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Convener  
Committee on Economy, Energy and Fair Work

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Dear Convener,

Today the Scottish Government published application and award data across four funds; the Pivotal Enterprise Resilience Fund, the Creative, Tourism and Hospitality Enterprises Hardship Fund, the Newly Self-Employed Hardship Fund, and Bed and Breakfast Hardship Fund. Total figures, and geographical and sectoral breakdowns are provided at Annex A.

When I launched these funds on 30<sup>th</sup> April with £100m of funding, the intention was to provide targeted support to SMEs vital to Scotland's economy, small and micro companies in the creative, tourism and hospitality sectors, and the newly self-employed. These were businesses and individuals who had fallen through the cracks of other support and the need was pressing. Therefore we designed and delivered these funds at pace, to get as much money out to as many businesses and individuals as quickly as possible.

### **Business Support Funds**

The following funds made up this package of support:

- The Pivotal Enterprise Resilience Fund (PERF), managed by the Enterprise Agencies, provided bespoke grants and wrap around business support to viable but vulnerable SMEs vital to the local or national economic foundations of Scotland
- The Creative, Tourism & Hospitality Enterprises Hardship Fund (CTHEHF), managed by the Enterprise Agencies with support from Creative Scotland and VisitScotland, provided grants of up to £25,000 to small and micro creative, tourism and hospitality companies not in receipt of business rates grants

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- The Newly Self-Employed Hardship Fund (NSEHF), managed by Local Authorities, provided £2,000 grants to the newly self-employed who were facing hardship but ineligible for UK support (as they became self-employed since April 2019)

This was extended on 15<sup>th</sup> June to include:

- The Bed and Breakfast Hardship Fund (B&BHF), managed by Local Authorities, provided £3,000 grants for Bed and Breakfasts and Small Serviced Accommodation who were facing hardship but ineligible for other support as they were operating under a personal bank account

Due to demand, we increased the funding available for the PERF by an additional £75m post-launch, taking the total fund allocation to £120m. The CTHEHF received £10m in additional funding, taking total allocation to £30m. The combined total allocation of funding for NSEHF and B&BHF was £34m. This package of support, and the £1m top up to Creative Scotland's Bridging Bursaries scheme in the not-for-profit sector, made up the £185m additional support funds.

### **Lifeline Support Provided**

As of 4<sup>th</sup> August, these funds have supported 4,023 businesses and 5,602 self-employed people, with £158m in funding. This is £58m more than the initial £100m funding allocated at launch. I want to put on record my thanks and gratitude to the hard work that has gone in from all partners involved in the delivery of these funds.

The PERF has awarded over £121m to pivotal Scottish SMEs in less than 3 months. The CTHEHF has awarded more than £23.5m to small and micro companies in the creative, tourism and hospitality sector who were facing hardship, in less than 3 months. Every eligible application to the CTHEHF that could show a cash flow gap, in-line with the set criteria, received a grant. The B&BHF has awarded more than an additional £1.1m to small operators in less than two months.

### **Appraisal Of Applications**

Demand for this PERF was very high which is why we supplemented it with an additional £75m. It was designed to support a particular type of pivotal small and medium-sized business. Not all applicants were able to demonstrate their pivotal impact on the economy and the reasons for applications not being successful also included cash flow not demonstrating need or not demonstrating 12 month viability.

In terms of being pivotal, offers of grant funding were made by taking into consideration a number of factors such as how a business:

- Supports Scotland's productive capacity – through wage levels, employment, exports, Research & Development and innovation
- Is important at a local economic level - employee numbers relative to place, delivery of essential services, wider economic and community value, plus the socio-economic importance of the business in remote and rural areas

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- Leverages on wider business community - impacts on supply chain at a local, regional and national level
- Is a supplier or potential supplier to NHS or other COVID-19 vital services
- Is a supplier to other essential businesses
- Is demonstrating a need to rapidly scale up or diversify due to COVID-19

Every eligible application to the CTHEHF that could show a cash flow gap, in-line with the set criteria, received a grant. Where cash flow did not demonstrate the business was in hardship, awards were not made. The main reasons applications were ineligible were not being in the creative, tourism or hospitality sectors or operating without a business bank account. The latter was a measure put in place to protect against fraud risk.

When it became clear that a disproportionate number of B&Bs and Small Serviced Accommodation were still falling through the cracks, we created the B&B Hardship Fund, administered by Local Authorities, allowing those operating under a personal bank account to apply for grants of £3,000. This has awarded more than £1.1m to small operators.

The NSEHF was also administered by Local Authorities. It was created to fill a gap in provision left when the UK Government's self-employed support didn't extend to those who became self-employed since April 2019. This Fund awarded over £11.2m in support to 5,602 self-employed people, many of whom will be in the Tourism, Hospitality and Creative sectors.

All remaining funding following the completion of these funds has been reallocated to meet the emerging needs of business, including towards the Performing Arts Venue Relief Fund, grant support for high growth potential Start-Ups, new tourism funding and support for Scotland's Science Centres.

I trust this information will be of interest to you and members, full breakdowns can be found at Annex A, and have also been published on the Scottish Government website at the following address - <https://gov.scot/publications/coronavirus-covid-19-hardship-and-resilience-funds-statistics/>

Kind regards  
Fiona Hyslop

**FIONA HYSLOP**

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## Annex A

**Table 1 – Summary of Covid Fund Applications**

	<b>Creative, Tourism &amp; Hospitality Hardship Fund</b>	<b>Pivotal Enterprise Resilience Fund</b>	<b>Total</b>
Number of applications*	3,412	5,069	8,481
Number eligible applications**	1,908	3,995	5,903
Number of grants offered	1,893	1,763	3,656

Note: 4<sup>th</sup> August data

\*excluding duplicates, entries created but never submitted, withdrawn applications, etc

\*\*excluding failing the bank check, did not provide sufficient information, or failing on basic eligibility

**Table 2: Pivotal Enterprise Resilience Fund Grants Offered**

	Scottish Enterprise	Highlands & Islands Enterprise	South of Scotland Enterprise	<b>Total</b>
Number of grants offered	1,223	372	168	1,763
Value grants offered	£90,865,000	£19,994,000	£10,933,000	£121,792,000
Average offer	£74,000	£54,000	£65,000	£69,000

Note: 4<sup>th</sup> August data

Location of business supported based on post code provided by the applicant at application.

**Table 3: Pivotal Enterprise Resilience Fund Grants Offered by Sector**

	Number of grants offered	% of grants offered	Value of grants offered	% of value offered
Tourism & Hospitality	336	19%	£21,504,000	18%
Other manufacturing	200	11%	£15,635,000	13%
Construction	198	11%	£11,982,000	10%
Wholesale retail	186	11%	£12,762,000	10%
Creative Industries	154	9%	£12,473,000	10%
Financial & business services	152	9%	£10,046,000	8%
Other services	114	6%	£8,335,000	7%
Manu food & drink	101	6%	£7,433,000	6%
Professional services	84	5%	£5,994,000	5%
Transport & logistics	60	3%	£4,746,000	4%
ICT	50	3%	£4,039,000	3%
Care	44	2%	£1,844,000	2%
Education	34	2%	£1,849,000	2%
Agriculture forestry fishing	29	2%	£1,357,000	1%
Energy water & waste	13	1%	£1,290,000	1%
Chemicals	5	0.3%	£303,000	0.2%
Oil, gas, mining	3	0.2%	£203,000	0.2%
<b>Total</b>	<b>1763</b>	<b>100%</b>	<b>£121,792,000</b>	<b>100%</b>

Note: 4<sup>th</sup> August data

**Table 4 - Pivotal Enterprise Resilience Fund Grants Offered by Local Authority**

	Number of grants offered	% of offers	Value of grants offered	% of value offered
Highland	191	11%	£10,451,000	9%
Glasgow City	183	10%	£14,237,000	12%
City of Edinburgh	151	9%	£12,945,000	11%
North Lanarkshire	86	5%	£5,371,000	4%
Dumfries and Galloway	85	5%	£5,534,000	5%
Scottish Borders	83	5%	£5,409,000	4%
Perth and Kinross	71	4%	£5,233,000	4%
Fife	66	4%	£4,537,000	4%
Aberdeenshire	63	4%	£4,766,000	4%
South Lanarkshire	62	4%	£4,988,000	4%
Argyll and Bute	61	3%	£3,509,000	3%
Aberdeen City	52	3%	£3,897,000	3%
Stirling	48	3%	£3,154,000	3%
Renfrewshire	46	3%	£3,778,000	3%
West Lothian	46	3%	£3,343,000	3%
East Ayrshire	43	2%	£2,837,000	2%
Na h-Eileanan Siar	40	2%	£2,133,000	2%
North Ayrshire	40	2%	£2,657,000	2%
Dundee City	39	2%	£3,012,000	2%
East Lothian	37	2%	£2,497,000	2%
South Ayrshire	36	2%	£2,776,000	2%
Falkirk	33	2%	£2,692,000	2%
Angus	29	2%	£1,964,000	2%
Moray	28	2%	£1,100,000	1%
Shetland Islands	26	1%	£1,678,000	1%
Orkney Islands	25	1%	£1,246,000	1%
Midlothian	22	1%	£1,800,000	1%
East Dunbartonshire	20	1%	£1,450,000	1%
East Renfrewshire	16	1%	£785,000	1%
West Dunbartonshire	15	1%	£919,000	1%
Inverclyde	11	1%	£576,000	0.5%
Clackmannanshire	9	1%	£516,000	0.4%
Total	1763	100%	£121,792,000	100%

Note: 4<sup>th</sup> August data Location of business supported based on post code provided by the applicant at application.

**Table 5 - Creative, Tourism & Hospitality Enterprises Hardship Fund by Enterprise Area**

	Scottish Enterprise	Highlands & Islands Enterprise	South of Scotland Enterprise	Total
Number grants offered	1,327	456	110	1,893
Value grants offered	£17,479,000	£4,896,000	£1,131,000	£23,507,000
Average grant value	£13,200	£10,700	£10,300	£12,400

Note: 4<sup>th</sup> August data

Location of business supported based on post code provided by the applicant at application.

**Table 6 - Creative, Tourism & Hospitality Enterprises Hardship Fund by Sector**

	Tourism & hospitality	Creative industries	Total
Number grants offered	1,341	552	1,893
Value grants offered	£17,782,000	£5,725,000	£23,507,000
Average grant value	£13,300	£10,400	£12,400

Note: 4<sup>th</sup> August data

**Table 7: Creative, Tourism & Hospitality Hardship Fund Grants Offered by Local Authority**

	Number of grants offered	% of grants offered	Value of grants offered	% of value offered
Highland	271	14%	£2,886,000	12%
City of Edinburgh	248	13%	£3,462,000	15%
Glasgow City	235	13%	£3,363,000	14%
Fife	92	5%	£1,039,000	4%
Perth and Kinross	88	4%	£966,000	4%
Argyll and Bute	71	4%	£668,000	3%
Stirling	66	3%	£815,000	3%
Aberdeenshire	64	3%	£749,000	3%
South Lanarkshire	63	3%	£927,000	4%
Dumfries and Galloway	56	3%	£572,000	2%
Scottish Borders	54	3%	£559,000	2%
South Ayrshire	46	3%	£683,000	3%
Moray	42	2%	£531,000	2%
North Lanarkshire	38	2%	£528,000	2%
East Lothian	38	2%	£524,000	2%
North Ayrshire	38	2%	£503,000	2%
West Lothian	37	2%	£498,000	2%
Aberdeen City	37	2%	£601,000	3%
Renfrewshire	34	2%	£377,000	2%
Na h-Eileanan Siar	31	2%	£339,000	1%
Falkirk	30	2%	£376,000	2%
Angus	29	2%	£465,000	2%
East Dunbartonshire	26	1%	£271,000	1%
Shetland Islands	25	1%	£294,000	1%
Orkney Islands	23	1%	£223,000	1%
East Renfrewshire	21	1%	£262,000	1%
Dundee City	20	1%	£234,000	1%
Midlothian	18	1%	£265,000	1%
East Ayrshire	18	0.9%	£163,000	0.7%
Inverclyde	13	0.6%	£126,000	0.5%
Clackmannanshire	11	0.6%	£118,000	0.5%
West Dunbartonshire	10	0.5%	£121,000	0.5%
Total	1,893	100.0%	£23,507,000	100.0%

Note: 4<sup>th</sup> August data

Location of business supported based on post code provided by the applicant at application.

**Table 8: Newly Self-Employed Hardship Fund Grants Offered by Local Authority**

<b>Local authority</b>	<b>Applications received</b>	<b>Grants awarded</b>	<b>Value of grants awarded</b>
Aberdeen City	251	185	£370,000
Aberdeenshire	271	190	£380,000
Angus	238	157	£314,000
Argyll and Bute	167	135	£270,000
Clackmannanshire	68	46	£92,000
Dumfries and Galloway	207	136	£272,000
Dundee City	289	183	£366,000
East Ayrshire	206	169	£338,000
East Dunbartonshire	130	104	£208,000
East Lothian	162	108	£216,000
East Renfrewshire	135	93	£186,000
City of Edinburgh	669	492	£984,000
Falkirk	214	148	£296,000
Fife	503	434	£868,000
Glasgow City	1097	553	£1,106,000
Highland	427	335	£670,000
Inverclyde	75	57	£114,000
Midlothian	130	76	£152,000
Moray	160	121	£242,000
Na h-Eileanan Siar	60	46	£92,000
North Ayrshire	191	147	£294,000
North Lanarkshire	392	325	£650,000
Orkney Islands	54	27	£54,000
Perth & Kinross	313	220	£440,000
Renfrewshire	292	203	£406,000
Scottish Borders	226	144	£288,000
Shetland Islands	33	29	£58,000
South Ayrshire	153	119	£238,000
South Lanarkshire	424	292	£584,000
Stirling	122	94	£188,000
West Dunbartonshire	101	87	£174,000
West Lothian	242	147	£294,000
<b>TOTAL</b>	<b>8,002</b>	<b>5,602</b>	<b>£11,204,000</b>



**Table 9: Bed and Breakfasts Hardship Fund Grants Offered by Local Authority**

<b>Local authority</b>	<b>Applications received</b>	<b>Grants awarded</b>	<b>Value of grants awarded</b>
Aberdeen City	2	0	£0
Aberdeenshire	5	3	£9,000
Angus	14	5	£15,000
Argyll and Bute	49	32	£96,000
Clackmannanshire	1	1	£3,000
Dumfries and Galloway	24	21	£63,000
Dundee City	1	0	£0
East Ayrshire	5	5	£15,000
East Dunbartonshire	2	1	£3,000
East Lothian	7	4	£12,000
East Renfrewshire	2	0	£0
City of Edinburgh	33	10	£30,000
Falkirk	6	3	£9,000
Fife	18	14	£42,000
Glasgow City	15	0	£0
Highland	276	144	£432,000
Inverclyde	0	0	£0
Midlothian	3	2	£6,000
Moray	25	13	£39,000
Na h-Eileanan Siar	38	30	£90,000
North Ayrshire	7	5	£15,000
North Lanarkshire	2	1	£3,000
Orkney Islands	17	9	£27,000
Perth & Kinross	17	13	£39,000
Renfrewshire	3	0	£0
Scottish Borders	15	9	£27,000
Shetland Islands	9	7	£21,000
South Ayrshire	9	7	£21,000
South Lanarkshire	3	2	£6,000
Stirling	24	22	£66,000
West Dunbartonshire	2	1	£3,000
West Lothian	5	3	£9,000
<b>TOTAL</b>	<b>639</b>	<b>367</b>	<b>£1,101,000</b>