

ITEM No ...8.....

REPORT TO: POLICY AND RESOURCES COMMITTEE – 25 APRIL 2022
REPORT ON: LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 126-2022

1.0 PURPOSE OF REPORT

To recommend how the Council should allocate its share of the Scottish Government's £80m Local Authority COVID Economic Recovery Fund.

2.0 RECOMMENDATIONS

It is recommended that the Council:

Allocates its £2.32m share of the Local Authority COVID Economic Recovery Funding as follows:

- (a) £800k to implement a third Fuel Well scheme that targets support at those in greatest need;
- (b) £400k to provide funding to continue support for food provision across the city;
- (c) £200k to invest in additional resources to support individuals in accessing money and energy advice;
- (d) £500k to support a business recovery scheme;
- (e) £420k to be held as contingency to allocate in the light of demand for the above proposals or new pressures; and

Delegates to the Chief Executive the authority to finalise the above schemes and take the necessary steps to implement them at the earliest opportunity.

3.0 FINANCIAL IMPLICATIONS

The Council was allocated £2.32m that was received in 2021/22 for use in 2022/23 to support local economic recovery and the impact of cost of living rises on low-income households. This money will fully fund these one-off proposals.

4.0 MAIN TEXT

In February 2022 the Scottish Government established an £80m Local Authority COVID Economic Recovery Fund. The guiding policy intent of this funding is to support local economic recovery and cost of living impacts on low-income households. It is acknowledged that Local Authorities are best placed to understand the needs of businesses and communities locally and therefore will need flexibility to design and deliver interventions that best meet that local need.

Funding can be allocated in support of one or more of the following:

- interventions that support local economic recovery and contribute to businesses being able to move from surviving the period of trading restrictions towards recovery, growth, adaptation and building resilience;
- projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific context; or
- support to low-income households, that are disproportionately impacted by the pandemic and the current cost of living crisis, to become more economically active.

This committee report sets out proposed schemes that support these objectives.

FUEL WELL

It is proposed that £800,000 of the funding be allocated to a third Fuel Well Scheme.

Fuel poverty and increased living costs continue to be a concern for Dundee households. Energy bills have increased for most households since the energy price cap was increased from 1 April 2022. Those on default tariffs paying by Direct Debit will see an increase of £693 from £1,277 to £1,971 per year. Prepayment customers will see an increase of £708 from £1,309 to £2,017. A further increase is expected from 1 October 2022.

The initial fuel well scheme in 2020/21 managed to reach 2,700 households across Dundee and provided £295,000 to assist with fuel costs. In 2021/22 Fuel Well 2 paid out a total of £507,120 to support 4,088 households.

Council Advice Services, including Dundee Energy Efficiency Action Project (DEEAP) intend to build on the success of the previous two Fuel Well and commence Fuel Well 3 from October 2022 to support individuals experiencing winter fuel poverty. The scheme will link customers with other supports such as income maximisation, advice in relation to debt and of course longer-term support in relation to energy advice. Fuel Well 3 will continue with the successful partnership with SCARF Energy Advice, which has resulted in over £200,000 worth of energy efficiency measures installed via Fuel Well Dundee Case referrals.

In addition, the scheme will be extended to provide targeted fuel support for older residents in receipt of Council Tax Reduction. In 2021/22 this provided one off financial support to around 5,000 elderly residents within the city.

FOOD SUPPORT

It is proposed that £400,000 of the funding be allocated to support food provision which will be supplemented by funding carried forward from 2021/22.

The Dundee Food Network, co-ordinated by Faith In The Community, works with the Council to provide access to food across communities. Alexanders Community Development also play a key role in the distribution and logistics of the food supplies across the network. Last year the Council committed funding of £452,262 for food and other goods, as well as its coordination and distribution supports. During 2021/22 on average 4,042 people each week have been supported by this funding.

As there has been significant demand for food related supports throughout the pandemic and this continues due to cost of living pressures, the Dundee Food Network is working with Council officers on plans for beyond 2022/23.

In the meantime, it is estimated that £520,000 is needed to continue support during 2022/23, therefore a further allocation of £400,000 in 2022/23 for food stock and other household goods, as well as the logistical supports needed is proposed. This will be supplemented by a carry forward from the 2021/22 covid funding.

ADVICE SERVICES

It is proposed that £200,000 of the funding be allocated to enhance advice and support services

During the pandemic many Advice Services including Council Advice Services were reconfigured for homeworking. One area where work was curtailed was in the area of personal budgeting support/money advice where much of the work is undertaken face to face or in groups.

Due to the ongoing cost of living crisis it is anticipated we will see an increased demand for personal budgeting support and money advice. The additional £200K will build on the work supported by the Fairness Commission and extend Money Advice Workers in Brooksbank, CAB and Council Advice Services for a further year along with increasing capacity in SWF to meet continued increased demand.

BUSINESS SUPPORT

It is proposed that £500,000 from Dundee's allocation is dedicated to the establishment of a Dundee Business Growth and Innovation Fund

Throughout the pandemic Dundee City Council has managed over £60 million of funding support to local businesses which was explicitly targeted at enabling them to survive the impact of lockdown, targeted, at service sectors such as hospitality, retail, close contact and the taxi trade.

As the focus returns to a period of economic recovery, the provision of stimulus to businesses in key sectors, with ambition to grow, is vital to deliver the economic objectives set out in our city plan and the regional economic strategy. The proposed fund has a specific focus on the creation of new jobs in Living Wage employers, and those committed to achieving this status, in line with our Community Wealth Building approach.

The overarching aim of the fund is to assist local economic recovery by supporting businesses to move from survival to growth and help to stimulate job creation in the city. It is anticipated that the Fund will support the creation of 80-100 new jobs with an increase in business sales and turnover.

The fund will focus on small and medium size businesses (up to 100) in key growth sectors that contribute to economic expansion and minimise displacement (e.g. creative, digital, cyber and games; life sciences & healthcare; low carbon / renewables; manufacturing; engineering), offering grants of between £10,000 and £50,000 with 50% cash or in-kind match to support growth plans. Examples of eligible costs to include, but not restricted to, plant & machinery, new systems, property refurbishment and research and development.

CONTINGENCY

Since there is considerable uncertainty about where the greatest pressures will fall in the course of the year it is proposed that the balance of £420,000 is initially held as contingency to be used to support any new pressures or significant demand in one of the above allocations.

5.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

The Council Management Team were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

5 APRIL 2022

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