

EAST RENFREWSHIRE COUNCILCabinet7 April 2022Report by Director of Business Operations & Partnerships and Director of EnvironmentFLEXIBLE LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND**PURPOSE OF REPORT**

1. The purpose of this report is to share an overview of the forthcoming Flexible Local Authority COVID Economic Recovery Fund and to give Cabinet the opportunity to shape the approach to this funding in East Renfrewshire.

RECOMMENDATIONS

2. It is recommended that Cabinet:
- a) Consider and approve the three-tiered approach detailed in this paper for use of the Local Authority COVID Economic Recovery Fund.
 - b) Agree, in principle, the funding allocation for the noted posts (para 7) and that consideration will be given to any further temporary resource required to manage this fund.
 - c) Delegates to the Director of Business Operations and Partnerships and the Director of Environment to make initial commitments within the spirit of the national guidance and to bring a further update to Cabinet once the specific allocation is known and more detailed proposals have been developed.

BACKGROUND AND CONTEXT

3. COSLA Leaders and the Scottish Government have agreed a local COVID Economic Recovery Fund of £80M to be provided to councils. At this time, the exact allocation to East Renfrewshire Council has not been confirmed but this will be known in the coming weeks – early indications from the Head of Accountancy suggest this could be in the region of £1.48M. The funding will be available for use on a one-off basis from the end of 2021/22 and can carry into 2022/23.

4. The intent of this funding is to support local economic recovery and cost of living impacts on low-income households. The funding is flexible and designed to empower local authorities to utilise funding where they consider this necessary or justified based on local circumstances. On 25 February 2022 COSLA Leaders agreed the following principles to guide spend:

Overarching guiding principles:
Interventions made under this fund should be based on a clear economic recovery and/or low-income household support rationale
A collaborative approach towards sharing of best practice and learnings from different interventions should be adopted to maximise benefits and positive effects while minimising risk and unintended consequences
Principles of spend (Local Authorities may wish to allocate funding based on one or more of the following):
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
Projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific contexts
Support to low-income households, that are disproportionately impacted by the pandemic and the current cost of living crisis, to become more economically active

REPORT

5. As reported to Council on 3 March, we have recently undertaken research on the impact of COVID on East Renfrewshire residents. This, along with other relevant economic data, will allow us to take an evidence-based approach to allocating this funding in a targeted way. We will review local and national best practice and learnings through relevant network groups such as the National Child Poverty Leads group and Scottish Local Authorities' Economic Development (SLAED) Group. This will allow us to meet the overarching principles outlined above.

6. Within East Renfrewshire Council, we propose a three-tiered approach to this fund, which we believe will provide an appropriate balance of support for the local economy as well as low-income households:

- i. Support to businesses who are linked to low-income households. This will focus on prioritising support to businesses in sectors with lower-paid staff. This will aim to reduce any adverse COVID impacts to employees and, where relevant, support towards increased fair work practices (i.e. Real Living Wage accreditation).
- ii. Support to businesses who have been most adversely affected by the pandemic. This will support the wider economic recovery across East Renfrewshire. This support will include direct support to businesses (including compliance with COVID requirements) as well as initiatives to stimulate economic activity (including the 'Shop Local' campaign).
- iii. Support to low-income households who have been most adversely affected by the pandemic. This will focus on providing direct (i.e. shopping vouchers, food) and indirect (i.e. advice around income maximisation and fuel poverty) support to residents. This

will be targeted at those households most in need as identified in the research findings and by ongoing engagement through the Child Poverty Oversight Group.

7. In the short-term, there are two temporary officer posts which we recommend be extended from this funding. Both posts provide support to businesses and residents to adapt to changing circumstances and we believe this need will continue beyond the current post end dates. The COVID Compliance Officer post in Environmental Health is currently funded until the end of March 2022; we would recommend extending this post until the end of March 2023 at a cost of c.£40,000. The Fuel Poverty Officer post is currently funded until June 2022; we would recommend extending this post until the end of March 2023 at a cost of c£35,000. Whilst we do not yet know the exact allocation of the funding to East Renfrewshire at this time, we expect the level to be sufficient to cover these posts. Consideration will also be given to the resources required to manage this fund and whether any further temporary resource is required.

8. Given that the Council has not yet received its specific funding allocation, it is recommended that Cabinet delegates initial spend commitments to the Director of Business Operations and Partnerships and the Director of Environment with decisions in line with the guidance on use of the fund and aligned with the above 3-tier approach. A further report be submitted to Cabinet in the summer giving more detail on spend within this fund.

FINANCE & EFFICIENCY

9. There are no mainstream financial implications beyond the allocation of the one-off Flexible Economic Recovery Fund. The funding will be issued by the Scottish Government and there will be close contact with the Accountancy Service to monitor spend and adherence to conditions of use and there will be a national reporting requirement to allow councils to share learnings with the Scottish Government. East Renfrewshire's exact allocation of the £80M fund is yet to be confirmed, although the Head of Accountancy estimates this could be in the region of £1.48M.

CONSULTATION & PARTNERSHIP WORKING

10. The allocation of funding will be informed by the evidence gathered through the recent consultation and community research findings around the impact of COVID in East Renfrewshire. In delivering support, we will utilise ongoing multi-agency partnership working including the Humanitarian Group, the Child Poverty Oversight Group, and the Local Employability Partnership. A further report on use of the fund will be brought back to Cabinet in the summer.

IMPLICATIONS OF REPORT

11. There are no specific implications of this report in terms of staffing, property, legal, ICT, equalities, or sustainability. The intention of this funding is to support work to mitigate the widening inequalities arising from the pandemic and support local economic recovery. Any proposals funded will be required to consider these implications for that project.

CONCLUSION

12. This funding will provide much needed support to our local businesses and residents who have been adversely impacted by COVID-19. The recent research and engagement findings allow the opportunity to take an evidence-based approach to target this funding to the areas of most need and which are likely to see the greatest impact.

RECOMMENDATIONS

13. It is recommended that Cabinet:

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- d) Agree, in principle, the funding allocation for the noted posts (para 7) and that consideration will be given to any further temporary resource required to manage this fund.
- e) Delegates to the Director of Business Operations and Partnerships and the Director of Environment to make initial commitments within the spirit of the national guidance and to bring a further update to Cabinet once the specific allocation is known and more detailed proposals have been developed.

March 2022

Director of Business, Operations and Partnerships & Director of Environment

REPORT AUTHOR

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BACKGROUND PAPERS

Strategic Planning, Council 3 March 2022