

EAST RENFREWSHIRE COUNCILCABINET13 October 2022Report by Director of EnvironmentLOCAL DISCRETIONARY FUND BUSINESS SUPPORT INTERVENTIONS**PURPOSE OF REPORT**

1. The purpose of this report is to provide Cabinet with proposals for the use of funding allocated to Councils from the Scottish Government to increase their response to local economic pressures.

**RECOMMENDATIONS**

2. The Cabinet is asked to:
- a) Note the allocation of funding from the Scottish Government to East Renfrewshire Council; and
  - b) Agree to the use of Local Discretionary Funding as set out in the proposed interventions in paragraph 7.

**BACKGROUND AND REPORT**

3. As part of the Scottish Government's ongoing response to the COVID pandemic an additional allocation of £1.25M has been awarded to East Renfrewshire Council for the Local Discretionary Fund to support local businesses. The first tranche of grant funding from the Local Discretionary Fund was £539,846 and was awarded December 2020. This resulted in 133 businesses being supported through a one off payment of £4,000.

4. In order to appropriately spend the £1.25 million, the Economic Development team have been involved in a number of ongoing consultations with the local business network since early summer 2022 to identify and design a number of proposals that would benefit the long-term economic growth of the area and that also fits with local, regional and national objectives, such as support to the green economy, tourism and increased footfall in our town centres.

5. Up until the end of March 2024, this proposed programme will support and complement current and future provision such as the Local Authority Covid Economic Recovery (LACER) Fund and the UK Shared Prosperity Fund – (Support to Local Business intervention element).

Purpose of the Fund

6. Unlike previous Covid funds, which have been targeted towards specific groups or sectors, this fund empowers local authorities to direct additional financial support to specific groups or sectors based on the distinct characteristics within the business community where they consider this to be necessary or justified. This recognises the insight that Councils have on their own business community and their knowledge of where funding would be most effectively deployed.

Proposals**East Renfrewshire Business Assistance**

7. It is proposed that the £1.25M be deployed in a strategic manner and as quickly as possible to help businesses grow over a 3-4 year period as follows:

**Growth Grant Funds (£1,000 to £10,000 with 50% match funding required)**

Funding towards new equipment, tooling, property, exhibitions, new products or processes, as well as marketing activities, innovation, research and IT hardware purchases.

**Businesses supported**           **14+**  
**Total allocated:**               **£85,000**

**Special Growth Grant (up to £50,000 with 50% match funding required)**

Businesses should have a turnover in excess of £500,000 and a workforce of at least 10 employees to qualify for this grant and based on the growth grant criteria

**Businesses supported**           **14+**  
**Total allocated:**               **£650,000**

**East Renfrewshire Tourism Grant (up to £5,000 with 50% match funding required)**

This is a collaborative tourism business approach to encourage up to around six local businesses to work together to develop projects such as trails, marketing, websites and phone apps that encourage more visitors into East Renfrewshire.

**Businesses supported**           **6+**  
**Total allocated:**               **£10,000**

**Get to Zero - Grants (Up to £10,000)**

Funding for sustainable technologies such as solar, thermal, air and ground source systems as well as low energy lighting, insulation and more energy efficient equipment

**Businesses supported**           **18+**  
**Total allocated:**               **£182,828**

**Get to Zero - Green Jobs Training (Up to £1,000)**

Funding for non-statutory training that upskills the workforce in green technologies and energy efficiency systems.

**Businesses supported**           **10+**  
**Total allocated:**               **£10,000**

**Micro Grant Funds (Up to £500 grant award)**

Small businesses (under £85,000 turnover) can apply for one grant per year to assist in small business growth or diversification through a piece of equipment, E-commerce activity, training, health and wellbeing of the workforce or ideas testing

**Businesses supported**           **130**  
**Total allocated:**               **£60,000**

**Support for Local Events**

Support to East Renfrewshire Chamber of Commerce, Business Improvement Districts and other partners for local community and business events that encourage economic activity and encourage increased footfall within our town centres and within their surrounding areas.

**Businesses supported**           **7**  
**Total allocated:**               **£30,000**

## **Marketing Costs**

Promotion of the various grant schemes to local businesses to encourage maximum take up.

**Total allocated: £10,000**

8. The programme outlined above would support over 287 local businesses with specific growth activity that would allow them to trade into a positive future through improved job retention, job creation opportunities and increased turnover. Funds would also support other partners' activities to bring economic value and benefit to the local economy.

### **Benefits:**

- Targeted and bespoke support to businesses who have the potential to grow, including new starts. Success will be measured by increased turnover, more jobs created and survivability
- Will benefit wider economic activity across East Renfrewshire in terms of growth and employment generating opportunities
- Will make a positive contribution towards GVA
- Would be able to support all sectors within East Renfrewshire

### Committed Funds

9. A number of activities have been completed between October 2021 and March 2022 as part of the first tranche of the Local Discretionary Fund programme. This includes payments to fund PPE / Adaptations grants and a limited amount of payments to cover individual business closures due to COVID outbreaks.

10. In order to administer these funds and assist businesses through the grants process extra staffing will be required to support these proposals as well as develop a coherent support network for East Renfrewshire businesses. There are two staff posts required immediately for a 2 year period to assist the Economic Development team in the delivery of a wide range of business growth activities including the processing of grants. These can be funded through the Local Discretionary Fund allocation.

### **Staffing Costs 2 years**

Grade 8 post = £71,123.65 incl. 30% employer costs

Grade 6 post = £64,007 incl. 30% employer costs

Total staffing costs plus IT equipment totals £136,130.65.

## **FINANCE AND EFFICIENCY**

11. There are no financial implications arising directly from this report. All activity will be funded through the Scottish Government Local Discretionary Fund allocation of £1.25 million.

12. The Council must comply with the conditions of the grant, as set out in Scottish Government's Offer of Grant.

## **CONSULTATION AND PARTNERSHIP WORKING**

13. Consultation has taken place with a range of key stakeholders within the local business community including the Council's Economic Development team, Business Gateway East Renfrewshire Council, East Renfrewshire Chamber of Commerce and the 3 Business Improvement Districts.

**IMPLICATIONS OF THE PROPOSALS**

14. There are no equalities, IT or staffing implications associated with this report. There are no state aid implications associated with the proposals.

**CONCLUSIONS**

15. The use of the Local Discretionary Fund as outlined in paragraph 7 will allow the £1.25M to be deployed in a strategic manner to help businesses grow up until March 2024.

**RECOMMENDATIONS**

16. The Cabinet is asked to:
- a) Note the allocation of funding from the Scottish Government to East Renfrewshire Council;
  - b) Agree to the use of Local Discretionary Funding as set out in the interventions in paragraph 7.

Director of Environment

Further Information can be obtained from: Michael McKernan, Economic Development Manager [michael.mckernan@eastrenfrewshire.gov.uk](mailto:michael.mckernan@eastrenfrewshire.gov.uk)

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