
Report To:	Policy & Resources Executive Sub-Committee	Date:	10 March 2022
Report By:	Interim Director, Finance & Corporate Governance	Report No:	FIN/19/22/AP/LA
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Subject:	Allocation of COVID Economic Recovery Funding		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval from the Policy & Resources Executive Sub-Committee for proposals to allocate the Council's share of the COVID Economic Recovery Fund announced by the Scottish Government.

2.0 SUMMARY

- 2.1 On the 21 February the Scottish Government announced that £80million would be included in 2021/22 General Revenue Grant Funding to Local Government and the funding would be aimed at supporting the economic recovery from Covid. The final amount is to be confirmed but is estimated as being £1.23million.
- 2.2 The Guidance received from the Scottish Government regarding the £80million fund advised that spend must meet one or more of the following principles:
1. Fund 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.
 2. Funds can be used on projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts
 3. Funds can be used to support low-income households that are disproportionately impacted by the pandemic and the current cost of living crisis become more economically active.
- 2.3 The CMT have considered to best way to provide a range of support and are recommending the following:
- Allocate £500,000 to increase the £300 payment to approximately 10,000 households in receipt of Council Tax Reduction/Exempt from Council Tax agreed to £350.
 - Allocate £170,000 to continue with free parking within the Council's Pay & Display car parks until 30 September, 2022 to encourage people back to the shops once the remaining Covid restrictions are lifted and working from home guidance is relaxed
 - Allocate the estimated balance of £560,000 to Business Support initiatives aimed at retaining employment, workforce development, business development, equipment and infrastructure investment, all to a maximum grant intervention of £5,000.
- 2.4 In addition the CMT recommend increased support to those over 70 who qualify for support with heating costs via iHeat and maintaining the 40% uplift on Crisis Grant awards during 2022/23. These proposals can be contained in existing Anti-Poverty Funds.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Sub-Committee agree to the proposed split of the Council's share of the £80million Covid Economic Recovery Fund being £500,000 direct support to Low Income Households and £730,000 towards support to Businesses.
- 3.2 It is recommended that the £500,000 support to Low Income Households be allocated to increase the £300 payment to £350 for households in receipt of Council Tax Reduction or exempt from paying Council Tax.
- 3.3 It is recommended that the estimated balance of £630,000 support to Businesses be allocated as follows:
 1. £170,000 towards maintaining free parking within Council Pay & Display car parks until 30 September, 2022
 2. The use of the balance be delegated to the Interim Director, Environment and Regeneration to deploy a series of interventions relating to the sustainability of businesses in Inverclyde, updates on which will be reported to the Environment & Regeneration Committee.
- 3.4 It is recommended that the Sub-Committee agree to increase the £75 heating payment for eligible over 70s to £150 in respect of awards made during the period December 2021- April 2022.
- 3.5 It is recommended that the Sub-Committee agree to retain the 40% uplift to Crisis Grants awards for 2022/23.

Alan Puckrin
Interim Director, Finance & Corporate Governance

4.0 BACKGROUND

- 4.1 On the 21 February the Scottish Government announced that £80million would be included in 2021/22 General Revenue Grant Funding to Local Government and the funding would be aimed at supporting the economic recovery from Covid.
- 4.2 Distribution methodology was agreed by Cosla Group Leaders and guiding principles were issued for consideration by Cosla Leaders on 23 February. The announcement came too late for consideration as part of the 24 February Budget but as the intention is to provide support to businesses and to help address the impact of the costs of living pressures, officers have drafted a report for consideration by the Policy & Resources Sub-Committee in order that approved proposals can be progressed at the earliest opportunity.
- 4.3 As part of the use of the Anti-Poverty Budget in May 2021 the Policy & Resources Committee agreed to allocate £80,000 in both 2021/22 and 2022/23 to provide, via IHeat, £75 to eligible households where household members were over 70 years old.
- 4.4 As part of the Winter Hardship monies , the December 2021 Council agreed to maintain the 40% uplift on base Crisis Grants awards to support eligible applicants with the various inflationary cost pressures being experienced.

5.0 PROPOSALS

- 5.1 The Guidance received from the Scottish Government regarding the £80million fund advised that spend must meet one or more of the following principles:
 1. Fund 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.
 2. Funds can be used on projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts
 3. Funds can be used to support low-income households that are disproportionately impacted by the pandemic and the current cost of living crisis become more economically active.
- 5.2 The CMT have considered how best to allocate the funds in a way which balances the need to directly support businesses, support households which then in turn will spend money in the local economy and ensure that this support is allocated as soon as is practical. In summary the CMT proposals for consideration by the Sub- Committee are as follows:
 - Allocate £500,000 to increase the £300 payment to approximately 10,000 households in receipt of Council Tax Reduction/Exempt from Council Tax agreed to £350. The mechanism for getting this money directly into the pockets of the vast majority recipients already exists and it will provide support over the next few months which is when it is most needed.
 - Allocate £170,000 to continue with free parking within the Council's Pay & Display car parks until 30 September, 2022 to encourage people back to the shops once the remaining Covid restrictions are lifted and working from home guidance is relaxed.
 - Allocate the balance of £560,000 to the following Business Support initiatives aimed at retaining employment, workforce development, business development, equipment and infrastructure investment, all to a maximum grant intervention of £5,000.
- 5.3 Progress on these initiatives will be reported to either the Policy & Resources Committee as part of the regular Anti -Poverty updates or the Environment & Regeneration Committee.
- 5.4 In addition approval is sought for 2 other proposals from the Corporate Management Team :
 1. To ensure full utilisation of the previously approved sums to provide financial support to over 70s with heating costs it is proposed to increase the payment to £150 for the period December, 2021 to April 2022. This will provide much needed support to around 1200 households and is in addition to already announced support from the Council and Scottish Government, which depending on today's decision, will total £500/ eligible household.

2. At the start of the pandemic, the Council agreed to increase the basic level of Crisis Grant award by 20%. In 2021 as part of the Council's recognition of cost increases this was increased by another 20% ie: the Council Crisis Grants are around 40% greater than the base level set in Scottish Government Guidance. It had been intended for the level of support to revert to an uplift of 20% from 1 April, 2022. Given the current high levels of inflation for basics such as fuel and food it is recommended by the CMT that this uplift be maintained for 2022/23 at a cost of £60,000. This could be met from the Anti- Poverty earmarked reserve

6.0 IMPLICATIONS

6.1 Finance

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Economic Recovery Grant	CTR Payments	2022/23	£500k		Increasing the payments to CTR/Council Tax Exempt Households from £300 to £350
	Parking Income		£170k		6 month extension before reintroducing Pay & Display parking charges.
	Business Support		Est £560k		Grants of up to £5k for a number of initiatives
Anti Poverty Fund	iHeat Payments	2021/23	£100k		Increase payments over the period Dec21-April 22 from £75 to £150
	Crisis Grants	2022/23	£60k		Retain the policy of increasing awards by 40% during 2022/23

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
N/A					

6.2 Legal

There are no specific legal issues to highlight arising from proposals in this report.

6.3 Human Resources

There are no HR issues arising from this report.

6.4 Equalities

Equalities

- (a) Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

- (b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

- (c) Data Protection

Has a Data Protection Impact Assessment been carried out? Proposals have been discussed with Legal Services who have not identified any risks which require action.

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

6.5 Repopulation

All the initiatives in this paper will help build resilience in the local business and wider community which will assist Inverclyde stabilise and grow its population.

7.0 CONSULTATIONS

- 7.1 The Corporate Management Team and Anti -Poverty Officer Group support the proposals in this paper.

8.0 BACKGROUND PAPERS

- 8.1 None.