

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest includes a crown with four maple leaves, a shield divided into four quadrants (top-left: a ship, top-right: a stag, bottom-left: a ship, bottom-right: a grizzly bear), and a banner at the bottom with the motto "CANOE FOR ALL".

## **Agenda Item 5**

**Economic Recovery Plan 20/21  
Action Plan – update report**

**Falkirk Council**

**Title:** Economic Recovery Plan 20/21 Action Plan – update report

**Meeting:** Executive

**Date:** 17 November 2020

**Submitted By:** Acting Director of Development Services

**1. Purpose of Report**

- 1.1 The purpose of this report is to provide an update in relation to proposed support for the area's economy during 20/21 as part of delivery of the Council's three year Covid-19 Economic Recovery Plan.

**2. Recommendations**

- 2.1 **It is recommended that the Executive agrees the proposed allocation of funds for economic recovery purposes as set out in section 4 of this report.**

**3. Background**

- 3.1 On 17 September 2020, the Emergency Executive considered a report on the finalised version of the Covid-19 economic recovery plan 2020-22. The plan identified the need for additional resources to deliver on the measures contained in the plan, particularly to assist work relating to the Investment Zone, support for business, employability and town centres. In addition to agreeing to the recommendations within the report the Executive:
- agreed that an approach be made to Business Loans Scotland requesting the withdrawal of £232,132 of funds to support the emergency business support measures noted in the recovery plan with details of these being brought forward to Members for approval.
  - agreed that the requirement for additional resources to support delivery of the plan be determined by the Council in its consideration of its capital and revenue budget reports at the meeting on 30 September.
- 3.2 Council at its meeting 30<sup>th</sup> September approved revenue funding of £300k in the current financial year to support the Economic Recovery Plan, with further funding to be considered as part of the 2021/22 and 2022/23 Revenue Budgets.
- 3.4 On 18<sup>th</sup> September the Scottish Government, as part of a £230 million economic recovery stimulus package, particularly aimed at supporting construction activity across Scotland, allocated £18 million to local authorities through the Town Centre Capital Fund. Falkirk Council was allocated an

additional £711k from these funds. This is in addition to the existing £1.9m Town Centre Capital Fund allocation made to Falkirk Council where expenditure has previously been agreed by Executive.

#### **4. Considerations**

- 4.1 The impact of Covid-19 on the national and local economy continues to be experienced and since Council 30 September, as the virus has continued to spread across the UK, further Scottish Government public health containment actions have been implemented. These have directly impacted businesses within the hospitality and leisure sectors and the wider local economy. With the announcement of the Scottish Government 5 Tier Alert Strategy it can be anticipated that the consequences of the virus will be further experienced across all parts of the economy. It is also anticipated that further UK and Scottish Governments measures will be announced and these will require to be implemented by partners locally to ensure that businesses and the area's workforces can take advantage of the support on offer.

#### **Economic recovery measures: funding allocations**

- 4.2 The following economic recovery measures, identified in the agreed recovery plan are proposed to be delivered; for the remaining financial year utilising:
- additional £300k revenue allocation for 2020-21;
  - return of funds from Business Loans Scotland, and
  - the additional allocation of £711k from the Town Centres Fund.

#### **A. 2020-21 Revenue Allocation (£300k):**

*Investment Zone* – to support preparation of Heads of Terms for the Investment Zone with the Scottish and UK Governments, the need for additional specialist consultant input has been identified. This support will provide specialist economic and technical advice to finalise the business case associated with each of the Investment Zone projects - **£50k**

*Employment Support* – working in partnership with the Falkirk Local Employability Partnership to support the delivery of both Scottish and UK unemployment initiatives, provide PACE support to assist growing numbers facing unemployment and develop further employer recruitment incentives to support job creation initiatives with local employers. Employment Training Unit will appoint two additional Employment and Training Co-ordinators, supporting an additional 80 participants annually - **£34k** (part year costs)

Delivery of additional support for Employer Recruitment Incentives (up to 44 places) and Job Creation Programmes funded by Falkirk Council and aligned to the various employability programmes within the Employment and Training Unit. These measures will target priority groups within the 25+ age band including Modern Apprenticeship support. This will complement the new national youth initiatives (Kickstart - an estimated 186 places; Youth Guarantee scheme – estimated 224 places) being implemented locally and ensure the right jobs, for the right person, at the right time - **£75k**

#### *Support Town Centres –*

Additional revenue support to Falkirk Towns Ltd to support business resilience, community well-being and environmental improvement activities to contribute to the strength, vitality and performance of town centres (including district centres). Through the provision of additional resources and maximising recent public Wifi investment, Falkirk Delivers will support businesses to switch to on-line trading and customer engagement; promote active travel measures for local delivery mechanisms; promote a District wide Gift Card to lock in local spend; support Covid-19 compliance measures; improve stewardship of public spaces and trading areas; promote access to digital grants and connect local people to town centres. The identified expenditure for these measures during 20/2021 will target Falkirk and other district centres and is as follows:

- Recruitment of 2 assistant town centre managers and a handyman - **£35k**
- Town Centre Maintenance Fund - ensuring recent town centre capital investment is fully maintained to ensure attractiveness of town centre environment - **£35k**
- Town Centre Trader Digital Business Support Grant - **£15k**

*Business Support –* Exporting support and deliver more localised business engagement and virtual networking programmes working with Stirling and Clackmannanshire Councils, Scottish Enterprise, Federation of Small Business and Forth Valley Chamber of Commerce to maximise business support opportunities peer to peer support and resources - **£20k**

Falkirk Council additional redundancy support measures and activities for local businesses, complementing the Scottish Government PACE initiative, providing immediate support to individuals who are at risk of redundancy - **£25k**

Introduction of a 1 year 'Check and Protect' App to support hospitality, leisure sector and town centre businesses such as hairdressers to securely check in visitors and collect data in line with official guidelines to support the Scottish Government Test & Protect Programme. This App has been adopted by several authorities across Scotland in partnership with the local Chambers of Commerce. There are direct links to national monitoring programmes to support a consistent approach to data gathering in the Falkirk area. The scheme will be delivered in partnership with Forth Valley Chamber of Commerce - **£4k**

Localised marketing campaign to support existing Visit Scotland commissioned promotional campaigns targeting local, national and international markets in preparation for Spring 2021 reopening - **£7k**

*Parking tariffs:* in support of town centre business recovery was a priority identified through consultation with traders. A review of parking was undertaken and it is considered that more flexibility in the current short stay parking tariffs, particularly the introduction of a reduced cost for a shorter time period, would encourage 'click and collect' customers to the town centre. It is therefore proposed that a new short term parking tariff of £0.50 for the first 30

minutes be introduced at all short term town centre parking locations (both on and off street) where an anticipated reduction of car parking income to the Council will be monitored and supported through the additional recovery support revenue. To introduce this change, all manual and remote ticket machines, and the 'RingGo' mobile platform will be amended to recognise the new tariff. The introduction of a new lower tariff is expected to reduce parking income for the Council, with an estimated monthly income reduction of some £10,000 compared to 2019. It is noted that the impact of Covid-19 restrictions has already reduced parking income by half. The introduction of the proposed changes to the parking tariffs will require to be advertised, due process for which takes approximately 3 weeks.

## **B. Financial Support for Business: (£232k of former Business Loans Funds)**

This direct support to businesses is funded from the reallocation of the Council's £232k balance held in the Business Loans Scotland fund. There is also an opportunity to extend these funds by seeking match funding to secure additional ERDF income for Falkirk of £140k (subject to a bid application submitted to Scottish Government). This will enable promotion, delivery and management of a total grant support budget of £350k, to be delivered from December 20 to September 2022.

The proposal is to create a Falkirk Council 'Coronavirus Business Support Fund', with a package of interest free loans and grants providing immediate help to businesses affected by the pandemic. It has been developed following a survey with local businesses and is designed to augment national programmes of support and make the biggest difference in the short-term to businesses and people self-employed. It will also include tailored guidance from the Council's in-house Business Gateway advisors.

The support will be provided via loans and grants and will comprise the following:

### *Business Restart Loan*

The Business Restart Loan (previously the Falkirk Business Loan Fund) offers small, start-up businesses and self-employed with interest free loans between £1,000 to £5,000 repayable up to three years, to assist with short-term cashflow. Eligible businesses will have been adversely affected by Covid-19. As Falkirk Council does not have a credit license, the loans will be delivered and administered by DSL Business Finance Ltd. It is proposed that the available budget for this fund be set at: **£115,000**

### *Business Resilience Grant*

The Business Resilience Grant will provide a 50% match-funded grant from £1,000 up to £10,000 to support small and medium sized businesses, including self-employed, in meeting changed objectives and plans for growth. This includes purchase of new equipment, property expansion or improvements or the costs to exhibit or develop new products and processes. To qualify for support, the business must operate from commercial premises in the Falkirk area.

### *Business Adaptation Grant*

The Business Adaptation Grant will provide a match-funded grant from £1,000 to £2,500 to help small and medium sized businesses, including self-employed, to adapt their premises to meet physical distancing requirements. This includes the purchase of screens, PPE and signage. To qualify for support, the business must operate from commercial premises in the Falkirk area. For expenditure between £1,000 and £2,000, the business pays the initial £1,000 and the grant will pay the difference; for expenditure between £2000 and £5000, the grant will pay 50% of costs.

### *Digital Boost*

The successful national Digital Boost programme has received an additional £1.5m to support businesses in their digital journey. Criteria have been set by the Scottish Government to include new activity and offer increased 1-2-1 specialist advisory support. A digital grant of up to £10k is available to businesses to help purchase hardware and software for their business. Forth Valley has been allocated a budget of £66k and this funding must be fully spent before 31<sup>st</sup> March 2021. Grants will be administered by the Digital Boost programme office. As well as targeting the fund, Falkirk Council has asked for £45,000 to employ a specialist digital consultant to complement the 1-2-1 specialist advisory support throughout Forth Valley.

### *PACE*

The Scottish Government has provided additional funding to support PACE activities and partners, awarded to Skills Development Scotland with £3m available to Local Authorities. Forth Valley will benefit from this funding and is expected to receive £180,000, from this Falkirk Council will receive £90,000 to provide support to individuals who are in scope for redundancy to increase their digital skills, provide additional employability support. As noted above, It is proposed that the Council contributes an additional £25k to support this intervention programme, focusing on assistance for businesses.

## **C. Town Centre Fund Additional Capital Allocation - £711k**

**Bo'ness** – Additional support for costs associated with Bo'ness library accessibility conversion works; acquisition of vacant longstanding town centre properties and match funding to support expansion of the e-bike network–  
**£155k**

**Denny** - Gable projection feature at Church Walk and match funding to support expansion of the e-bike network - **£46k**

**Grangemouth** – Additional support for costs associated with business relocations associated with demolition of Kerse Road and acquisition of longstanding vacant town centre premises - **£420k**

**Falkirk and Grangemouth** – Appointment of consultancy support to deliver town centre regeneration masterplans. These will assist the development of

the business cases for submission for financial support from the Scottish and UK Governments via the Investment Zone - **£90k**

## **5. Consultation**

- 5.1 A series of consultations involving local businesses and communities took place over the summer months to identify concerns arising from the effects of the pandemic and help finalise the measures contained in the economic recovery plan. The measures and funding support now proposed reflect the outcome of this consultation.

## **6. Implications**

### **Financial**

- 6.1 The revenue implications associated with this report have been highlighted in previous reports to Emergency Executive and Council. The measures identified for support are for 2020-21 and it is proposed that these can be continued into 2021-22 should additional funding be agreed by the Council at its budget meeting in February 2021.

### **Resources**

- 6.2 There are resource implications as a direct result of this report with the recruitment of two additional ETU Coordinators to establishment. These appointments will be made for a temporary period, acknowledging the decisions yet to be finalised on future funding allocations.

### **Legal**

- 6.3 There are no legal implications.

### **Policy**

- 6.4 The proposals contained in this report accord with the Council's policy priorities including the Council of the Future and the Economic Recovery Plan.

### **Risk**

- 6.5 Ability to deliver support this financial year could be impacted by additional national government public health policy measures arising from Covid-19 and introduction of any additional business support measures required to be delivered by local authorities existing resources.

### **Equalities**

- 6.5 No issues.

### **Sustainability/Environmental Impact**

- 6.6 There is no requirement to undertake a sustainability/environmental impact assessment directly as a result of this report. Several of the measures proposed will assist towards realising the Council's net zero carbon objectives.

## **7. Conclusions**

- 7.1 The impact of Covid-19 continues to have a direct impact on businesses in all sectors and the wider workforce of the Falkirk area. The interventions set out in this report set out significant support to the local business community, workforce and town centres during 20-2021 and lay a platform for continued support over the 3 years of the recovery plan.

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### **List of Background Papers:**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- **Economic Recovery Plan, Emergency Executive 17 September 2020**
- **COVID-19 Economic Recovery Plan**