received following a four-week application process. Based on current information, 447 have been assessed as valid applications.

4 METHODOLOGY

- 4.1 The following criteria as detailed in Table 4.1 was agreed at Executive Committee on 19 January 2021.

Table 4.1 – Discretionary Fund Criteria

To be Eligible for a one off discretionary support grant, Businesses or Sole Traders should
Be based in the Scottish Borders, or able to demonstrate that a significant element >40% of annual turnover, trade or employment is generated within the Scottish Borders Council area.
Have less than 50 employees.
Be registered as a Business, Limited Company, LLP, Company Limited by Guarantee, sole trader, partnership, self-employed individual, or charitable trust with HMRC for PAYE, tax and trading purposes at 1 October 2020.
Be able to provide evidence of active trading up to and including October 2020 (unless closed by Covid 19 Restrictions).
Be able to provide evidence they intend to continue

trading in the tax year 2021-22.
Be able to demonstrate the financial impact on the business caused by Covid 19.
Be able to demonstrate how the funding would benefit business for example in preserving local jobs.
Not have received other COVID-19 related business support (including but not limited to, Corporate Finance Fund, Future Fund, R&D Focussed SMEs Fund, HMRC Self-Employment Income Support Scheme, Non-Domestic Rates relief, Small Business Grant or other business support, Newly self-employed scheme, Strategic Business Support Fund or grant schemes targeted at specific sectors) since 1 October 2020.
Should not be in line to receive payments from forthcoming schemes such as the Taxi and Private Hire Driver Support Fund and those funds supporting the wedding sector.
Businesses that are in administration, insolvent, or where a striking-off notice has been made; or businesses who are in receipt of an enforcement notice as a result of breaching COVID-19 Regulations are not eligible for funding.
Individuals in receipt of state unemployment related benefits are excluded.

4.2 Following analysis of the applications received, officers have separated businesses into the following categories:

- The Self-Employed;
- Businesses with 1-10 employees;
- Businesses with 11-25 employees; and
- Businesses with 26 – 50 employees.

As anticipated, the majority of the applications were contained within the self-employed and smaller sized business categories which reflects the business model that is prevalent throughout the Scottish Borders.

4.3 As part of the evaluation process officers sought information to assess the financial impact that the COVID-19 pandemic has had on the individual business by utilising profit and loss and previous financial and sales related information. This final proposal in this paper allocates funding for each category of business, based on the number of employees.

4.4 Table 4.2 below provides details of the suggested funding allocation for each eligible business, based on the number of employees.

Table 4.2 – Proposed Funding Allocation

Business Category	Number of Businesses in Category	Suggested Allocation per Business	Total Allocation
Self-Employed	247	£4k	£988,000
Businesses with 1 – 10 Employees	182	£10k	£1,820,000
Businesses with 11 – 25 Employees	16	£15k	£240,000
Businesses with 26 – 50 Employees	2	£25k	£50,000
Overall Total*	447		£3,098,000

* subject to final checking.

4.5 Based on current information, 37 applicants were not able to be supported by the fund because they were already receiving financial support, or had previously received financial support through the various Scottish Government Support Funds for business that have been available since October 2020 such as the Strategic Framework Business Fund. This fund has provided support payments every four weeks to eligible businesses.

4.6 The Scottish Government has recently announced that businesses that are currently receiving funding through the Strategic Framework Business Fund will be eligible for Start-Up Grants delivered as part of the Barnett consequential from the UK Government budget. It is anticipated that these grants will be administered by Local Authorities and delivered during April 2021.

5 IMPLICATIONS

5.1 Financial

There are no additional financial implications associated with this report, noting that the contents refer specifically to the distribution of a £3.1 million grant from the Scottish Government.

5.2 Risk and Mitigations

The grant scheme is wholly discretionary, thereby mitigating any risk to The Council.

5.3 Integrated Impact Assessment

There is no impact associated with an Integrated Impact Assessment.

5.4 Sustainable Development Goals

There is no impact in relation to sustainable Development Goals.

5.5 Climate Change

There is no impact in relation to Climate Change.

5.6 Rural Proofing

There is no impact in relation to rural proofing.

5.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals Contained in this report.

5.8 Changes to Scheme of Administration or Scheme of Delegation

There are no proposed changes to the Scheme of Administration or Scheme of Delegation.

6 CONSULTATION

6.1 The Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have yet to be consulted and any comments received will be incorporated into the final report.

Approved by

David Robertson
Executive Director, Finance and Regulatory Services

Signature

Author(s)

Name	Designation and Contact Number
Graeme Johnstone	Lead Officer x5138

Background Papers: Executive Committee – 19 January 2021

Previous Minute Reference:

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Graeme Johnstone can also give information on other language translations as well as providing additional copies.

Contact us at gjohnstone@scotborders.gov.uk