

£30M DISCRETIONARY FUND TO SUPPORT BUSINESSES

1. INTRODUCTION

- 1.1 This report provides Members with information on the new £30 million discretionary fund, sets out proposed key principles that will be applied when determining how the fund will be managed and a recommended approach to progress the determination of an eligibility criteria.

2. RECOMMENDATION

- 2.1 Members are asked to:

1. Approve the key principles, as outlined in paragraphs 3.11 – 3.14 which will guide the creation of eligibility criteria to be applied when assessing fund applications.
2. Approve the creation of the eligibility criteria is delegated to the Executive Director with responsibility for Development and Economic Growth in consultation with the Leadership Group.

3. DETAIL

Background

Committee is being asked to approve these key principles and delegate the creation of the eligibility criteria to the Executive Director with responsibility for Development and Economic Growth in consultation with the Leadership Group.

Developing the Principles

- 3.5 Officers have been working to try and identify local priorities and any specific gaps in COVID funding to date. This has included seeking feedback from officers who have supported businesses and administrated other support funds. Furthermore feedback has been sought from external stakeholders including HIE, the Argyll Economic Resilience Forum and the Federation of Small Businesses.
- 3.6 Since March 2020 there have been a total of 28 funds launched and further funds are under consideration. This commenced with the Business Support Grants of £10k and £25k with these then replaced by increasingly smaller niche grants targeting specific sectors. These funds have been administered by a wide range of public bodies. New grant funding was put in place from November for businesses required by law to close or restrict their operations under the Strategic Framework. This will remain in place until March 2021.
- 3.7 As a consequence of this widespread landscape of funds and the differing ways they

The Principles

- 3.11 Principle 1 – The fund will initially target businesses who have received no support from any other COVID specific fund. Applicants will be expected to provide a self-declaration to confirm this. This will be considered tranche 1 of the fund.
- 3.12 Principle 2 – The fund will be open for applications for a pre-determined period of time before any payments are awarded. This will allow the quantum of applications to be assessed which will help determine what the individual awards should be. The first payments will be processed in January once officers can be redeployed to assess applications and process payments.
- 3.13 Principle 3 – Individual awards will be made at a flat rate to be determined once the volume of applications has been assessed. This does not necessarily mean it will be set at a rate which ensures the entire fund is disbursed.
- 3.14 Principle 4 – In the event that tranche 1 does not result in the fund being fully disbursed then a second tranche will be considered which targets businesses who have already received COVID specific funding but are faced with particularly severe financial pressures. This will require greater administration as there would need to be a more complex assessment process.

4. CONCLUSION

- 4.1 A new discretionary fund will be available for the Council to manage which is to target businesses under financial pressure due to COVID. A set of principles have been developed which will be used to develop eligibility criteria once the Scottish Government has issued guidance in relation to the fund.

5. IMPLICATIONS

- 5.1 Policy – Committee is asked to delegate the creation of the eligibility criteria to the Executive Director with responsibility for Development and Economic Growth in consultation with the Leadership Group.
- 5.2 Financial – The grant payments are fully funded by the Scottish Government, there will be administrative costs to the Council if staff are redeployed for an extended period of time.
- 5.3 Legal – None
- 5.4 HR – None
- 5.5 Fairer Scotland Duty: None
 - 5.5.1 Equalities – None
 - 5.5.2 Socio-Economic Duty – None
 - 5.5.3 Islands Duty – None
- 5.6 Risk – Reputational risk to the Council if the fund is not managed transparently and in a manner consistent with agreed eligibility criteria
- 5.7 Customer Service – None

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Policy Lead: Councillor Robin Currie (Leader of the Council)

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