

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 14 January 2021

COVID-19 Business Support

Executive/routine	Routine
Wards	All
Council Commitments	2

1. Recommendations

- 1.1 It is recommended that Committee:
- 1.1.1 note the work that has been done to date on distributing COVID-19 grant support to businesses in Edinburgh; and
 - 1.1.2 agree to discharge paragraph 3.1.8 (as set out below) of the motion by Councillor Cameron, as approved at the City of Edinburgh Council of 19 November 2020.

Paul Lawrence

Executive Director of Place

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COVID-19 Business Support

2. Executive Summary

- 2.1 The Council has been supporting the distribution of funding for several Scottish Government schemes to address financial hardship in businesses during the ongoing COVID-19 pandemic.
- 2.2 This report shows that, to date, grant awards have been made to over 11,300 Edinburgh businesses, with funding in excess of £123,000,000.

3. Background

- 3.1 On [19 November 2020](#), the City of Edinburgh Council approved the following motion:
 - 3.1.1 Council notes that Small Business Saturday 2020 takes place on 5 December 2020 and that the day-to-day environment within which businesses operate has changed vastly due to Government restrictions and efforts to minimise and mitigate the risks and impact of COVID-19 on Public Health;
 - 3.1.2 Council notes the impact of COVID-19 on key industry sectors of our economy, including hospitality, entertainment, the arts and creative sectors, our festivals, leisure, culture and attractions;
 - 3.1.3 Council notes that from 1 January 2021, businesses will be required to comply with new rules following the UK leaving the EU Single Market and Customs Union. Council recognises that we must work to support businesses when they come into effect on 1 January 2021;
 - 3.1.4 Council further notes challenges which Edinburgh businesses are continuing to face; and welcomes the investment and changes to operational arrangements made by Edinburgh business owners to comply with COVID-19 restrictions and to keep patrons, customers and employees safe;
 - 3.1.5 Council recognises the work undertaken to support businesses through business support, through work within the regulatory department to make it easier for businesses to adapt as we move through different restriction levels

and the work done to distribute grants which has been of vital importance to businesses throughout the pandemic;

- 3.1.6 Council also notes that work has also begun on the new Economy Strategy which will build on previous strategies with a focus on good growth, wellbeing, sustainability and tackling poverty and inequality, but which will also need to adapt significantly to reflect the twin challenges of Brexit and the Coronavirus;
- 3.1.7 Council therefore calls for a report in one cycle to the Housing, Homelessness and Fair Work committee to set out the work that is being done on the Edinburgh Guarantee, in partnership with businesses across the city; and
- 3.1.8 Council calls for a further report, in one cycle, to the Housing Homelessness and Fair Work committee that gives a detailed update, on business support that has been paid to Edinburgh businesses including insights and feedback received on the efficiency of the process.

4. Main report

- 4.1 The Council has been supporting several Scottish Government business schemes to address financial hardship during the ongoing COVID-19 pandemic. To date, these schemes include:
 - 4.1.1 Business Grant Scheme (06/04/20 – 31/07/20) - £117,960,000 to 9,600 businesses;
 - 4.1.2 Coronavirus Restrictions Fund (09/10/20 – 17/11/20) - £3,177,600 to 1,300 businesses;
 - 4.1.3 Newly Self Employed (NSEFH) and B&B Hardship fund (30/04/20 – 30/07/20) - £1,016,000;
 - 4.1.4 Covid-19 Contingency Fund (Nightclubs and Softplay) (04/11/20) – £575,000 to 17 businesses as at 26/11/20;
 - 4.1.5 Covid-19 Furlough Support Fund (10/11/20 – 30/11/20) - £676,500 to 410 businesses as at 26/11/20; and
 - 4.1.6 Coronavirus Strategic Framework Support Fund (2/11/20 – ongoing) - 1st quarterly payment on 27/11/20.
- 4.2 In addition, on 17 November 2020, the Scottish Government announced further support for businesses, including:
 - 4.2.1 A £30,000,000 discretionary fund to enable Local Authorities (in all Tiers) to provide additional support for businesses where they consider that necessary or justified; and

- 4.2.2 An additional £15,000,000 for newly self-employed people (in all Tiers) who have not been able to access other forms of support.
- 4.3 This activity has been a huge logistical and administrative exercise and, at key points, over 100 Full Time Equivalent (FTE) staff have been involved.
- 4.4 Essential tasks have included: interpretation of evolving Scottish Government guidance; creation of online application and payment processes; coordinating overlapping schemes; remotely training a large team; promoting grants through appropriate channels; assessing thousands of applications; dealing with complex queries relating to Scottish Government guidance; and ultimately distributing millions of pounds of critical payments to businesses across the city.
- 4.5 This has been achieved in addition to continuing 'Business as Usual' essential activities, including benefits, welfare, council tax and business rates administration, Business Gateway and employability activities. These services have been maintained throughout the pandemic, whilst also moving to a complex large-scale homeworking model.
- 4.6 There have been some instances where payments have been delayed to businesses at critical times where clarity has been required on the scheme guidance.
- 4.7 A review of the administration of the early schemes has concluded with a positive audit outcome. The minor recommendations have been built the administration of later schemes.
- 4.8 Officers are now effectively engaged with Convention of Scottish Local Authorities (COSLA), Scottish Local Authorities Economic Development Group (SLAED) and the Scottish Government on the evolving nature of the new schemes. This has helped to ensure that the Council is more involved in the early framing of new schemes and the related administrative tasks.

5. Next Steps

- 5.1 The Coronavirus Strategic Framework Support Fund is in place now for the foreseeable future.
- 5.2 The Contingency Fund and the Furlough Support Fund are drawing to a close and should be complete by the middle of December.
- 5.3 At the time of writing, additional funds such as the Discretionary Fund and additional support for newly self-employed are being still being scoped. Once guidance for these funds has been received, officers will develop criteria to support specific Edinburgh businesses.

6. Financial impact

- 6.1 From the funds set out in paragraph 4.1, as at 26 November 2020, the Council has made grant awards to over 11,300 businesses, with grants in excess of £123,000,000. The administrative costs to support the work to date is approximately £900,000.

7. Stakeholder/Community Impact

- 7.1 Council officers consulted with business contacts via Business Gateway as well as with Federation of Small Businesses (FSB) and Edinburgh Chamber of Commerce (ECC) to establish feedback from the business community.
- 7.2 Overall, feedback was positive, and it was acknowledged that officers had been working hard to provide support when businesses most needed it. A key theme was around businesses who have fallen through the eligibility cracks of the support provision.
- 7.3 ECC reported back that, while they had not directly asked their members about the support available, they had heard very few issues from their membership base around the efficiency of the support processing which led them to believe that businesses were generally happy with the applications process;
- 7.4 FSB said *"In general, we had a lot of businesses report delays in accessing grant support in the very early days of the Business Support Fund but this was largely addressed when additional staff were brought in to deal with the backlog. After that point, I'd say that the council was very good at dealing with applications and was very responsive to well-argued appeals. Personally, I found dealing with the City of Edinburgh Council on grant applications a far more responsive process than with some other local authorities."*

8. Background reading/external references

- 8.1 [Strategic Framework Business Fund](#)
- 8.2 [Coronavirus Restrictions Fund](#)
- 8.3 [Covid-19 Business Contingency Fund](#)
- 8.4 [National Support Page](#)
- 8.5 [City of Edinburgh Council Support Landing Page](#)

9. Appendices

- 9.1 None.