TIER UPDATE 02/06

Support for businesses in Scotland

<u>Economic Secretary Kate Forbes</u> outlined further support for Scottish businesses this afternoon. The key points include:

- Up to £12 million of funding has been announced for businesses in Level 2 areas including those in the hospitality, events, weddings and soft play sectors. The Local Authority Discretionary Funds are being increased by up to £4.5 million to help support the wedding and event sectors and an additional £7.5 million of funding made available to support hospitality, (excluding B&Bs and other accommodation providers), and soft play centres in Level 2 areas should restrictions continue until the end of June. Payments to eligible businesses will be processed on a weekly basis.
- £25 million of support for the culture sector has also been announced. This will be
 administered through a second round of the Performing Arts Venue Relief Fund and
 the Culture Organisations and Venues Recovery Fund and will be targeted at those
 who previously received support from these funds as well as those who were eligible
 but did not get support. The funds for the culture sector will be administered by
 Creative Scotland and will be launched soon.
- Up to an additional £62 million of funding is being made available to taxi drivers and operators across Scotland. Local authorities will process a further payment of £1,500 during the week beginning 7 June to all drivers who previously received a grant under the Taxi and Private Hire Driver Support Fund. Taxi operators will be contacted by their local authorities this month and will receive grants of up to £10,000 depending on the number of vehicle licences they hold.

Other updates:

- Wales extends their contact tracing service, <u>Test, Trace and Protect</u>, until March 2022
- New data available on the delivery of the COVID Winter Grant from 1 December 2020 to 31 March 2021 and the Easter extension to 16 April 2021 by English local authorities.
- New experimental data available on <u>coronavirus and self-isolation after testing</u> positive in England: 10 May to 15 May 2021

TOURISM ALLIANCE UPDATE 02/06

• SEISS Fifth Grant

HMRC has published a new guidance document for the Self-Employed regarding applications for the Fifth Grant. It is important to note that the fifth grants differs from previous grants in that the amount that a person will receive will be determined by how much their turnover has been reduced in the year April 2020 to April 2021.

To work out your eligibility for the fifth grant, HMRC will first look at their 2019 to 2020 Self Assessment tax return and you will only be eligible if your trading profits are no more than £50,000 and at least equal to your non-trading income. If you're not eligible based on your 2019 to 2020 tax return, HMRC will then look at the tax years 2016 to 2017, 2017 to 2018, 2018 to 2019 and 2019 to 2020.

HMRC will provide more information and support by the end of June 2021 to help applicants work out how their turnover was affected.

https://www.gov.uk/government/publications/self-employment-income-support-scheme-fifth-grant/self-employment-income-support-scheme-fifth-grant

Grant Payments by Councils

The latest update on the payment of various grants by councils has been published. As ever, these updates run a month behind (to the end of April this time) and so aren't a completely accurate snapshot of the current situation but, as ever, there remain a number of councils that are still not getting ARG grants to businesses fast enough. Some examples are:

- Southend has only distributed £41k of the £5.3m it received from Government
- Southampton has still only distributed £2.3m of the £7.3m is has received from Government
- Kingston upon Thames has only allocated £894k of the £5.1m it received
- Oxford has distributed only £1.8m of the £4.4m it received
- Hackney has distributed just £900k of the \$8.1m it received

However, there is a particular shout-out to Stratford Upon Avon Council this month for reporting that they have distributed £3.9m of the £3.7m that they received from Government.

<u>https://www.gov.uk/government/publications/coronavirus-grant-funding-local-authority-payments-to-small-and-medium-businesses</u>

• DFT Transport Figures

DFT's transport figures for the past week have been published. These are interesting because they cover the bank Holiday weekend and therefore give an indication of how people were travelling over this period. The key points are that:

- Private vehicle usage increased sharpy over the weekend to 109% of pre covid use.
- o There was no real change in use of the National Rail Network

While the actual percentage is a bit misleading because Late May Bank Holiday changes date year to year, what is worth noting is the 10% increase in private vehicle use over the weekend compared to the use of trains, indicating that people who

went away for the weekend chose to use their car rather than use public transport. If this trend holds into the summer, it is going to put significant pressure on the roads and at destinations.

https://www.gov.uk/government/statistics/transport-use-during-the-coronavirus-covid-19-pandemic

• Compliance with Self-Isolation

ONS has produced data on the level of compliance with self-isolation requirements. The data indicates that 86% of people comply with self-isolation requirements , which is up 4% from March. While this a pretty high level of compliance, the 14% non-compliance will probably be factored into the Government's review of the traffic light system which is due this week.

https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandwellbeing/bulletins/coronavirusandselfisolationaftertestingpositiveinengland/10mayto15may2021

• Tourism Employment Survey

We received almost 500 responses which was excellent and has allowed me to build up a good picture of the employment problems facing businesses at the moment. I have attached a copy of the finding from the survey which highlight a number of significant issues facing businesses as they reopen. Some of the key findings from the survey are that:

- 46% of businesses have less staff than they did pre-covid
- Only 18% of businesses report that they have all the staff they need.
- The average businesses currently has 9 vacancies
- Almost 30% of businesses have reduced capacity, services or hours because of the shortage of staff
- Despite restrictions such as social distancing and capacity reducing the financial viability of businesses, 34% of all operators report that they are having to increase wages in order to attract staff
- 35% of businesses are having to employ people who don't have the skills that they need