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## **LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND**

**Report by Director of Resilient Communities**

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### **SCOTTISH BORDERS COUNCIL**

**31 March 2022**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This paper provides elected members with information on additional funding from Scottish Government that has been allocated to Local Authorities to provide a flexible response to economic recovery and provide additional support for low income households during financial year 2022/23.**
- 1.2 Scottish Government has recently announced an £80m Local Authority COVID Economic Recovery (LACER) fund. The purpose of this funding is to help support local economic recovery and potentially provide some additional funding for low-income households. Scottish Borders Council has been allocated £1.724m.
- 1.3 The proposals for this funding that have been developed are aligned to existing Strategies and plans and are focussed on the two target groups of local businesses and low- income households.
- 1.4 It is recommended that a further report be brought to Council at the earliest opportunity with further proposals to support local businesses once an assessment process has been carried out.
- 1.5 All claims, monitoring and evaluation will be in accordance with the requirements of the Fund.

#### **2 RECOMMENDATIONS**

##### **2.1 It is recommended that Scottish Borders Council:**

- a) Notes the allocation of £1.724m from the Scottish Government Local Authority COVID Economic Recovery Fund to be allocated by Scottish Borders Council in Financial Year 2022/23;**
- b) Agrees the proposed allocations of the funding for 2022/23 as detailed in section 4 of the report;**

- c) Delegates authority to the Director of Resilient Communities and the Director of Finance and Corporate Governance to distribute the allocations identified in section 4 of the report; and**
- d) Agrees that a further report be brought to Council at the earliest opportunity which will outline the further proposals to support businesses in accordance with the five principles of the funding scheme.**

### **3 BACKGROUND**

- 3.1 Scottish Government has recently announced additional grant funding for Scottish Local Authorities. The funding stream is called the Local Authority COVID Economic Recovery (LACER) fund.
- 3.2 The main purpose of this funding is to help support local economic recovery and help address the cost of living impacts currently being experienced by low-income households.
- 3.3 Scottish Borders Council has been allocated £1.724m of funding via the General Revenue Grant to be allocated and spent during financial year 2022/23.
- 3.4 It has been acknowledged that Local Authorities are best placed to understand the needs of businesses and communities locally and therefore Scottish Government has provided local authorities with the flexibility and discretion to allocate and deliver interventions that best meet that local need, based on five key guiding principles.
- 3.5 The five guiding principles of the Fund are detailed below:
  - Principle 1: Interventions made under this fund should be based on economic recovery and/or low-income household support;
  - Principle 2: A collaborative approach towards sharing of best practice and learnings from different interventions should be adopted to maximise benefits;
  - 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 resilience;
  - Principle 4: Local Authorities may wish to allocate funding to projects that can help rebuild consumer confidence and stimulate demand and economic activity; and
  - Principle 5: Local Authorities may wish to allocate funding to support the low-income households that have been disproportionately impacted by the pandemic as well as the current cost of living crisis.

### **4 PROPOSALS**

- 4.1 The Scottish Government has provided some initial guidance with the five principles which allows a flexible approach to be applied when designing and delivering interventions that best meet local need. As the funding can be used over the course of 2022/23 careful thought has been given to what could, and should, be put in place in the short-term and what would benefit from further consideration and implementation later in the year.

- 4.2 The Council approved its Anti-Poverty Strategy in February 2021 which outlines six themes and seven outcomes. The first outcome relating to the 'Pockets' theme looks to '*Maximise financial resources of households on low incomes and reduce outgoing costs. Low-income households can access services and be socially, digitally and financially included*'. The proposals detailed below will increase the financial resources in our low-income households at a time of significant challenge.
- 4.3 The Scottish Borders Council Plan for 2022/23 was approved on 22 February 2022 with an agreed outcome to '*Reduce the number of children in poverty and reduce the impact of living in poverty on families*'. The Scottish Borders Local Child Poverty Action Report 2021/22 also outlined the implications of Covid-19 for Child Poverty locally including the costs of living, which some of the proposals below specifically respond to.
- 4.4 Over the period of the pandemic, the Council has issued a number of financial payments to households as part of a suite of support provided. The proposals detailed in the report build on this experience.
- 4.5 On 7 December 2021 the Executive Committee gave approval to implementing the Scotland Loves Local Gift Card Scheme which is a national initiative designed to help encourage all Scottish Local Authorities to encourage people in Scotland to support their local retailers and high streets. To date, only a small number of retailers have signed up to the scheme and there is an opportunity, using this funding, to increase the numbers significantly which would allow the potential use of the cards as a distribution tool for other funding in the future.
- 4.6 Taking into the account the considerations detailed above, officers have identified three immediate proposals in the table below that, with the approval of Elected Members, would allow the allocation of a significant proportion of the funding now. These proposals would support our lowest-income households, particularly families, with the increasing costs of living, increasing the income people have to spend in the local economy and prioritising the roll out of the Scotland Loves Local Gift Card Scheme across the Scottish Borders to encourage and promote spend our local businesses.

<b>Suggested allocations/proposals</b>	<b>Proposed Allocation (£m)</b>
<b>Proposal 1</b>	
<p>To provide a one-off payment of £150 to our lowest income households in recognition of the increased cost of living including rising food, fuel and transport costs.</p> <p>Approximately 7700 households who are currently in receipt of a Council Tax Reduction, based on low income, would benefit from this payment.</p>	<b>£1.155</b>

<b>Proposal 2</b>	
<p>This proposal if approved would provide families with a payment of £100 to each child currently entitled to free school meals. This payment would provide further support to families in addition to the proposed payment of £150.</p> <p>This is in recognition of the increased cost of living and the impact this has especially during school holidays. It is hoped that this payment will not only support families in meeting essential costs but also enable them to participate in locally arranged events and activities which in turn will help support local businesses.</p> <p>This type of support and payment builds on the method that has been used previously in relation to the Financial Hardship Fund and has proved a successful way to ensure that targeted support is provided efficiently, quickly and with dignity.</p>	<b>£0.222</b>
<b>Proposal 3</b>	
<p>The Scotland Loves Local Gift Card Scheme is a national initiative designed to help encourage all Scottish Local Authorities to develop their local supply chains and people to support their local retailers and high streets.</p> <p>The Gift Card was launched in July 2021 by Scotland's Towns Partnership with a view to providing opportunities for people to help support local businesses by purchasing local produce and keeping more spend within the Local Authority area.</p> <p>Approximately 30 businesses have already signed up to the gift card initiative, but we need to help ensure that a wide range of businesses are available to the general public to provide choice and help deliver a successful scheme especially if the Council wishes to potentially use this scheme as a distribution method for future funding.</p> <p>Officers believe there is a key piece of initial work that is required to try and stimulate the response from local businesses and this proposed allocation if approved would allow that marketing work to take place.</p>	<b>£0.030</b>
<b>Proposal 4</b>	
<p>That officers assess the most appropriate way of providing further support to businesses and bring a report back to Council at the earliest opportunity.</p>	<b>£0.317</b>
<b>Total funding available</b>	<b>£1.724</b>

## **Table 1.**

- 4.7 The proposals above are similar to what we know some other local authorities have already approved or are considering. Like other local authorities it is proposed that some further consideration is given to the use of the remaining £0.317m. This will allow Officers to collaborate with colleagues nationally, and stakeholders locally, on the best use of the funding to support businesses and drive economic recovery.

## **5 IMPLICATIONS**

### **5.1 Financial**

- a) The Local Authority Covid Economic Recovery Fund, provided by Scottish Government has allocated £80m to provide a flexible response to economic recovery and provide some support for low income families during the next financial year.
- b) Scottish Borders Council's allocation for 2022/23 is £1.724m and this funding is a one-off payment allocation.

### **5.2 Risk and Mitigations**

The key risk associated with this report is in the requirement for officers to allocate funding to suitable projects and schemes that will hopefully make a significant difference to sections of the community that are continuing to experience challenges through Covid-19 and current cost of living expenses.

If we do not consider the allocation of funding to suitable projects and schemes, there is a risk that there will be a further impact on those who are already at risk of financial hardship.

### **5.3 Integrated Impact Assessment**

There are no direct implications associated with an Integrated Impact Assessment as the report is not proposing a change to policy or the formal adoption of a strategy, policy or plan. The key aspect of this funding is to try and reduce barriers to inequality, alleviate hardship and help to promote sustainable, inclusive economic development through the promotion of local business.

### **5.4 Sustainable Development Goals**

These proposals are expected to deliver against the United Nations Sustainable Development Goals by helping to direct funding to projects that incorporates socially and environmental decision making, balanced with providing economic benefits that in turn will help to sustain local communities throughout the Scottish Borders.

It is anticipated that as a result of this funding to those households identified within the table at 4.1, there will be a positive effect on the following community outcomes:

- a) Include under-represented or excluded groups
- b) Improve community quality of life
- c) Improve community capacity
- d) Take into account equal opportunities

## 5.5 **Climate Change**

The intention of the funding is partly to help local businesses that have suffered during Covid-19 and the intension is for future proposals to help improve local supply chains, which in turn can help to reduce the need to travel, encourage local sustainable employment and to ultimately help local communities deliver in terms of the race to net zero.

## 5.6 **Rural Proofing**

The key focus of this funding is to try and encourage the viability of local businesses and retail outlets which are at the heart of communities in the Scottish Borders. The fund is also intended to deliver support to people who may have been disproportionately impacted by Covid-19 and the pressures associated with the current cost of living crisis.

## 5.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained within 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 Director (Finance & Corporate Governance), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have not yet been consulted and comments received will be incorporated into the final report.

**Approved by**

**Jenni Craig**  
**Director of Resilient Communities,**

**Signature .....**

**Author(s)**

Name	Designation and Contact Number
Graeme Johnstone	Lead Officer
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**Background Papers:**

**Previous Minute Reference:**

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

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