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**REPORT TO: MORAY COUNCIL ON 6 APRIL 2022**

**SUBJECT: COVID ECONOMIC RECOVERY FUND**

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

**1. REASON FOR REPORT**

- 1.1 To inform the Council of the recently announced COVID Economic Recovery Fund and to seek approval for the proposed Council allocations.
- 1.2 This report is submitted to Council in terms of Section III A (2) of the Scheme of Administration relating to long-term financial plans.

**2. RECOMMENDATION**

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

- (i) £400,000 for the extension of the Flexible Food Fund;**
- (ii) £400,000 for a Discretionary Business Support Fund;**
- (iii) £410,000 for Town Centre Capital business improvements and start – up grants**

**3. BACKGROUND**

- 3.1 COSLA Leaders and Ministers have agreed an £80million flexible Local Authority COVID Economic Recovery Fund. The Council share of this fund is an estimated £1.28 million. At the beginning of March 2022 the guiding principles were issued. The overarching policy intent of this funding is to support local economic recovery and cost of living impacts on low-income households. **APPENDIX I** of this report provides the details of the 5 guiding principles.
- 3.2 **Flexible Food Fund (FFF)** - This was developed in-house in May 2020 in response to the Scottish Government principles of managing a food fund during the pandemic. In line with these principles the FFF provides local flexibility, financial support and a whole household, whole needs response. Moray's approach to food and financial insecurity has been recognised as best practice by the Scottish Government as it offers a cash-first solution alongside a holistic and long-term support service for individuals

and families experiencing extreme financial hardship. From 5 January 2022, FFF payments were enhanced to include a contribution towards fuel costs utilising the Scottish Government's Winter Support Funding. As this funding ended 31 March 2022, it is proposed that the FFF is extended through 2022/23 financial year utilising the Scottish Government's Economic Recovery Fund with a budget of £400,000.

- 3.3 **Discretionary Business Support Fund** – A budget of £400,000 is proposed for providing £6,000 grants for those businesses which pay NDR and have been affected by COVID 19 control measures, and have not been able to get any further recent financial support from any of the administrative public bodies since the end of December 2021.
- 3.4 Businesses should be from, but are not limited to, the Hospitality and Leisure, and their Supply Chains, Events and Close Contact sectors. Retailers which offer Hospitality are also eligible. Applicants have to provide evidence to show that their business / services were reduced due to the December / January restrictions. Draft application form included as **APPENDIX II**.
- 3.5 **Town Centre capital business improvements and start – up grants** – It is proposed to provide a budget of £410,000 for Moray wide town centre business grants. The Town Centre capital business improvements grants are for inside and outside work to create a COVID safe environment and improve the attractiveness of the business to encourage people to shop local and to create greater footfall. The town centre definition includes village centre, but excludes industrial sites and out of town retail parks. It is proposed to provide these grants at an intervention rate of 75% up to a maximum of £15,000 to reflect that most businesses have little reserves left as a result of the pandemic. Draft application form is included as **APPENDIX III**.
- 3.6 For the start-up grants for businesses to set up in any Moray town centres, it is proposed to provide an intervention rate of 50% up to a maximum of £10,000, to ensure it is line with the start-up grants for pop-up shop participants. It would allow the start-up businesses to access capital funding, which is not otherwise available. Draft application form is included as **APPENDIX IV**. Business Gateway will be available to provide any advice and support for all the start-up businesses.
- 3.7 A separate report on the agenda considers provision for the Scotland Loves Local scheme.

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

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

The proposals will contribute to achieving 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.

The draft applications with grant conditions are based on previously administered grants and will be finalised in consultation with Legal.

**(c) Financial implications**

The estimated £1.28 million Council allocation of the COVID Economic Recovery Fund allows the council to support local economic recovery and cost of living impacts on low-income households for the following proposed budget allocations over the financial year 2022/2023:

Flexible Food Fund £400,000

Discretionary Business Support Fund £400,000

Town Centre Capital business improvements and start – up grants £410,000.

A separate report on the agenda considers provision of £70k for the Scotland Loves Local Scheme.

**(d) Risk Implications**

The economic impact associated with COVID 19 will continue for the foreseeable future.

**(e) Staffing Implications**

Workloads within the Economic Growth and Regeneration section, which includes Business Gateway will remain high for the foreseeable future. Priority will remain with the economic recovery work associated with the economic recovery action plan.

**(f) Property**

There are no property implications

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

For the extension of the Flexible Food Fund, which includes fuel costs the Scottish Government guidance provides relevant data on potential risk groups which may be affected by financial insecurity. The scheme does not exclude any of these risk groups.

**(h) Climate Change and Biodiversity Impacts**

There are no direct implications for climate change and biodiversity arising from the proposals.

**(i) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Head of Finance, the Democratic Services Manager, the Benefits and Money Advice Manager, the Equalities Officer, the Human Resources Manager and Tracey Sutherland, Committee Services Officer have been consulted and comments received have been incorporated into the report.

Group Leaders have been consulted in the development of these proposals.

## **5. CONCLUSION**

- 5.1 The proposals for COVID Economic Recovery Fund provides much needed support for local economic recovery through offering a range of business support grants.**
- 5.2 It will also allow the extension of the Flexible Food Fund, which will provide crucial financial assistance to low-income households likely to experience severe hardship.**

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

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