
NORTH AYRSHIRE COUNCIL

7 June 2022

Cabinet

Title:	North Ayrshire Economic COVID Recovery Fund
Purpose:	The purpose of this report is to provide a briefing on the Economic COVID Recovery Fund and seek agreement for the proposed North Ayrshire Economic COVID Recovery Fund Investment Plan
Recommendation:	<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none">i. Notes the Scottish Government's recently announced Economic Covid Recovery Fund, which will see an allocation of £2.154m for North Ayrshire; andii. Approves the proposed North Ayrshire Economic COVID Recovery Fund Investment Plan

1. Executive Summary

- 1.1 The Economic COVID recovery funding, announced by the First Minister on 21st February 2022, allocates £80million of additional investment for businesses and communities to accelerate economic recovery. This funding will support local flexibility and must be fully utilised by 31st March 2023. North Ayrshire Council has been allocated £2.154m funding to support a new Economic COVID Recovery Investment Plan.
- 1.2 The proposed North Ayrshire Economic COVID Recovery Investment Plan has been aligned with both the Scottish Government's recently launched National Strategy for Economic Transformation (NSET) and the Tackling Child Poverty Delivery Plan 2022-26 and is focussed on the creation of a well-being economy, supporting a green and just transition and maximising the opportunities for ensuring reduced family poverty in North Ayrshire.

2. Background

- 2.1 The Economic COVID Recovery Fund provides an additional £80million for Scotland to support business and communities to accelerate economic recovery within local areas.
- 2.2 The policy intent of this funding is to support local economic recovery and the cost-of-living impacts on low-income households. It is acknowledged that Local Authorities are best placed to understand the needs of local businesses and communities and can design and deliver interventions to best meet local needs.

2.3 The overarching principles of this fund are to support:

- Interventions enabling local economic recovery and contributing to businesses being able progress towards recovery, growth, adaptation and building resilience
- Projects that can rebuild consumer confidence, stimulate demand, and enable economic activity
- Support low-income households, which are disproportionately impacted by the pandemic and the current cost of living crisis, to become more economically active

2.4 The funding cannot be used to increase the overall budget available for Scottish Welfare Fund and/or fund Discretionary Housing Payments.

2.5 COSLA's Settlement and Distribution Group recommended this funding is included in the Local Government Finance Order and paid as a Redetermination at the end of March 2022. The settlement for North Ayrshire totals £2.154m.

2.6 In March 2022, Scottish Government published the second 'tackling child poverty delivery plan' under the Child Poverty (Scotland) Act 2017. Outlining actions for the period 2022 to 2026, *Best Start, Bright Futures* sets out how key stakeholders will work together to deliver on Scotland's national mission to tackle child poverty. It is not solely a plan for the Scottish Government, it is a plan for all of Scotland, recognising the contribution all parts of society must make to deliver the change needed for children and families.

2.7 North Ayrshire faces significant challenges with over 6000 young people identified as living in poverty (approximately 27.9% of all children living in the area). The Scottish Government's recent Spending Review identified reducing child poverty as one of its three key priorities and has set ambitious targets for 2022-26. Although progress is being made in addressing child poverty in North Ayrshire, the pressure of the cost-of-living crisis following so quickly after the Covid-19 pandemic demands immediate systemic and far-reaching responses.

2.8 The Scottish Government has recently launched the National Strategy for Economic Transformation (NSET) with an overarching ambition to work towards the creation of a well-being economy, supporting a green and just transition. North Ayrshire Council's economic activities are aligned to this ambition and informed by the Council's Economic Recovery and Renewal Approach – which proposes to 'Build Back Better, Fairer and Greener'; NA's Community Wealth Building Strategy; NA Regeneration Delivery Plan; and the recently launched Island Plans. All these plans are action focused and this additional investment will support the delivery of them plan to support recovery more quickly.

2.9 Details of each proposal and how it aligns with the overarching principles of the COVID Recovery Fund, and the Child Poverty Fund is set out in the Appendix 1. These proposals require to be completed by 31st March 2023. In summary the North Ayrshire Economic Recovery Fund Investment Plan (Appendix 1) includes the following interventions:

- Public Transport Travel Scheme to support travel to work
- Digital Growth Fund for Businesses
- Support the delivery of the Council's Modern Apprentices Programme

- Create new Skills for Life work placements
- EQUAL Horticulture Intermediate Labour Market (ILM)
- Employer Recruitment Incentives (ERIs)
- £100 top up to the Summer Child Bridging Payments
- Review and improve support for childminders and OOSC providers
- Targeted employability opportunities for key families during Summer 2022
- Third sector support for programmes to support low-income families and individuals by building on current programmes
- North Ayrshire Fairer Food Network
- Support for the development of a North Ayrshire Child Poverty Strategy and Action Plan.

- 2.10 Throughout the recovery, local authorities, including North Ayrshire, have been taking part in national community engagement sessions, listening to business and reviewing the feedback and data in relation to the effectiveness of previous funding support. North Ayrshire Council works closely with its communities, who have been sharing their priorities through virtual community engagement sessions, as well as in-person through the resumption of targeted community activities such as community breakfast clubs.
- 2.11 The proposals in this report have been shaped by the voices of ‘lived-experience’ through the Fair for All Commission, young people, partners and the experience of the interventions supported by previous funding. It has also been shaped and informed by information and knowledge of demand for support and identification of capacity to realise an opportunity to scale up services quickly.
- 2.12 As a result, a number of investments are therefore proposed in relation to the following Covid principle: “Support low-income households, that are disproportionately impacted by the pandemic and the current cost of living crisis, to become more economically active.”

The proposals contribute to the child poverty delivery plan themes, focusing on:

- Relieving immediate financial pressure for key groups of families through direct payments and access to cost effective food, travel and other supports.
- Removing barriers to employment by supporting the Out of School Care sector in North Ayrshire and preparing for the forthcoming wrap-around care requirements outlined in the Scottish Government child poverty delivery plan; and
- Delivering employability and work placement opportunities for targeted, more vulnerable families.
- Supporting businesses to recover and grow by enhancing digital capacity and providing support to recruit.
- Creating new and additional job opportunities

3. Proposals

3.1 It is proposed that Cabinet:

- i. Notes the Scottish Government’s recently announced Economic Covid Recovery Fund, which will see an allocation of £2.154m for North Ayrshire;
- ii. Approves the proposed North Ayrshire Economic COVID Recovery Fund Investment Plan

4. Implications/Socio-economic Duty

Financial

- 4.1 These proposals are supported by external funds distributed to Local Authorities. The estimated financial profile is included as Appendix 1 of this report.

Human Resources

- 4.2 The proposals outlined will be supported utilising existing staff. In addition, the Connected Communities proposals include the creation of 5 temporary posts within the relevant areas of work to increase capacity for specific transition activity and deliverables:
- 1 temporary G12 Business Support Officer (12 months) post to identify and develop the support required for the Out of School Care sector;
 - 1 temporary G11 Business Support Officer (12 months) post to further extend and develop the North Ayrshire Fairer Food Network;
 - 2 temporary G9 Locality Workers (12 months) posts to coordinate 'Out and About Group' food growing and mental health and wellbeing activities and extend capacity at Eglinton Community Garden;
 - 1 temporary G12 Business Support Officer (12 months) post to support the transition to and coordinate the new Child Poverty strategy.

Legal

- 4.3 There will be grant conditions associated with any external funding awards. These will require to be reviewed with input from Legal Services prior to acceptance to inform delivery and to be managed appropriately.

Equality/Socio-economic

- 4.4 These proposals aim to support those most disadvantaged and will aim to address barriers and improve access and equality. An Equality Impact Assessment will be completed to ensure equality is considered as part of design and implementation of these proposed interventions.

Climate Change and Carbon

- 4.5 The Digital Business Support activity supports local business adapt business processes to maximise digital capabilities and opportunities as part of a green transition. The Active Travel proposal supports the use of public and sustainable travel to work options. The Fairer Food Network promotes local food growing.

Key Priorities

- 4.6 The approach will contribute to achieving a wide range of the Council Plan outcomes and ambitions: of an inclusive, growing and enterprising economy; for children and young people to have the best start in life; residents and communities enjoy good life-long health and well-being; and for a sustainable, vibrant, welcoming and attractive environment."

Community Wealth Building

- 4.7 These proposals directly contribute to the Community Wealth Building mission of enhancing local wealth and the creation of fair jobs and maximising the potential of all our places through working in partnership with our communities and businesses.

5. Consultation

- 5.1 North Ayrshire Council works closely with its communities, who have been sharing their priorities through virtual community engagement sessions, as well as in-person through the resumption of targeted community activities such as community breakfast clubs. The proposals in this report have been shaped by the voices of 'lived-experience' through the Fair for All Commission, young people, partners and the experience of the interventions supported by previous funding.

This has been informed by the Council Plan priorities, Community Wealth Building Strategy, Recovery and Renewal Strategy and Regeneration Delivery Plan (RDP) as well as the Scottish Government's Child Poverty Delivery Plan.

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Background Papers

Appendix 1: North Ayrshire Economic COVID Recovery Fund Investment Plan

COVID Economic Recovery Fund Intervention	Proposal	COVID Recovery Fund Cost	COVID Recovery Fund Principles	Child Poverty Delivery Plan Focus
Public Transport Travel Scheme	To support low-income households and individuals returning to work with free access to public transport for a fixed period e.g., three months of free access to bus or rail travel. Beneficiaries would be supported with a free personalised travel plan to identify the best travel option. This would support low-income households, access to employment, address transport poverty, build confidence in public transport post covid. Due to the nature of the travel cards this would benefit them for both work and their personal life as they could be used at evenings/weekends.	£20,000	1, 5	A, B, C
Digital Growth Fund for Businesses	To help support digital growth within our small and new start businesses.	£100,000	3	NA
Modern Apprentices	Support the delivery of the Council's Modern Apprenticeship Scheme.	£476,000	1, 5	A, C
Skills for Life	Create additional paid work placements for low-income families to gain skills, experience and qualification to progress to sustainable employment in the future	£120,000	1, 5	A, C
EQUAL Horticulture Intermediate Labour Market (ILM)	Create additional paid work experience opportunities for people with disabilities to work in the Equal community garden and gain qualifications in horticulture, skills and experience to progress to employment.	£120,000	1, 5	A, C
Employer Recruitment Incentives (ERIs)	Support employers to create a new and additional job for a benefit from a COVID Recovery Fund Priority Group	£240,000	1, 5	A, C

Additional Summer Child Bridging Payment	The Scottish Government already provide Child Bridging Payment funding to local authorities for each child in receipt of Free School Meals on the basis of low income. These payments are provided for all eligible children and young people of school age. The payments total £520 per annum and they are currently paid in spring, summer, autumn and winter at £130 for each eligible child. To help address the current cost of living pressures and to also recognise the needs of families of children of pre-school age it is proposed that the scheduled summer Child Bridging Payment of £130 be increased to £230 (additional £100 payment) and that eligibility for the £100 payment is extended to low income families of children of pre-school age. It is estimated that the £100 payment will benefit around 5,700 children (over 3,300 families) with payments made from late June 2022.	£570,000	1, 2, 4, 5	B
Review and improve support for child minders and OOSC providers	Aimed at sustaining local childcare provision, to support employability and offer positive placements for vulnerable children and those in kinship care. By the end of this parliament Scottish Government has committed to ensure provision of wrap around childcare for families who need it. Use of childcare has changed significantly because of Covid. OOSC providers face a particularly unstable business environment. Reduced use of OOSC services during lockdown and changed working patterns provide an opportunity to assess future demand and support the sector to ensure the local availability of services in line with Scottish Government's expectations.	£126,000	1, 2, 3	A, B, C
Targeted employability opportunities for key families during Summer 2022	With childcare available in OOSC services over the summer, parents and carers with school age children will be encouraged to undertake a variety of short courses that upskill or lead to a route into employment. Ten programmes will be delivered near OOSC provision or in the	£50,000	1, 2, 3	A, B, C

	<p>same building. This will build relationships between the Employability Team and participants, whilst building up confidence in the use of childcare services. It will effectively provide a wider awareness of and confidence in the support available and will help to sustain the providers by addressing the current pressure created by current low uptake - £50k.</p>			
<p>Third sector support for programmes to support low-income families and individuals by building on current programmes</p>	<p>Work with the third sector support for programmes to support low-income families and individuals by building on current programmes such as Out and About, working with families and key groups to improve access to food and environmental opportunities locally, including through the Fairer Food network and Eglinton Garden Project, to develop skills to grow and cook food and, through family sessions and activities, build ongoing individual and community capacity. These sessions will encourage people to engage with the local environment to support mental health and wellbeing and to develop parenting skills, family bonding, relationships, volunteering and employability in a supportive environment. This will be a 'test and learn' trial in one locality over a year, which will establish impact and provide data and evidence for future service design and external funding bids. The initiative will link to the Love Local voucher scheme which will support local businesses.</p>	£114,000		
<p>North Ayrshire Fairer Food Network</p>	<p>The North Ayrshire Fairer Food Network is our local alternative to foodbanks and is aimed at addressing food insecurity in a dignified way. Further development of the larders and shops will support low-income residents by developing and improving the sustainability of the existing network. New initiatives and business models include community fridges, community cafes, social enterprises based on growing produce and better links across providers. It will also focus on support for the islands</p>	£142,000	3	A, B, C

	communities so that approaches are developed which fit their specific needs			
Support for the North Ayrshire Child Poverty Strategy and Action Plan.	The Council and NHS Ayrshire and Arran propose to publish a one-year action plan and a three-year strategy, to effect a step-change in our approach to working more effectively across the system. This involves a range of services, partners and actions, the coordination and planning of which require additional short-term resources to ensure maximum impact. The coordination of the proposed Child Poverty Board, North Ayrshire plan and strategy will identify the strategic interventions necessary to escalate the response and impact on child poverty locally.	£76,000		
	TOTAL Request	£2,154,000		

COVID Recovery Fund Principles:

1. All interventions made under this fund should be based on a clear economic recovery and/or low-income household support rationale.
2. A collaborative approach towards sharing of best practice and learnings from different interventions should be adopted to maximise benefits and positive effects while minimising risk and unintended consequences
3. These funds can be used by Local Authorities on interventions that support local economic recovery and enable businesses to move from surviving the period of trading restrictions towards recovery, growth, adaptation and building
4. These funds can be used by Local Authorities on projects that can rebuild consumer confidence and stimulate demand and economic activity in their specific context
5. These funds can be used by Local Authorities to support the low-income households, which are disproportionately impacted by the pandemic and the current cost of living crisis, become more economically active

Child Poverty Delivery Plan Focus:

- A. Providing the opportunities and support needed to enter, sustain and progress in work – including a new employability offer to parents and improvements to the support structures needed including through childcare and transport.
- B. Maximising the support available for families to lead dignified lives and meet their basic needs – actions include a transformational approach to people and places, social security and income maximisation and delivery of warm and affordable homes.
- C. Supporting the next generation to thrive –delivered through a range of interventions underpinned by GIRFEC, the Promise, tackling the poverty related attainment gap, and through investment in the Young Person's Guarantee.