

Questions submitted to Scottish Government 19/03/21 by BABTAC Ltd & CIBTAC Ltd

Due to the added restriction of clients always having to wear a mask, many businesses still cannot operate. Will there be any restriction of trade funding available for them going forward? Regardless of re-opening, there will be businesses still operating with reduced clientele and still having to pay overheads. Do we have any plans in place to help these businesses through what could be another difficult time with operating costs vs takings?

Even though we are seeing the lifting of some restrictions, we understand businesses will continue to experience financial challenges and an impact on their trade due to the necessary ongoing measures that need to be in place to mitigate the spread of the virus. The Restart Grants announced by the First Minister are in recognition of the costs incurred by businesses in re-opening for trading and should support businesses prepare for these ongoing measures being put in place. Unfortunately due to the limited resources available to the Scottish Government, at present we simply do not have the funding to introduce any further business support schemes. However should any further money become available in the future from the UK Government this position will be reconsidered based on the impact the pandemic is having across the economy.

We still have a lot of people waiting for grant approvals from 16th of Feb can we have an update on this?

our delivery partner, UMI Scotland, continues to work at pace to assess and process applications in accordance with the eligibility criteria and information requirements that we set out when establishing these funds. Over 60% of eligible applications have been processed and paid, and we will continue to do all we can to address some more complex cases applications which have been in the system longer than most. Reference numbers should not be viewed as an indication of when an application will be processed and concluded.

What can we expect re the re start grants - will there be something similar rolled out for those not accepted for strategic funding, similar to the ARG Grants in England?

The £120 million Local Authority Discretionary Fund is our equivalent of the ARG Grants in England and has been specifically established to enable local authorities to provide targeted support to their local business community, and direct additional financial support to specific groups or sectors where they consider necessary based on the distinct characteristics of their local economies. A key priority for this funding is help as wide a range of businesses as possible that have received no or limited direct financial support from the Scottish Government despite experiencing disruption due to COVID-19 regulations and restrictions.

How can we help businesses prepare for reopening with PPE costs etc when they haven't even been accepted for grants yet and furthermore some people are not eligible for any of the grants available?

The Restart Grants have been specifically designed to help businesses with the costs of reopening their businesses. Since eligibility for the Strategic Framework Business Fund (SFBF) and hence the Restart Grant, is linked to the non-domestic rates system we expect the majority of close contact businesses to be captured within this criteria. Those who do not pay NDR and therefore not eligible for SFBF funding can still apply to the Local Authority Discretionary Fund through their individual local authorities.

The restart grants – the FM said these will be made available to strategic framework fund recipients from 19 April but I'm not sure if hair and beauty businesses will be eligible and also not sure which level fund they would receive if they are.

Yes, close contact will be eligible for a Restart Grant (the level of which will depend on their rateable value) if they have already been in receipt of the Strategic Framework Business Fund. As hair and beauty businesses were previously classified as retail business for purposes of the top-up grant in January, the Scottish Government intends to apply the same classification for the Restart Grants.

Other than the close contact mobile services grant are there any other grants available to businesses (along the lines of the ARG grant in England)?

As set in my response in question 3 we have introduced the Local Authority Discretionary Fund. Throughout the course of the pandemic the Scottish Government has also launched a range of bespoke schemes for a range of sectors in recognition of some of the unique challenges and impacts these sectors have faced however due restrictions in our funding there are no plans to introduce any further types of these funding packages.

Why are hair receiving same support as beauty but allowed to open 3 weeks earlier?

During our engagement with business community the clear message was their desire to have a large upfront restart payment to enable them to plan, adapt and restock in preparation for reopening rather than continue with a monthly payments structure. These one-off grants provide up to six times the amount payable every four weeks to eligible businesses. In determining how and when to pay the restart grants we had regard to the clear ask for upfront payment, and ease of administration.

Fund Payment Updates

Almost 11,000 applications have been assessed and paid, totalling £43.7 million in support. This includes over 1,500 driving instructors, 1,900 hairdressers, and 1,500 beauticians, and 780 massage therapists. This is welcome, and demonstrates clearly that our delivery partner, UMI Scotland, continues to work at pace to assess and process applications in accordance with the eligibility criteria and information requirements that we set out when establishing these funds. Over 60% of eligible applications have been processed and paid, and we will continue to do all we can to address some more complex cases applications which have been in the system longer than most. Reference numbers should not be viewed as an indication of when an application will be processed and concluded. You may also wish to note that this week we plan to start publishing regularly statistics on these two schemes formally, aligned with an established and wider process designed to deliver openness and transparency in relation to all our COVID-19 business support grants. I will send you links, when published, but I am of course happy to continue to provide these updates too.

As highlighted in previous updates, all applicants that were affected by technical issues when the funds first launched were given an opportunity to reapply last month. This includes applicants who were wrongly advised that their application was unsuccessful because the existence of their business could not be verified online using sources such as 123, yell, social media, google search or trade directories. A large number of unsuccessful applications are due to some of the required information not being provided, incorrect information being submitted and/or because, based on the information provided, we are unable to verify the applicant's bank account or personal identity. Around 6,000 such applicants have now been invited to reapply and most have done so. I recognise of course the stress this has likely caused some applicants and in considering applications we are seeking to balance our aim of reaching as many eligible applicants as possible against the need to reduce the risk of fraud.

In order to address unfounded rumours, let me make clear, in writing, that our delivery partner UMI Scotland has confirmed that every applicant has been emailed directly since submitting their application and, at no point, have applications been lost.

For the avoidance of doubt, UMI Scotland as outlined above, has emailed around 6,000 individuals whose initial application was not fully evidenced to invite them to reapply. 4,200 (70%) have responded to that invitation so far, and many have been paid. I know that some of the 1,800 remaining are contacting the helpline to say they have not heard anything, and they are being advised that emails had been issued to them inviting them to reply - so the follow-on from that is that they are being actively encouraged to take that second chance

to apply. I would ask you to share that information with members who may be in that category and encourage them to call the helpline for advice.

We are of course approaching the (extended) closing date for both funds. Any application submitted before 23:59 on 23 March will be considered and all re-applications made before then, or within seven days of an applicant being invited to re-apply, will be considered. For clarity, no wholly new applications will be considered after 23 March. I would again offer assurance that all applications will receive funding if eligible and the required information is provided. Any applicant that has started the process and is in the system before the closing date will be considered for funding. I would be grateful if you could please relay that assurance to your members.