

The background of the slide features the coat of arms of the Government of Nunavut. It is a shield divided into four quadrants. The top-left quadrant shows a stylized yellow building with a red roof. The top-right quadrant shows a white reindeer head with large antlers. The bottom-left quadrant shows a white sailing ship on blue wavy lines representing water. The bottom-right quadrant shows a white eagle with spread wings. Above the shield is a crown with four red maple leaves. Below the shield is a red banner with the text 'ANE FOR A' in white. The text 'Agenda Item 5' is centered over the top half of the shield.

Agenda Item 5

Economic Recovery Plan Action Plan - Update Report

Falkirk Council

Title: Economic Recovery Plan Action Plan – update report
Meeting: Executive
Date: 13 April 2021
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 support for the area's economy delivered during 2020/21 and set out proposed support to be delivered in 2021/22 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:

1. notes the progress on the Covid-19 Economic Recovery Plan
2. agrees the proposed allocation of funds for economic recovery purposes as set out in section 4 of this report.
3. notes the work being undertaken at a Forth Valley regional partnership level including proposals for a funding bid to be submitted to the Scottish Government's Bus Partnership Fund, as set out in section 4.9 of this report.
4. notes the announcement of additional funds being made available to the Falkirk area under the 'Levelling Up Fund' and the 'Community Renewal Fund' and agrees that a further report on the approach to these streams of funding be presented to the Executive.

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 Council, at its meeting 30th September, approved revenue funding of £300k in the current financial year to support the Economic Recovery Plan. The November Executive subsequently approved the allocation of these funds to deliver on the measures contained in the plan. In particular these focused on measures to progress work relating to the Investment Zone, support for business, employability and town centres. Progress on delivery of this support is set out in this report
- 3.2 In addition to carrying forward unexpended 2020/21 allocations, Council at its budget meeting 11th March approved further funding of £500k in the current financial to support the Economic Recovery Plan, with further funding to be considered as part of the 2022/23 Revenue Budgets. This report sets out proposed economic recovery measures to be delivered in the current financial year.

- 3.3 In addition to this work, officers have been progressing discussions involving Forth Valley partners to consider how economic recovery measures can be pursued across the region. This includes actions relating to business support, employability, tourism and access to funding support for transport improvement projects across the region.
- 3.4 Aligned with the recovery plan, announcements of financial support from UK and Scottish Government to address the impact of Covid-19 and prepare for recovery continue to be made. In this context, recent announcements made by the UK Government relating to its intention to replace EU Structural Funds with a 'Shared Prosperity Fund' are important to consider in how the economic recovery action plan measures should proceed over the longer term.

4. Considerations

- 4.1 The impact of Covid-19 on the national and local economy continues to be experienced. Since last reported to Executive the virus entered a further national wave across the UK resulting in significant further escalation of public health containment actions. The Scottish Government's 5 Tier Alert Strategy, set out Tier 4 national lockdown restrictions from midnight 4th January. This has directly impacted on delivery of aspects of business and reinforces the importance of maintaining an active response via the Economic Recovery Plan. In particular:
- the Fraser of Allander Institute suggest that the Scottish economy remains 7.2% below pre-pandemic levels; this compares to 6.3% in the UK
 - the Centre for Economic Performance suggests that 62% of self-employed workers are worse off as a result of the Covid-19
 - Scotland has a current unemployment rate of 5.9% and has experienced an increase of 79.8% since March 2020.
 - from March to January 2021, working age people claiming unemployment in the Falkirk area increased by 75.3%
 - unemployment for those aged 16-24 has increased from 675 to 1,240 from March 2020 to January 2021. This is an increase of 83.7%. The rate for youth unemployment now stands at 8.0% (for 25-49 year olds it is 6.0% and for over 50s, 4.2% - January 2021)
- 4.2 The Scottish Government's Strategic Framework suggests that it will be April 2021 before the first initial easing of the economy will be considered and only where World Health Organisation conditions are met. Clearly Tier 4 restrictions in response to the Covid-19 virus have added a significant and unprecedented financial impact on all businesses within the wider economy that have once again been required to close. Businesses in the retail, hospitality and leisure sectors have been particularly affected. To support businesses, UK and Scottish Governments announced further support measures which have once again been required to be implemented by partners locally to ensure that businesses and the area's workforces take advantage of the support on offer.

A. Delivery of Business Support schemes

- 4.3 From the outset of lockdown, the Council's Economic Development and Finance staff have combined to deliver a substantial range of financial support measures on behalf of the Scottish Government. Since April 2020, 20 different business grant funding schemes have been administered by Scottish local authorities including generic grant funds such as the Business Support Fund and Strategic Framework Business Funds, or specific sector funds for tourism and hospitality. Additionally targeted funds have been delivered to support the Newly Self Employed, Taxis and the Discretionary Fund for those businesses that have not been eligible for any grant support.
- 4.4 In total approximately 5,700 grant applications have been processed and awarded and £38.25m of funding dispersed to Falkirk businesses. This has involved economic development, revenues, business fraud and web services working together to support this effort. Funding schemes have been launched and applications processed, often over at short notice. In total, 20 separate application processes that have had to be developed and promoted on the Council's website and social media platforms. Appeals have also been considered and, where necessary, fraud investigated. Internal audit have reviewed this work and confirmed a 'substantial assurance' on all funds audited.
- 4.5 The Council is presently preparing to administer the Restart Grant from April 2021 for those businesses awarded Strategic Framework Business Fund awards. The table below summarise all funds administered and awarded as at 23 March 2021

SG CV-19 Grant Fund	Business Support Grants Processed & Awarded	Amount £m
Small Business Support Fund & Retail, Hospitality & Leisure Fund	2175	24.36
Contingency Fund - Nightclubs	2	0.075
Brake Restrictions Fund	169	0.463
Furlough Top-up Fund	87	0.143
Newly Self Employed Hardship Fund	145	0.29
Bed & Breakfast Hardship Fund	3	0.009
Discretionary Fund Phase 1	452	0.904
Discretionary Fund Phase 2	504	1.114
Taxi Fund	427	0.64
Strategic Framework (SF) Grant	893	4.443
SF Hospit, Retail & Leisure Top Up	809	5.527
Contingency Plus - Travel Agents	8	0.14
Contingency Plus - Brewers	2	0.02
Contingency Plus - Indoor Football Centres	1	0.025
Tourism - Exclusive Use	0	0
Tourism - Large Self Catering	6	0.012
Small Accommodation Providers Wave 1	3	0.018
Small Accommodation Providers Wave 2	0	0
Small Accommodation Providers Wave 3	3	0.018
Licensed Bingo & Casino Support Fund	2	0.1
TOTAL	5691	38.301

B. Economic recovery measures: funding support during 20/21

4.6 The following economic recovery measures were identified in the agreed economic recovery plan to be delivered during 2020/21, utilising:

- i) additional £300k revenue allocation for 2020-21;
- ii) return of funds from Business Loans Scotland, and
- iii) an additional allocation of £711k from the Town Centres Fund.

i) . Revenue Allocation for 2020-21 (£300k):

Investment Zone (allocation £50k)

Following announcements by the Scottish and UK Governments allocating £90m to the Falkirk Investment Zone, work has been progressing to agree Heads of Terms for delivery of the funding which is to commence in 2022-23. This required further specialist work on the development of business cases for submission to both governments. An initial submission was made in December 2020 and £10k was expended on this work. A further £40k is

committed to support infrastructure and strategic sites business cases which will progress the delivery of this initiative.

Employment Support

Due to rising unemployment, measures to augment the employability programmes operated by the Council's Employment & Training Unit were agreed:

- Staff (*allocation £34k*) - Two additional Employment and Training Co-ordinators were appointed in December 2020 to support front line employability initiatives. A total of £27k has been expended to date and the Coordinators are supporting 64 trainees.
- Programme (*allocation £75k*) - Recruitment Incentives and Job Creation Programmes funded by Falkirk Council commenced February 2021. £40k was allocated to 7 placements up to 31 March 2021, with the remainder allocated during 2021/22 as part of ongoing employer support outreach. Tier 4 national lockdown restrictions have impacted on rollout of this support as many employers have been required to close impacting on ability to benefit from support.

Support for Town Centres

Falkirk Towns Ltd (*allocation £35k*) recruited 2 assistant town centre managers and a handyman. All staff were recruited in December 2020. Direct interventions have been made in district centres with up to 31 businesses supported. All district centre business received written communications updating them on support (funding, PPE equipment top-up; District Gift Card engagement). Services were also rolled out to district centres including promotional photo opportunities and videos through Shop Local campaign. This resource enables Falkirk Towns Ltd to support business resilience, community well-being and environmental improvement activities to contribute to the strength, vitality and performance in the district centres.

- Town Centre Maintenance Fund (*allocation £35k*). Work took place to support Covid-19 compliance measures and improve stewardship of public spaces and trading areas. Some of this has been impacted by Tier 4 national lockdown restrictions but remains committed. This Fund will support key retail sectors in Falkirk town centre and the district centres as restrictions are eased. The funds will support the work of the Town Centres Covid Group and further anticipated costs associated with reopening as well as maintenance and public safety costs associated with management of non-essential retailing reopening in our town centres.
- Town Centre Trader Digital Business Support Grant (*allocation £15k*) Falkirk Towns Ltd have supported an increased digital presence for district centre retailers. To date 20 businesses have been engaged in a Gift Card website. Direct support for district centre retailers moving to digital trading has commenced however lockdown restrictions are causing delays to progress.

Business Support

Exporting support and localised business networking (*allocation £20k*). Given Tier 4 national lockdown restrictions with subsequent pressures on business support staff administering the Scottish Government Grant Funds as well as Brexit support from 1st January 2021, localised business engagement and virtual networking programmes have been postponed. This recognises that many UK Government, Scottish Enterprise and Business Gateway virtual programmes were targeted at businesses between January and March 2021. The funds remain committed with the Federation of Small Business and Forth Valley Chamber of Commerce to deliver peer to peer support and networking resources in Summer 2021 as restrictions are lifted.

PACE support for local businesses (allocation £25k).

Due to extended furlough support for businesses since November 2020, demand for PACE support has been limited and the anticipated support to individuals who are at risk of redundancy has not yet arisen. Further funding support has been allocated to local authorities by the Scottish Government for the period 2021-22 & 2022-23 to recruit a dedicated PACE Single Point of Contact to directly inform businesses. The Council's funding will be integrated into this role to provide workforce support to companies and impacted individuals.

Tourism (allocation £11k)

This funding has been directed to a refresh of the Visit Falkirk website and promotional video update to ensure that the information presented on attractions and the local tourism sector is 'visitor ready'. Area promotional marketing is under review as travel restrictions have remained in place since November. Additionally Scottish Government launched '*Check In Scotland*' to collect contact details of people who visit hospitality businesses, aligned with NHS Scotland's Test and Protect system.

Parking tariffs: in support of town centre business recovery was a priority identified through consultation with traders. Flexibilities in short stay parking tariffs were implemented to encourage 'click and collect' customers to the town centre. As Tier 4 restrictions remain in place, demand for town centre car parking has reduced. Investment has enabled introduction of the 'RingGo' mobile platform to new machines in the car parks. This investment and the measures to create greater flexibility in access to parking will be important in attracting footfall back to the town centre.

ii) Financial Support for Business: (£232k of former Business Loans Funds)

Business Resilience and Adaptive Grants

Following return of Business Loan Scotland Funds to the Council the Resilience and Adaptive grants were launched 11th January. To date 86 applications have been received and 23 grants awarded amounting to £102k.

These funds augment national programmes of support and make the biggest difference in the short-term to businesses and people self-employed with tailored guidance provided by the Council's in-house Business Gateway advisors. Both funds support small and medium sized businesses, including self-employed in meeting changed objectives and plans for growth or to adapt premises to meet physical distancing requirements.

Digital Boost

Through the Digital Boost Programme the Scottish Government introduced a pilot scheme to provide £10k grant support to businesses across Scotland. Nationally, 270 businesses received grant support of which 8 were in the Falkirk area. The funding was managed by COSLA with no cost incurred by Falkirk Council. The Digital Boost Programme also provided specialist 1-1 digital support for 23 businesses from the Falkirk area. A national pilot programme to appoint a contractor in the Forth Valley to support the Business Gateway advisers in digital support was not progressed due to the pandemic.

B. Town Centre Fund Additional Capital Allocation - £711k

- 4.7 Additional Town Centre Fund Capital Fund of £711k was committed by the Executive at its meeting in September 2020 and design and tendering work is now underway for projects in Bo'ness, Grangemouth and Falkirk town centres following consultation and feedback from Services, the community and local businesses.

In Falkirk, grant support is being offered for design work to repurpose large vacant retail units on the High Street. Signage and flexible charging infrastructure investment in council town centre car parks is also being progressed. Public realm, transport and pedestrian design improvements on Newmarket Street are being finalised for consultation.

In Grangemouth, the conservation appraisal of the old town is concluding and community engagement will be initiated late Spring. Additionally, significant relocation of existing businesses into vacant units within the town centre is concluding and a tender for demolition of the Kerse Road office block and subdivision of larger vacant retail units now being initiated.

In Bo'ness tender work is being initiated for the improved access to the Library and a building repair and shop front grant scheme for South Street property owners is being finalised by the Council's appointed consultants,

The roll out of town centre WiFi infrastructure to all town centres is concluding.

As set out to Executive, consultancy support has been identified to deliver town centre regeneration masterplans. This work will assist in the development of 'place principle' demonstrators for Falkirk and Grangemouth with a view to accessing financial support through the Investment Zone, the Scottish Government's recently announced Place Based Investment Fund and the UK Government's 'Levelling Up' fund..

The outcomes of this work will support the Investment Zone business case for a place-based investment fund, delivery of town centre action plans and development of work relating to '20 Minute Neighbourhoods'.

C. Proposed Economic Recovery Revenue Allocation 2021-22 (£500k):

- 4.8 In addition to carrying forward the committed 2020/21 allocations, Council at its budget meeting on 11th March approved further funding of £500k in the current financial to support the Economic Recovery Plan.

The following measures, identified in the agreed recovery plan are proposed to be delivered during 2021/22:

Investment Zone - £190k

In the Chancellor's 3 March 2021 budget speech the UK Government confirmed its contribution of £40m to deliver the Falkirk Investment Zone and agreed to accelerate funding for delivery over 10 years, commencing in 2022. Added to the £50m agreed by Scottish Government as contribution to the Investment Zone, this provides the area with £90m of funds over the next 10 years for measures for industrial innovation, place-making, improving infrastructure and reducing carbon emissions. Business cases for each of the Investment Zone projects now require to be developed in detail and it is proposed that this funding be allocated to take forward this work, in particular to progress the development of projects to create a national Carbon Capture Utilisation and Sustainable Manufacturing Campus. This will be developed in partnership with Scottish Enterprise and further supports the Council's net zero carbon aspirations.

Employment Support - £130k

An extension to the current temporary contracts for 2 staff recruited by ETU to provide continued support for Scottish and UK unemployment initiatives, provide PACE support and progress job creation initiatives with local employers (£80k)

Top up of Employer Recruitment Incentives, with funding allocated to those ineligible through other funding streams. Additionally, job creation programmes will be aligned to the various employability programmes within ETU. These measures will target priority groups including the 25+ age band and Modern Apprenticeship support. They will complement new national youth initiatives including Kickstart and the Youth Guarantee scheme being implemented locally. (£50k)

Town Centres - £130k

Continued revenue allocation for Falkirk Towns Ltd to support the District Centres with continued support for three areas of intervention:

- Continued employment of the 2 assistant district centre managers and handyman. Resilience support including environmental enhancements, social distancing signage, PPE top-ups, Gift Card uptake, sign-posting for grants and funding, content investment in public WiFi, business promotions and trader collaboration opportunities. (£80k)
- Town Centre Maintenance Fund – continued maintenance of town centre capital investment to ensure attractiveness of town centre environment – (£35k)
- Continued Town Centre Trader Digital Business Support (£15k)

Adaptation Grant - £50k

Given demand for the Business Resilience and Adaptation since 11th January 2021 and ongoing applications, it is estimated a further £119k of grants could be approved by end April 2021. This would reduce the available budget to £129,000 until September 2022. It is anticipated there will be an increase in the number of applications being submitted during the summer months when businesses refocus on the return to trading. There is therefore a need for more support to allow safe trading. An increase of £50k to the existing Adaptation Grant is proposed to provide support to an estimated 10 businesses.

D. National & Forth Valley regional recovery measures

- 4.9 In addition to these measures, and recognising the regional impacts of the pandemic, work has been progressing with partners across the Forth Valley to align the response and take advantage of combined action. This has involved work to support business (including delivery of digital boost programmes), employability and tourism. In addition, work has been taking place to develop a Forth Valley regional economic strategy which will be the platform for further work to support the regional economy and take advantage of future funding streams being made available at regional level.

The £500m **Bus Partnership Fund** was announced by the Scottish Government last year, but delayed due to the impact of COVID-19, and subsequently relaunched in November 2020. Initial applications are invited by mid-April 2021, and in order to make a bid to the fund, applications must be from partnerships working towards Bus Service Improvement Partnership (BSIP) status, as defined by the Transport (Scotland) Act 2019. A Forth Valley Bus Alliance has been formed comprising Falkirk, Stirling and Clackmannanshire Councils, SEStran, Bus Users Scotland and regional bus service operators including First Bus. This partnership aims to improve coordination of bus services in the Forth Valley area, and prepare bids to be made to the Bus Partnership Fund. The fund is to deliver targeted bus priority measures on local and trunk roads. As a consequence, work is underway to seek support for projects relating to this fund.

In relation to future funding, the UK Government has recently announced funding to replace the former EU Structural Funds. The Council is eligible to submit bids for support to the following funds:

- **The Levelling Up fund** offers support of up to £20m (£20m-£50m for exceptional projects) for projects to improve transport connectivity, improve town centre or promote cultural regeneration.
- **The UK Community Renewal Fund** will provide up to £3 million funding in 2021-22 for pilot projects to invest in skills, business support or assistance in getting people into employment.

Falkirk is identified amongst 100 priority places for support from these funds and work is taking place to identify suitable projects to align with the Council's Economic Recovery plan and Investment Zone proposals. Work is being put underway for the development of proposals relating to these funds and a further report will be brought forward to the Executive.

5. Consultation

- 5.1 A series of consultations involving local businesses took place during the summer of 2020 to identify concerns arising from the effects of the pandemic and this helped to finalise the measures contained in the Economic Recovery Plan. As the economy starts to reopen in line with the Scottish Government's Strategic Framework and once specific government support to businesses is understood, it is proposed a further consultation with the Falkirk area business community is undertaken Summer 2021. Consultation in relation to the disbursement of the new streams of funding support made available to the area will also be undertaken.

6. Implications

Financial

- 6.1 The revenue implications associated with this report have been highlighted in previous reports to Executive and Council. It is intended that the remaining funds from the 2020-21 allocation are rolled forward to enable continuity of delivery for this programme. The new measures identified for support are for 2021-22. As reported to Council on 11 March, the recovery plan noted the requirement for support of £500k in both 2021/22 and 2022/23 and therefore, in relation to the initiatives involving recruitment of staff (c£340k of the allocation) it is proposed that financial support be continued into 2022-23 to permit continuity of the recovery effort. Should additional funding be agreed by the Council at its budget meeting in February 2022, a further report on the remaining expenditure will be supplied to the Executive.

Resources

- 6.2 There are resource implications as a direct result of this report with extension of the existing two additional ETU Coordinators recruited to establishment December 2020. In addition, Falkirk Delivers has recruited 3 additional support staff. It is intended that these appointments be sustained for the remaining period of the recovery plan. to end 2022-23.

Legal

- 6.3 There are no legal implications.

Policy

- 6.4 The Falkirk Economic Recovery Plan and the proposals contained in this report accord with the Council's policy priorities set out in the Corporate Plan 2020-22 and its Business Plan priority under *Place - helping businesses to thrive and make Falkirk more prosperous*. Economic recovery is a Council of the Future priority project within the Enterprise workstream – *Investing for Inclusive Growth*

The proposed support to be delivered within the action plan will comply with the Council's procurement guidance, giving opportunity for local registered procurement portal suppliers with relevant experience to be considered for any contracts issued for tender as well as supporting local companies to bid from wider Scottish Government partner and stakeholders contracts.

Risk

- 6.5 The ability to deliver support during 2020-21 has been 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. These risks are anticipated to continue for a period during 2021.

Equalities

- 6.6 The proposals contained in the Economic Recovery Plan will help to advance the Council's equalities agenda, particularly in supporting unemployed people to access the labour market.

Sustainability/Environmental Impact

- 6.7 There is no requirement to undertake a sustainability/environmental impact assessment directly as a result of this report. Several of the measures proposed in the economic recovery plan, including the development of major projects proposed via the Investment Zone, will assist towards realising the Council's net zero carbon objectives.

7. Conclusions

- 7.1 The Covid-19 pandemic continues to have a direct impact on businesses in all sectors and the wider workforce of the Falkirk area. Measures have been delivered since November 2020 to assist in the response. However some measures have been impacted by the national lockdown or the provision of additional business support from government. These funds continue to be required and are committed for delivery in 2021-22.
- 7.2 The interventions set out in this report for 2021-22 propose continued support for the local business community, workforces and town centres and will help sustain recovery activity over the 3 years of the plan. By accessing additional external funding support from UK and Scottish Governments, it is anticipated that further impact can be achieved towards the area's economic recovery. These will also help lay foundations for a longer term recovery reflecting the Council's Investment Zone and net zero aspirations.

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Date: 01 April 2021

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**
- **Economic Recovery Plan, Executive 17 November 2020**
- **COVID-19 Economic Recovery Plan**