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Russell Borthwick
Chief Executive
Aberdeen & Grampian Chamber of Commerce

Sent by email

19 August 2020

Dear Russell

Thank you for your letter yesterday about the COVID-19 outbreak in the city, and for your time earlier today when we discussed ongoing restrictions and the announcement of Aberdeen-specific support for business.

I am very pleased to confirm that will allocate £1 million of funding directly to Aberdeen City Council to provide £900,000 of one-off grants to hospitality businesses directly impacted by the restrictions. This also includes a discretionary fund of £100,000k for businesses impacted, but not directly specified in regulations. Details of the funding and how to apply should be available on the Aberdeen City Council website later today, with applications for the non-discretionary element going-live in the course of tomorrow.

The core £900,000 of grants are restricted to businesses specified in the regulations and are two-tiered with a smaller grant of £1,000 for businesses with a Rateable Value of under £51k and a larger grant of £1,500 for those businesses with an RV over £51k. I would stress that there is no eligibility cap linked to rateable value, recognising that this was an issue with some earlier support schemes.

Of course I recognise the points you have made about the wider implications of restrictions on sectors not required to close. The fund therefore includes that £100,000 discretionary funding for the council to allocate to businesses such as hotels, shops.

More generally, the following principles and eligibility criteria will apply:

- Businesses or premises have been required by law to close as a direct result of Covid regulations.
- A £10,000 cap on the level of funding available per business, regardless of the number of premises they operate;

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- Excludes any relevant business which has breached wider COVID regulations/requirements prior to local restrictions being applied.
- Must have a business bank account.
- Businesses that pay rates through their landlords rather than directly to the Council are eligible to apply.

The same broad principles will apply to the £100,000 discretionary funding, albeit that that sum is for businesses that have not been required to close.

I can confirm also that my colleague Fergus Ewing wrote to the Chancellor of the Exchequer on 14 August to recommend they support Aberdeen by extending the Eat Out to Help Out initiative. I welcome your suggestion that the UK Government should apply that for future restrictions on hospitality, and I will continue to press UK Government Ministers to provide support for this new and challenging phase of the fight against the virus. More specifically, I have asked my officials to explore with you the scope for marketing initiatives which might boost take-up in the event of a positive response from the Chancellor.

And in closing, I am very pleased that we have been able to adopt and modify your suggestion of a phased route-map out of these restrictions which mirrors the national approach. At the daily briefing earlier today, the First Minister announced that subject to the continued suppression of the virus non-licensed hospitality in the city will be able to open from next Wednesday (26th August). A further review will be conducted on Sunday, with a view to setting out a timeline for the opening of licensed hospitality, the lifting of travel restrictions and limits on indoor meetings. I think that aligns well with the proposition set out in your letter following on from earlier discussions with my officials.

I really appreciate your advice and support in these difficult times. I look forward to working with you and Chamber members as we move forward, lifting restrictions when we can, to take actions which focus on restart and recovery.

*Kind regards
Fiona Hyslop*

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