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## **Moray Council**

Wednesday, 28 October 2020

### **SUPPLEMENTARY AGENDA**

The undernoted reports have been added to the Agenda for the meeting of the **Moray Council** to be held at **remote locations via video conference**, on **Wednesday, 28 October 2020 at 09:30**.

#### **BUSINESS**

**12a. Economic Recovery Plan - Kickstart and Employability 3 - 6**

Report by the Depute Chief Executive (Economy, Environment and Finance)

**12b. Economic Recovery Plan - Procurement Post and Small 7 - 12**

**Business Support**

Report by the Depute Chief Executive (Economy, Environment and Finance)

**12c. Town Centre Support 13 - 18**

Report by the Depute Chief Executive (Economy, Environment and Finance)





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**REPORT TO: MORAY COUNCIL ON 28 OCTOBER 2020**

**SUBJECT: ECONOMIC RECOVERY PLAN – KICKSTART AND EMPLOYABILITY**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To provide Council with details of the Kickstart scheme and which forms part of the economic recovery plan and other employment related funding streams being actioned by the Council.
- 1.2 This report is submitted to the Council in terms of Section III A (2) of the Council's Scheme of Administration relating to long-term financial plans.

**2. RECOMMENDATION**

**2.1 It is recommended that Council :-**

- (i) **agree the funding allocation as set out in the financial implications to support payment of the living wage to Kickstart placements in Moray Council; and**
- (ii) **note the plans and progress on work associated with a range of employability support interventions.**

**3. BACKGROUND**

- 3.1 At its meeting on the 6 October 2020 the Economic Growth, Housing and Environmental Sustainability committee approved the high level action plan and recommended to council the approval in principle of the financial resources to deliver the plan subject to detailed reports being provided for each action (para 8 of the draft minute refers).
- 3.2 The Economic Recovery Plan seeking that approval is on the agenda for today's meeting this report provides details for the funding request associated with Kickstart.
- 3.3 The Kickstart scheme is for 16-24 year olds on universal credit who are at risk of long term unemployment.

- 3.4 Our analysis has shown that young people are disproportionately impacted at times of recession and this increases the risk of losing young people from the area unless there are opportunities for them here.
- 3.5 Under the scheme the Government will cover 100 per cent of employment costs for 25 hours a week for a period of 6 months, this includes the employees salary at the appropriate minimum wage for their age, as well as national insurance and pension contributions.
- 3.6 Further funding is available to provide support that will enable the young person to get a job in the future, this could include CV development, interview skills, mentoring and coaching alongside the work placement.
- 3.7 The scheme runs over an 18 month period, the recommended budget provides for the provision of a living wage rather than minimum wage for those employed by the Council and is based on a maximum of 15 jobs over the 18 month period.
- 3.8 The amount required to top up a salary to living wage will vary depending on age, where possible if sufficient demand for work placements exist and the council are in a position to offer more placements the number provided could increase depending on the age of the applicants.
- 3.9 The scheme is restricted to those on universal credit, in reality very few 16 and 17 year olds are on universal credit and we may need to look at this group separately under separate funding from the youth guarantee scheme to offer a similar work placement opportunity.
- 3.10 The budget request to provide a living wage for 15 or more work placements is £66K as a one off budget spread over two financial years 2020/21 and 2021/22.

#### **OTHER EMPLOYABILITY FUNDING**

- 3.11 The government awarded £120k for the delivery of the Parental Employment Support Fund (PESF). The aim of this fund is to deliver intensive in and out of work employability support, including support for low income parents who are not ready for other formal training programmes. The funding will also help in meeting the increasing challenge of in-work poverty, targeting in-work support to help parents already in work to upskill, providing access to training and support to progress in employment.
- 3.12 The PESF project will include recruiting 2 Keyworkers and a project officer within the moray council employability team. The posts are temporary in line with the funding period.
- 3.13 The government have recently announced funding for Local Employability Partnerships (LEP) to support the delivery of a new youth guarantee scheme for 16-24 year olds. We are expecting approximately £570k additional funds to enhance our existing no-one left behind support and provision and work with the partnership to respond to local needs.

- 3.14 The local LEP (Employability and Skills partnership group) have proposed focusing on the following key areas and which will support our actions and outcomes outlined in the economic recovery plan.
- 3.15 The proposals include: enhanced keyworker support, employer liaison support, boosting our employer recruitment incentive (MERI), providing a wage subsidy for local employers to extend the Kickstart placements and fill the gap for 16 & 17 year olds. The partnership will also commission employability provision to a range of third sector training providers to support local demand and emerging labour market needs in particular sectors.
- 3.16 Within our economic recovery plan, the LEP employability partnership have also identified a need to improve digital poverty and inclusion. The Elgin Youth Development Group as a partner within Moray Pathways employability consortium have agreed to provide dedicated space in the Inkwel and the café area during the day to create a much needed employability and training hub.
- 3.17 The hub will be called Moray Pathways @ the Inkwel and funding is being provided by DWP to provide a pathways co-ordinator, digital equipment and digital support to learners. The Moray Council Employability team will manage the budget on behalf of the partnership and recruit a Pathways Co-ordinator and a Digital Literacies Worker. Again these are temporary posts for the duration of the initiative. This project will support all the training providers within the consortium and provide a safe place to deliver 1:1 and group work/ICT training for learners of all ages,
- 3.18 A full detailed report on progress with the PESF project and the Youth Guarantee will be included within the economic recovery plan progress report to committee, this will include performance measures relating to the number of individuals assisted and their outcomes.

#### **4. SUMMARY OF IMPLICATIONS**

##### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The proposals will contribute to achieve the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

##### **(b) Policy and Legal**

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan. Applications packs with grant conditions were finalised with support and in consultation from Legal.

**(c) Financial implications**

There is a one off revenue cost of £66k required to pay the living wage for those on work placement with the Council as part of the Kickstart scheme. This is a council priority and can be funded from the earmarked reserves for financial priorities providing £22k in 2020/21 and £44k in 2021/22. The staffing required for the PESF project will be funded from the Scottish Government grant of £120k. The Pathways Co-ordinator and Digital Literacies worker will be funded by DWP.

**(d) Risk Implications**

All possible care is taken across departments delivering externally funded projects to mitigate any risks. Keyworkers and the other three posts will be on short fixed term contracts which ensures that redundancy risks or costs are minimised, although could apply to candidates with a continuous service in local government in which case the transform process would be available to minimise risk.

**(e) Staffing Implications**

The PESF project includes funding 2 X Keyworkers and 1 Project Officer and the youth guarantee proposals will include recruiting additional keyworkers and an employer liaison worker for the partnership. The Pathways Co-ordinator and Digital Literacies worker will be funded by DWP.

**(f) Property**

N/A

**(g) Equalities/Socio Economic Impact**

The schemes directly assist those furthest from the workplace and have a positive benefit in terms of equalities.

**(h) Consultations**

Consultation has taken place with the Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Estates Manager, the Equal Opportunities Officer, the Head of Financial Services and the Democratic Services Manager have been consulted and comments received have been incorporated into the report.

**5. CONCLUSION**

**5.1 The report provides details for elements of funding associated with Kickstart and updates on other employment related activities.**

Author of Report: Jim Grant, Economic Growth and Development  
Amy Cruickshank, Opportunities for All Officer

Background Papers: Documents on file in Economic Growth & Regeneration section.

Ref:



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**REPORT TO: MORAY COUNCIL ON 28 OCTOBER 2020**

**SUBJECT: ECONOMIC RECOVERY PLAN – PROCUREMENT POST AND SMALL BUSINESS SUPPORT**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To provide Council with details of the temporary post relating to Community Wealth Building and growing the local economy with a focus on procurement, permanent procurement post to provide additional capacity to procurement team, and to enable the actions resulting from the temporary post activity, and business consultancy items which form part of the economic recovery plan.
- 1.2 This report is submitted to the Council in terms of Section III A (2) of the Council's Scheme of Administration relating to long-term financial plans.

**2. RECOMMENDATION**

- 2.1 **It is recommended that Council agree the funding allocation as set out in the financial implications for the creation of the posts identified in the report to support economic recovery and growth in Moray.**

**3. BACKGROUND**

- 3.1 At its meeting on the 6 October 2020 the Economic Growth, Housing and Environmental Sustainability committee approved the high level action plan and recommended to council the approval in principle of the financial resources to deliver the plan, subject to detailed reports being provided for each action (para 8 of the draft minute refers).
- 3.2 The Economic Recovery Plan seeking that approval is on the agenda for today's meeting and this report provides further detail on the procurement and consultancy items included in the action plan.
- 3.3 These items will be described separately in sections 4, 5 and 6 of this report.

**4. COMMUNITY WEALTH BUILDING DEVELOPMENT POST (2.5 YEARS)**

- 4.1 Community Wealth Building (CWB) aims to keep wealth within the local economy and give the people within that economy more control and a greater

share of the benefit that arises from activity within their area. It was developed in the United States of America and developed in the United Kingdom by the Centre for Local Economic Strategies, a think tank.

4.2 The concept has gained the support of the Scottish Government and they have made a commitment to explore the potential of the concept. CWB has the potential to deliver most obviously for the inclusive growth agenda but has far reaching implications for policy that are not as obvious, such as climate change through reducing distances travelled by suppliers.

4.3 CWB is based around five core principles that are designed to enable and unleash the potential of the local economy. These are:

1. Progressive Procurement
2. Fair Employment and Just Labour Markets
3. Shared Ownership of the Local Economy
4. Socially Just Use of Land and Property
5. Making Financial Power work for Local Places.

4.4 While these items are not to be taken sequentially in order to deliver greater community wealth the post will focus initially on the first item, Progressive Procurement. This will involve working with the private sector, communities and public sector partners to develop supply chains and enable more economic activity to be retained locally.

4.5 Progressive Procurement is an extensive topic and will require a multifaceted approach to achieving the end objective, which is a more prosperous, growing economy with improved employment opportunities.

4.6 A metric for procurement that is reported on by all local authorities is the percentage of their spend which goes to local businesses and SMEs. The table at 4.7 shows how by this measure Moray compares to our near neighbours, Aberdeen, Aberdeen-shire and Highland. The data is for 2018.

4.7

<b><u>Local Authority</u></b>	<b><u>Percentage of Spend within Authority</u></b>
Moray	24.57%
Highland	41.57%
Aberdeen	28.84%
Aberdeenshire	32.78%

4.8 As can be seen from the table in 4.7 Moray spends considerably less than our neighbours within our own economy. It should be remembered that these local authorities are of a different scale and the scale of contracts available and the strengths of the local supply chain both impact on local spend.

4.9 To increase the amount of spend locally needs the co-operation of our public sector partners as anchor organisations and in depth work with the private sector to address the variety of issues that prevent organisations from firstly tendering for the works, winning the tender and being able to successfully

deliver. Community organisations will also be engaged to encourage them to both supply and buy locally.

- 4.10 The benefit to suppliers is not solely in winning local contracts. Developing businesses and supply chains in Moray allows them to undertake work in other regions and allows jobs to be created locally and help rebalance the flow of capital. There is also an inward investment requirement to get businesses to relocate or expand into Moray. To enable this there must be an appropriate provision of employment land which is a capital item in the action plan.
- 4.11 It should be noted that CWB, and the activities outlined above, does aim to create displacement in the national economy as some of the activity that will enable the medium and long term growth requires activity to be re-located. As it is acknowledged however that the national economy is not equal a degree of displacement can be acceptable to achieve inclusive growth and benefit people, as per the objectives of both inclusive growth and CWB.
- 4.12 Part of the role will be to also look at the criteria that are used to decide the tender process and how to better enable community benefit from contracts across the public sector.
- 4.13 Practical examples of where CWB has been implemented are in Preston where they have increased local spend by 15% which equates to around £70 million. The Scottish Government has provided £3 million to the Ayrshire Economic Partnership to further develop CWB. In other locations in England CWB principles are funding are being built into growth deals.
- 4.14 Approval is sought from Council to create a post to address all the issues described above.
- 4.15 The total cost of this action is £125,000 with Highlands and Islands Enterprise contributing £35,000 over 2 years. Council is therefore being asked to approve an allocation of £90,000 over 2.5 years. £20,000 in financial year 20/21 and £35,000 in financial years 21/22 and 22/23.
- 4.16 This is a complex piece of work, the 2 year temporary post (Grade 9) will allow the initiative to be developed and give an opportunity for review before deciding on any longer term need and staffing resource.

## **5. PROCUREMENT OFFICER (PERMANENT)**

- 5.1 The Moray Council procurement team are currently facing severe capacity issues and require an additional member of staff to alleviate this particularly with additional procurement work associated with the Growth Deal.
- 5.2 Without this member of staff the procurement team will be unable to act on the CWB actions and recommendations that will arise from section 4 of this report. These actions and recommendations will undoubtedly lead to more time being dedicated to each contract to tailor and adapt the appropriate level of community benefit.

- 5.3 This member of staff will also enable effective communication and liaison with the Community Wealth Building Development post.
- 5.4 This is a permanent grade 9 post with a revenue cost of £25,000 in the 20/21 financial year and £53,000 thereafter.

## **6. SMALL BUSINESS CONSULTANCY**

- 6.1 As outlined in table 4.7 Moray has a comparatively low rate of procurement contracts being awarded locally and an output from the role described in section 4 would be to increase the award of contracts locally.
- 6.2 As detailed in the Supplier Development Programme update report submitted to the Economic Growth, Housing and Environmental Sustainability Committee on 06 October 2020 (para 11 of the draft minute refers), attendance at events and surveys on intention to bid for contracts has been positive. These positive intentions do not appear to be translating into an increase in local spend however.
- 6.3 A possible explanation for this is the nature of the tendering process, which may be either too onerous or technical for some businesses who would be able to undertake the work should they be awarded the contract.
- 6.4 To overcome this obstacle Moray Council and Highlands and Islands Enterprise are proposing a joint fund, split 50/50 to allow local businesses to receive expert advice on tendering for public sector contracts through professional consultants.
- 6.5 This fund would link with the post described in section 4 and be used to achieve the CWB aims.
- 6.6 In addition to the procurement consultancy a joint fund between Moray Council and Highlands and Islands Enterprise, again 50/50, is proposed to deliver professional import and export advice.
- 6.7 The objective of this is twofold. Firstly to provide advice and expertise to businesses to help access and enter new markets. Secondly, with some risk existing around Brexit this fund could be used to assist businesses with high exposure to EU markets.
- 6.8 The combined financial implications to the Council of these 2 support schemes is £35,000 with an additional £35,000 provided by Highlands and Islands Enterprise. Take up of the scheme will be monitored and reported together with outcomes experienced by business such as procurement success.

## 7. **SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The proposals will contribute to achieve the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy.

**(b) Policy and Legal**

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan.

**(c) Financial implications**

The financial implications of these support actions are detailed in the main report and duplicated here. The funding for consultancy and the temporary procurement post will be met from earmarked reserves. The permanent procurement officer post will be a budget pressure.

Action	2020/21	2021/22	2022/23	2023/24
<b>Revenue</b>				
Procurement (temporary post 2.5 year contract and budget HIE contributing 35k in years 21/22 and 22/23 subject to due diligence Potential extension if successful(Budget pressure in future years, subject to 2 year contract to prove concept and opportunity to review)	£20k	£35k	£35k	
Small Business Support consultancy service (70k across two years)35K from HIE in 21/22 subject to due diligence	£30K	£5K		

Procurement Officer post (Budget Pressure in future years)	25k	53K	53K	53K
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**(d) Risk Implications**

The main risk is that the desired results as detailed in sections 4, 5 and 6 are not realised. To mitigate this a detailed monitoring and reporting process will be in place during the life of the actions to enable flexibility and responsiveness

**(e) Staffing Implications**

The actions detailed in sections 4, 5 will result in 2 new additional Full time members of staff, one on a 2.5 year contract and one permanent. Consultancy support will be through external consultants with existing staff providing the referrals.

**(f) Property**

N/A

**(g) Equalities/Socio Economic Impact**

The actions detailed in sections 4, 5 aim to improve equality in Moray through the objectives of Community Wealth Building and Inclusive growth. Actions in section 6 aim to support and grow the local economy.

**(h) Consultations**

Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Payments Manager, the Equal Opportunities Officer, the Head of Financial Services and the Democratic Services Manager

**8. CONCLUSION**

**8.1 This report provides greater detail on the actions listed in the main economic recovery strategy relating to procurement and small business consultancy.**

**8.2 Enabling Community Wealth Building is seen as a key part in the economic recovery of Moray.**

**8.3 These actions should be viewed as part of the wider recovery strategy and actions as they are designed to complement and enable each other.**

Author of Report: Michael O'Donnell (Senior Officer Economic Strategy and Growth)



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**REPORT TO: MORAY COUNCIL ON 28 OCTOBER 2020**

**SUBJECT: TOWN CENTRE SUPPORT**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To inform Council on proposed Town Centre Support schemes which forms part of the economic recovery plan being actioned by the Council.
- 1.2 This report is submitted to the Council in terms of Section III A (2) of the Council's Scheme of Administration relating to long-term financial plans.

**2. RECOMMENDATION**

**2.1 It is recommended that Council:-**

- (i) note the proposals;
- (ii) agree for town centres of Buckie, Keith, Forres, Lossiemouth, Elgin, Aberlour and Dufftown the setup of a pop-up shop scheme with associated cost over two financial years of £50,000; and
- (iii) agree to offer 50% capital start-up grants up to a maximum of £10,000 following participation in the pop-up scheme with budget requirement of £100,000 for next financial year 2021/2022.

**3. BACKGROUND**

- 3.1 Economic Growth, Housing and Environmental Sustainability Committee on 6 October 2020, (para 8 of the draft minute of refers) considered the Economic Recovery Plan report with a range of high level strategic proposals. It also contained a range of business and town centre support measures with more details being presented at this Council meeting. The proposals for pop-up shops with follow up capital start-up grants is part of a range of transformative investments which drives local economic activities and re-purposes town centres to become more diverse, successful and sustainable.
- 3.2 Based on the previously successfully carried out pop-up shop scheme in Keith as part of the overall CARS project, start-up businesses used existing long-

term empty shops for a duration of up to 4 weeks at no cost, other than utilities. Twenty three separate businesses took advantage of the pop-up shops during the project. Three of these went on to take up permanent residence in other long-term empty shops on Mid Street and several others established retail premises outside of Keith. On completion of the project, Keith Mid Street Conservation Area had moved from the highest to the lowest shop vacancy rate in Moray.

- 3.3 Also the recent Findhorn Bay Arts' response during the Covid-19 Lockdown in Forres with their pop-up initiative for locally grown food and bakery supplies over 2 to 3 days per week, resulted in supporting ten local producers and creating employment for two people. Several local businesses commented how complementary the scheme was with their creative promotion, with many seeing an increase in their sales on the days the pop-up shop is open. Findhorn Bay Arts has been nominated for the Scotland's Town Partnership High Street Hero award. The award seeks to celebrate the people, businesses and local organisations who have gone the extra mile to support their communities during the coronavirus lockdown and ensure the safe reopening of our high streets as part of Scotland Loves Local campaign.
- 3.4 **Proposals** - In response to an increase in vacant retail units and individuals seeking to start-up businesses, it is proposed to set-up a pop-up scheme in Buckie, Keith, Forres, Lossiemouth, Elgin, Aberlour and Dufftown initially for 14 months. Similar to the Keith pop-up scheme, start-up businesses use, with the agreement of the property owners, existing suitable empty shops for a duration of up to 4 weeks at no cost, other than utilities.
- 3.5 Detailed guidance for property owners and pop-up shop businesses will be available shortly and is based on previously prepared documents under the Keith and Elgin CARS projects covering all aspects from mutual benefits, fixture and fittings, insurance, utility bills to legal requirements alongside an "expression of interest" form to create a rota of participating businesses for each location. The scheme will be supported by regular promotions in each area.
- 3.6 Ideally empty properties with a rateable value of up to £10,000 are sought, as they would qualify for the Small Business Bonus Scheme, allowing for the property owner to claim 100% business rates relief. However based on the Elgin CARS experience it may not always be possible to get the empty shops free of any charges if their rateable value is above £10,000 and it is proposed to create an overall budget of £50,000 over the next two financial years for the pop-scheme to allow for covering any potential property costs and associated promotional works and materials. It includes consumer focused marketing through traditional, social media & creative interactive activities.
- 3.7 To complement the Young Company Capital Investment Grant Scheme – HIE, working in partnership with Business Gateway, (funded by Scottish Enterprise), provides grant funding of up to 50% of costs of up to £50k for capital equipment for start-up or young companies/social enterprises (less than five years old) within the food, drink & textile sectors etc. but excluding retail, it is proposed to offer a grant scheme. The grants offered would be at an intervention rate of 50% of up to £10k to any successful pop-up shop

wishing to set up a permanent base. It would allow the start-up businesses to access capital funding, which is not otherwise available. It is proposed to provide a budget of £100,000 for the next financial year.

- 3.8 The above proposals will be administered by the Economic Growth and Regeneration Team, which includes Business Gateway and will provide any additional support, guidance and/or training opportunities for any of the pop-up scheme participants. Progress reports will be provided which will include the number of individuals/businesses assisted and those with positive outcomes and impacts on footfall in town centres where available.

#### **4. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The Town Centre Support proposals will contribute to achieve the corporate plan priority to promote economic development and growth, also the LOIP priority of a growing and sustainable economy. COVID 19 and the economic impact has strengthened the need to invest in the local economy.

**(b) Policy and Legal**

The Council considers support for economic development issues on their merits, against the objective to facilitate sustainable economic growth and the desired outcomes of the Ten Year Plan and Corporate Plan. For the pop-up shop guidance documents all relevant officers have been previously consulted. For the start-up grants, applications packs with grant conditions will be finalised in consultation with Legal.

**(c) Financial implications**

The proposals are part of the Economic Recovery Action Plan report presented at this meeting with the budget allocation coming from reserve earmarked for financial priorities of the Council.

As outlined in para 3.6 of this report, the requested total cost for the pop-up scheme is £50,000 split over two financial years. The allocation for 2020/2021 is £15,000 and for 2021/2022 £35,000.

As outlined in para 3.7, the requested start-up capital grants budget is £100,000 for the financial year 2021/22 and will be matched for the same amount by the applicants.

*Corporate Management Team Additional Expenditure Warning*  
*When the council approved the budget for 2019/20 on 27 February 2019 (para 4 of the Minute refers), the three year indicative budget before the council showed savings required in 2020/21 of £12.2 million and £6.7 in 2021/22. Although the final figures will vary, it is clear that the council will have to reduce its costs significantly across all services in future years. All financial decisions must be made in this context and only essential additional expenditure should be agreed. In making this determination the committee should consider:*

- *Is there a statutory requirement to incur the expenditure?*

Economic Development is a recognised function of a local authority, however the level of intervention is not defined in any statutory instrument.

- *Are there any alternative actions available to avoid or reduce the cost?*

As indicated in the Best Value Assurance Report 2020, the Council has chosen to reduce expenditure on economic development over the last 5 years to the point where we have the lowest spend per 1000 population in Scotland, while this coincided with a time of economic stability and significant pressure on Council finance, COVID 19 has had a severe impact on the economy which has required unprecedented Government intervention to support the economy, it is important that the Council seeks to address the local impacts and provide additional support where it can.

- *Are there alternative ways in which the service could be provided?*  
No

- *What are the risks and consequences of not allocating the funding?*

Although the funding asked for is significant in terms of Council budgets due to current financial constraints, it is considered the minimum necessary to provide support for business, town centres and capital investment. There is no other capital grant scheme for the start-up retail sector available in Scotland.

- *Does the expenditure contribute to long term financial stability?*

Long term financial stability of the Council is inextricably linked to the long term sustainability of the economy, the creation of jobs, housing and business to maintain an active and healthy population is essential, economic downturn will have a corresponding negative impact on Council finances and demand on services.

*If in light of these factors the spend is considered essential, Committees should consider how it could be accommodated within the service budget, including what other activity would have to cease or diminish with what impact and risk. Only following these considerations should request be made to the Council for additional budget allocation.*

*If the additional spend recommended in this report is approved, this will increase the savings targets by £15,000 to £12.215 million in 2020/21 and by £135,000 to £6.835 million in 2021/22.*

*While in isolation these figures may not be significant, the cumulative impact of all new pressures will require to be taken into account for future years. If the committee recommends additional budget to be allocated this recommendation will be considered in the next quarterly budget monitoring report in the context of the current overall financial*

*position of the council and in particular in the overall context of spend beyond affordable limits that impinges on the Council's reserves policy position.*

**(d) Risk Implications**

The economic impact associated with COVID 19 will continue until such time as a vaccine programme has been implemented. The risk associated with the severe economic impacts on jobs could have lasting effects on young people and worsen demographic changes and outward migration.

**(e) Staffing Implications**

As outlined in the Economic Recovery Plan report, workloads with Economic Growths and Regeneration section which includes including Business Gateway will remain high for the foreseeable future. Priority will remain with the economic recovery work associated with the action plan and some work of the team will have to be put on hold for now to enable the recovery work to take place.

**(f) Property**

There are no property implications

**(g) Equalities/Socio Economic Impact**

There are no equalities impacts arising from this report.

**(h) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, Paul Connor (Principal Accountant), the Democratic Services Manager and the Equalities Officer have been consulted and comments received have been incorporated into the report.

**5. CONCLUSION**

**5.1 The proposals for pop-up shops with follow up capital start-up grants are part of a range of transformative investments, which drives local economic activities and re-purpose town centres to become more diverse, successful and sustainable.**

**5.2 If approved, it complements Moray's Town Centre Capital Fund Investments allocation and supports the Scottish Towns Partnership Scotland Love Local national campaign, which is backed by the Scottish Government and a range of partners to encourage the public to support local shops and businesses whilst continuing to follow public health advice during this pandemic.**

Author of Report: Reni Milburn, Economic Growth & Regeneration Manager

Background Papers: Documents on file in Economic Growth & Regeneration section.

Ref:

