

## ECONOMY AND LABOUR MARKET

### 1. Summary

On 7 October, while announcing further measures to reduce the spread of coronavirus (COVID-19), the First Minister confirmed new business support to be delivered by local authorities, called the Coronavirus (COVID-19): Restrictions Fund. This is the second of two releases of statistics on this fund, which has four elements, for closure, hardship, furlough costs and contingency fund support for nightclubs and soft play centres.

Across Scotland 3,591 awards have been granted from the Hardship Fund, 3,673 awards from the Closure Fund. There were 2,171 Furlough Top-up scheme awards and 253 awards from the Contingency Fund, making a total of 9,688 awards granted. The vast majority of applications have now been processed, with only 12 applications still awaiting processing. Of those that have been processed, 71% (9,688) resulted in an award, while 29% (3,981) were rejected or referred/deferred (Table 1).

For the Closure Fund, 77% (3,129) of processed applications from businesses with a Rateable Value (RV) of less than £51k were accepted, whilst 23% (915) were rejected. For businesses with an RV greater than £51k, 67% (543) of processed applications were accepted, whilst 33% (268) were rejected.

For the Hardship Fund, 57% (3,038) of processed applications from businesses with a RV of less than £51k were accepted, whilst 43% (2,306) were rejected. For businesses with an RV greater than £51k, 63% (552) of processed applications were accepted, whilst 37% (318) were rejected.

For Furlough Top-up Scheme payments, a total of 2,354 applications were made across 18 local authorities. 92% of Furlough Top-up Scheme applications were accepted (2,171) and 7% were rejected, referred or deferred (170)<sup>1</sup>.

For the Contingency Fund, a total of 253 awards were made totalling £6.9 million.

The total funding available across Scotland for the Closure and Hardship funds was £27 million. Of this, £17 million (63%) has so far been paid to eligible businesses. This shortfall is not unexpected as funding was based on estimated maximum uptake which represented a conservative scenario.

The average fund spent per Local Authority for the Closure Fund was £631,986. The average fund spent for the Hardship Fund per Local Authority was £174,432. The average

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<sup>1</sup> 9 applications are awaiting the provision of further information from applicants.

fund spent for the Contingency Fund per Local Authority was £216,016. The average spend per Local Authority for Furlough Top-up scheme payments was £198,380.

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## 2. Introduction and background

### COVID-19 Restrictions Fund

To be eligible for the COVID Restrictions Fund support a business had to meet a number of eligibility criteria which were set out on the Scottish Government website. This included that the business premises must have been registered for Non-Domestic rates. Businesses that pay rates through their landlords rather than directly to a Council were also eligible to apply.

This Fund was administered by Local Authorities on behalf Scottish Government, and closed to applications on 3 November 2020.

The COVID-19 Restrictions Fund was made available to hospitality and other businesses required to close (except for takeaway) by the extended restrictions and for the period up to 2 November. To be eligible for this Closure Fund support a business had to meet a number of eligibility criteria which were set out on the Scottish Government website. This included that the business premises must have been registered for Non-Domestic rates. It operated as a two-tiered scheme, with a smaller grant of £2,875 for businesses with a Rateable Value (RV) of up to and including £51,000 and a larger grant of £4,310 for those businesses with a RV of £51,001 and above. Grants were available per premise; an upper limit of £21,000 in total applied to any eligible business operating multiple premises, which necessitated non-standard payments.

At the same time, Local Authorities invited applications for a Hardship Fund - with payments of £1,440 or £2,155, dependent on Rateable Value – to support some businesses that remain open but were still significantly impacted by the restrictions you had to be a producer/wholesale business based in Scotland supplying primarily short-life goods or produce to hospitality businesses required by the regulations to close or operate in a restricted way and able to evidence a 25% reduction in turnover during the brake period. Grants were made available per premise; an upper limit of £14,000 applied in total to any eligible business operating multiple premises, which necessitated non-standard payments.

On 30 October, the hardship grant was extended to Sports Clubs, Gyms and Swimming Pools that operate from their own non-domestic premises in the central belt if unable to deliver group exercise classes that would be a mainstream part of their business. The scheme was also extended to include bowling and other sports clubhouses with licenses. They were eligible for hardship grants (outside the central belt) and closure grants (inside the central belt).

These changes in eligibility meant that Local Authorities may have initially rejected or deferred these applications. However they were advised to revisit existing applications to ensure that any businesses that became eligible were allocated the correct support.

## **Furlough Top-up Scheme**

Furlough Top-up Scheme<sup>2</sup> grants of £1,650 provided businesses with help to meet the cost of re-furloughing staff by supporting the 20% employer's contribution that they required to pay under the current UK Government furlough scheme. This fund was open to businesses in the five health boards that have had to close due to increased restrictions. This fund covered the period until the UK wide job retention scheme comes into place on 1 November, which will replace this grant. It provided transitional support and reflects the reduced preparation timeframes for businesses. This fund was delivered through local authorities. Businesses that had already applied for a Break Restrictions Closure Grant were contacted by their local authority directly to add the furlough top-up to their application.

## **Contingency Fund**

The first phase of the Contingency Fund<sup>3</sup> provided one-off grants to two sectors that have been closed by law since March 2020: nightclubs and soft-play centres. The Contingency Fund operated as a three-tiered scheme with awards dependent on Rateable Value.

To be eligible for the Contingency Fund, businesses must have been closed since March 2020 and be within one of the two eligible sectors.

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<sup>2</sup> [Coronavirus \(COVID-19\): Restrictions Fund - gov.scot \(www.gov.scot\)](http://www.gov.scot)

<sup>3</sup> [Coronavirus \(COVID-19\): Business Contingency Fund - gov.scot \(www.gov.scot\)](http://www.gov.scot)

## 3. COVID-19 business support fund applications

### 3.1 Application status

Across Scotland 3,591 awards have been granted from the Hardship Fund, 3,673 awards from the Closure Fund, 253 from the Contingency Fund and 2,171 from the Furlough Top-up Scheme making a total of 9,688 awards granted.

The vast majority of applications have now been processed, with only 12 applications still awaiting processing. Of those that have been processed, 71% (9,688) resulted in an award, while 29% (3,981) were rejected or referred/deferred (Table 1).

The proportion of rejections for applications to the Hardship Fund is 42% compared to the Closure Fund at 24% and Furlough Top-up Scheme at 6%.

**Table 1: Application status at the national level, by fund type<sup>4</sup>**

Fund	Applications awaiting processing		Awards		Rejected, referred or deferred	
	Number	%	Number	%	Number	%
Hardship Fund	0	0	3,591	57.8	2,624	42.2
Closure Fund	3	0.1	3,673	75.6	1,183	24.4
Furlough Top-up Scheme	9	0.4	2,171	93.7	174	6.3
Contingency Fund	0	0	253	100	0	0
<b>Total</b>	<b>12</b>	<b>0</b>	<b>9,688</b>	<b>71</b>	<b>3,981</b>	<b>29</b>

### 3.2 Application status by Local Authority (LA)

#### 3.2.1 Hardship Fund by Local Authority

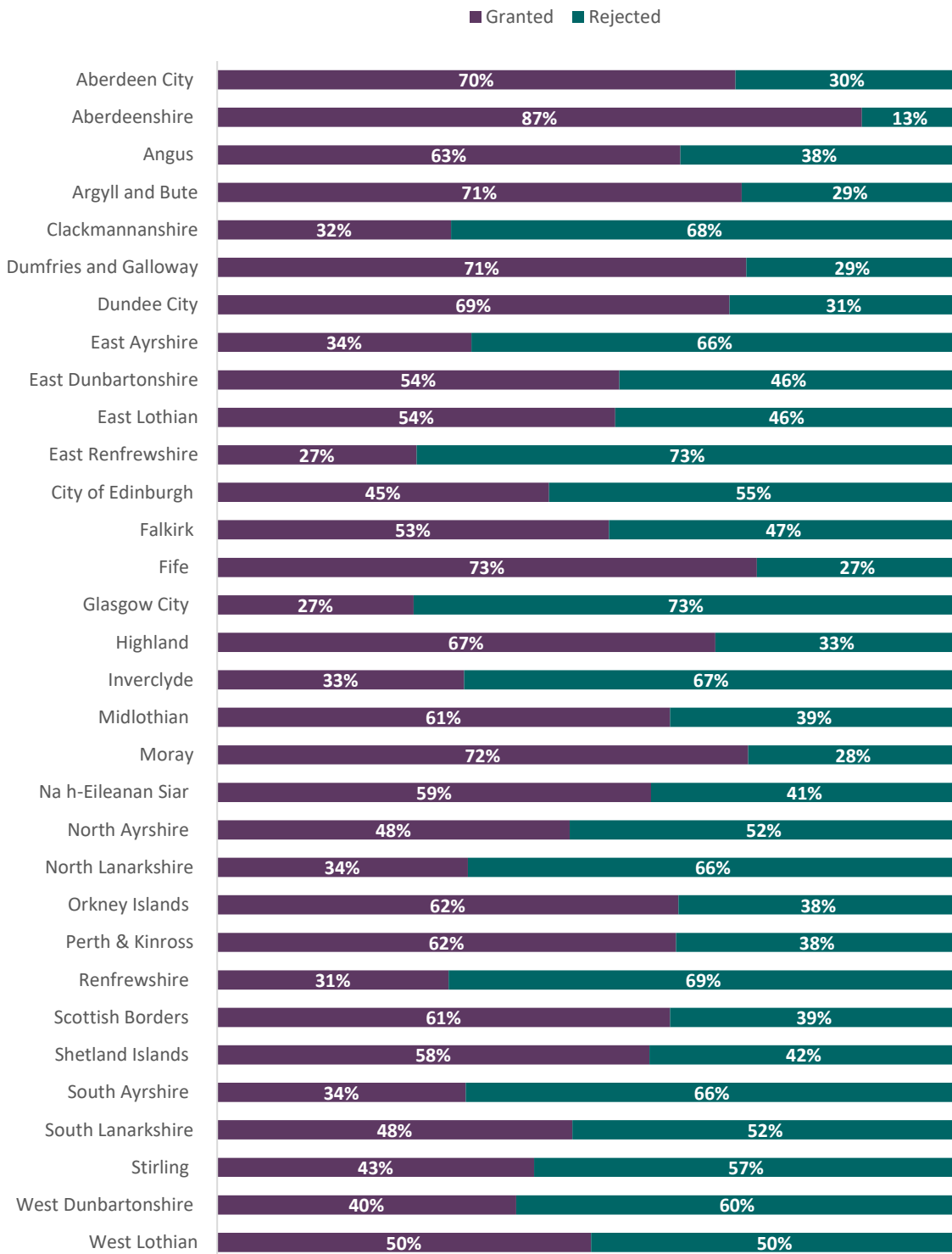
The percentage of applications awaiting processing, awarded, rejected and referred/deferred varied across Local Authorities (LA), see Figure 1. The percentage of awards was 58% at a national level, ranging between 27% and 87% at LA level translating to an average number of 112 awards across LAs.

The percentage of rejections was 42% at a national level, with an average of 82 in each LA.

Applications may be rejected, referred or deferred for a number of reasons including multiple applications made by a single business, not meeting the eligibility criteria or requiring additional information to be provided.

<sup>4</sup> Figures may not sum to 100 due to rounding. The vast majority of applications have now been processed, with only 12 applications awaiting further information.

**Figure 1: Hardship Grant Application Status by Local Authority**



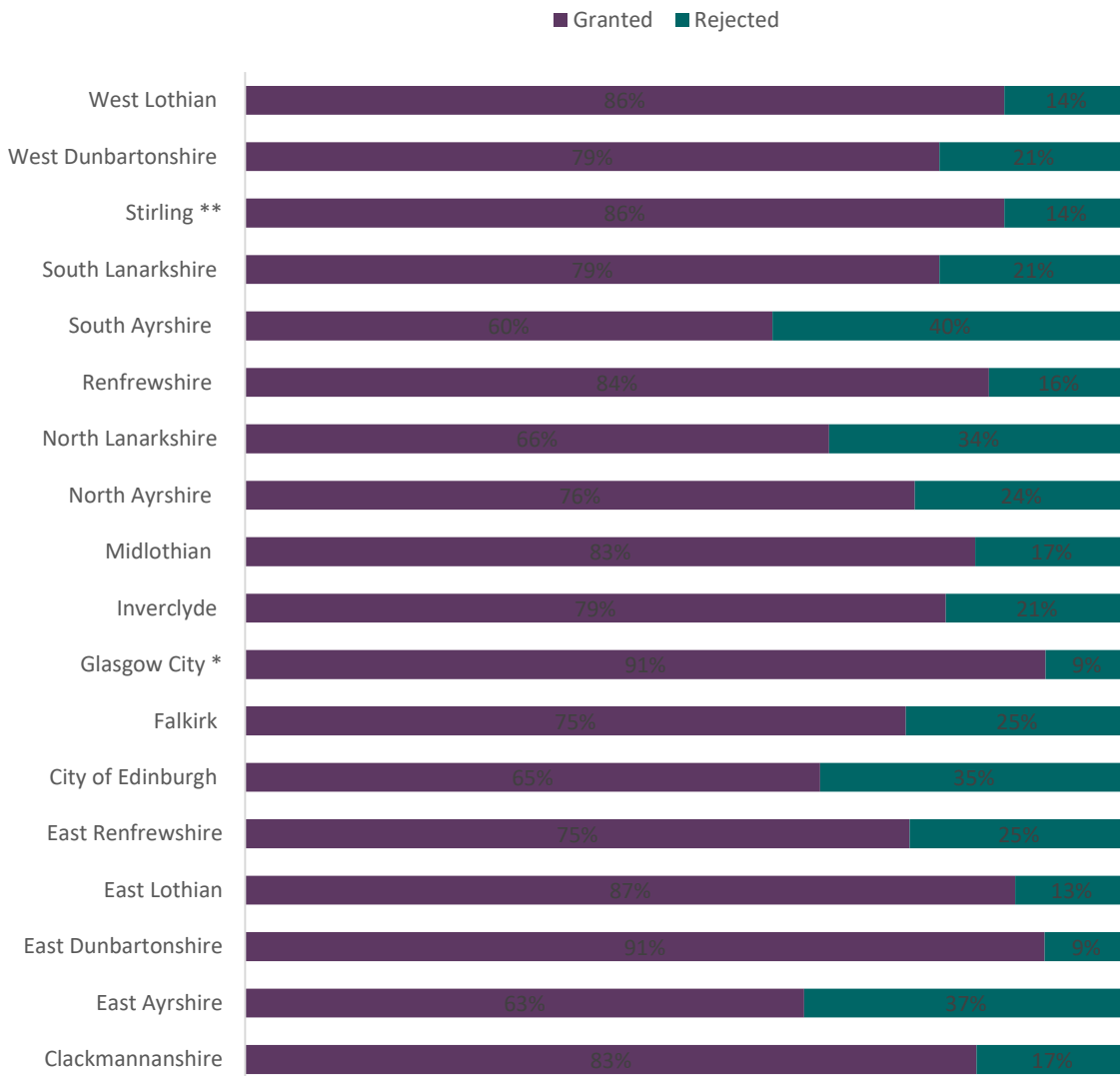
### 3.3 Closure Grant by Local Authority

The maximum number of closure grant applications at Local Authority level was 1,242 with the number of applications, as would be expected, correlating with the size of the Local Authority.

The proportions of applications accepted ranged between 91% (77 and 78) and 63% (133).

Overall, 24% of applications were rejected (1,183) with rejection rates ranging between 9% (8 and 8) and 40% (60).

**Figure 3: Closure Grant Application Status by Local Authority**

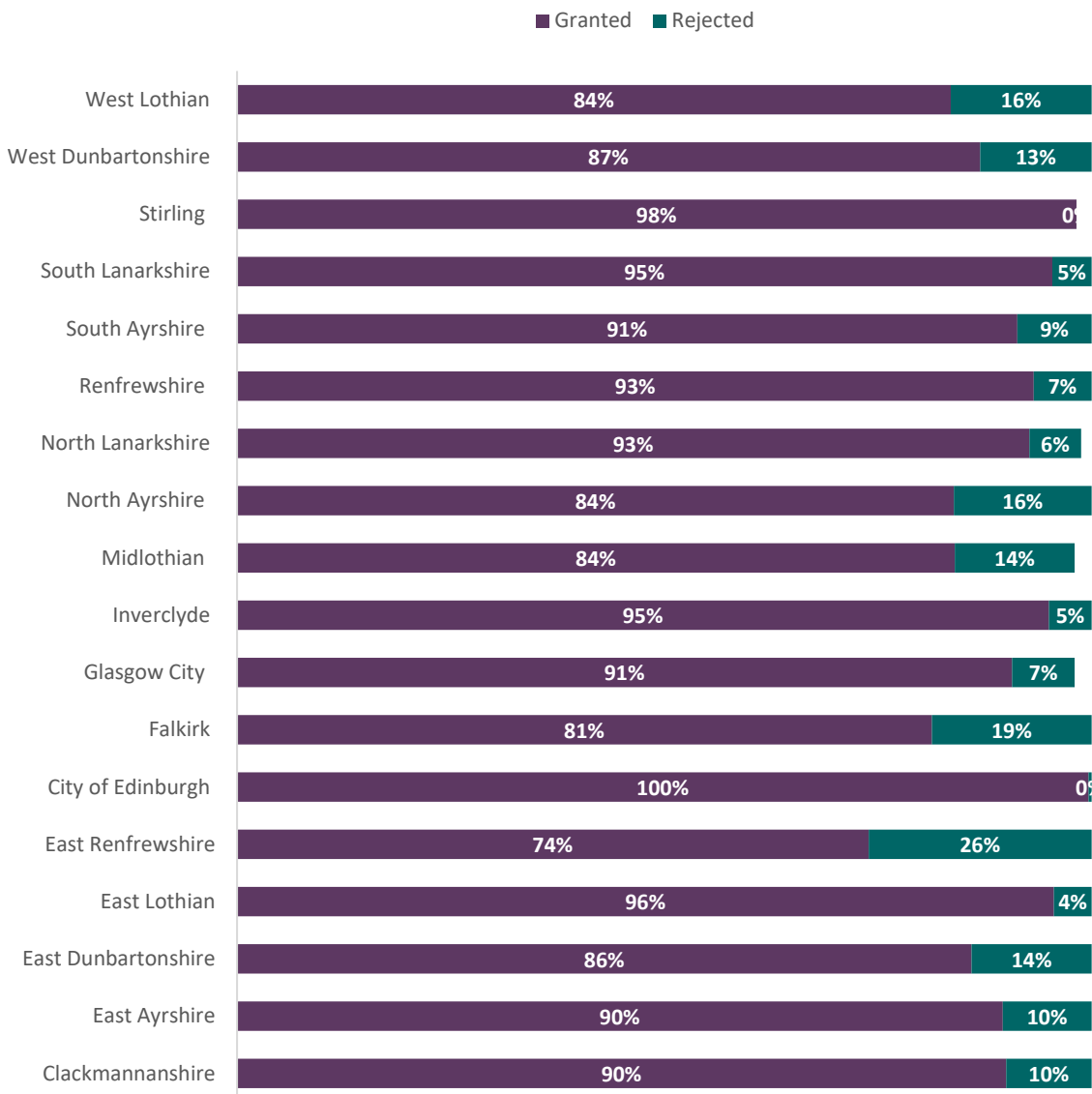


### 3.4 Furlough Top-up Scheme payments by Local Authority

A total of 2,354 furlough Top-up Scheme payments were made across 18 local authorities, with 2,171 awards. The number of successful applications ranged from between 100% (587) to 74% (34). Overall, 7% of applications were rejected (170).



**Figure 4: Furlough Top-up Scheme Payment Status by Local Authority**



### 3.5 Application status by rateable value

For the Closure Fund, in those businesses with a RV of less than 51k, 77% (3,129) of processed applications were accepted, whilst 23% (915) were rejected. For businesses with an RV greater than £51k, 67% (543) of processed applications were accepted, whilst 33% (268) were rejected.

For the Hardship Fund, in those businesses with a RV of less than 51k, 57% (3,038) of processed applications were accepted, whilst 43% (2,306) were rejected. For businesses with an RV greater than £51k, 63% (552) of processed applications were accepted, whilst 37% (318) were rejected.

**Table 2: Table of application status for processed applications, by fund and RV**

	Closure Fund					Hardship Fund				
	Awarded		Rejected, referred or deferred		Total	Awarded		Rejected, referred or deferred		Total
	Number	%	Number	%		Number	%	Number	%	
<£51k	3,129	77	915	23	<b>4,047</b>	3,038	57	2306	43	<b>5,344</b>
>£51k	543	67	268	33	<b>811</b>	552	63	318	37	<b>870</b>
Top ups	1	100	0	0	<b>1</b>	1	100	0	0	<b>1</b>
<b>Total</b>	<b>3,673</b>	<b>76</b>	<b>1,182</b>	<b>24</b>	<b>4,859</b>	<b>3,591</b>	<b>58</b>	<b>2,624</b>	<b>42</b>	<b>6,215</b>

### 3.5.1 Closure Fund by Rateable Value and Local Authority

As shown in Table 3 for larger businesses with a rateable value over 51K, 14 Local Authorities awarded grants to half or more of the Temporary Closure Fund applicants resulting in 543 awards.

The highest level for applications at Local Authority Level from businesses with an RV less than £51k was 1,010 of which 63% (633) resulted in awards. The highest proportion of awards for temporary closure funding for businesses with an RV less than £51k was 100% (109, 1 and 122).

**Table 3 Closure Fund application status by Rateable Value and Local Authority**

Local Authority	RV<£51k					RV>£51k				
	Applica tions	Awarded		Rejected, referred or deferred		Applica tions	Awarded		Rejected, referred or deferred	
		Number	%	Number	%		Number	%	Number	%
Clackmannan- shire	66	56	85	10	15	4	2	50	2	50
East Ayrshire	188	121	64	67	36	22	12	55	10	45
East Dunbarton- shire	72	68	94	4	6	13	9	69	4	31
East Lothian	126	108	86	18	14	15	15	100	0	0
East Renfrewshire	74	58	78	16	22	11	6	55	5	45
City of Edinburgh	1,010	633	63	377	37	232	176	76	56	24
Falkirk	109	109	100	0	0	53	12	23	41	77

Glasgow City	843	673	80	167	20	190	190	100	0	0
Inverclyde	82	75	91	7	9	4	3	75	1	25
Midlothian	90	65	72	25	28	18	11	61	7	39
North Ayrshire	173	145	84	28	16	16	5	31	11	69
North Lanarkshire	273	237	87	36	13	51	31	61	20	39
Renfrewshire	204	163	80	41	20	28	13	46	15	54
South Ayrshire	122	122	100	0	0	76	9	12	67	88
South Lanarkshire	265	231	87	34	13	40	26	65	14	35
Stirling	126	76	60	50	40	23	13	57	10	43
West Dunbartonshire	82	67	82	15	18	7	3	43	4	57
West Lothian	142	122	86	20	14	8	7	88	1	13
<b>Total</b>	<b>4,047</b>	<b>3,129</b>	<b>77</b>	<b>915</b>	<b>23</b>	<b>811</b>	<b>543</b>	<b>67</b>	<b>268</b>	<b>33</b>

### 3.5.2 Hardship Fund – by Rateable value and Local Authority

As is shown in Table 4, 17 local authorities awarded 50% or more of the total applications they each received to the Hardship Fund.

The highest level for applications at Local Authority Level from businesses with an RV less than £51k was 527 of which 65% (343) resulted in awards. The highest proportion of awards for hardship funding for businesses with an RV less than £51k was 100% (35). The highest level for applications at Local Authority Level from businesses with an RV more than £51k was 117 of which 14% (16) resulted in awards. The highest proportion of awards for temporary closure funding for businesses with an RV more than £51k was 100% (1, 2, 7 and 32).

**Table 4 Hardship Fund application status by Rateable value and Local Authority**

Local Authority	RV<£51k					RV>£51k				
	Applica tions	Awarded		Rejected, referred or deferred		Applica tions	Awarded		Rejected, referred or deferred	
		Number	%	Number	%		Number	%	Number	%
Aberdeen City	205	136	66	69	34	68	55	81	13	19
Aberdeenshire	225	193	86	32	14	37	35	95	2	5

Local Authority	RV<£51k					RV>£51k				
	Applica tions	Awarded		Rejected, referred or deferred		Applica tions	Awarded		Rejected, referred or deferred	
		Number	%	Number	%		Number	%	Number	%
Angus	191	119	61	72	38	9	6	67	3	33
Argyll and Bute	273	190	70	83	30	25	21	84	4	16
Clackmannan- shire	33	8	24	25	76	5	4	80	1	20
Dumfries and Galloway	366	258	70	108	30	19	17	89	2	11
Dundee City	237	167	70	70	30	32	19	59	13	41
East Ayrshire	120	37	31	83	69	17	10	59	7	41
East Dunbartonshire	34	18	53	16	47	1	1	100	0	0
East Lothian	60	29	48	31	52	7	7	100	0	0
East Renfrewshire	23	5	22	18	78	3	2	67	1	33
City of Edinburgh	462	201	44	261	56	96	49	51	47	49
Falkirk	36	33	92	3	8	51	13	25	38	75
Fife	430	309	72	121	28	41	34	83	7	18
Glasgow City	359	71	20	288	80	32	32	100	0	0
Highland	527	343	65	184	35	74	61	82	13	18
Inverclyde	34	11	32	23	68	8	3	38	5	63
Midlothian	32	19	59	13	41	4	3	75	1	25
Moray	165	115	70	50	30	15	14	93	1	7
Na h-Eileanan Siar	65	37	57	28	43	5	4	80	1	20
North Ayrshire	66	26	39	40	61	16	13	81	3	19
North Lanarkshire	111	29	26	82	74	25	17	68	8	32
Orkney Islands	51	31	61	20	39	2	2	100	0	0
Perth & Kinross	372	221	59	151	41	35	31	89	4	11
Renfrewshire	81	24	30	57	70	15	6	40	9	60

Local Authority	RV<£51k					RV>£51k				
	Applica tions	Awarded		Rejected, referred or deferred		Applica tions	Awarded		Rejected, referred or deferred	
		Number	%	Number	%		Number	%	Number	%
Scottish Borders	302	184	61	118	39	17	11	65	6	35
Shetland Islands	46	30	65	16	35	14	5	36	9	64
South Ayrshire	35	35	100	0	0	117	16	14	101	86
South Lanarkshire	101	44	44	57	56	20	14	70	6	30
Stirling	167	62	37	105	63	27	21	78	6	22
West Dunbartonshire	48	17	35	31	65	9	6	67	3	33
West Lothian	87	36	41	51	59	24	20	83	4	17
<b>Total</b>	5,344	3,038	57	2,306	43	870	552	63	318	6

## 4. Uptake and spend against budget

The total funding available across Scotland was £47 million. Of this, £47 million (63%) has so far been paid to eligible businesses. This shortfall is not unexpected as funding was based on estimated maximum uptake which represented a conservative scenario.

**Table 5: National level spend and budget complete**

Fund	Spend £ ('000)	% Budget complete
Closure	11,375.76	67
Hardship	5,581.84	57
Furlough Top-up Scheme	3,573.9	40
Contingency	6,912.5	63
Total	27,444	58

### 4.1 LA level spend and budget

#### 4.1.1 Closure fund<sup>5</sup>

At Local Authority Level uptake of funding for the 18 Local Authorities impacted by the restrictions for the Closure Fund ranged between 51% (£274,530) and 105% (£169,620). The average fund spent per eligible Local Authority was £631,986.

Most Local Authorities did not exceed their budget allocation, although as the scheme was demand led, any LAs exceeding their budget is neither unexpected nor problematic.

#### 4.1.2 Hardship Fund

At Local Authority Level uptake of funding for the Hardship Fund ranged between 30% (£314,365) and 86% (£22,305). The average fund spent per Local Authority was £174,432.

#### 4.1.3 Furlough Top-up Scheme

18 local authorities were eligible to make Furlough Top-up Scheme payments. The average spend across all eligible local authorities was £198,380.

#### 4.1.4 Contingency Fund

Across the 32 local authorities, £6.9 million of contingency funds were spent, with an average spend of £216,020 spent per local authority.

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<sup>5</sup> Three payments were made from two local authorities which were outside the area affected by the closure. Two businesses were headquartered in their area but the premises were located within LAs that were required to close by law and the third was due to a licensing condition that specifically prohibited them from using their outdoor space to serve customers. This resulted in their grant awarded upgraded from restriction to closure. Specifically this affected Fife and the Highlands which received total payments of £11,495 that is excluded from our calculations

**Table 6 Spend by Fund Type By Local Authority**

Local Authority	Closure		Hardship		Furlough	Contingency	Total LA Spend (£ '000)
	Actual spend (£, '000)	% Budget complete	Actual spend (£, '000)	% Budget complete	Actual spend (£, '000)	Actual spend (£, '000)	
Aberdeen City	-	-	314	30	-	485	799
Aberdeenshire	-	-	360	60	-	305	665
Angus	-	-	184	52	-	110	294
Argyll and Bute	-	-	319	53	-	60	379
Clackmannanshire	166	105	20	74	59	35	284
Dumfries and Galloway	-	-	408	77	-	170	578
Dundee City	-	-	281	52	-	150	431
East Ayrshire	399	67	75	72	114	80	668
East Dunbartonshire	234	89	28	59	81	75	418
East Lothian	375	96	57	68	107	45	584
East Renfrewshire	196	88	12	33	56	20	283
City of Edinburgh	2,578	64	395	73	966	1,100	5,039
Falkirk	386	78	76	66	144	75	680
Fife	-	-	518	56	-	320	841
Glasgow City	2,770	68	172	55	675	908	4,524
Highland	-	-	625	51	-	240	874
Inverclyde	229	60	22	86	94	50	395
Midlothian	234	64	33.83	75	69	128	465

Moray	-	-	196	60	-	200	396
Na h-Eileanan Siar	-	-	62	74	-	20	82
North Ayrshire	438	65	65	64	163	95	762
North Lanarkshire	815	81	78	54	252	410	1,556
Orkney Islands	-	-	49	39	-	60	109
Perth & Kinross	-	-	395	70	-	193	587
Renfrewshire	525	58	47	43	182	170	924
Scottish Borders	-	-	289	72	-	165	454
Shetland Islands	-	-	54	54	-	25	79
South Ayrshire	390	57	85	55	104	245	823
South Lanarkshire	776	65	94	47	239	455	1,564
Stirling	275	51	135	68	83	135	627
West Dunbartonshire	206	61	37	64	66	145	454
West Lothian	381	65	95	85	117	240	833
<b>TOTAL</b>	11,376	-	5,582	-	3,571	6,912	27,441
<b>AVERAGE PER LOCAL AUTHORITY</b>	632	-	174	-	198	216	858

## 5. Methodology

### 5.1 Data collection

Each Local Authority in Scotland has recorded information relating to applications received for the Strategic Framework Business Fund. Local Authorities in Scotland are the owners of these data.

Scottish Government asked all Local Authorities in Scotland to provide the following information, via a standardised excel template, for publication purposes;

- Number of applications received
- Number of applications rejected



- Number of applications referred or deferred
- Number of applications accepted (and therefore a grant awarded)
- Value of grants awarded

Scottish Government asked that this information be provided for both grants and business sectors, and within each fund for the information to be further split by rateable value (less than/equal to £51k and over £51k)

The requested information was to cover the period 9 October to 2 November. Information on support for furloughed workers was also collected .

## **5.2 Data reporting**

The information received from each Local Authority was amalgamated into a single dataset. This dataset was drawn from the aggregated templates received to create national level figures.

## **An experimental statistics publication for Scotland**

This is the second and final publication of these statistics and therefore they are labelled as experimental statistics. Experimental statistics are defined by the Code of Practice for Statistics as 'a subset of newly developed or innovative official statistics undergoing evaluation, that are published in order to involve users and stakeholders in the assessment of their suitability and quality at an early stage'. Official and National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. Both undergo regular quality assurance reviews to ensure that they meet customer needs and are produced free from any political interference.

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e-mail: [statistics.enquiries@scotland.gsi.gov.uk](mailto:statistics.enquiries@scotland.gsi.gov.uk)

<b>How to access background or source data</b>
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