

# **Scottish Covid-19 Inquiry: Research Commission: Financial and Welfare Support to Businesses and Individuals**

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# Contents

## Executive Summary

## Report aims and structure

### Section 1: Key Patterns

- Key messages

1.1. An overview of restrictions

1.3. Evaluation of policy responses

1.4. Potential areas of questioning for the inquiry

1.5. Key people

### Section 2: The impact of restrictions on businesses and individuals

- Key messages

2.1. The impact of restrictions on businesses

2.2. The impact of restrictions on individual well-being

2.3. Potential areas of questioning for the inquiry

2.4. Key people

### Section 3: The impact of pandemic on Scottish businesses

- Key messages

3.1. Changes in Scottish GDP

3.1.2. Aggregate snapshot data on the Scottish business population

3.1.2. Time series data on pandemic impacts on businesses

3.2. Evaluating the economic impact of the pandemic

3.2. Potential areas of questioning for the inquiry

3.4. Key people

## **Section 4: Support for businesses**

- **Key messages**

### **4.1. Business support services prior to the pandemic**

### **4.2. Business support during the pandemic**

#### **4.1.1. Main UK schemes**

### **4.3. Business support in Scotland**

### **4.4. Potential areas of questioning for the inquiry**

### **4.5. Key people**

## **Section 5: Support for individuals and families**

- **Key messages**

### **5.1. Background context**

### **5.2. Disadvantage in Scotland**

### **5.3. Governmental responses**

### **5.4. The financial costs of such support**

### **5.5. The economic impacts of the pandemic on individuals and families**

### **5.6. The Third sector during the pandemic**

### **5.7. Evaluating the economic impact of the pandemic**

### **5.8. Potential areas of questioning for the inquiry**

### **5.9. Key people**

## **Appendix A: Rules, guidance and restriction announcements**

(Source: <https://spice-spotlight.scot/2022/02/18/timeline-of-coronavirus-covid-19-in-scotland/>)

## **Appendix B: Policy documents relating to the pandemic**

(Source: <https://spice-spotlight.scot/2022/02/18/timeline-of-coronavirus-covid-19-in-scotland/>)

## **Appendix C: Business support announcements relating to the pandemic**

(Source: <https://spice-spotlight.scot/2022/02/18/timeline-of-coronavirus-covid-19-in-scotland/>)

## **Appendix D: Welfare support announcements relating to the pandemic**

(Source: <https://spice-spotlight.scot/2022/02/18/timeline-of-coronavirus-covid-19-in-scotland/>)

## **Appendix E: Local Authority Delivered Funds October 2020 to August 2021**

## **Appendix F1: Sector Funding March to September 2020**

## **Appendix F2: Sector Funding March to September 2020**

# Executive Summary

- Over the last two years, there have been four lockdowns in Scotland. The two most stringent lockdowns were in March-June 2020 and January-March 2021.
- Despite warnings, the Scottish government were ill-prepared for the pandemic. Their strategy over the pandemic was reactive rather than proactive. The government changed from a 'route map' approach to a 'levels' approach and was surprised by Covid-19 in both December 2020 and 2021.
- The UK government expenditure on the pandemic was £370 billion and £129 billion on loans and guarantees. The Scottish government's expenditure was modest by comparison.
- The Scottish government has ambitious plans for recovery. The UK's budget deficit, though, is the highest ever peacetime budget deficit.
- The regulatory burden on businesses during the pandemic led to business uncertainty and issues with the frequency, speed, and cost of regulatory change.
- In general, personal well-being fell during the pandemic and depression levels went up. Although there was not a rise in suicides in 2020, the mental health of particular groups deteriorated over the pandemic alongside a slight increase in hate crimes and abuse.
- Despite the Scottish economy seeing GDP fall by a fifth in the second quarter of 2020, the size contraction of the Scottish business population was modest and the numbers of dissolutions actually fell in 2020. Employee indicators (redundancies, unemployment and the claimant count) all had an inverted 'U' shape pattern: they rose quickly from pre-pandemic levels, peaked in 2020, and fell back in 2021.
- Although business revenues and cash reserves fell markedly, the economic downturn particularly affected customer facing sectors (e.g. accommodation and food services, construction, arts, culture and recreation and other services).

- The UK government spent £180 billion supporting businesses. The Scottish government spent £4.4 billion. This support was a significant factor in explaining the muted impact of the pandemic on the business and employee outcomes.
- The support was welcomed by Scottish businesses but there were significant concerns about fraud and losses, the targeting of such schemes, difficulties in accessing support and intergovernmental challenges in supporting businesses.
- There are an estimated one million Scots in poverty with around a quarter of a million children in poverty. Poverty particularly affects groups (e.g. single mothers, ethnic minorities) and has impacts on their existing quality of life and their life chances.
- Pandemic support to those in need largely came through the UK government in terms of benefits, housing support and (for Scotland) in protection against eviction.
- The support was welcomed but there are concerns about the impacts of the pandemic on household finances going forward given that those on low incomes have limited savings and rising debt levels.
- The third sector (voluntary organisations, charities and social enterprises) have struggled through the pandemic but there is no strong evidence that the number of charitable dissolutions increased over the pandemic.

## **Report aims and structure**

This report has been commissioned by Scotland's independent Covid-19 Inquiry. It focuses on the second work package – the Financial and Welfare Support to Businesses and Individuals. Outside of mental health impacts, it does not consider physical health or educational matters.

The aim of this report is to act as a briefing for the Inquiry so that its members have an understanding of the financial and welfare impacts of the pandemic over the period March 2020 to December 2021. This is to support their efforts ‘to provide answers and to help us make improvements for the future’ (Deputy First Minister, 14 December 2021).

The report is divided into the following sections:

**Section 1** – this provides a timeline of the pandemic in Scotland and evidence on the three stages that occur in a pandemic: pandemic preparation, crisis management and recovery. It also highlights the overall financial costs of managing the pandemic. These costs relate principally to the UK rather than the Scotland.

**Section 2** – charts evidence on the impacts of pandemic restrictions on Scottish businesses and on the well-being of individuals.

**Section 3** – investigates the economic impact of the pandemic on Scottish businesses.

**Section 4** – examines the support available to businesses and the issues of concern with this support.

**Section 5** – explores the extent of disadvantage in Scotland, what support was available from the UK and Scottish governments and how this impacts those in need. Additionally, because voluntary organisations, charities and social enterprises are integral to meeting needs, it examines how these types of organisations have coped over the pandemic.

For each of these sections, there are suggested questions that the Inquiry members may decide to focus on. There are also a list of potential witnesses.



# Section 1: Key Patterns

## Key messages

- There were four lockdowns between March 2020 and December 2021. The most stringent of these were in March-June 2020 (first lockdown) and in January-March 2021 (third lockdown).
- There are three stages to dealing with a pandemic: 1) preparation, 2) crisis management, and 3) recovery. Despite warnings, Scotland was ill-prepared for the pandemic.
- The Scottish government strategy for managing the crisis was reactive rather than proactive. It changed approach during the pandemic from a 'route map' to a 'levels' approach. In both December 2020 and 2021, the Scottish government appears to have been caught out by Covid-19.
- The vast bulk of the funding to manage the crisis came from the UK government. The current estimated life time costs of Covid-19 expenditure is £370 billion. The Bank of England made available £129 billion of loans and guarantees. By comparison, the Scottish government's expenditure was £9.7 billion.
- The Scottish government has ambitious plans for recovery and renewal but the UK has a huge budget deficit.

### 1.1 An overview of restrictions

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The Covid-19 (SARS-CoV-2) virus quickly spread from Wuhan, China on the 31st December 2019 ([footnote 1](#)) and reached Scotland by the 1st March 2020. On the 11th March, the World Health Organisation declared Covid-19 as a pandemic.

Figure 1.1 shows that Scotland went into its first national lockdown on the 24th March. Although there is no formal definition of what constitutes a 'lockdown', this can be seen as a 'full' lockdown: all but essential shops were closed, people were ordered to stay at home and were only allowed to leave their home for essential purposes. The first relaxation of these rules came on the 11th May 2020 when individuals were allowed to go out more than once a day to exercise. Further relaxations were announced to start on the 29th June, signalling the beginning of the end of the first lockdown.

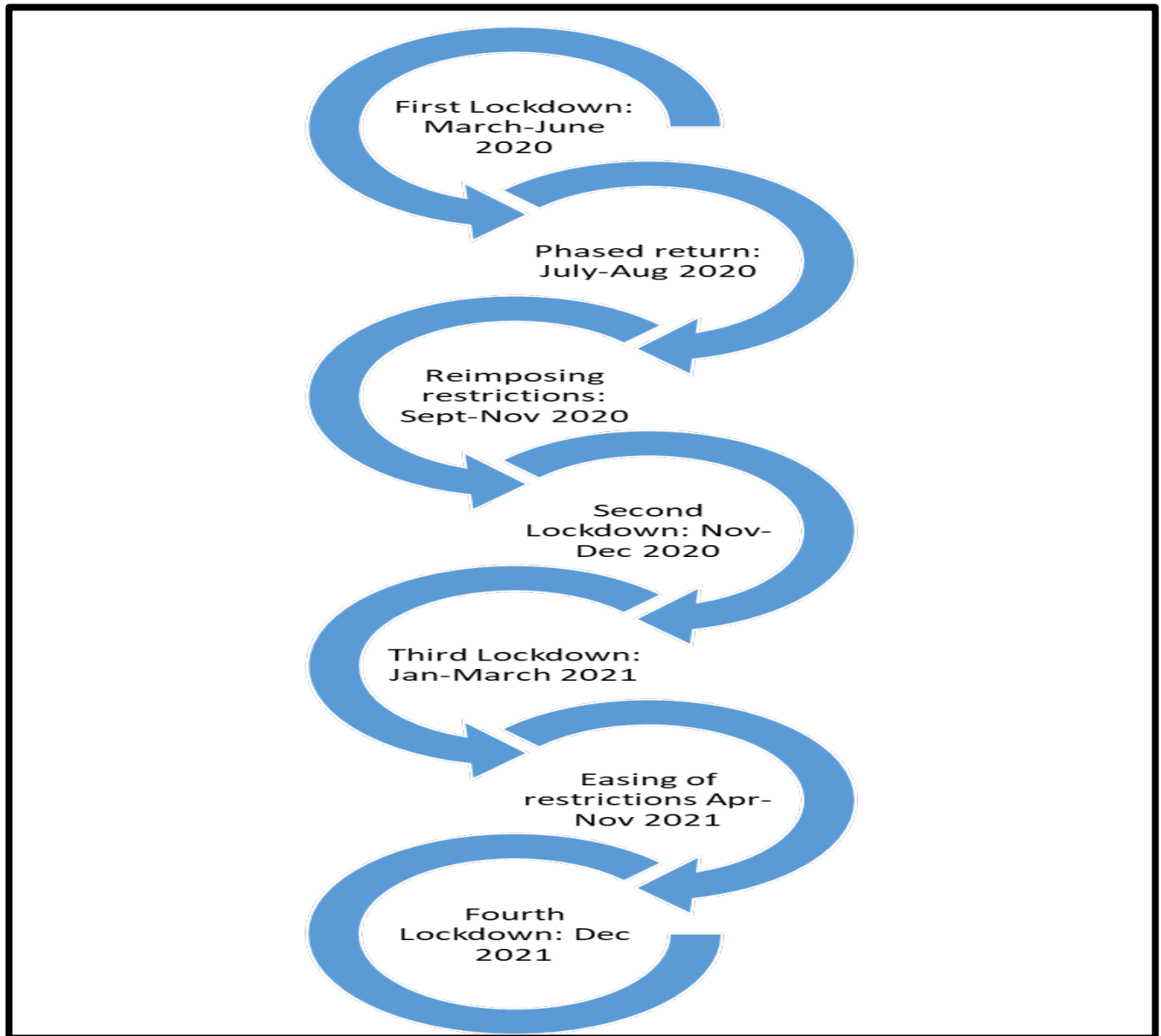
Figure 1.1 shows that there was a general easing of restrictions over the summer of 2020 that followed a phased gradual approach to open up the economy and society. By September, further localised restrictions were placed on local authority areas in Scotland's Central Belt with more restrictions being introduced in October 2020.

By mid-November, restrictions in the central belt were extended further, amounting to a 'circuit breaker' or 'reset' lockdown for eleven council areas in the central belt ([footnote 2](#)). Although the Scottish Government announced a relaxation in the lockdown for Christmas 2020 ([footnote 3](#)), Scotland went into the second 'full' lockdown at the end of December 2020, with a stay at home order effective from the 5th January 2021 ([footnote 4](#)).

Restrictions remained until April 2021 ([footnote 5](#)), with relaxations beginning in May ([footnote 6](#)). The final lockdown – what could be described as a 'virtual' lockdown ([footnote 7](#)) – began in late December 2021 ([footnote 8](#)).

For a more detailed breakdown of the rules, guidance and restrictions over the period, see Appendix A.

**Figure 1.1: Scotland's lockdowns, March 2020-Dec 2021**



[Figure 1 shows a flow chart detailing the following information from top to bottom.

First Lockdown: March-June 2020

[Leads to]

Phased return: July-Aug 2020

[Leads to]

Reimposing restrictions: Sept-Nov 2020

[Leads to]

Second Lockdown: Nov-Dec 2020

[Leads to]

Third Lockdown: Jan-March 2021

[Leads to]

Easing of restrictions Apr-Nov 2021

[Leads to]

Fourth Lockdown: Dec 2021

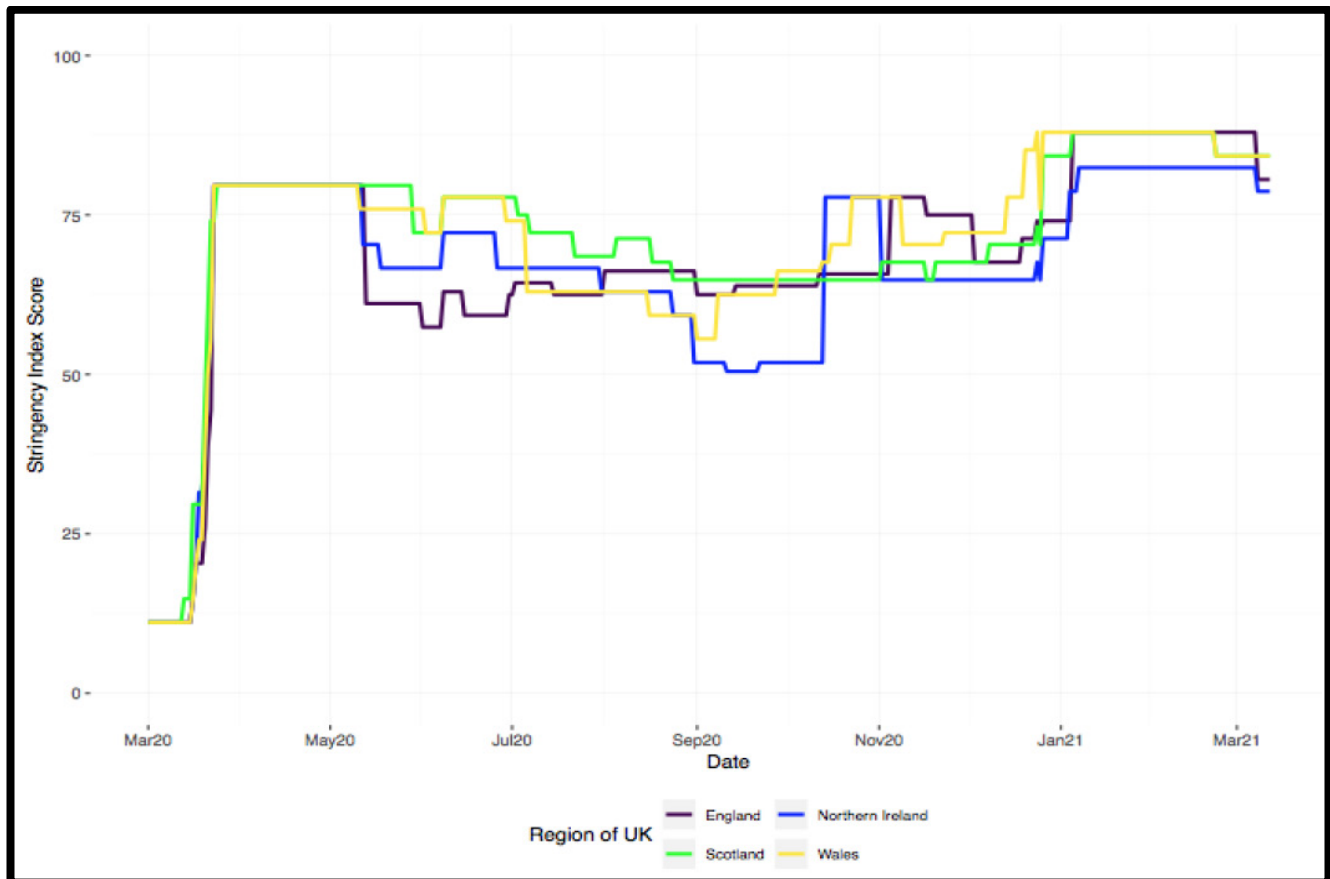
End of Figure 1]

To demonstrate the peaks and troughs of the lockdowns, Figure 1.2 charts the University of Oxford's Stringency Index for the different UK nations from March 2020 to March 2021. Until May 2020, the approach across the four nations was the same.

Thereafter, Scotland had a higher stringency score (100 is the highest) than England until around September 2020 and stayed broadly at the same levels of stringency until the January 2021 lockdown. Nonetheless, of the four nations of the UK, Scotland had the longest stringency period (285 days) over the period March 2020 to March 2021 (stringency index over 60)

([footnote 9](#)).

**Figure 1.2: Average Stringency values for the four UK nations (footnote 10)**



[Figure 1.2 shows a line graph. The x axis shows dates from Mar20 to Mar21 in increments of 2 months. The y axis is labelled 'Stringency Index Score' and goes from 0 to 100 in increments of 25. The graph shows four coloured lines, labelled as follows:

- **Purple: England**
- **Green: Scotland**
- **Blue: Northern Ireland**
- **Yellow: Wales**

The trends of the four lines are described in the paragraph above.

End of Figure 1.2]

## **1.2. The three stages of managing a pandemic**

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There are three stages in dealing with a pandemic. The first is preparing for it, the second is managing the crisis and the third is response and recovery.

### **1.2.1. Stage 1: Pandemic preparation**

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In 2017, the UK National Risk Register identified that ‘pandemic influenza as the most significant non malicious-attack risk that was likely to materialise by 2022’ ([footnote 11](#)). Preparation was the responsibility of governments: ‘The UK government and devolved administrations, along with the emergency services and other local responders, have clear responsibilities for identifying, assessing, preparing for and responding to emergencies, as well as supporting affected communities to recover’ ([footnote 12](#)).

In the same year, Public Health England ran ‘Exercise Cygnus’ and found that policies and capabilities are ‘...not sufficient to cope with extreme demands of a severe pandemic’ ([footnote 13](#)). Similarly, the Scottish government’s ‘Exercise Silver Swan’ found that the: ‘Scottish government must have a framework in place for coordination and information gathering which is effective but offers the minimum of disruption to responder organisations during response’ ([footnote 14](#)). In essence, the National Audit Office’s (NAO) review of pandemic preparations concluded that ‘there was limited oversight and assurance of plans in place, and many pre-pandemic plans were not adequate’ ([footnote 15](#)).

## **1.2.2. Stage 2: Crisis Management**

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On the 23rd March 2020, the Prime Minister and the First Minister announced the first state mandated lockdown of businesses, individuals and families (see Appendix B for a list of policy documents). In response to this, the UK government announced a package of emergency support worth up to £330 billion or 15 per cent of UK GDP. The Scottish government announced a much smaller package of support to help Scottish businesses and communities. This £395 million came from the Scottish government repurposing and transferring its own funding (**footnote 16**).

While the first lockdown was going on, in April 2020, the Scottish Government set out a framework for relaxing or imposing restrictions (**footnote 17**). This had three guiding principles:

- ‘Any easing of restrictions will be conducted in a phased and careful manner.
  - We will do what is right for the people of Scotland.
  - We will adapt as we learn more about this virus’.
- (**Footnote 18**)

This was updated in May 2020 and outlined five phases out of the pandemic – a ‘route map’ approach to managing the pandemic (**footnote 19**). Further updates were given in mid-June, setting out the types of activities and dates for a phased gradual way out of lockdown (see Table 1.1) (**footnote 20**).

## Table 1.1: Timetable for the easing of restrictions in June 2020

**Date in 2020:** 19 June

- **Restrictions being eased:** Meet up with one other household outside

**Date in 2020:** 29 June

- **Restrictions being eased:** Workplaces, shops, outdoor markets, outdoor sports courts and playgrounds, small scale marriage ceremonies, zoos

**Date in 2020:** 3rd July

- **Restrictions being eased:** Travel beyond 5 miles, stay in self-catering places, outdoor hospitality

**Date in 2020:** 10th July

- **Restrictions being eased:** Meet more outside and meet inside with two other households

**Date in 2020:** 13th July

- **Restrictions being eased:** Shops inside shopping centres open, dentistry and eye care

**Date in 2020:** 15th July

- **Restrictions being eased:** Open all holiday accommodation, hospitality, hairdressing, libraries, childcare provision, cultural sites open

Despite these plans for a gradual easing of restrictions, Scotland introduced local restrictions in Aberdeen (August 2020) ([footnote 21](#)) and then in other urban areas in the autumn of 2020 ([footnote 22](#)).

The 'route map' approach was replaced in late October 2020 by the 'levels' approach ([footnote 23](#)). Effectively, this suggested a more regionalised 'circuit breaker' approach to mitigating the



virus. These five 'levels' ranged from no restrictions at all (level 0) to full lockdown (schools open, limited outside mixing of households and closure of many customer facing businesses (level 4)). Alongside this, there was an emphasis on a four 'harms' framework for assessing any easing or ramping up of restrictions (direct health impacts, indirect health impacts (e.g. long NHS waiting lists), societal impacts (e.g. depression, mental illness) and economic impacts ([footnote 24](#))).

In November 2020, the First Minister announced a five day relaxation in Covid-19 restrictions to allow people to celebrate Christmas together ([footnote 25](#)). On the 19th December, this was changed to only allowing indoor mixing on Christmas day and restrictions on travel ([footnote 26](#)).

Following on from the lockdown in January 2021, and the administration of the first Covid-19 vaccine in December 2020 ([footnote 27](#)), the Scottish Government reported on its levels approach in February 2021. It admitted that their local authority based levels approach failed to take account of **'travel to work areas, spill-over between neighbouring areas at different levels, population density and rurality had an impact on the effectiveness of the system at suppressing the virus'** ([footnote 28](#)).

In June 2021, with vaccine uptake rates rising, their update suggested a switch from their previous strategic intent:

**'To suppress the virus to the lowest possible level and keep it there, while we strive to 'return to a more normal life for as many people as possible'.**

**To one where we work:**

**'To suppress the virus to a level consistent with alleviating its harms while we recover and rebuild for a better future'** ([footnote 29](#)).

In November (2021), the Scottish Government updated its strategic plan suggesting that ‘**Our expectation is that COVID-19 will now become endemic and that we have a difficult winter to plan for**’ ([footnote 30](#)).

In late November 2021, the first case of the Omicron variant was identified in Scotland ([footnote 31](#)). On 14th December, new guidance was given on restrictions to household interactions ([footnote 32](#)), on travel ([footnote 33](#)) and on businesses ([footnote 34](#)).

## **Crisis Management Funding**

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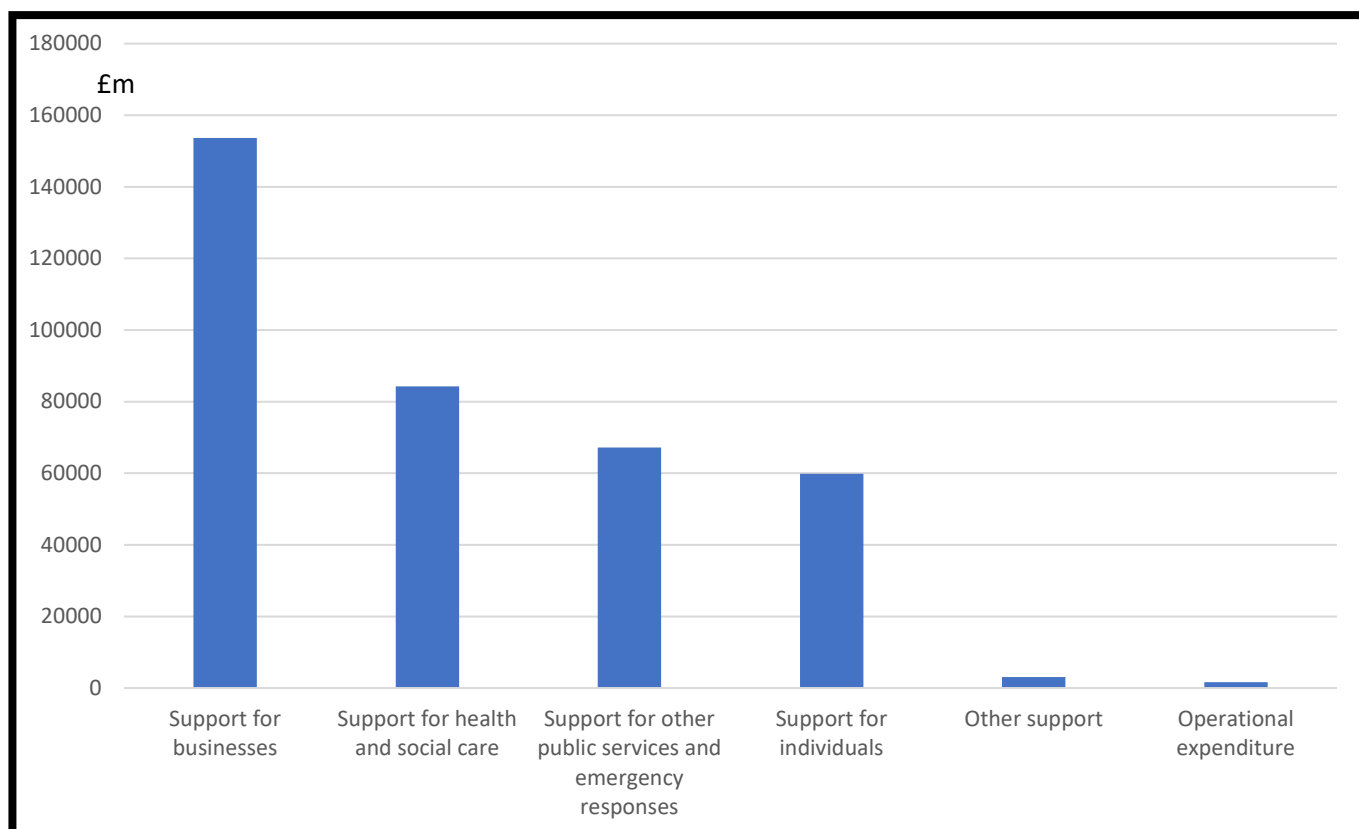
The vast majority of spending to deal with the pandemic originates from the UK government. Scotland has to balance its budget by law, and much of its funding for the public sector is based on the ‘Barnett Formula’, a mechanism for allocating the block grant Scotland receives (based, in normal years, on the previous year’s budget and increases/decreases in expenditure) ([footnote 35](#)). Due to the pandemic, Scotland was allocated funding based on the ‘Barnett consequentials’ (essentially extra monies to ensure that Scotland received its ‘fair’ share of additional spending to cover the pandemic).

In 2020/21, the Scottish government received an overall £9.7 billion extra from these Barnett consequentials ([footnote 36](#)). This, though, is dwarfed by the spending of the UK government. The NAO’s Covid-19 cost tracker (<https://www.nao.org.uk/covid-19/cost-tracker/>) provides various estimates of the costs of Covid-19. It estimates that the **original** estimated lifetime costs to deal with the pandemic was £180 billion (excluding loans and guarantees).

It also estimates the **current** estimated lifetime costs. This is £370 billion. In addition, the Bank of England have made loans and guarantees of £129 billion. This total of £499 billion is up until September 2021 and therefore does not include additional expenditure (£1 billion) for the Omicron variant ([footnote 37](#)).

Figure 1.3 shows how these estimates of current lifetime costs are split. It shows that £153 billion was spent supporting businesses, £60 billion to support individuals (welfare aspects) and £84 billion on support for public services and emergency responses (includes funding to support the public sector deal with the business and welfare aspects of the pandemic).

**Figure 1.3: Current estimated lifetime cost, £m of Covid-19 expenditure**



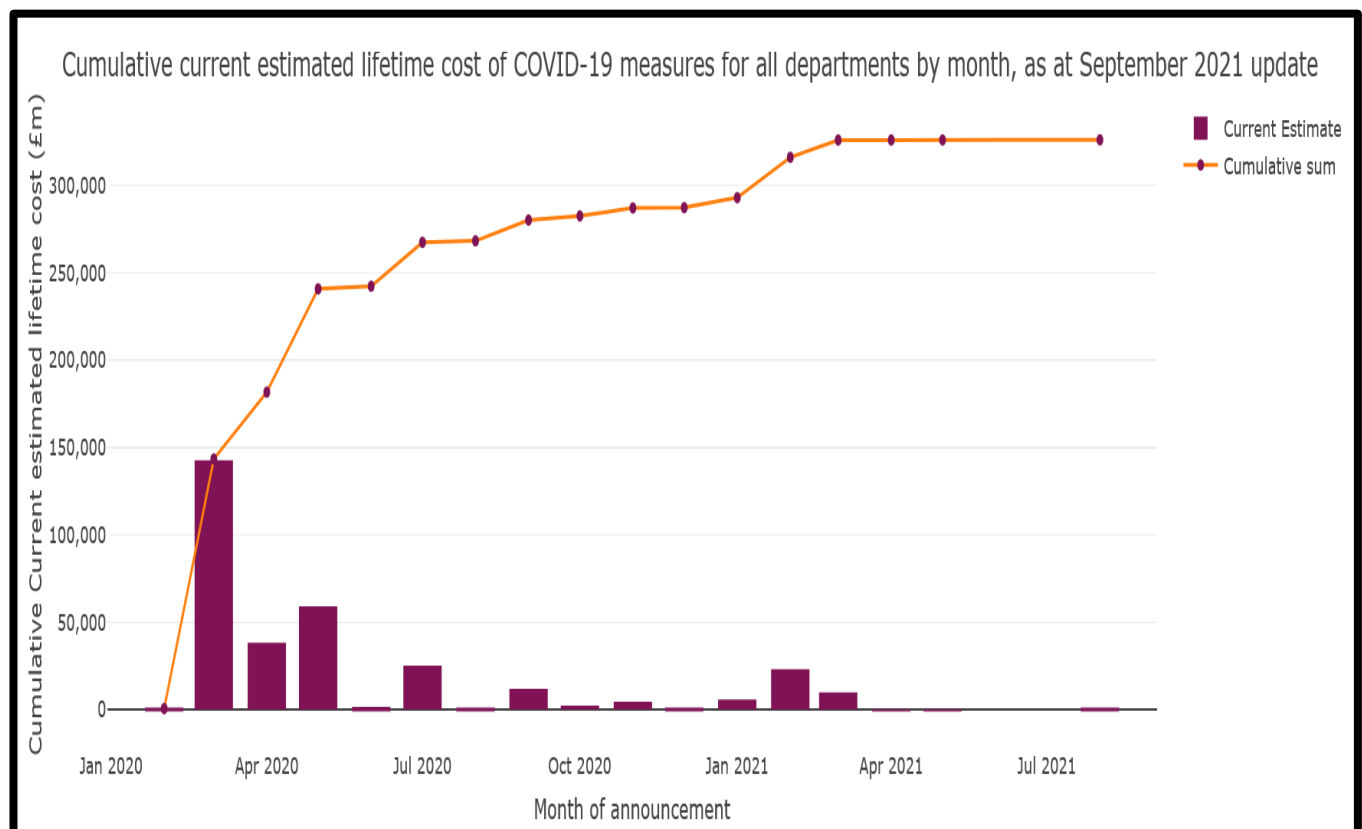
[Figure 1.3 shows a bar graph. The y axis is labelled £m and goes from 0 to 180000 in increments of 20000. The x axis shows 6 bars labelled as below, showing the following approximate information:

- Support for businesses: 153000
- Support for health and social care: 84000
- Support for other public services and emergency responses: 68000
- Support for individuals: 60000
- Other support: 3000
- Operational expenditure: 1000

End of Figure 1.3]

As Figure 1.4 shows, the vast bulk of this expenditure was in the early months of the pandemic.

### Figure 1.4: Timeline of UK Covid-19 expenditure



[Figure 1.4 shows a graph. The title of the graph is 'Cumulative current estimated lifetime cost of COVID-19 measures for all departments by month, as at September 2021 update'.

The x axis is labelled 'Month of announcement' and goes from Jan 2020 to Jul 2021 in increments of 3 months. The y axis is labelled 'Cumulative Current estimated lifetime cost (£m)' and goes from 0 to 300,000 in increments of 50,000.

### **Current estimate**

There are 14 bars labelled 'Current estimate' showing the following approximate information:

- Feb 2020: On the x-axis at 0
- Mar 2020: 145,000
- Apr 2020: 40,000
- May 2020: 60,000
- Jun 2020: On the x-axis at 0
- Jul 2020: 25,000
- Aug 2020: On the x-axis at 0
- Sep 2020: 10,000
- Oct 2020: 2,000
- Nov 2020: 4,000
- Dec 2020: On the x-axis at 0
- Jan 2021: 6,000
- Feb 2021: 25,000
- Mar 2021: 8,000
- Apr 2021: Just below the x-axis at 0
- May 2021: Just below the x-axis at 0
- Aug 2021: On the x-axis at 0

### **Cumulative sum**

There are points plotted and joined on the graph, labelled 'Cumulative sum'. The line created shows the following approximate information:

The first point is at zero in Feb 20. The line rises to the second point at 145,000 in Mar 2020. The line then rises to the fourth

point at 245,000 in May 2020. The general trend of the line continues to move upwards through the points until reaching 335,000 in Mar 2021. The line stays at 335,000 for the remainder of the graph.

End of figure 1.4]

### **1.2.3. Response and recovery**

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The final stage of any pandemic recovery are the plans and actions to rescue and recover people's lives. In October 2021, the Scottish government outlined its vision and plans for supporting Scotland out of the pandemic ([footnote 38](#)). Its vision is to:

1. Address the systemic inequalities made worse by Covid-19
2. Make progress towards a wellbeing economy
3. Accelerate inclusive person-centred public services

Promising a collaborative partnership with communities, businesses and the third sector, it outlines a range of policies to support 'good, green fair work' and 'financial security for low income households'.

Over the last two years, though, the level of expenditure on Covid-19 recovery measures has been limited: roughly NAO estimates suggest that only one-tenth of Covid-19 spending – as of September 2021 – was on wider recovery measures. The UK also has a budget deficit of 15 per cent of GDP. This is the highest ever peacetime budget deficit ([footnote 39](#)).

## **1.3. Evaluation of policy responses**

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Despite warnings, the Scottish government – like the UK government and the governments of other developed economies – was ill-prepared for a pandemic. The crisis management stage (the four lockdowns) saw largely similar approaches across the UK although, at particular times, the Scottish government adopted a stricter lockdown approach.

Over the pandemic, the Scottish government adopted first a ‘route map’ approach and then moved to a ‘levels’ approach. There were marked changes in policy in both December 2020 and 2021. Such strategic changes appear reactive to the crisis rather than proactive attempts to manage the crisis. Moreover, there is no clear evidence of ‘learning effects’ during the pandemic. Perhaps the clearest example of this is the repetition of similar policy responses in both December 2020 and December 2021. In December 2020, the Scottish government was caught out by the speed of virus transmission and had to make the difficult policy decision to alter Christmas plans. A year later, in November their anticipation was that viral transmission would be endemic – despite the presence of earlier virus mutations (e.g. alpha and delta). Come December 2021, the Scottish government had to make another abrupt policy change, suggesting that they had not learnt sufficiently from the crisis in December 2020.

Scotland has ambitious plans to rescue and recover from the pandemic but there may be questions about if there is sufficient resources to support these ambitions.

## 1.4. Potential areas of questioning for the inquiry

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The inquiry may wish to investigate the following:

- Were all four lockdowns necessary? The first lockdown may have been necessary but the subsequent ones? Was a ‘virtual’ lockdown necessary in December 2021?
- Why did the Scottish government shift from a route map to a levels approach? How did this improve the management of the crisis? Was the Scottish government’s approach reactive or proactive – was it the management of the crisis or simple fire-fighting?
- What were the advantages of diverging from England in terms of outcomes for sustaining businesses and individual well-being? Where was the evidence that approach difference were both effective and necessary?
- Scotland had plans to get out of the first lockdown. What were its plans for going back into lockdown? It was clear with the advent of the alpha and delta variants that further variants would occur. Why was there not a plan for re-introducing lockdowns in a more ordered way?
- Scotland had relatively more days in lockdown. Was there ever any consideration of alternative models for lockdown such as lockdowns for vulnerable groups? After all, the Scottish government recognised that ‘The harms caused do not impact everyone equally’ ([footnote 40](#)).
- The pandemic is first and foremost a public health crisis. However, what role did economic and personal well-being experts have in the policy making process?
- The Scottish government has ambitious plans for recovery. How are these to be paid for?
- If policy makers had their time again what would be their reflections on lessons learnt and ways forward?



## 1.5. Key people

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- Scottish Ministers (Nicola Sturgeon First Minister, John Swinney Deputy First Minister, Minister for Covid-19, Shirley-Anne Somerville Cabinet Secretary for Social Security and Older People, Kate Forbes Cabinet Secretary for Finance, Fergus Ewing Cabinet Secretary for Rural Economy and Tourism, Jeane Freeman Cabinet Secretary for Health and Sport, Aileen Campbell Cabinet Secretary for Communities and Local Government, Fiona Hyslop Cabinet Secretary for Economy, Fair Work and Culture)
- Scottish civil servants (Director-General Economy, Director-General Communities, Permanent Secretary, Audit Scotland, Office of the Secretary of State for Scotland)
- UK (Secretary of State for Scotland, Director, Office of the Secretary of State for Scotland)

## Section 2: The impact of restrictions on businesses and individuals

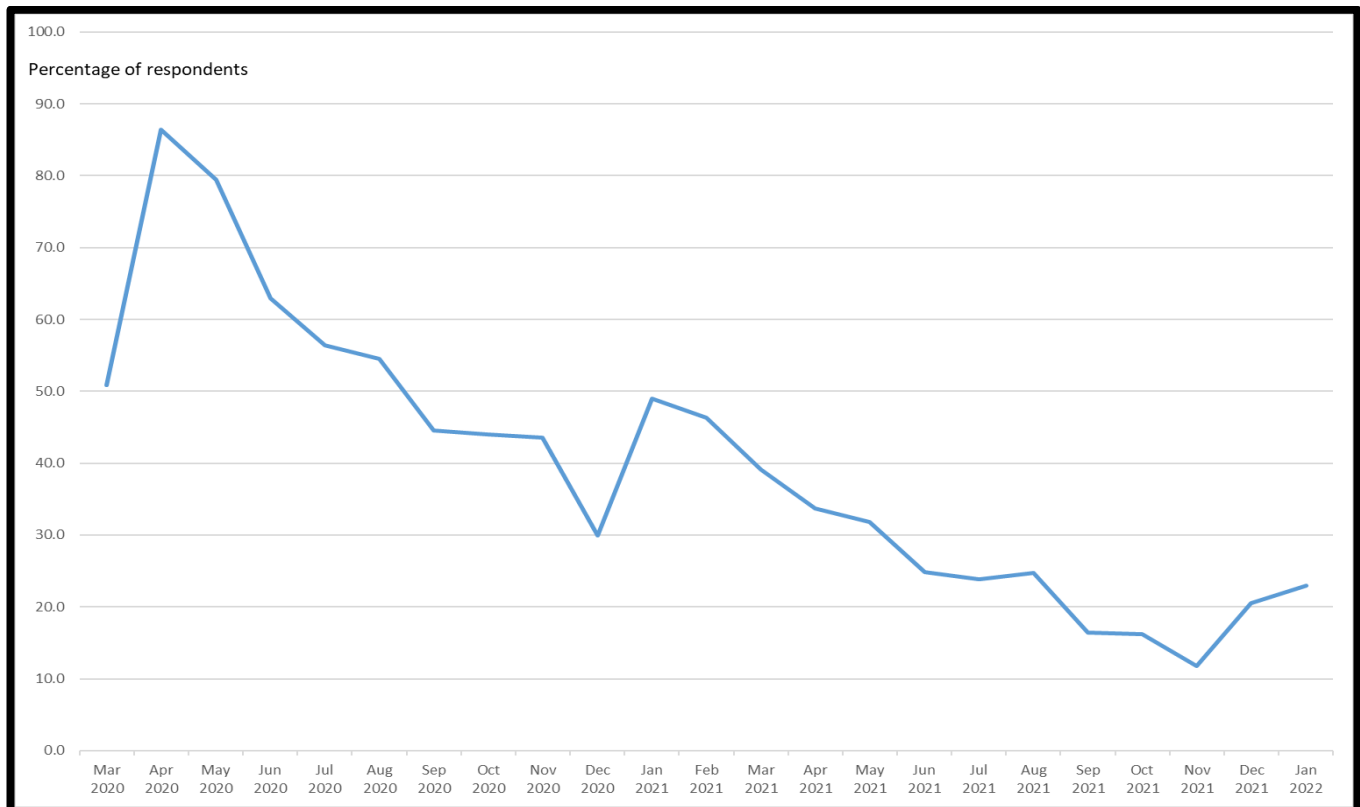
### Key messages

- A key challenge for businesses during the pandemic was uncertainty. Over the course of the pandemic, there were more than 130 changes to rules and regulations.
- Particular challenges for businesses were uncertainties about the frequency, timing, cost and arbitrariness of regulatory change.
- Among the UK population, the pandemic saw lower rates of personal well-being and higher rates of depression, relative to the pandemic.
- Suicide rates in Scotland fell in 2020 but it may be too early to judge the impact of the restrictions on the well-being of individuals.
- The pandemic appears to be associated with a rise in abuse, hate crimes and the deterioration in the well-being of particular groups such as young people and women.

### 2.1. The impact of restrictions on businesses

Over the course of the four lockdowns (Spring 2020, Autumn 2020, Winter 2020 and Winter 2021/22) and two periods of eased restrictions (Summer 2020, Spring/Summer 2021), businesses had to cope with a considerable amount of uncertainty. This is important because if firms believe that the markets they operate in are hostile and uncertain, it impacts on their willingness to keep the business going and invest in their workforce and business ([footnote 41](#)). As Figure 2.1 shows, UK firms saw Covid-19 as their principal source of uncertainty in April 2020. This steadily declined as they adapted to the pandemic but ticked up again in January 2021 and January 2022.

**Figure 2.1: Covid-19 as the primary source of business uncertainty (footnote 42)**



[Figure 2.1 shows a line graph. The x axis shows dates from Mar 2020 to Jan 2022 in increments of 1 month. The y axis is labelled 'Percentage of respondents' and goes from 0.0 to 100.0 in increments of 10. A blue line shows the following approximate information. It starts at 51.0 in Mar 2020 and rises to 87.0 in Apr 2020. It fluctuates but follows a general downward trend to 30.0 in Dec 2020, then rises sharply to 49.0 in Jan 2020. It then fluctuates but follows a general downward trend to 12.0 in Nov 2020 and rises again to 23.0 in Jan 2022.

End of figure 2.1]

Uncertainty stems from both the demand and supply side. On the supply side, workers may be unavailable for work if they get Covid-19 or are 'pinged' because they have a close contact who has the virus (footnote 43). Supply chains also faced interruptions, making it more difficult to gain supplies or supply others. On the demand side, factors that impair or prevent a

business from selling goods and services have a direct impact on revenues, without which firms are not be able to pay suppliers or workers. Accessing finance is also difficult if banks are wary about businesses being able to service their debts.

Recognising these issues, policy makers across the world introduced huge business support packages (see Section 4 for further details) and regulations to manage the pandemic. Regulations can be positive. Done well, and properly communicated, regulations that reinforce the rule of law and competition have been shown to enhance entrepreneurial activity ([footnote 44](#)).

However, regulations that are poorly communicated, ill-thought out and hastily introduced can have damaging impacts on businesses. In Scotland (as with the rest of the UK), there was from the start an effort made to communicate the changes introduced at the start of the pandemic. Throughout the pandemic, there have been regular, often daily, updates on the pandemic, informing the public and business owners of funding available and the rules associated with mitigating the health impacts of the virus ([footnote 45](#)).

However, there were a number of issues with these restrictions (see Section 4 on business support for other challenges):

- **The frequency of regulation change.** Over the last two years, there have been more than 130 changes to rules to deal with the pandemic (Appendix A). Inevitably, this has led to the identification of ‘pandemic fatigue’ where individuals stop listening and complying with the new rules and regulations ([footnote 46](#)). While the Scottish government has powers to enforce compliance, and there is little evidence to suggest that businesses did not comply, it is not surprising that compliance amongst the general population declined over the pandemic ([footnote 47](#)).

- **The speed of regulatory changes.** The Scottish government had a clear route map out of the first lockdown. This gave businesses time to prepare. For example, customer facing businesses (e.g. hospitality and tourism) knew from the 20th June 2020 that they would re-open a month later on the 15th July ([footnote 48](#)). However, while they had plenty of time to prepare for re-opening, the speed of regulatory changes thereafter gave little notice to business closures. For example, on the 22nd September 2020, the First Minister announced that pubs and restaurants would be subject to a 10 pm curfew in three days time (25th September) ([footnote 49](#)). Indeed, the general pattern was that after the Scottish Cabinet meeting on a Tuesday, there was potentially an announcement that would have either immediate implications for businesses or give them a few days notice of changes (e.g. on the 7th October 2020 all licenced premises had to close ([footnote 50](#)); firms were given little notice of rules tightening in December 2021).
- **The cost of adapting to changing regulations.** Introducing safety measures such as better ventilation, screens, staff training, extra stewards and new technology all have a direct financial cost ([footnote 51](#)). Moreover, closing down and opening up a business operation incurs costs. For example, a restaurant has to buy perishables. If the business is closed down with little notice it still has to pay its suppliers. Similarly, if there is a shutdown and a customer cancels, this represents a revenue loss which in the pandemic was unlikely to be recovered from business closure insurance ([footnote 52](#)).
- **The seeming arbitrariness of particular rules.** For example, for some business owners – particularly in the hospitality sector – it is difficult to understand the rationale for curfews ([footnote 53](#)), why some businesses offering similar products and services could remain open but others were asked to shut and why some entertainment sites which are

likely to have lower transmission risks are bracketed in with others ([footnote 54](#)).

## **2.2. The impact of restrictions on individual well-being**

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Prohibitions on going outside, meeting people, forming new relationships, travelling to meet and visit family and friends, going to cultural and social events, and pursuing sporting and physical health activities are all likely to impact on personal well-being (the subjective evaluation of well-being).

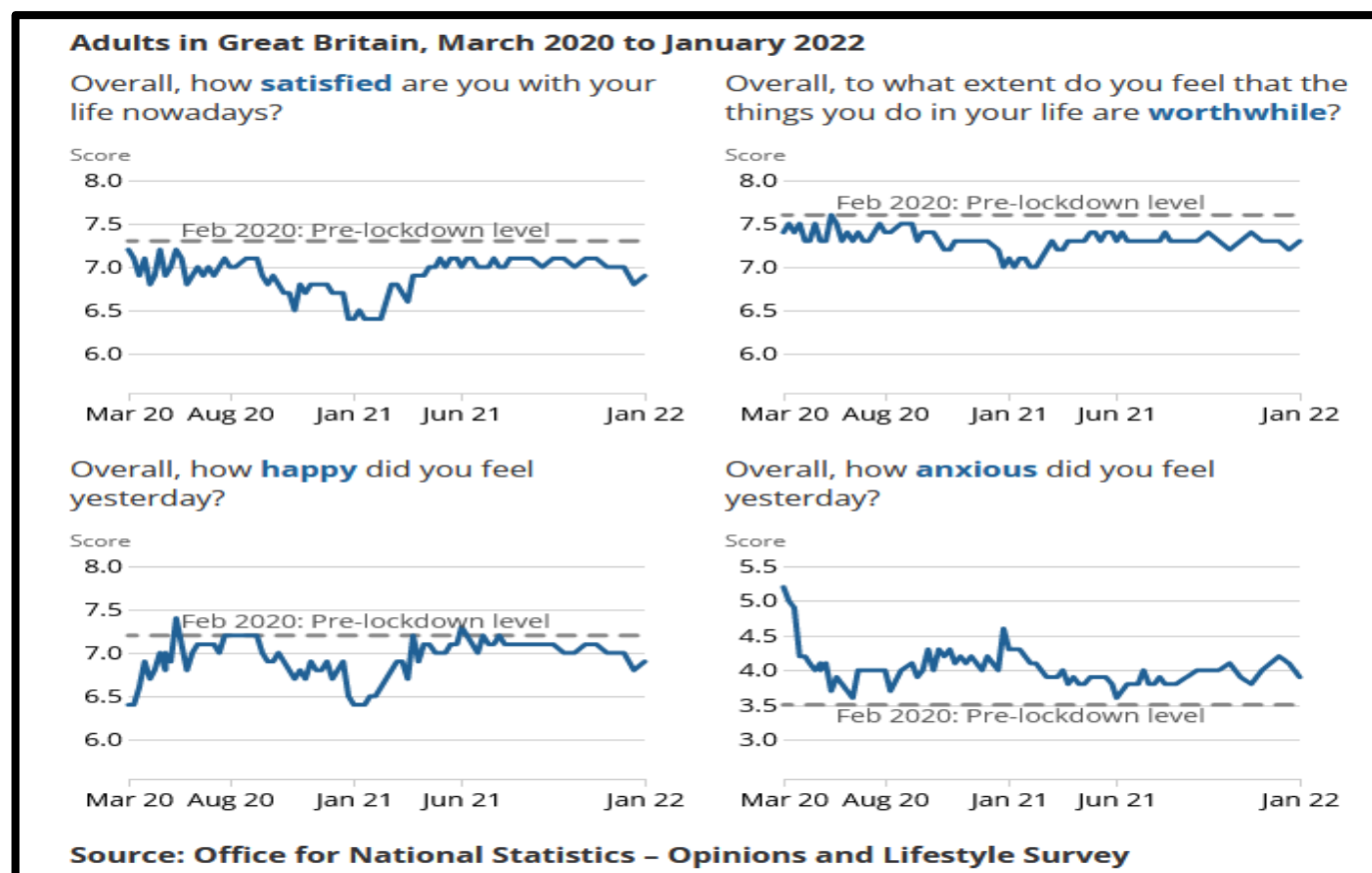
These impacts have been heterogeneous. For some, working from home will have been beneficial. Others, though, may have found that restrictions on their freedom and independence led to a sense of social isolation and loneliness, put pressure on relationships, and curtailed their ability be physically and mentally active.

Prior to the pandemic, there was already a sense that loneliness and social isolation ([footnote 55](#)) were major policy problems, with both the Scottish and UK governments launching strategies to tackle the issue ([footnote 56](#)). There was also a recognition that loneliness particularly affected a number of communities. Ethnic minorities, people living in rural communities, ex service personnel, younger and older individuals, those with limited health, the disabled, the unemployed, those with lower incomes, those living in poorer neighbourhoods were groups that were all likely to experience greater risks of limited personal well-being ([footnote 57](#)).

‘Trigger’ points such as losing a job, the break down of a relationship, moving home or the loss of a loved one have also been identified as precursors for limited personal well-being.

The Office for National Statistics (ONS) measure personal well-being (subjective well-being) across four quantitative dimensions: life satisfaction, if it is ‘worthwhile’, happiness and anxiety ([footnote 58](#)). The expectation is that a trigger point like the first and subsequent lockdowns would lead to a deterioration in personal well-being among the general population. Figure 2.2 shows that across each of the four dimensions rates are lower than pre-pandemic levels and are broadly consistent across time (although in the Winter 2021 lockdown rates look lower across all four measures) ([footnote 59](#)).

**Figure 2.2: Personal well-being in the pandemic**



[Figure 2.2 shows four line graphs with the main title ‘Adults in Great Britain, March 2020 to January 2022’. The x axis is the same for all four graphs and shows dates from Mar 20 to Jan 22. The months Mar 20, Aug 20, Jan 21, Jun 21 and Jan 22 are labelled. The y axis is labelled ‘Score’ and goes from 6.0 to 8.0

in increments of 0.5 for graphs 1, 2 and 3 and from 3.0 to 5.5 in increments of 0.5 for graph 4. Each graph also shows a dashed grey horizontal line indicating 'Feb 2020: Pre-lockdown level'. The following approximate information is shown:

Graph 1 is labelled 'Overall, how **satisfied** are you with your life nowadays?'

- The blue line of the graph starts at 7.25 in Mar 2020. It fluctuates up and down sharply between 7.25 and 6.8 from Mar 20 to Jun 20 and reaches 7.0 in Aug 20. It then follows a jagged downward trend until it reaches 6.45 in Jan 21, then rises back up to 7.2 in Jun 21. It fluctuates between 7.2 and 7.0 until it dips to 6.8 in Jan 22.
- The dashed grey horizontal line labelled 'Feb 2020: Pre-lockdown level' is at 7.35.

Graph 2 is labelled 'Overall, how **happy** did you feel yesterday?'

- The blue line of the graph starts at 6.45 in Mar 20. It follows a jagged upward trend until it peaks at 7.45 in May 20. It then drops sharply to 6.8 in Jun 20. It moves upwards to 7.0 in Aug 20 then follows a downward trend until it reaches 6.45 in Jan 21. It rises back up to 7.35 at Jun 21 and slowly moves down to 6.7 at Jan 22.
- The dashed grey horizontal line labelled 'Feb 2020: Pre-lockdown level' is at 7.2.

Graph 3 is labelled 'Overall, to what extent do you feel that the things you do in your life are **worthwhile**?'

- The blue line of the graph starts at 7.45 in Mar 20. It fluctuates a lot between 7.35 and 7.6 from Mar 20 to Jun 20, then follows a downward trend until it reaches 7.0 in Jan 21. It then rises to 7.45 in Jun 21 and stays at between 7.45 and 7.25 from Jun 21 to Jan 22.
- The dashed grey horizontal line labelled 'Feb 2020: Pre-lockdown level' is at 7.65.



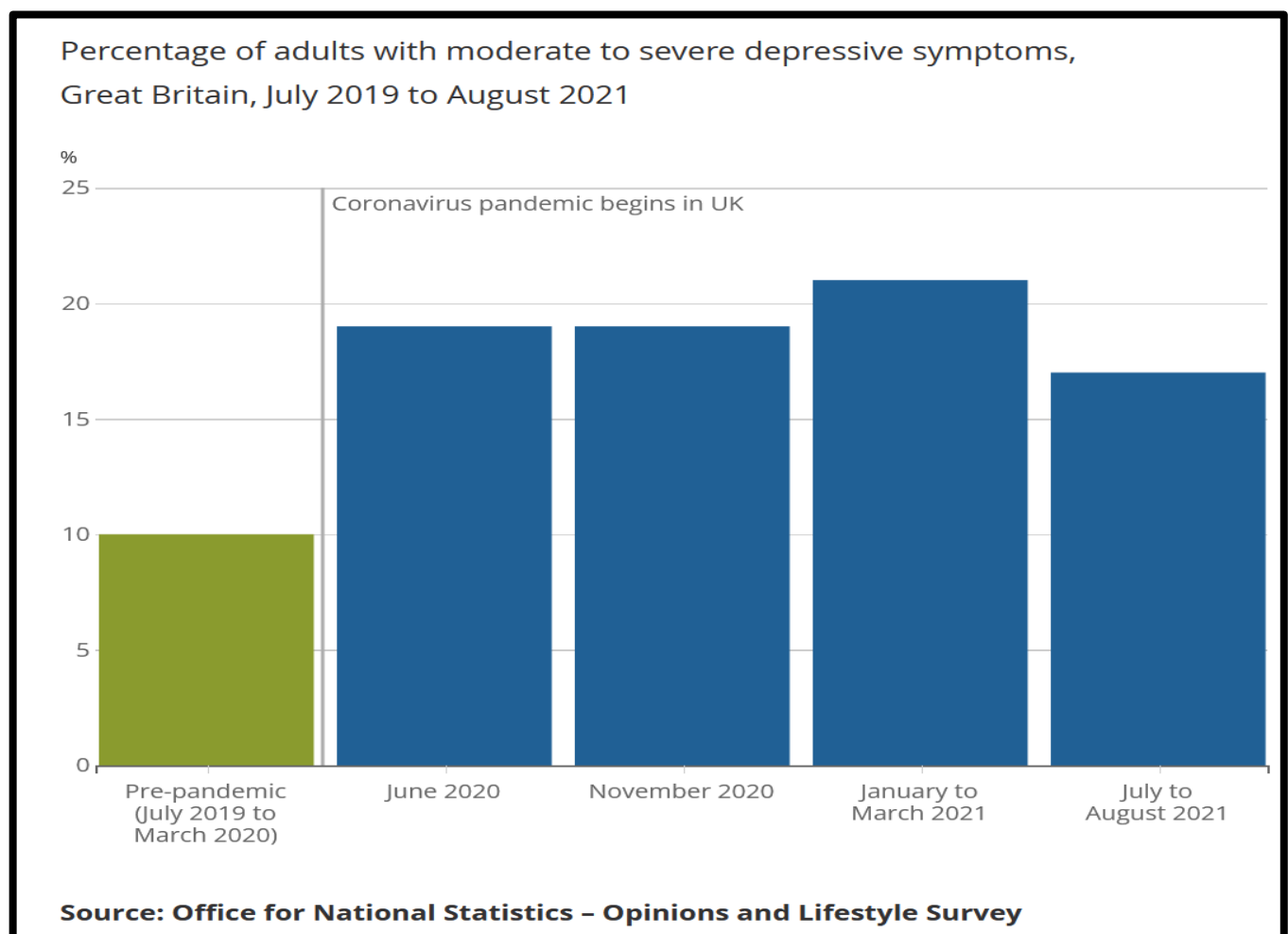
Graph 4 is labelled 'Overall, how **anxious** did you feel yesterday?'

- The blue line of the graph starts at 5.25 in Mar 20. It declines sharply until it reaches 3.6 in Jul 20, then fluctuates between 3.6 and 4.6 from Jul 20 to Jan 21. It moves downwards from 4.6 in Jan 21 to 3.6 in Jun 21 and then steadily rises to 4.2 in Jan 22.
- The dashed grey horizontal line labelled 'Feb 2020: Pre-lockdown level' is at 3.5.

End of figure 2.2]

There has also been a rise in levels of depression during the pandemic (Figure 2.3).

**Figure 2.3: UK Depression pre and during the pandemic**



[Figure 2.3 shows a bar graph with the title 'Percentage of adults with moderate to severe depressive symptoms, Great Britain, July 2019 to August 2021'. The y axis is labelled '%' and goes from 0 to 25 in increments of 5. The x axis shows 5 bars. The first bar is green. The other four bars are blue and are grouped together under the label 'Coronavirus pandemic begins in UK'. Each bar is labelled as below and shows the following approximate information:

[Green]

- Pre-pandemic (July 2019 to March 2020): 10%

[Blue] 'Coronavirus pandemic begins in UK'

- June 2020: 19%
- November 2020: 19%
- January to March 2021: 21%
- July to August 2021: 17%

End of figure 2.3]

Scottish data shows that reported mental health problems varies by age, gender, socio-economic group, being physically active, and pre-existing mental health. Younger people (18-29 years), poorer people, those that are less physically active and have pre-existing mental health conditions were all more likely to report mental health problems during the pandemic ([footnote 60](#)). Women also reported higher levels of mental health problems although it is men that are more likely to take their own lives ([footnote 61](#)). Thankfully, though, suicide rates dipped in 2020 ([footnote 62](#)). There is a need, though, for longer term data to evaluate the impact of the pandemic on personal well-being, depression and suicide rates.

Nonetheless, the pandemic restrictions have been associated with a range of psycho-social issues:

- Health and key workers have also reported a decrease in their mental well-being due to the pandemic ([footnote 63](#)).
- Women more likely to experience loneliness and self-isolation than men ([footnote 64](#)).
- Poorer mental health among students ([footnote 65](#)), younger adults in general ([footnote 66](#)), and those in high-risk groups ('shielders') ([footnote 67](#)).
- Poorer mental health among business owners and the self-employed ([footnote 68](#)).
- 4 per cent increase in domestic abuse reported to Police Scotland in 2020-21 ([footnote 69](#)) alongside reductions in mental well-being amongst women and girls ([footnote 70](#)).
- Hate crimes in total against minority groups (ethnic minorities, sexual minorities, the disabled) increased by 4 per cent between 2019-20 and 2020-21 in Scotland ([footnote 71](#)).
- Evolution of the 'digital divide' between those with the access and skills to connect with others digitally and those who lack these skills or have poor digital outcomes. The pandemic has seen increased numbers with internet access ([footnote 72](#)) but there is still an urban-rural divide in Scotland in relation to accessing superfast and gigabit broadband availability ([footnote 73](#)). Moreover, there are still significant gaps: 10 million people in UK lack basic digital skills (e.g. the ability to use devices and passwords) ([footnote 74](#)); 1.5 million households (6 per cent) do not have internet access ([footnote 75](#)) (more prevalent among those aged over 75 years old) ([footnote 76](#)); and 2 million households struggle to afford internet access ([footnote 77](#)).

## **2.3. Potential areas of questioning for the inquiry**

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The inquiry may wish to investigate the following:

- Were individual and business support organisations consulted about changes in strategic direction and or on specific rules and regulations?
- As part of the advice for Scottish policy makers, were any business and well-being experts involved? What influence, if any, did they have on decision-making policies?
- Were any impact assessments made to consider the likely costs to businesses and individuals of regulatory changes?
- What were the business and individual experiences of Covid-19 regulations?
- Do businesses and individuals perceive that there were policy learning effects during the pandemic?
- How do business and individual support organisations perceive Covid-19 recovery plans?
- What do business and individual support organisations see as the key learning lessons from the pandemic?

## **2.4. Key people**

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- National business support organisations (e.g. Scottish Chamber of Commerce, Federation of Small Business, Confederation of British Industry, Institute of Directors, Institute of Chartered Accountants of Scotland, Law Society, Business Gateway, Creative Scotland, Visit Scotland)
- Sectoral bodies (e.g. Scottish Building Federation, Federation of Master Builders, Scotland Food and Drink, Scottish Food Trade Association, Scottish Licensed Trade Association, Scottish Retail Consortium, Scottish Seafood Association, Scottish B&B Association)
- Employee organisations (Scottish Trade Union Congress, Unison, Unite, GMB)

# Section 3: The impact of pandemic on Scottish businesses

## Key messages

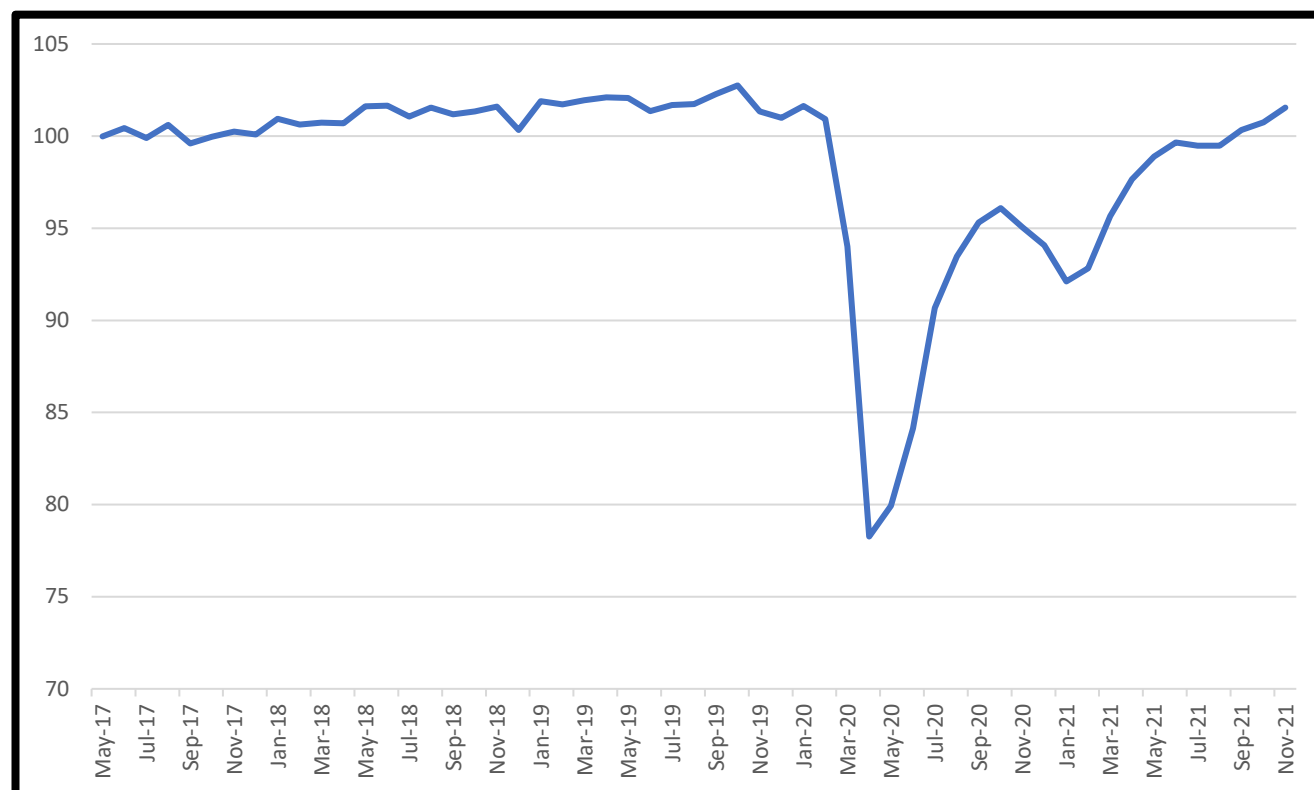
- Scottish GDP fell by a fifth in the second quarter of 2020.
- The economic downturn was widespread but particularly affected customer facing sectors (e.g. accommodation and food services, construction, arts, culture and recreation and other services).
- The contraction of the Scottish business population was modest in 2020 but was felt particularly in customer facing sectors. Time series data shows dramatic falls in revenues and cash reserves and that this was particularly acute in customer facing sectors.
- Business incorporations (start-ups) ticked up from pre-pandemic levels but business closures were surprisingly limited given the scale of the economic shock.
- Redundancies, unemployment and those claiming unemployment benefits all had an inverted U shape pattern: they rose quickly from pre-pandemic levels, peaked in 2020, and fell back in 2021.

### 3.1. Changes in Scottish GDP

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Figure 3.1 shows that the Scottish economy's GDP (a measure of total output over a period of time) fell by 21.7 percentage points in April 2020 and 20.1 in May 2020 (Quarter 2) (relative to 2017=100) ([footnote 78](#)). In 2021, Scotland's GDP improved but it was not until November 2021 that GDP passed its pre-pandemic level.

**Figure 3.1: Monthly GDP Index, May 2017-November 2021 (Chained volume measure, 2017=100) (NB: Axis does not start at 0) (footnote 79)**



[Figure 3.1 shows a line graph. The x axis shows dates from May-17 to Nov-21 in increments of 2 months. The y axis goes from 70 to 100 in increments of 5. A blue line shows the following approximate information: It starts at 100 in May-17. It fluctuates between 98 and 103 until Mar-20 at which point it plummets to 78. It then rises steeply to 96 in Nov-20, drops to 92 in Jan-21 and rises again to 102 in Nov-21.

End of Figure 3.1]

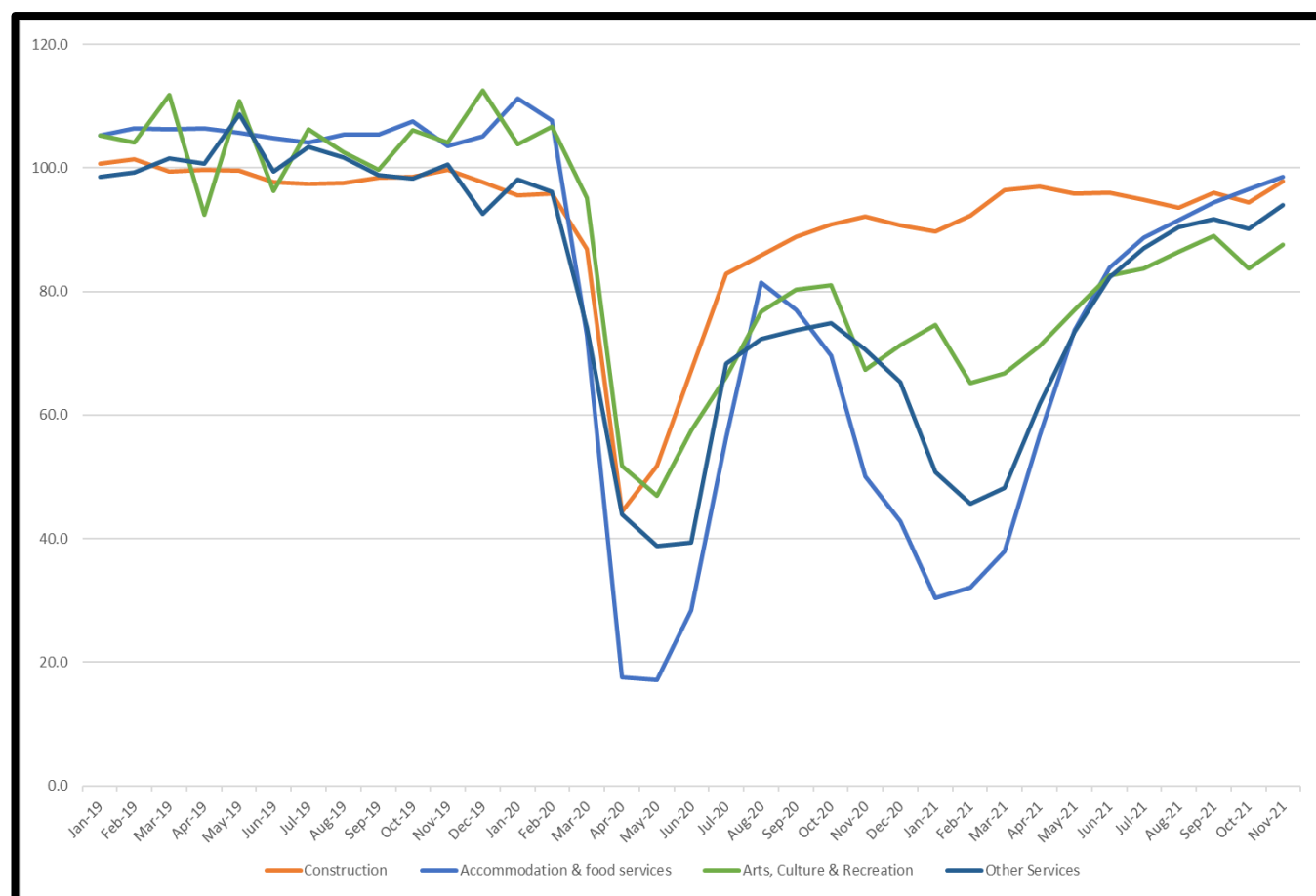
The GDP fall in Q2 of 2020 and again in Q4 2020-Q1 2021 was felt across the whole Scottish economy ([footnote 80](#)).

However, while all sectors (with the exception of the public services) in April-May 2020 saw a decline in their GDP, Figure 3.2 shows that some sectors were particularly badly hit.

Accommodation and food services saw the biggest decline in April-May 2020 with GDP dropping by more than 80 per cent (2017=100). There were improvements by Summer 2020 but

this again declined to 70 per cent lower in early 2021. This sector – like other sectors on a similar path (construction, other services, arts, culture and recreation) – have not recovered back to their pre-pandemic GDP levels.

**Figure 3.2: Monthly GDP Index, January 2019-November 2021 (Chained volume measure, 2017=100), worst affected sectors in Scotland (footnote 81)**



[Figure 3.2 shows a line graph. The x axis shows dates from Jan-19 to Nov-21 in increments of 2 months. The y axis goes from 0.0 to 120.0 in increments of 20. The graph shows four coloured lines, labelled as follows:

- **Orange: Construction**
- **Light blue: Accommodation and food services**
- **Green: Arts, Culture and Recreation**
- **Dark blue: other services**

The following approximate information is shown:

The four lines follow a similar trend to start with They all start around 100.0 in Jan-19, plummet after Mar-20 and rise again to between 70 to 85 by Sep-20. The **light blue** line shows the sharpest drop to 18 after Mar-20 and the **dark blue, green** and **orange** lines show a lesser drop to between 40 and 45. After Sep-20 the **light blue, dark blue** and **green** lines drop again so that by Mar-21 **light blue** is at 30, **dark blue** is at 48 and **green** is at 65. These three lines then rise until they reach 99, 92 and 89 respectively in Nov-21. After Sep-20 the **orange** line rises until it reaches 98 in Nov-21.

End of Figure 3.2]

### **3.1.2. Aggregate snapshot data on the Scottish business population**

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These changes in GDP had negative impacts on Scotland's business population. Up until the pandemic, Scotland's business population had grown by about a fifth from 298,425 business in 2010 to 355,550 businesses in 2019 (**footnote 82**). Like everywhere else in the world, Scottish businesses are overwhelmingly small (<50 employees). As Table 3.1 shows, in 2019, small and medium sized businesses (SMEs) (<249 employees) employed nearly 1.2 million people and represented 41.5 per cent of private sector turnover.

#### **Table 3.1: Number of Scottish businesses, employment and turnover in 2019 (footnote 83)**

##### **Employee Size band: 0-49 employees**

- N. businesses: 350,140
- % of Businesses: 98.2%
- Employment: 921,300
- % of Employment: 42.6%
- Turnover (£m): 77,863
- % of Turnover: 27.7%



### **Employee Size band: 50-249 employees**

- N. businesses: 3,985
- % of Businesses: 1.1%
- Employment: 277,000
- % of Employment: 12.8%
- Turnover (£m): 38,845
- % of Turnover: 13.8%

### **Employee Size band: 250+ employees**

- N. businesses: 2,425
- % of Businesses: 0.7%
- Employment: 963,520
- % of Employment: 44.6%
- Turnover (£m): 164,603
- % of Turnover: 58.5%

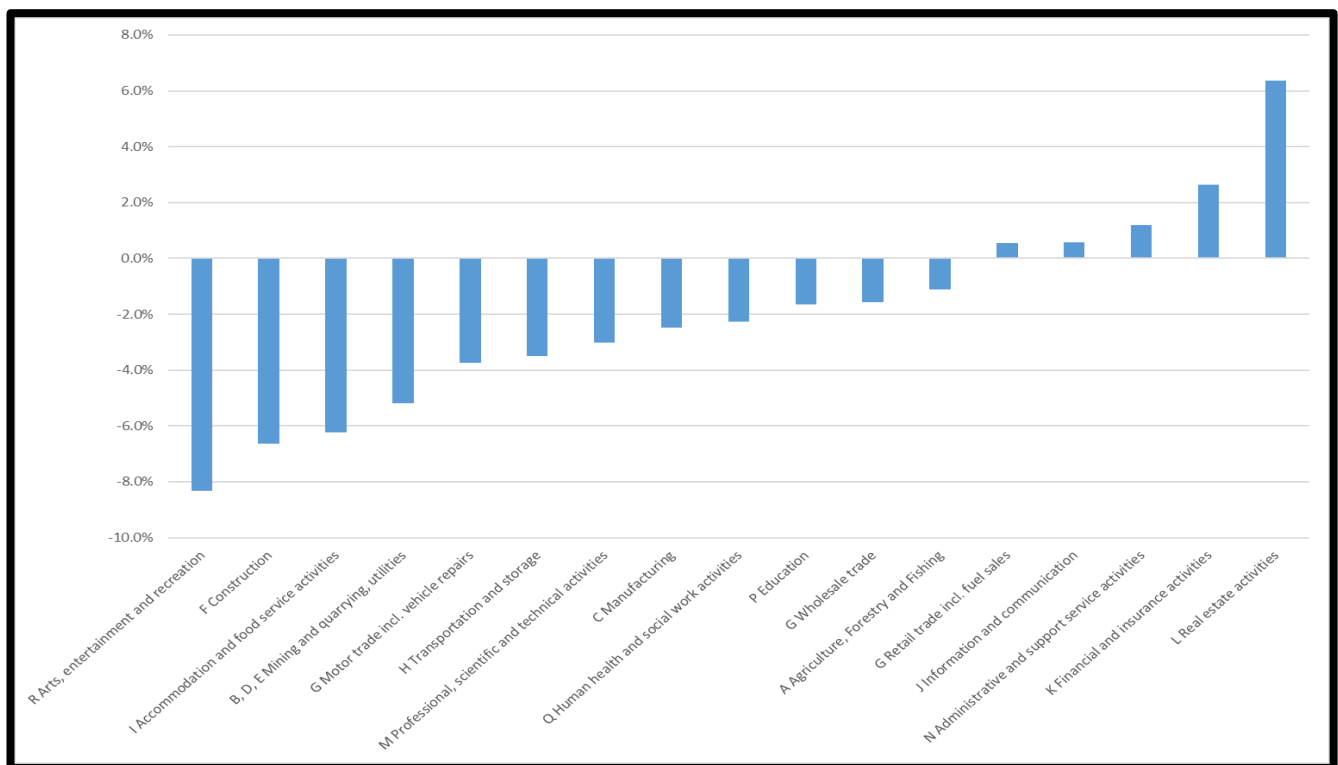
### **Employee Size band: Total**

- N. businesses: **356,550**
- Employment: **2,161,820**
- Turnover (£m): **281,311**

Scotland's business population fell by 5.4 per cent between March 2020-March 2021. This fall occurred across all sizes of businesses although the largest decrease was for those businesses with no employees. There were also a fall in employment by 52,930 employees although total turnover increased from 291,316 (£m) to 298,950 (£m) over 2020-2021 ([footnote 84](#)). The geographic impacts were widespread. Although Scottish business density remained fairly stable between 2019 and 2021, 21 out the 32 local authority areas saw a decline in their business density (number of businesses per 10,000 population) ([footnote 85](#)).

Particular sectors, though, were badly hit. Figure 3.3 shows that the biggest percentage decline in business numbers between 2020 and 2021 was in the arts, recreation and entertainment, construction and accommodation and food services sectors ([footnote 86](#)).

**Figure 3.3: Percentage change in the number of businesses, by sector, March 2020- March 2021** ([footnote 87](#))



[Figure 3.3 shows a bar graph. Each bar on the x axis shows a different sector. The y axis goes from -10.0% to 8.0% in increments of 2. The following approximate information is shown for each sector. Each bar starts at 0.0%:

- R Arts, entertainment and recreation: -8.3%
- F Construction: -6.6%
- I Accommodation and food service activities: -6.3%
- B, D, E Mining and quarrying, utilities: -5.2%
- G Motor trade incl. vehicle repairs: -3.8%
- H Transportation and storage: -3.7%
- M Professional, scientific and technical activities: -3.0%
- C Manufacturing: -2.5%

Q Human health and social work activities: -2.3%  
P Education: -1.75%  
G Wholesale trade: -1.7%  
A Agriculture, Forestry and Fishing: -1.1%  
G Retail trade incl. fuel sales: 0.6%  
J Information and communication: 0.7%  
N Administrative and support service activities: 1.3%  
K Financial and insurance activities: 2.7%  
L Real estate activities: 6.4%

End of figure 3.3]

In general, there is insufficient evidence to quantify the impact of the pandemic on particular groups of business owners. International evidence suggests that female led businesses and ethnic minority businesses were more likely to experience difficulties ([footnote 88](#)). UK evidence suggests, though, that the percentage of female majority-led businesses (with no employees in 2021) was 21 per cent. This was up 4 per cent from 17 per cent in 2019. This is a complex issue because:

- Scotland's population is predominantly white (96 per cent) ([footnote 89](#)), making it difficult to draw reliable time series estimates of changes in ethnic minority business ownership
- Female and ethnic minority led businesses often are in customer facing sectors, start with fewer resources and have fewer resources than male/white owners ([footnote 90](#)).

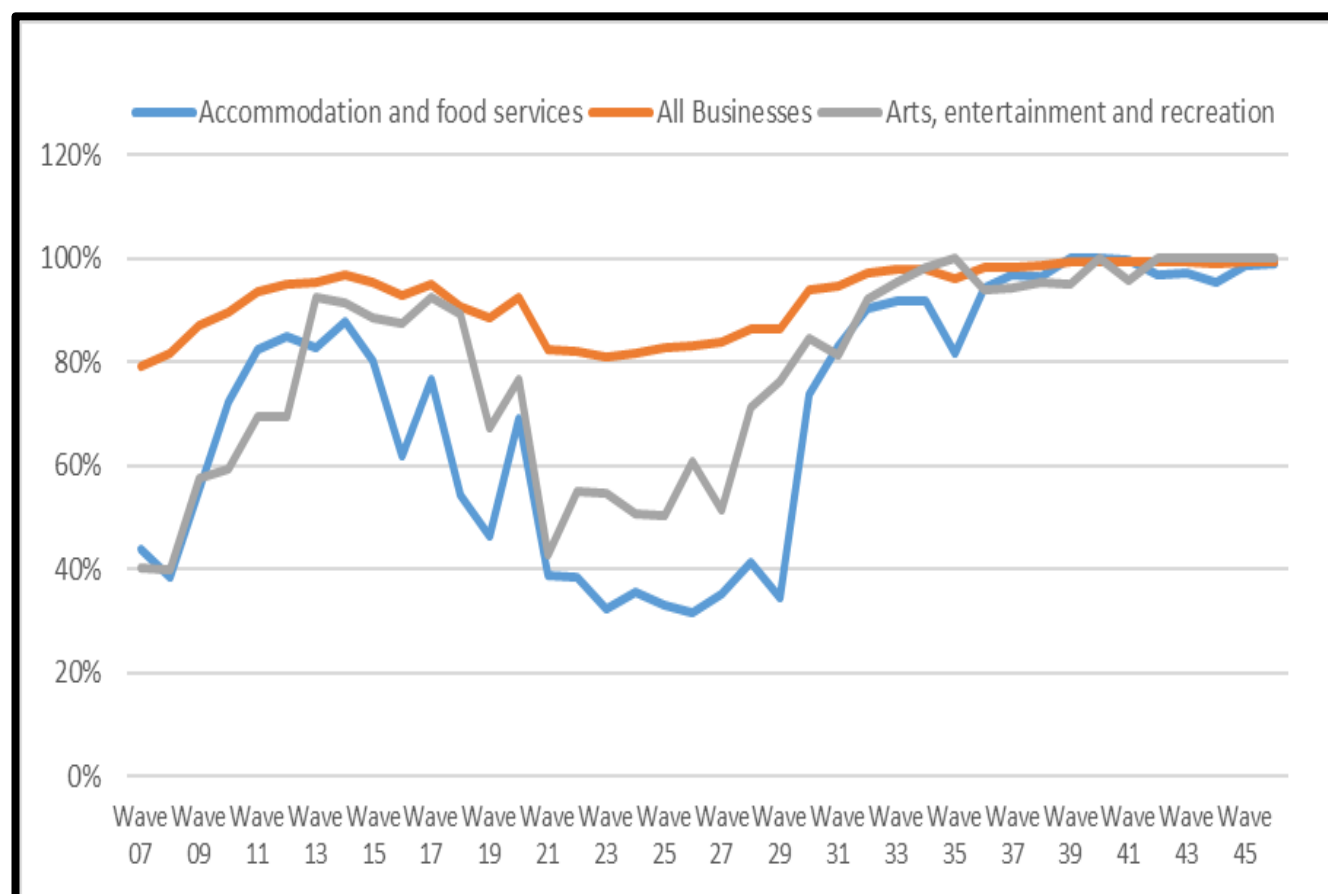
### **3.1.2. Time series data on pandemic impacts on businesses**

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The ONS ran a voluntary fortnightly survey (Business Impacts of Covid-19) on the impacts of the pandemic on UK businesses from June 2020 (wave 7) to December 2021 (wave 47) ([footnote 91](#)). The Scottish Government adapted these data to examine larger sized businesses (9 employees or more) across Scotland.

Figure 3.4 shows the trading status of businesses between wave 7 and 47. For 'all businesses', around four out of five were open in late June 2020. This increased to nearly all businesses by late September 2020 (wave 14) before steadily falling back to four out of five businesses trading in late January 2021 (wave 23). This figure also identifies the two sectors (accommodation and food services and arts, entertainment and recreation) that were least likely to be open during the pandemic. Over the period January-May 2021 (wave 21-29), fewer than 40 per cent of accommodation and food services firms were open.

**Figure 3.4: Business Impacts of Covid-19 survey data on Scottish firms that were 'currently trading', June 2020-December 2021 (footnote 92).**



[Figure 3.4 shows a line graph. The x axis goes from Wave 07 to Wave 45 in increments of 2. The y axis goes from 0% to 120% in increments of 20. The graph shows three coloured lines, labelled as follows:

- **Blue: Accommodation and food services**
- **Orange: All businesses**
- **Grey: Arts, entertainment and recreation**

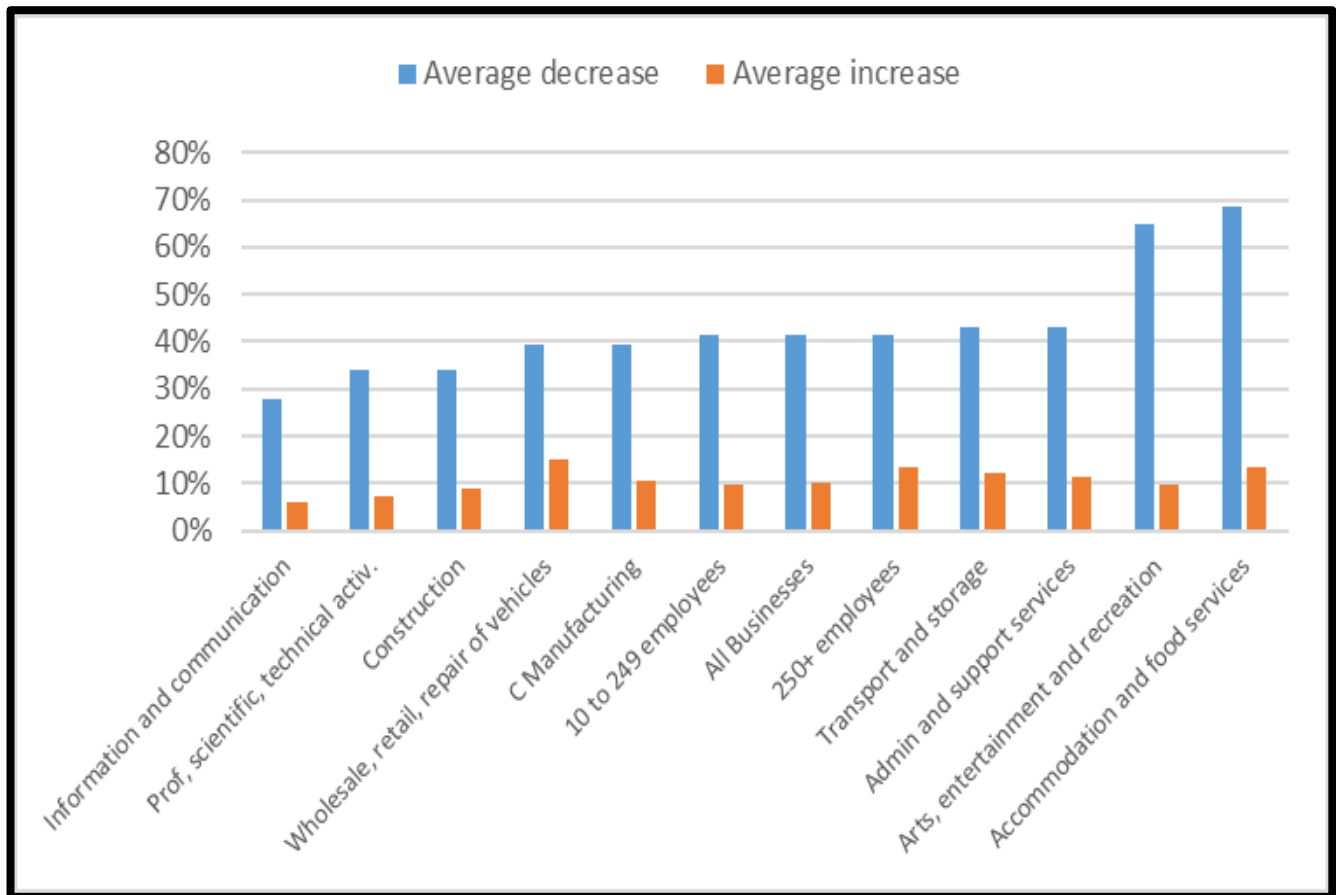
The following approximate information is shown:

- **Blue:** This line starts at 44% at Wave 07. It rises to 89% at Wave 14, then fluctuates sharply as it drops to 33% at Wave 23. It stays around this mark until Wave 29, then rises sharply to 90% at Wave 32. It drops sharply to 80% at Wave 35, rises to 94% at Wave 36, then stays around this mark for the remainder of the of the graph to Wave 45.
- **Orange:** This line starts at 79% at Wave 07. It rises steadily to 98% at Wave 14, drops to 80% at Wave 23, rises again to 98% at Wave 33 and stays around this mark for the remainder of the of the graph to Wave 45.
- **Grey:** This line starts at 40% at Wave 07. It rises to 94% at Wave 13, stays around this mark until Wave 16, then drops sharply to 42% at Wave 21. It then fluctuates as it rises to 100% at Wave 34 and stays around this mark for the remainder of the of the graph to Wave 45.

End of figure 3.4]

Similarly, Figure 3.5 charts if Scottish businesses experienced – on average - an increase or decrease in turnover compared to normal expectations for this time of year. Across all of the waves, Figure 3.5 shows that firms in the information and communications sector were the least likely to report a decrease in turnover while accommodation and food services saw the biggest decrease in turnover levels.

**Figure 3.5: Business Impacts of Covid-19 survey data on the average increases and decreases in turnover levels among Scottish firms between June 2020-December 2021 (footnote 93).**



[Figure 3.5 shows a bar graph. The x axis shows different business categories with 2 bars for each, labelled: 'Average decrease' and 'Average increase'. The y axis goes from 0% to 80% in increments of 10. The following approximate information is shown:

### **Information and communication**

- Average decrease: 28%
- Average increase: 6%

### **Prof, scientific, technical activ.**

- Average decrease: 34%
- Average increase: 7%

## **Construction**

- Average decrease: 33.5%
- Average increase: 9%

## **Wholesale, retail, repair of vehicles**

- Average decrease: 39.5%
- Average increase: 15%

## **C Manufacturing**

- Average decrease: 39.5%
- Average increase: 10%

## **10 to 249 employees**

- Average decrease: 41%
- Average increase: 9.5%

## **All Businesses**

- Average decrease: 41%
- Average increase: 10%

## **250+ employees**

- Average decrease: 41%
- Average increase: 13.5%

## **Transport and storage**

- Average decrease: 43%
- Average increase: 12%

## **Admin and support services**

- Average decrease: 43%
- Average increase: 11%

## **Arts, entertainment and recreation**

- Average decrease: 65%
- Average increase: 9.8%

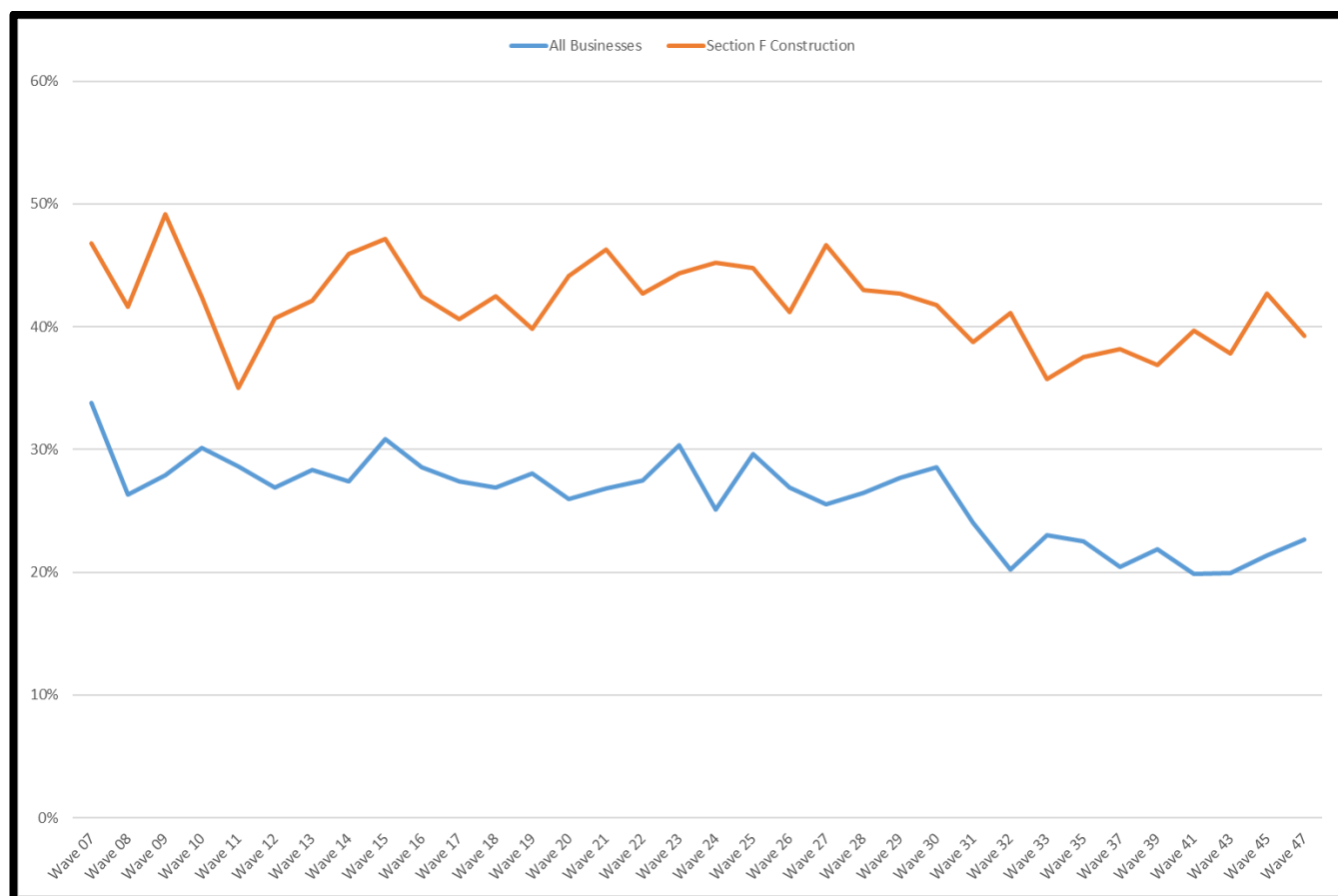
## Accommodation and food services

- Average decrease: 69%
- Average increase: 13.5%

End of figure 3.5]

Figure 3.6 reports on business cash reserves for 'all businesses' and construction (the sector with the lowest levels of cash reserves). These are important because having cash acts as a buffer against uncertainty and potential closure. Figure 3.6 shows that around 30 per cent of all businesses and 40 per cent of construction had cash reserves that would last more than three months.

**Figure 3.6: Business Impacts of Covid-19 survey data on percentage of businesses with cash reserves of less than three months among all businesses and construction firms, June 2020-December 2021 (footnote 94).**





[Figure 3.6 shows a line graph. The x axis goes from Wave 07 to Wave 47 in increments of 1. The y axis goes from 0% to 60% in increments of 10. The graph shows two coloured lines, labelled as follows:

- **Blue: All Businesses**
- **Orange: Section F Construction**

The following approximate information is shown:

The **blue** line starts at 34% at Wave 07. It fluctuates downwards across the whole graph until it reaches 23% at Wave 47. The **orange** line starts at 47% at Wave 07. It fluctuates between 35% and 49% across the whole graph until it reaches 39% at Wave 47. The **orange** line is above the **blue** line. The two lines never meet or cross.

End of figure 3.6]

Faced with an economic downturn, what typically occurs is that there is a rise in incorporations (start-ups), if only because there are fewer job opportunities. Start-up rates did go up from pre-pandemic levels but not by what could have been anticipated given the falls in GDP: on average there were around 15,000 incorporations per week across the UK during the pandemic ([footnote 95](#)) which is – on average – about 1,000 more start-ups than in 2019 ([footnote 96](#)).

Another expectation is dramatic increases in business closures either because businesses ‘failed to make a go of it’ (voluntary dissolutions) ([footnote 97](#)) or because they faced compulsory dissolutions (formal business closures) ([footnote 98](#)). This did not occur. The average weekly number of voluntary and compulsory company dissolutions ([footnote 99](#)) was 12,913 in 2019 and 12,894 over the period 2020-2021. Further evidence of the muted impact is that in Scotland there were 20 per cent fewer business liquidations in 2020 compared to 2019 ([footnote 100](#)).

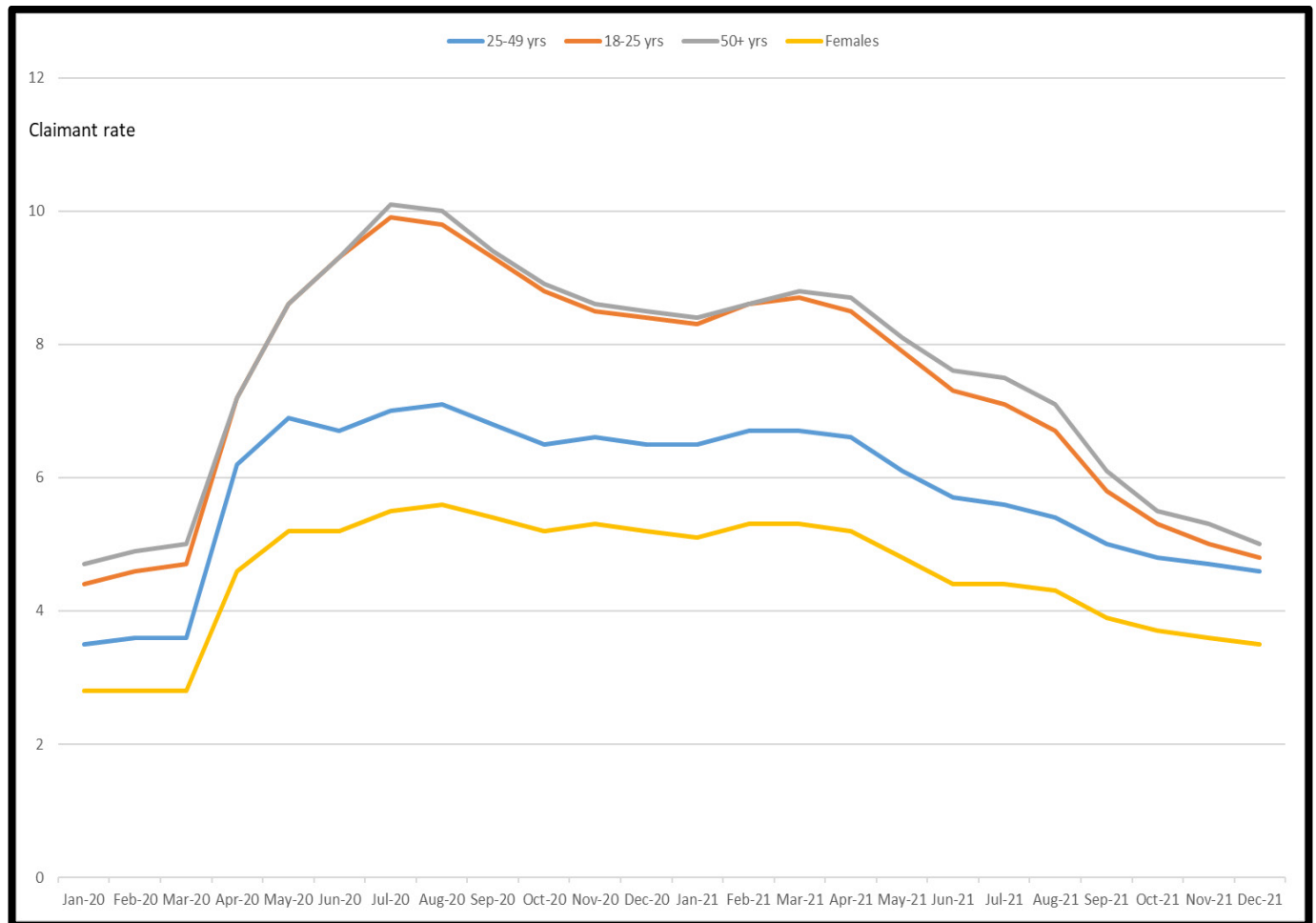
Another similar expectation is that a large external economic shock leads to redundancies. Across the UK, after the first lockdown in 2020, there was indeed a large increase in the number of redundancies. At its peak in October 2020, there were 402,000 people made redundant. This compares with around 100,000 before the pandemic. However, by March 2021, redundancies numbers were similar to pre-pandemic numbers.

This inverted 'U' shape pattern is also evident in both unemployment and claimant count data ([footnote 101](#)). Unemployment data shows that in Scotland unemployment was 3.7 per cent in January 2020, increased to 4.7 per cent in March 2020 and peaked at 4.9 per cent in June 2020. By November 2021, though, the unemployment rate had fallen back to 3.6 per cent – 0.1 per cent below the January 2020 rate ([footnote 102](#)).

Similar patterns are found in claimant count data. The claimant count in January 2020 was 3.6 per cent. It peaked at 6.9 per cent in August 2020 and then fell back to 4.6 per cent by December 2021 ([footnote 103](#)). This overall rate might mask particular challenges to particular groups. The expectation – as with the 2008 financial crisis - is that young people (18-24 years old), older people (50-64 years old) and women may be more likely to be made unemployed over the pandemic.

Figure 3.7 shows that there was a doubling in the claimant rate in the early months of the pandemic. Claimant counts are higher both for younger and older workers but females have lower claimant count rates than 25 to 49 year olds. Finally, claimant counts are broadly similar in January 2020 and in December 2021 ([footnote 104](#)).

**Figure 3.7: Claimant count rates in Scotland for different ages and for women**



[Figure 3.7 shows a line graph. The x axis shows dates from Jan-20 to Dec-21 in increments of 1 month. The y axis is labelled 'Claimant rate' and goes from 0 to 12 in increments of 2. The graph shows four coloured lines, labelled as follows:

- **Blue: 25-49 yrs**
- **Orange: 18-25 yrs**
- **Grey: 50+ yrs**
- **Yellow: Females**

The following approximate information is shown:

The four lines follow a similar trend. They remain at the same level from Jan-20 to Mar-20, rise to a peak at Jun/Jul-20, drop to Jan-21, rise to Mar-21, and then steadily drop to the end of the graph at Dec-21. The **grey** line is highest up the graph, with

the **orange**, **blue** and **yellow** lines staggered beneath it. The figures for each individual line at the dates given above are as follows:

- **Grey:** This line starts at 4.7 at Jan-20. It rises slightly to 5 at Mar-20, then rises sharply to 10.05 at Jun/Jul-20. It drops to 8.5 at Jan-21, rises to 8.9 at Mar-21, then drops to 5 at Dec-21.
- **Orange:** This line starts at 4.5 at Jan-20. It rises slightly to 4.8 at Mar-20, then rises sharply to 9.95 at Jun/Jul-20. It drops to 8.5 at Jan-21, rises to 8.8 at Mar-21, then drops to 4.8 at Dec-21.
- **Blue:** This line starts at 3.6 at Jan-20. It rises slightly to 3.65 at Mar-20, then rises sharply to 6.9 at Jun/Jul-20. It drops to 6.6 at Jan-21, rises to 6.8 at Mar-21, then drops to 4.6 at Dec-21.
- **Yellow:** This line starts at 2.9 at Jan-20. It stays at 2.9 to Mar-20, then rises sharply to 5.7 at Jun/Jul-20. It drops to 5.1 at Jan-21, rises to 5.25 at Mar-21, then drops to 3.6 at Dec-21.

End of figure 3.7]

## **3.2. Evaluating the economic impact of the pandemic**

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Scotland experienced a profound economic shock due to the pandemic. This has resulted in Scotland's business population falling, reductions in business revenue, high levels of businesses with limited cash reserves and periodic bouts of closure. The evidence suggests that these impacts are similar across the globe (**footnote 105**). Three features stand out from these findings:

1. It impacted different sizes of business. This is unusual. Because small firms are more likely to be - relative to larger firms – found in customer facing sectors, have limited control over their supply chain (lack market power), shallower pockets and be less likely to have digital skills, it might be anticipated that they would disproportionately face challenges (**footnote 106**). Instead, because the pandemic has affected both supply (e.g. reductions in hours worked, supply-chain difficulties) and demand (e.g. lower customer confidence), the pandemic has hit all sizes of business (**footnote 107**).
2. The number of business closures, redundancies and people experiencing unemployment is very modest given the magnitude of the GDP shock experienced during the pandemic (**footnote 108**). One main reason for these muted patterns is the massive state intervention to support firms through wage subsidies (furlough scheme) and financial support. For example, one study showed that the US paycheck protection programme (similar to the UK's furlough scheme) led to a 14 to 30 percentage point increase in firm survival (**footnote 109**).
3. There have been differential sectoral impacts. In essence, customer facing businesses have suffered a great deal during the pandemic.

The literature on disasters (e.g. earthquakes) shows that entrepreneurs are resilient (**footnote 110**). The worry is that the pandemic has long-term impacts (**footnote 111**). For example, the pandemic has seen a wholesale shift to working from home. This has environmental benefits in that it reduces commuting and may potentially improve productivity (**footnote 112**) but it has potentially damaging consequences in that it may lead to mental illness, employee isolation, may make it difficult to sustain organisational cultures and have a negative impact for the 'high street' (**footnote 113**).

Scotland's position to adapt post pandemic may be also more limited because – relative to the rest of the UK – it has below average start-up rates, productivity ([footnote 114](#)), and limited growth in GDP, earnings and employment ([footnote 115](#)). There are also significant headwinds with inflation pressures intensifying and a budget deficit of 15 per cent of GDP (the highest ever peacetime budget deficit) ([footnote 116](#)).

## **3.2. Potential areas of questioning for the inquiry**

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The inquiry may wish to investigate the following:

- What were the impacts on the ground for business owners and employees of shut downs, and having limited cash reserves and revenues. What, in particular, were the challenges for customer facing sectors? What was the economic impact on minority businesses?
- How did home working and a shift to digital impact on the functioning of businesses? What lessons can be drawn from business owners that managed to successfully navigate the pandemic?
- Did business owners and employees have appropriate forums to discuss their concerns about the economic impact of the pandemic on their business and livelihoods?
- Do business owners and employees believe that the four periods of lockdown were necessary? What alternative approaches would they have liked to see implemented?
- What are the longer term impacts for businesses and employees on the pandemic?

## 3.4. Key people

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- Business support organisations (e.g. Opportunity North East, Elevator UK, Chambers of Commerce, GrowBiz Scotland).
- Sectoral organisations (e.g. Scottish Hospitality Group, Federation of Scottish Theatre, Concert Promoters Association, Museums Association, UK Cinema Association, Royal Television Society, Scotland Food and Drink, Scottish Contemporary Arts Network).
- Public sector (e.g. Scottish Enterprise; Highlands and Islands Enterprise, Visit Scotland, the South of Scotland Enterprise, Creative Scotland, the chief economist, Scottish Government)



# Section 4: Support for businesses

## Key messages

- **Business support during the pandemic was largely funded by the UK government.**
- **The support package for businesses included measures to support employment (e.g. wage subsidies) and business cashflow (e.g. measures to ease payment difficulties), as well as financial support (grants, loans and guarantees).**
- **£180 billion was estimated to have been spent on business support measures ([footnote 117](#)).**
- **Scottish businesses welcomed the UK's support but significant concerns have been raised about fraud and losses and the targeting of such schemes.**
- **Scotland spent £4.4 billion (mostly through Barnett consequential) on business support. Again, there was concerns about the targeting of such support, difficulties in accessing support and intergovernmental challenges in supporting businesses.**
- **The existence of such support is a major contributory factor to the limited impact of the pandemic on business and employee outcomes.**

### 4.1. Business support services prior to the pandemic

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Before the pandemic, Scotland's businesses had access to a range of UK wide services ([footnote 118](#)). Scottish businesses can also access Scotland's business support through particular agencies (Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, the South of Scotland Enterprise and the Scottish National Investment Bank (a



provider of long term capital)). There are also a number of sectorally focused agencies (e.g. Creative Scotland and Visit Scotland). At the regional level, there are regional economic partnerships and the local authorities provide the Business Gateway (advice and support to businesses) programme.

## **4.2. Business support during the pandemic**

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Although the Inquiry is focused on Scotland and its actions during the pandemic, business support available to Scottish businesses during the pandemic can only really be understood in relation to the UK. There is a simple reason for this: money. The Chancellor of the Exchequer committed on the 17th March 2020 up to £330 billion (equivalent to 15 per cent of the UK's GDP) to businesses ([footnote 119](#)). Scotland's share of this was determined by extra funding (Barnet consequential) to cope with the pandemic. By comparison, the Scottish government - by reallocating its own spending - had £295 million available.

### **4.1.1. Main UK schemes**

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In late March 2020, a package of business support was introduced ([footnote 120](#)):

- **Wage subsidies** - The Coronavirus Job Retention Scheme (CJRS) ('furlough') programme was designed to protect jobs and businesses. It covered 80 per cent of an employee's wages (up to £2,500 per month) as well as employer National Insurance and pension contributions.  
The Self-Employment Income Support Scheme (SEISS). This was similar to CJRS and paid taxable grants worth 80 per cent of average monthly trading profit (up to £7,500) for three months.

- **Business Loans** - There were three main programmes (the Coronavirus Business Interruption Loan Scheme (CBILS); the Coronavirus Larger Businesses Interruption Loan Scheme (CLBILS); and Business Bounce Back Loans Scheme (BBLs). CBILS offered interest free loans to SMEs (up to £5 million). CLBILS offered loans to larger businesses of up to £45 million. The BBLs offered loans of up to £50,000 and were 100 per cent guaranteed by the UK government
- **Schemes to ease cashflow difficulties** – these included the option for businesses to defer VAT payments, to stagger tax payments (HMRC Time to Pay Service, deferral of self-assessment payments for the self-employed until January 2021), 1.6 per cent business rate relief for all businesses, 100 per cent business rate relief for retail, hospitality and leisure businesses.
- **Small Business Support Grants** – grants to make it easier for small businesses to survive (£10,000 to small businesses eligible for Small Business Rates Relief or Rural Rates Relief; and grants up to £25,000 per property for the retail, hospitality or leisure sectors)
- **Increased welfare provisions for the self-employed** - Suspending the ‘minimum income floor’ ([footnote 121](#))- to allow the self-employed to access more easily universal credit payments.
- **Information and guidance** – This included the launch of a major advertising campaign and suspending landlord rights to evict commercial tenants.

There were two other major additional UK initiatives: The Future Fund (fund to help growing and innovative firms) ([footnote 122](#)) and Help Out to Eat Out (fund to support hospitality and food businesses).

These business support schemes were originally a short-term temporary package of support. The ‘furlough’ scheme (CJRS) and SEISS, for instance, were designed to last until May 2020

and July 2020, respectively. The reality, however, is that both schemes were in continual operation – albeit with criteria changes – between March 2020-September 2021 ([footnote 123](#)). Business Loans (CBILS, CLBILS and BBLS) were also in existence until March 2021 when they were replaced by the Recovery Loan Scheme (RLS) in April 2022 ([footnote 124](#)). Table 4.1 shows the level of support and costs of these main schemes ([footnote 125](#)).

#### **Table 4.1: Level of support and costs of UK schemes**

##### **Name of Scheme: CJRS**

- Level of support: 1.3 million (employers), 11.7 million employees
- Cost (billions): £70

##### **Name of Scheme: SEISS**

- Level of support: 2.9 million self-employed
- Cost (billions): £28.1

##### **Name of Scheme: Business loans (CBILS, CLBILS, BBLS and RLS)**

- Level of support: 1.7 million applications approved
- Cost (billions): £80.37 ([footnote 126](#))

##### **Name of Scheme: Future Fund**

- Level of support: 1,140 convertible loans approved
- Cost (billions): £1.12

##### **Name of Scheme: Eat Out to Help Out**

- Level of support: 49,353 firms
- Cost (billions): £0.85

##### **Name of Scheme: Total**

- Cost (billions): **£180.44**

These are not the full costs of business support. Because business rates are a devolved matter, each of the four countries of the UK have separate budgets. Equally local authorities across the UK had responsibility for the disbursement of particular funds. In England, estimates suggest that £17.5 billion was spent on a range of local authority support schemes ([footnote 127](#)).

#### **4.2.2. The operation of UK schemes**

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The UK schemes were introduced at remarkable speed and with little of the usual assessment that goes into evaluating if there is a market failure, choosing and costing various options and working out costs and benefits ([footnote 128](#)). The advantage of the huge UK support, particularly the furlough scheme, is that it protected up to around 8 UK million jobs ([footnote 129](#)), of which 890,000 were Scottish jobs ([footnote 130](#)). Take up among Scottish businesses of these schemes seems also broadly equivalent across the UK (although further econometric studies are needed) ([footnote 131](#)). For example, furlough and Business Bounce Back loans were taken up at a similar rate in Scotland and England ([footnote 132](#)). That said, schemes such as SEISS and the Future Fund were more likely to fund businesses in the South East and London regions of England ([footnote 133](#)).

There were evident weaknesses in the support offered:

- **Fraud and losses** – This is a concern in relation to Business Bounce Bank loans where losses are estimated to be around £17 billion, with roughly £4.9 billion due to fraud ([footnote 134](#)). Fraudulent furlough claims are estimated to be between 5-10 per cent of total costs ([footnote 135](#)).

- **Poorly targeted** – For example, SEISS excluded up to 2.9 million people (e.g. the newly self-employed, solo company directors) from the initial scheme design ([footnote 136](#)). Despite pressure, little was done to further iterate SEISS to increase coverage or resolve evident disparities in the scheme as the pandemic wore on into 2021 ([footnote 137](#)).
- **Deadweight impacts** - For example, although the Eat Out to Help Out Scheme boosted short-term demand in the hospitality sector, there were concerns that many people would have eaten out once restrictions were eased in Summer 2020 (deadweight impacts) ([footnote 138](#)).

### **4.3. Business support in Scotland**

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In December 2021, the Scottish government said that it had spent to date £4.4 billion on business support (Table 4.2) ([footnote 139](#)). Much of this money came from Barnett consequentials (essentially transfers from the UK government) (see Appendix C for business support announcements). Around a third of these monies were on business rate reliefs, while £1.3 billion was on 22 place-based (local authorities) schemes (see Appendix E) and a further £1.6 billion was spent on 60 sectoral initiatives (split between two periods) (see Appendix F1 and F2).

Although the local authorities were heavily involved in distributing these funds, there were a range of actors from the enterprise agencies through to sector specific support organisations such as Creative Scotland and Visit Scotland that were involved in advocating for and supporting Scottish businesses.

## Table 4.2: Summary of business support spending in Scotland ([footnote 140](#))

**Type of activity:** Business rate support

- £ (m): 1,536

**Type of activity:** Local Authority Delivered Funds

- £ (m): 1,306

**Type of activity:** Sector Funding

- £ (m): 1,595

**Type of activity:** Total

- £ (m): **4,437**

In general, the financial support from the Scottish and UK governments was welcomed by Scottish businesses ([footnote 141](#)). However, there were a number of issues with these schemes:

- **Business funding was insufficient.** Despite the availability of a range of schemes (e.g. furlough, business loans), these sums were insufficient to cover the business expenses of some firms ([footnote 142](#)).
- **Funding was poorly targeted.** There were complaints that the schemes eligibility criteria meant that some businesses were excluded from support (e.g. if they had rateable values on commercial properties above £51,000 ([footnote 143](#))).
- **Difficulties in accessing support and the timeliness of support** ([footnote 144](#)). Problems here included the lack of information about available schemes, their eligibility criteria ([footnote 145](#)), short application windows ([footnote 146](#)) and slow response times ([footnote 147](#)).

- **Complex nature of business support.** There is a wide range of business support available in Scotland with multiple agencies offering sectoral, national, regional and local schemes. The appearance of a cluttered economic development landscape makes it difficult for firms, particularly, rural small firms ([footnote 148](#)) and those that did not use social media to be aware and access support ([footnote 149](#)). Hence, although take up rates of government schemes was high (89 per cent of applications were funded ([footnote 150](#))), some businesses may have been unaware of available support.
- **Difficulties in the public sector responding to business needs.** There was a recognition that different Scottish local authorities had difficulties in setting up, managing and supporting businesses, particularly given the rapid changes to the business support landscape ([footnote 151](#)). Equally, there were some concerns that different local authorities applied funding criteria in different ways ([footnote 152](#)).
- **Intergovernmental challenges.** Essentially, and particularly in relation to the pandemic, the business support available to Scottish businesses stemmed from the UK government (Barnett consequentials). This created issues for the Scottish government who were looking for flexibility within the fiscal rules to support businesses ([footnote 153](#)). There were also timing issues. In the autumn of 2020, the Scottish and Welsh governments complained that their requests for an extension of the furlough scheme were being ignored by the UK government ([footnote 154](#)).

## **Evaluating business support schemes**

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The UK government – like other developed economies around the world – have committed staggering amounts of money to businesses over the pandemic.



Business support was largely to support the survivability of firms through wage subsidies (furlough scheme), loans, grants and tax cuts (e.g. reductions in business rates). It is too early to say if the money spent or the large number of support programmes represent value for money for the taxpayer. However, throughout the pandemic there have been concerns about the losses and fraud from such UK schemes, how well they are targeted, and gaps in coverage and provision.

By comparison, Scotland had little latitude to introduce its own responses. This has led to tensions in the intergovernmental relationships between Holyrood and Westminster. Nonetheless, there have been concerns expressed about the ability of Scotland's public sector to respond effectively to the heterogeneous needs of Scotland's business population.

#### **4.4. Potential areas of questioning for the inquiry**

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- What was the business perspective on support? What worked and what were the gaps in support?
- During the pandemic, why was there not more policy learning to encourage better coverage and ensure value for money for the taxpayer?
- How could business support have been simplified and been more effective while safeguarding accountability and effectiveness?
- Were the multi-level governance mechanisms both effective and inclusive? Were businesses effectively consulted? Is it fair to say that there was a partnership?
- How could support measures have been made inclusive to reach vulnerable businesses, including women and minority entrepreneurs?
- Governments spent large sums supporting businesses during the pandemic. How much thinking was done to ensure businesses were supported post-pandemic?



## 4.5. Key people

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- Business and sectoral organisations (see earlier list – but it is obviously important to invite the perspectives of business users of government schemes).
- Public sector (e.g. Scottish Government officials dealing with business support, national and regional bodies (e.g. Scottish Enterprise; Highlands and Islands Enterprise, the South of Scotland Enterprise, Opportunity North East), COSLA (local authority association), HM Treasury, Audit Scotland, NAO)
- Ministers (see earlier list but in particular, Cabinet Secretaries for Finance, Economy, Fair Work and Culture, Trade, Innovation and Public Finance as well as UK HM Treasury ministers)

# **Section 5: Support for individuals and families**

## **Key messages**

- **The Scottish government has over recent years taken over from the UK government the management of more of the support available to those in need. However, it is not responsible for key benefits such as pensions and Universal Credit (UC).**
- **There are an estimated one million Scots in poverty with around quarter of a million children in poverty. Poverty particularly affects groups (e.g. single mothers, ethnic minorities) and has severe impacts on the existing quality of life of the poor and their life chances.**
- **The principal support offered to those in need during the pandemic was through Universal Credit, housing support and support against eviction.**
- **The cost of housing support and UC benefits was £11 billion. This was welcomed but many of the concerns about the support offered those in need pre-date the pandemic.**
- **The economic impact of the pandemic is likely to be longer term. Incomes for those in need have increasingly been squeezed in recent months and many lack savings to support them through the coming year.**
- **The third sector (voluntary organisations, charities and social enterprises) have – like businesses – struggled through the pandemic but there is no strong evidence that of the number of charitable dissolutions has increased over the pandemic.**

## 5.1. Background context

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Public services to support individuals and families in times of need used to be solely a UK government matter. With the aim of moving the UK from a 'welfare state' to having a 'welfare system', previous UK administrations have sought to simplifying welfare payments, reduce fraud and error and incentivise those in need into work ([footnote 155](#)). A central policy change was the introduction of Universal Credit (UC), a means tested benefit that replaced six other benefits ([footnote 156](#)). This was introduced across the UK in 2018 and was designed to act as a minimum safety net with access for those with no sources of support and to top up the incomes of those in work.

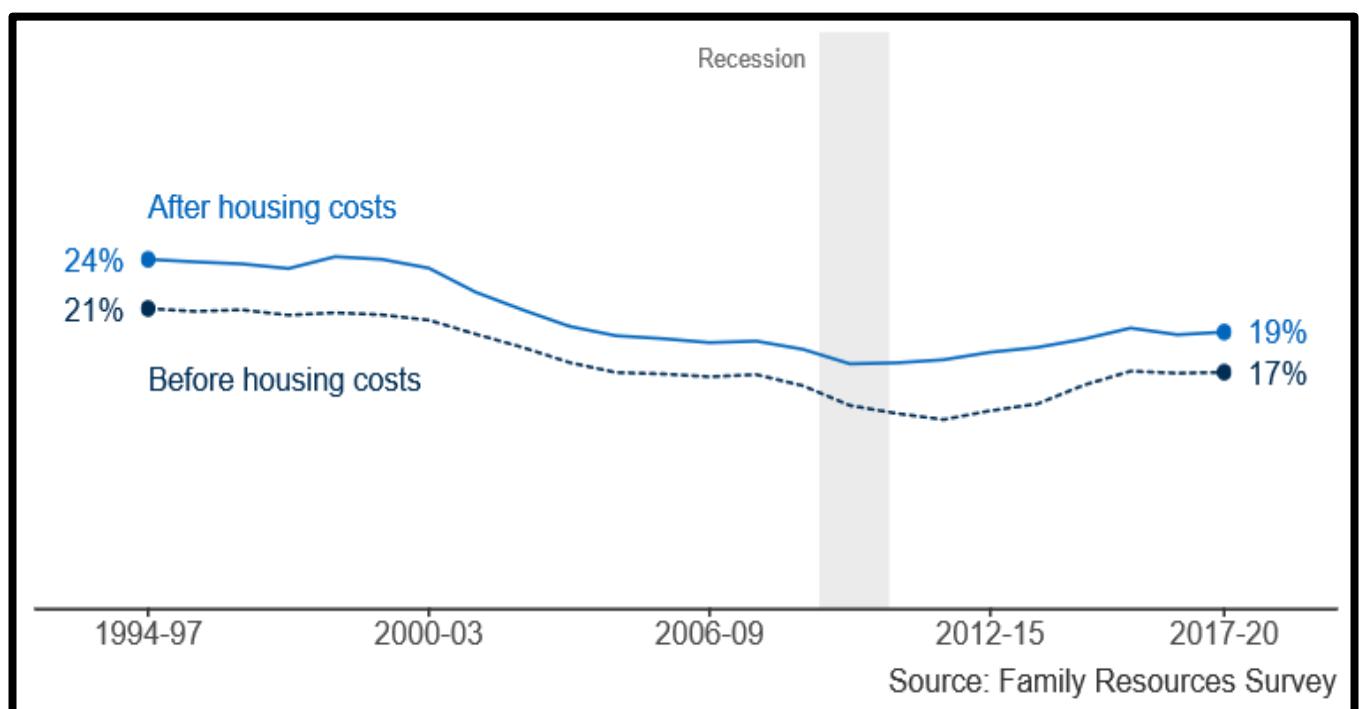
Following on from the Scotland Act in 2016, there were changes to the role that the Scottish Government played in supporting individuals in need. Out of the £19.5 billion spent on social security in 2017/18 ([footnote 157](#)), the UK government remained responsible for state pension (£9.3 billion) and working age individuals and families with children (£8.6 billion). The final £3.4 billion were devolved benefits that were to be spent on specific benefits such as adult disability payments. In terms of groups, in 2017/18, the Scottish government allocated these benefits to pensioners (£1.5 billion), working age individuals and households (£1.3 billion) and low income groups families (£0.5 billion) ([footnote 158](#)).

The Scottish Government also adopted a different approach to supporting working age individuals and families through legislation to promote benefit take-up ([footnote 159](#)) and to reduce child poverty to one-in-ten children by 2030 ([footnote 160](#)). Rather than focus on the 'welfare system', the Scottish Government have deliberately chosen to call their benefit's agency 'Social Security Scotland' and have adopted a Social Security Charter ([footnote 161](#)).

## 5.2. Disadvantage in Scotland

A central measure of disadvantage in Scotland is poverty rates. There are two measures: relative poverty ([footnote 162](#)) and absolute poverty ([footnote 163](#)). Because housing costs are important, poverty rates are often displayed in terms of with and without housing costs. Data on poverty rates comes from survey data (typically the Family Resources Survey) and is obviously sensitive to house and income differentials ([footnote 164](#)). Figure 5.1 shows that relative poverty in Scotland has declined somewhat over the last 25 years. Still, there are an estimated 1.03 million Scots living in relative poverty (after housing costs, 2017-20) ([footnote 165](#)). Before housing costs, 17 per cent of the population (910,000 people) were living in poverty. Figure 5.2 shows that absolute poverty has declined more substantially over the same period but it still remains at 17 per cent (910,000 people) after housing costs are accounted for ([footnote 166](#)).

**Figure 5.1: Percentage of Scots in relative poverty**



[Figure 5.1 shows a graph. The x axis shows the following year groupings: 1994-97, 2000-03, 2006-09, 2012-15 and 2017-20. There is no y axis. A grey bar is shown between the year groupings for 2006-09 and 2012-2015 and is labelled 'Recession'. The graph shows two coloured lines, labelled as follows:

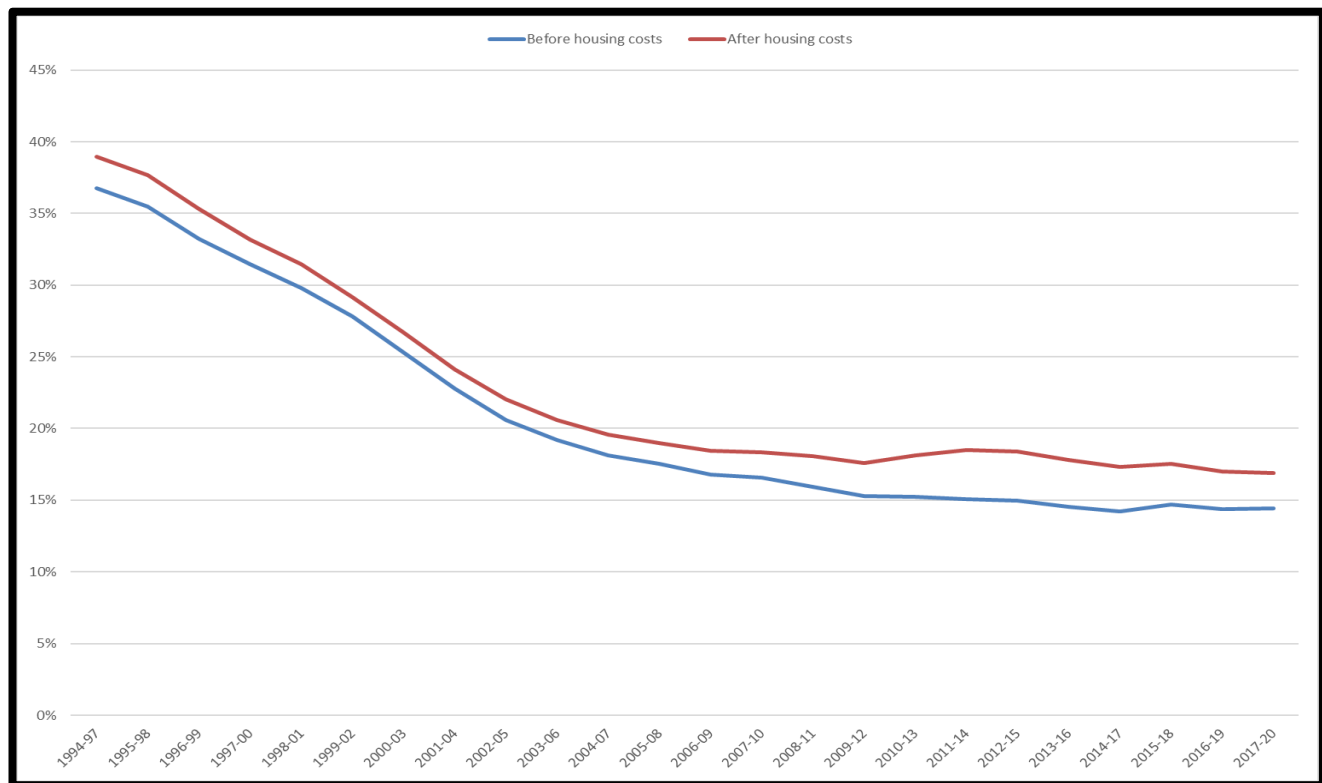
- **Light blue continuous: After housing costs**
- **Dark blue dotted: Before housing costs**

The two lines follow a similar trend across the graph. The **light blue continuous** line is above the **dark blue dotted** line. The lines never meet or cross. Each line shows the following approximate information:

- **Light blue continuous:** This line starts at 24% at 1994-97. It generally stays at this level to 2000-03, then steadily drops to a bottom point within the grey recession bar. It then rises slightly and ends at 19% at 2017-20.
- **Dark blue dotted:** This line starts at 21% 1994-97. It steadily drops to a bottom point within the grey recession bar. It then rises slightly and ends at 17% at 2017-20.

End of figure 5.1]

**Figure 5.2: Percentage of Scots in absolute poverty**  
([footnote 167](#))



[Figure 5.2 shows a line graph. The x axis shows year groupings of 3 years as follows: 1994-97, 1995-98....2016-19, 2017-20. The y axis goes from 0% to 45% in increments of 5. The graph shows two lines, labelled as follows:

- **Blue: Before housing costs**
- **Red: After housing costs**

The two lines follow the same trend across the graph. The **red** line is above the **blue** line. The two lines never meet or cross. Each line shows the following approximate information:

- **Blue:** This line starts at 37% at 1994-97. It drops steadily to 15% at 2009-12 and stays around this mark until the end of the graph at 2017-20.
- **Red:** This line starts at 39% at 1994-97. It drops steadily to 17.5% at 2009-12 and stays around this mark until the end of the graph at 2017-20.

End of figure 5.2]

Relative poverty among Scottish children also fell in the 1990s and 2000s (in the 1990s, half of all Scottish children were in absolute poverty (after housing costs)). Since, however, the 2008 recession child poverty has risen. Moreover, estimates for in 2017-20 suggest that 240,000 Scottish children each year live in relative poverty (after housing costs) or 210,000 children each year (before housing costs).

Poverty is also associated with a number of other factors. Groups with a greater likelihood of being poor are:

- 16-24 year olds (140,000 adults each year in relative poverty after housing costs) ([footnote 168](#))
- Single women with children (40,000 single mothers each year)
- Single female pensioners (50,000 women each year)
- 'Asian or Asian British' ethnic groups (50,000 people each year)
- Muslims (30,000 each year)
- Households with someone who is disabled (500,000 people each year).

Moreover, while some people may experience bouts of low income, for some people poverty is persistent (three or more of the last four years). In Scotland, persistent poverty rates increased from 10 per cent (2010-2014) to 12 per cent (2015-2019) ([footnote 169](#)). Equally, persistent child poverty has increased from around 14 to 16 per cent in recent years ([footnote 170](#)).

Income deprivation is obviously complex and multidimensional. Having less money is associated with poorer housing, increased crime, poorer educational outcomes, greater drug use, and limited access to transport. The Scottish Index of Multiple Deprivation (a ranked index of factors that contribute to deprivation), ranks places in Scotland from the lowest deprived

areas to those that are the most deprived. Table 5.1 shows the areas with the highest and lowest levels of deprivation in Scotland.

### **Table 5.1: Scottish areas with highest and lowest levels of deprivation**

#### **Areas with highest levels of deprivation**

- Intermediate Zone: Greenock Town Centre and East Central
  - Council area: Inverclyde
  - Rank: 1
- Intermediate Zone: Carntyne West and Haghill
  - Council area: Glasgow City
  - Rank: 2
- Intermediate Zone: Cliftonville
  - Council area: North Lanarkshire
  - Rank: 3
- Intermediate Zone: Paisley Ferguslie
  - Council area: Renfrewshire
  - Rank: 4
- Intermediate Zone: North Barlanark and Easterhouse South
  - Council area: Glasgow City
  - Rank: 5
- Intermediate Zone: Alloa South and East
  - Council area: Clackmannanshire
  - Rank: 6
- Intermediate Zone: Buckhaven, Denbeath and Muiredge
  - Council area: Fife
  - Rank: 7
- Intermediate Zone: Inverness Merkinch
  - Council area: Highland
  - Rank: 8
- Intermediate Zone: Paisley Ferguslie
  - Council area: Renfrewshire
  - Rank: 9



## Areas with lowest levels of deprivation

- Intermediate Zone: Stockbridge
  - Council area: City of Edinburgh
  - Rank: 6976
- Intermediate Zone: Midsocket
  - Council area: Aberdeen City
  - Rank: 6975
- Intermediate Zone: West End North
  - Council area: Aberdeen City
  - Rank: 6974
- Intermediate Zone: Marchmont West
  - Council area: City of Edinburgh
  - Rank: 6973
- Intermediate Zone: Midsocket
  - Council area: Aberdeen City
  - Rank: 6972
- Intermediate Zone: Blackhall
  - Council area: City of Edinburgh
  - Rank: 6971
- Intermediate Zone: South Castlehill and Thorn
  - Council area: East Dunbartonshire
  - Rank: 6970
- Intermediate Zone: Netherlee
  - Council area: East Renfrewshire
  - Rank: 6969
- Intermediate Zone: Morningside
  - Council area: City of Edinburgh
  - Rank: 6968

Deprivation is associated with immediate impacts such as food poverty. Prior to the pandemic, there were 212 food banks in Scotland, distributing 480,583 emergency food packages in 2017-2018 ([footnote 171](#)). Deprivation also contributes to longer term economic outcomes. A working class child is

14 per cent less likely to reach the expected secondary school standard than a child with parents from a professional background. In later life, working class children are 22 per cent less likely than children from a professional background to have a professional job ([footnote 172](#)).

### **5.3. Governmental responses**

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As with Scottish businesses, the bulk of support for individuals and families came from the UK government. In March 2020, the Chancellor of the Exchequer announced an initial package of support for individuals and households:

- An increase in Universal Credit by £1,000 a year
- For those on Working Tax Credit (top up benefit for those on low incomes) an extra £1,000 a year
- Three month mortgage holiday for homeowners and landlords
- An uplift in housing benefit
- Relaxing benefit rules to support social distancing measures (e.g. not requiring people to come to job centres, making it easier to access sick pay); extending eligibility criteria (e.g. prisoners on temporary release), suspending 'conditionality' (the requirement that claimants are ready for work).

This came with changes to accessing and using benefits (e.g. relaxation of minimum income floor (see Section 4.1.1.) as well as local authority funding (Hardship funding) and helping vulnerable groups (Emergency Rough Sleepers Fund, food packages for vulnerable people). In total, the UK government projected to spend £7 billion on supporting individuals and families.

In addition, the then Scottish Communities Secretary, Aileen Campbell, set out a £350m package of support ([footnote 173](#)):

- £50 m for local authority hardship plans
- £45 million for the Scottish Welfare Fund
- £50m the Council Tax Reduction
- £70m Food Fund
- £50m Wellbeing Fund
- £40m Supporting Communities Fund
- £20m Third Sector Resilience ([footnote 174](#))

See Appendix D for a timeline of welfare support announcements.

Alongside this, the Cabinet Secretary made changes to make it more difficult for tenants to be evicted from their home. These restrictions were meant to be temporary but continued until September 2021 ([footnote 175](#)).

As the pandemic continued through 2020, the UK government made further adjustments to support particular groups (e.g. helplines and financial support for victims of abuse, debt helplines, youth support, rough sleepers and disadvantaged university students) and easier access to support for individuals and families (e.g. tax free childcare for key workers, allowing claimants to claim interview expenses).

Similarly, albeit at a much lower scale, the Scottish government made subsequent funding commitments to support those in need (e.g. mental health support ([footnote 176](#)), carers ([footnote 177](#)), victims of abuse ([footnote 178](#)), those on low incomes ([footnote 179](#)) or at the margins of society ([footnote 180](#)) (see Appendix D for further details).

## 5.4. The financial costs of such support

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The NAO estimate that the UK government spent around £11 billion in support for the £20 increase in Universal Credit (£6.8 billion) and housing benefits (£4.2 billion) ([footnote 181](#)). This spending was welcomed by a range of groups involved in addressing poverty ([footnote 182](#)). Department of Work and Pensions (DWP) staff were also praised for how well they and the digital Universal Credit system worked through the pandemic. However, there were still a number of issues with the support that poorer people received during the pandemic. Some of these are concerns that pre-date the pandemic and include:

- **Waiting times** - Claimants have to wait five weeks before they receive payments – potentially forcing them into debt.
- **Eligibility criteria** – if someone has more than £16,000 in savings they are ineligible to claim UC; many foreign nationals cannot claim benefits ('No Recourse to Public Funds'), limits on total benefit ('benefit cap') and the two-child limit (no additional amount if they have a third or subsequent child born after April 2017). These eligibility criteria led to gaps in support. For example, foreign nationals faced issues accessing benefits. The Scottish government wrote to the UK government about this issue but the level of support they were able to offer was very minimal ([footnote 183](#)).
- **Digital disadvantages** - Because UC relied on a digital platform, with the closure of libraries and community centres due to Covid-19 it was difficult for the 'digitally disadvantaged' to access this benefit.
- **Operational issues** - The planned Scottish reforms to the system were behind schedule and the partnership arrangement between the Department of Work and Pensions and Social Security Scotland had the potential to increase complexity for users ([footnote 184](#)).

## 5.5. The economic impacts of the pandemic on individuals and families

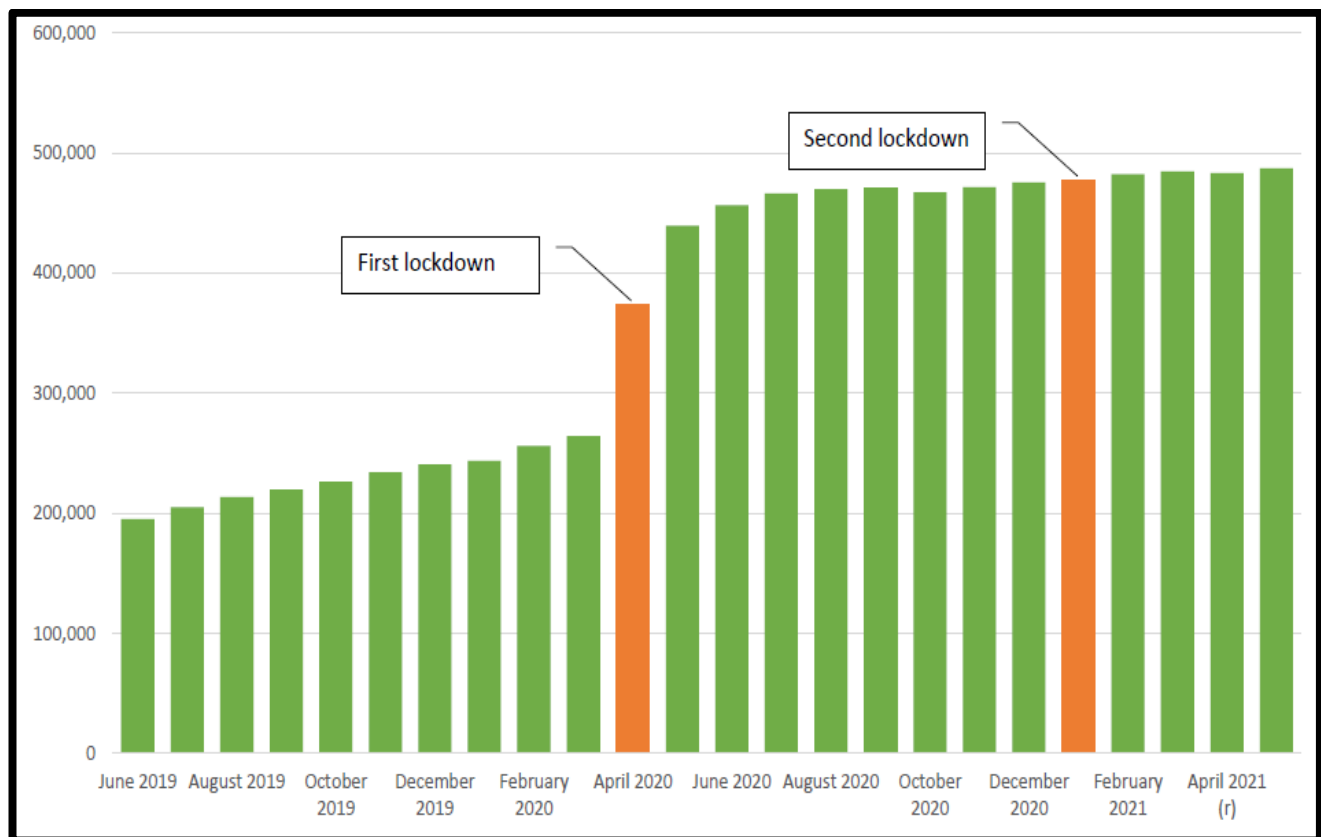
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With a large negative economic shock, the expectation is that those in need will experience greater hardship because their economic circumstances worsen. Furthermore, another expectation is that there will be longer term impacts (economic 'scarring'). For example, studies have argued that the deindustrialisation in the 1980s had negative path dependencies on subsequent economic, social and health outcomes in the West of Scotland ([footnote 185](#)).

The expectation therefore is that more individuals would access benefits. In Section 3.1.2., the evidence suggests that there was a rapid increase in redundancies, unemployment and claimant count rates in Summer 2020 before these rates returned to pre-pandemic levels at the end of 2021.

Another measure of the impact of the pandemic is the rate of take up of UC. Figure 5.3 shows that there were 200,000 Scots on UC in the months prior to the pandemic. This more than doubled in the pandemic ([footnote 186](#)). Moreover, the numbers on UC have remained at above 400,000 until November 2021.

**Figure 5.3: Numbers of Scots on Universal Credit**  
([footnote 187](#))



[Figure 5.3 shows a bar graph. The x axis shows dates from June 2019 to April 2021 (r) in increments of 2 months. The y axis goes from 0 to 600,000 in increments of 100,000. A bar is shown for every month. The bars are green apart from April 2020 and Jan 2021 which are orange and labelled 'First lockdown' and 'Second lockdown' respectively. The following approximate information is shown:

The first green bar shows 195,000 at Jun 2019. The green bars rise slightly each month until they reach 260,000 at Mar 2020. Then there is a sharp rise to 370,000 at the orange bar labelled 'First Lockdown' at April 2020. The next green bar shows 440,000 at May 2020. The green bars then rise slightly until they reach 480,000 at the next orange bar labelled 'Second lockdown' at Jan 2021. The green bars then rise slightly until they reach 490,000 at April 2021 (r).

End of figure 5.3]

This increase was largely due to a peak in Spring 2020 that saw UC monthly new starts reach 100,000 in Scotland. In the months before this and afterwards, new starts were around 20,000 per month ([footnote 188](#)).

Another proxy measure for deprivation is the use of food banks. In Scotland, the use of food banks more than doubled during the pandemic ([footnote 189](#)). The suspicion is that increases in use of UC and food banks are clear indications of rising poverty levels due to the pandemic. If so, then this is likely to impact disproportionately on particular groups (e.g. single mothers, ethnic minorities) who may not be working, in part-time or lowly paid work ([footnote 190](#)).

The picture, though, is more complex. Financial support was better during much of the pandemic (e.g. £20 per week increase in UC payments) and there were changes made to make it easier to access benefits. The UK and Scottish government also provided Covid-19 related funds that again may have helped boost the incomes of poorer people. Equally, those on furlough saw their incomes fall (e.g. only paid 80 per cent of their income while on furlough). Consequently, relative poverty may have actually fallen during the pandemic by 1.1 percentage points across the UK during the pandemic ([footnote 191](#)).

Another expectation is that poverty levels will increase going forward. The £20 uplift to Universal Credit and Working Tax Credit ended in October 2021 and were replaced by changes that were estimated to help 2.2 million families in the UK ([footnote 192](#)). Evidence, however, suggests that this was have a heterogeneous impact on those on low incomes: about a quarter will gain from these changes while the other three-quarters will see themselves worse off than if the £20 uplift had been retained. There is no help, though, in these measures for workless households ([footnote 193](#)).

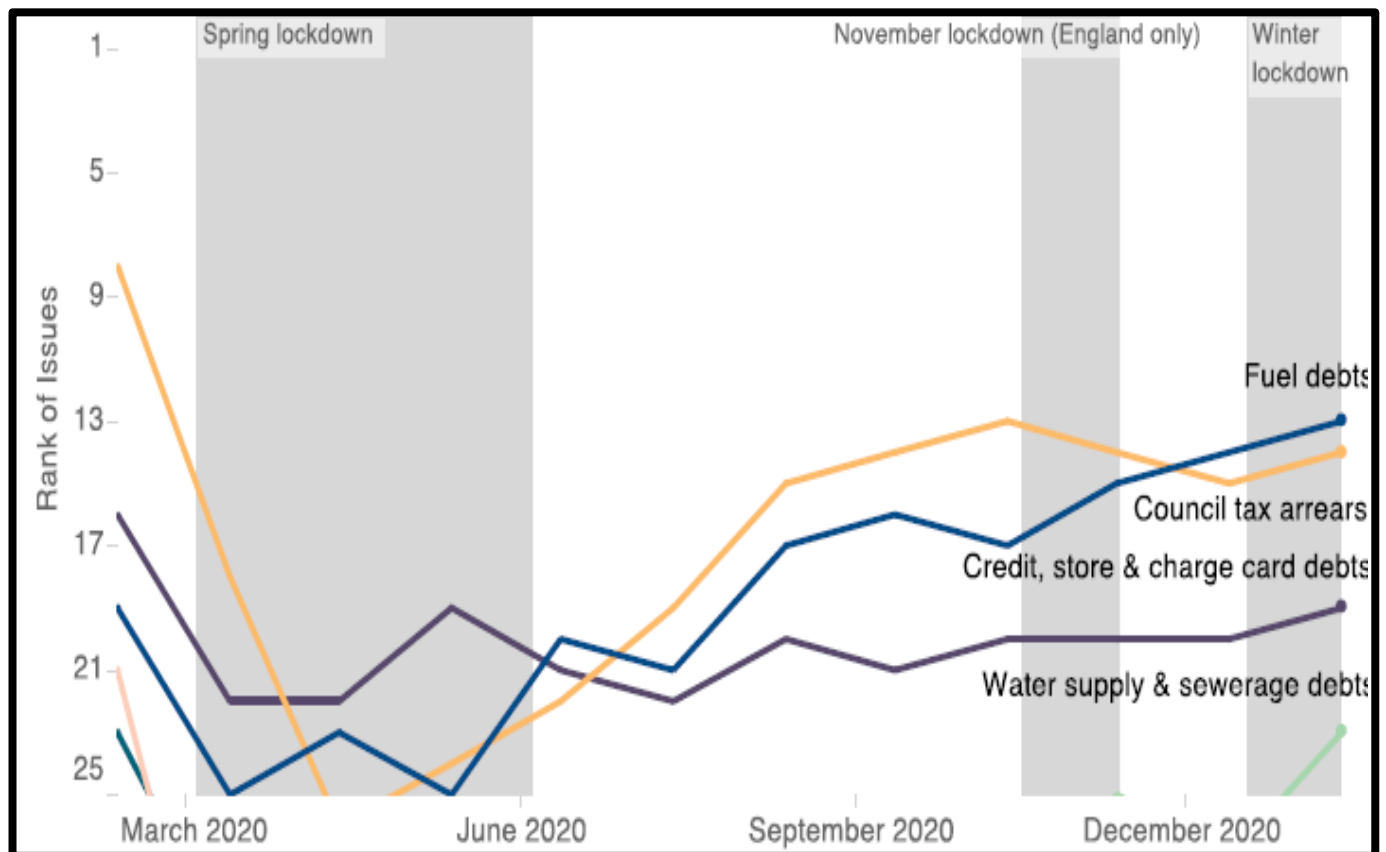


Another issue is the removal of the effective ban on evictions and the closure of schemes that supported individuals to pay their rent (e.g. housing benefit uplift, mortgage holiday for landlord). This matters because, as Section 5.2 showed, poverty is impacted by housing costs. During the pandemic a number of households struggled to pay their rent and fell into arrears. The Scottish government responded by introducing loans for both tenants ([footnote 194](#)) and landlords ([footnote 195](#)) and followed this up with grants ([footnote 196](#)), although the actual take up of such schemes was criticised ([footnote 197](#)). However, estimates suggest that across the UK, rent arrears are a particular problem for those on low incomes ([footnote 198](#)).

There are also other macro-economic impacts. For example, inflation increased to 5.5 per cent in January 2022. This is the highest it has been for thirty years. The Bank of England estimates that it will reach 7 per cent by April 2022. Factors that have been associated with inflation rises include rising energy prices and disruptions to supply chains that have increased business costs ([footnote 199](#)). Wage growth is another source of inflationary pressure for firms as it pushes up their costs. In response, the Bank of England has raised interest rates and will probably increase it further to bring inflation under control. The tax burden on individuals is expected to increase over the coming months to historic highs ([footnote 200](#)). These pressures have led to an increase in concerns among people accessing Citizen's Advice support (Figure 5.4).



**Figure 5.4: Debt concerns among Citizen’s Advice one-to-one users (footnote 201)**



[Figure 5.4 shows a line graph. The x axis shows dates from March 2020 to December 2020 in increments of 3 months. The y axis is labelled ‘Rank of Issues’ and goes from 25 to 1 in increments of 4. Three grey bars are shown on the graph and labelled as follows: ‘Spring lockdown’, showing between March 2020 to June 2020, ‘November lockdown (England only)’, showing around November 2020 and ‘Winter lockdown’, showing around January 2021. The graph shows four coloured lines, labelled as follows:

- **Blue: Fuel debts**
- **Orange: Council tax arrears**
- **Purple: Credit, store and charge card debts**
- **Green: Water supply and sewerage debts**

The following approximate information is shown:  
 The lines follow a similar trend across the graph to begin with:  
 They all drop significantly from March 2020 to June 2020. After

Jun 2020: The **orange** line rises steeply to November 2020, drops a bit to January 2021, then rises a bit again; the **blue** line follows a jagged upward trend for the remainder of the graph; the **purple** line rises a bit then fluctuates but stays around the June 2020 level for the remainder of the graph. Note: Only a small part of the green line is visible between 25 and 22 at January 2021.

End of figure 5.4]

While the impact of the pandemic for more well-off individuals has been an increase in savings and a reduction in their debt levels, those in the lowest income groups – which spend proportionately more of their income on essentials ([footnote 202](#)) - have seen their savings fall and debt levels rise during the pandemic ([footnote 203](#)).

## **5.6. The Third sector during the pandemic**

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Integral to the provision of assistance to individuals and families in need are Scotland's voluntary organisations, charities ([footnote 204](#)) and social enterprises (business that reinvest any profits for environmental or social needs). Both groups were supported by £24.5 million of core funding from the Scottish government in 2017-18 ([footnote 205](#)).

It is difficult to distinguish charities from social enterprises. One way is to suggest that charities are donation based organisations while social enterprises sell their services in communities. In reality, some charities rely on selling their services – either to the public sector or to the general public ([footnote 206](#)). Moreover, each types of businesses generally share a pro-social mission, aimed at enhancing the lives of communities or improving the environment ([footnote 207](#)).

In 2019, there were 6,025 social enterprises in Scotland and 19,866 registered Scottish charities and 40,000 voluntary organisations in 2017/18. Given that social enterprises and charities often operate in similar spaces, it is difficult to work out their combined revenues ([footnote 208](#)). Nonetheless, it is clear that the vast majority of these organisations are dependent on volunteers ([footnote 209](#)), operate in local areas and typically have limited revenue streams ([footnote 210](#)). Bigger charities and social enterprises also often worked in partnership with the public sector to support their pro-social aims, often in rural or deprived areas. The larger charities (turnover over £1m; 3.7 per cent of all Scottish charities - mainly housing associations ([footnote 211](#))) relied on either rental income or from the public purse.

Over the course of the pandemic, the UK government spent £62.7 billion on non-health related support for the public sector and for emergency responses. Within this, the UK's Department of Media, Culture and Sport (DCMS) spent £2.2 billion on supporting sport, culture, media and the third sector ([footnote 212](#)). Besides being eligible for UK wide support, Scotland's third sector could also access the furlough scheme (if they had employees) and the small business grants (if eligible) ([footnote 213](#)). Scotland, though, had its own funding arrangements to support its third sector ([footnote 214](#)). Besides the £350m package of support ([footnote 215](#)) announced by the Scottish government in March 2020, there was other specific help to the third sector such as the Third Sector Growth Fund ([footnote 216](#)).

In general, the funding available for the third sector in Scotland was welcomed ([footnote 217](#)). The pandemic led to range of impacts on the third sector:

- Operational changes – some redundancies occurred ([footnote 218](#)) and social distancing rules impact on volunteering ([footnote 219](#)) and how the third sector could operate ([footnote 220](#)). Other survey evidence indicates that in the first lockdown (March-May 2020), volunteering actually increased ([footnote 221](#)).
- Revenue challenges – the third sector responded by using their reserves and seeking new funding sources. This is perhaps unsurprising because the sector is used to dealing with uncertain funding horizons ([footnote 222](#)).
- Increased demand for their services ([footnote 223](#)).
- Limited new charity formations but, crucially, limited dissolutions. This is suggested to be due to the effects of public financial support for the third sector ([footnote 224](#)).

## **5.7. Evaluating the economic impact of the pandemic**

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Following recent delivery and management changes, there has been a divergence in how the UK and Scottish governments approach supporting those in need. The UK's approach is more about encouraging individuals into work and supporting those on lower incomes while the Scottish government sees that the state has more of a role in tackling poverty.

During the pandemic, the bulk of support for both the poor and the third sector came from the UK government through increased welfare payments, making it easier for those in need to access support and, for the third sector, through a range of government schemes and direct support to alleviate the challenges they face.

The Scottish government seems – within its finances – to also have supported the poor and the third sector.

One million Scots, though, and a quarter of a million Scottish children were already in poverty before the pandemic and had limited existing and future life chances. The support offered to them was welcome but much of the criticism about support for those in need pre-dates the pandemic (e.g. complexity of the system, benefit payment levels).

While the poor may have survived the pandemic, the bigger issue is the future. People on low incomes have few resources left but are faced with a 'cost of living' crisis due to challenging macro-economic conditions. Equally, given the size of the budget deficit, the third sector face real challenges going forward in their mission to support those in need.

## **5.8. Potential areas of questioning for the inquiry**

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- What were the challenges that those in poverty and the third sector faced during the pandemic?
- What challenges were faced by those in need and the third sector in accessing support? What were the gaps and issues with the support?
- How was it decided which vulnerable groups were given support? Where the governance mechanisms both effective and inclusive? Where those in need and the third sector effectively consulted? Is it fair to say that there was a partnership?
- How could support measures have been made inclusive to reach vulnerable groups?
- What are the lessons for those in poverty and the third sector from the pandemic?
- What are the key challenges going forward? How is the Scottish government going to address these key challenges and how is it going to be paid for?

## 5.9. Key people

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- Charities and support organisations (SCVO, Trussell Trust, Joseph Rowntree Foundation, Poverty Alliance, Citizens Advice Scotland, One Parent Families Scotland, Child Poverty Action Group, Scottish Federation of Housing Associations, Scottish Community Alliance).
- Public sector (COSLA, local support (e.g. Aberdeenshire Community Planning Partnership) Scottish Communities Development Centre)
- Ministers (Cabinet secretaries for Social Security and Older People, Communities and Local Government, Housing and Planning, Energy, Connectivity and the Islands, Community Safety, Children and Young People, Mental Health, Older People and Equalities).

# Appendix A: Rules, guidance and restriction announcements

(Source: <https://spice-spotlight.scot/2022/02/18/timeline-of-coronavirus-covid-19-in-scotland/> )

[In the following list we detail:

## **Date**

Rules, guidance and restriction announcements]

### **13-Mar-20**

People with symptoms of COVID-19 told to stay at home for seven days

### **15-Mar-20**

**Scottish Government advises organisers should cancel or postpone all mass events of 500 people or more – indoors or outdoors.**

### **16 March 20**

Cancellation of all mass indoor and outdoor events of 500 people or more.

### **19-Mar-20**

**In a statement to Parliament, the Scottish Government announces the closure of schools and nurseries by the end of the week.**

### **20-Mar-20**

All schools and nurseries ordered to close by the end of the week

### **20-Mar-20**

First Minister's **address to the nation** warning that Scots were facing the "biggest challenge of our lifetimes" in the fight against coronavirus.

**20-Mar-20**

**Scottish Government produces guidance for private landlords and letting agents.**

**20-Mar-20**

**The UK government orders all pubs, restaurants, gyms and other social venues across the country to close.**

**24-Mar-20**

**First day of 'lockdown'.**

**25-Mar-20**

**Letter sent to all registered childminders in Scotland from Children's Minister Maree Todd confirming that registered childminders should cease all provision besides emergency childcare for key worker families and vulnerable children.**

**26-Mar-20**

**Scottish Government produce updated clinical guidance for nursing home and residential care residents.**

**27-Mar-20**

**Scottish Government publishes rules on staying at home and away from others (social distancing) These measures are required by law using powers from the UK Coronavirus Bill.**

**27-Mar-20**

**Scottish Government produces guidance for campsites, holiday parks, caravan sites, motorhome hire businesses**

**30-Mar-20**

**Scottish Government issues guidance on the closure of day-care services for children.**



**30-Mar-20**

**Scottish Government produces advice for schools and childcare settings who are providing care to children including information on social distancing.**

**30-Mar-20**

**Letter from the Minister for Local Government, Housing and Planning, Kevin Stewart about guidance on building standards compliance and special measures to enable the occupation of new buildings as a result of COVID-19.**

**31-Mar-20**

**Scottish Government produces guidance setting out the childcare and learning provision for key workers and vulnerable children.**

**01-Apr-20**

**Scottish Government issues advice for organisations and their staff working in non-healthcare public services The aim of this advice is to support implementation of social distancing measures to reduce spread of Covid-19 within public service workplaces.**

**03-Apr-20**

**Scottish Government produces advice for livestock keepers on statutory testing.**

**04-Apr-20**

**Scottish Government produces guidance for businesses in Scotland on social distancing, including the closure of all retailers that sell non-essential goods and other non-essential premises.**

**21-Apr-20**

**Social distancing regulations introduced in March are confirmed and extended to protect workers.**

**28-Apr-20**

**Scottish Government produce guidance on the personal use of face coverings during the pandemic.**

**11-May-20**

Scottish Government announces the advice on how often people can venture outdoors has changed. As of 11 May, people can go outside more than once a day to exercise. This activity should continue to be undertaken close to home. Those going out to exercise should either go alone or with members of their household.

**21-May-20**

**Scottish Government announces that pupils will return to schools in August subject to scientific.**

**21-May-20**

**First Minister Nicola Sturgeon announces the move to Phase 1 of the route map out of lockdown, beginning on Friday 29 May.**

**21-May-20**

**Scottish Government publish updated guidance on physical distancing rules for Phase 1 of the Government's route map.**

**01-Jun-20**

**Scottish Government publish guidance for fully outdoor childcare providers, to support a safe reopening of full outdoor regulated day care of children services, and guidance for childminder services, which are able to return to operation from 3 June 2020 should they wish to. They must limit the number of households for whom they provide childcare to a maximum of 4, in addition to children of their own household, at any one time.**

**02-Jun-20**

**Scottish Government publish updated guidance on restrictions in place for funeral services and wider public health guidance relevant for funeral services.**

**04-Jun-20**

**Scottish Government publish guidance for funeral directors.**

**04-Jun-20**

**Scottish Government publish guidance for burial and cremation authorities.**

**04-Jun-20**

**Scottish Government publish templates that can be used by care homes to identify factors that may impact on the health, safety and wellbeing of residents.**

**05-Jun-20**

**Scottish Government publish guidance to help local authorities, early learning centres and schools continue to support children and young people's learning during the coronavirus outbreak.**

**05-Jun-20**

**Scottish Government publish guidance to support teachers and other professional practitioners in preparing their curriculum offer for and during the Recovery Phase.**

**05-Jun-20**

**Scottish Government publish new guidance for teachers and councils to prepare for the 'blended model' of both classroom and home learning when schools re-open in August.**

**07-Jun-20**

**Scottish Government announce new public health measures will come into force on 8 June to help suppress coronavirus (COVID-19) and prevent new cases being brought into Scotland.**

**15-Jun-20**

**Scottish Government announce that nurseries and other early learning and childcare (ELC) providers have received new guidance to help them plan for reopening when it is safe to do so.**

**15-Jun-20**

**UK Government announce reservists returning to civilian work eligible for government support schemes.**

**18-Jun-20**

**First Minister Nicola Sturgeon announces the move to Phase 2 of the Route Map out of lockdown, with a staged introduction of changes commencing on 19 June.**

**18-Jun-20**

Scottish Government publish **new guidance for the tourism and hospitality sector**, in light of the move to Phase 2 of the Route Map. Additional **guidance for retail, tourism and hospitality customers** is also published, providing good practice guidance for consumers when visiting shops.

**19-Jun-20**

Move to Phase 2 of the route map out of lockdown.

**19-Jun-20**

Scottish Government publish **guidance for the safe use of places of worship**, alongside **guidance for funerals taking place in places of worship**, in advance of 22 June when places of worship will be allowed to reopen for individual prayer or contemplation.

**19-Jun-20**

**Scottish Government publish updated guidance and an operational checklist for the manufacturing sector, including procedures for planning and maintaining safety at work.**

**20-Jun-20**

**Scottish Government publish guidance to support Scotland's tourism and hospitality sector to reopen safely and prepare for reopening on 15 July (if sufficient progress is made to move to phase 3 of the route-map).**

**22-Jun-20**

**Face coverings become mandatory on public transport**

**22-Jun-20**

**Scottish Government announce that dental practices can resume seeing see NHS patients in need of urgent care from 22 June (22 June 2020).**

**24-Jun-20**

**Scottish Government publish an assessment of the health and social impacts of COVID-19 on particular groups**

**25-Jun-20**

**Scottish Government publish guidance for care homes on phasing in the re-introduction of visiting.**

**26-Jun-20**

**Scottish Government publish guidance for the safe use of community food growing spaces, such as community gardens and allotments.**

**26-Jun-20**

**Scottish Government publish updated guidance for second homes.**

**29-Jun-20**

**Scottish Government publish guidance to help Scotland's colleges and universities prepare for a safe and phased return to campus.**

**30-Jun-20**

**Scottish Government publish guidance for the creative industries, in particular for providers and users of creative studios, to facilitate safer working during the coronavirus pandemic.**

**02-Jul-20**

Due to a spike in cases in Dumfries and Galloway, the Scottish Government implements the first localised delay in the relaxation of restrictions. Other areas would be impacted in a similar way as the pandemic continued.

**02-Jul-20**

**Scottish Government publish an update and confirmation dates for the remainder of Phase 2.**

**02-Jul-20**

**First Minister Nicola Sturgeon announces face coverings to be made mandatory in shops from 10 July.**

**08-Jul-20**

**Scottish Government announce the lifting of quarantine measures for passengers arriving from 57 overseas destinations and the 14 UK overseas territories. .**

**08-Jul-20**

**Scottish Government announce changes for people who are shielding.**

**09-Jul-20**

**First Minister Nicola Sturgeon announces the move to Phase 3 of the Scottish Government's route map out of lockdown. This includes changes to indoor and outdoor household gatherings from 10 July, the reopening of shops in shopping centres and dentists from 13 July, and the reopening of hairdressers, pubs, restaurants, holiday accommodation, visitor attractions, cinemas and places of worship from 15 July, with some restrictions.**

**10-Jul-20**

Move to Phase 3 of the route map out of lockdown

**10-Jul-20**

Face covering become mandatory in shops

**10-Jul-20**

UK Government announce **theory tests and motorcycle training** will restart in Scotland on Wednesday 22 July, and motorcycle tests and **tractor tests** will restart on Monday 3 August.

**20-Jul-20**

**Scottish Government announce the permitted reopening of drive-in entertainment from 22 July.**

**20-Jul-20**

**Scottish Government announce the lifting of quarantine rules for Spain.**

**23-Jul-20**

**Scottish Government announce changes to shielding – from 1 August 2020 people who have been advised to shield will no longer be required to do so.**

**25-Jul-20**

**Scottish Government announce the reintroduction of quarantine restrictions for Spain from 26 July, requiring those arriving from the country to quarantine for 14 days**

**30-Jul-20**

Advice on self-isolation changed from 7 to 10 days

**30-Jul-20**

**Scottish Government announce an expansion of available dental services from 17 August.**

**30-Jul-20**

**Scottish Government announce that schools will re-open full-time from 11 August**

**30-Jul-20**

**Scottish Government announce that passengers from Luxembourg will be required to quarantine for 14 days on arrival in Scotland due to an increased number of cases of coronavirus (COVID-19).**

**03-Aug-20**

**UK Government's Eat Out to Help Out scheme launches, allowing diners to receive a maximum £10 discount per person at participating restaurants, bars and cafes.**



**05-Aug-20**

**Scottish Government announce the introduction of local restrictions in Aberdeen. Taking effect from 5pm on Wednesday 5 August,**

**11-Aug-20**

**Pupils return to Scotland's schools**

**14-Aug-20**

**Scottish Government introduce new regulations for the hospitality industry. From Friday 14 August it is mandatory for hospitality settings to collect the contact details of visitors to their premises in support of Test and Protect.**

**20-Aug-20**

**Scottish Government announce that **Scotland is to remain in Phase 3** of the route map, as COVID-19 remains a significant threat to public health. The Government publish an updated route map setting out dates for further changes.**

**20-Aug-20**

**Scottish Government announce that travellers from Austria, Croatia, Switzerland and Trinidad and Tobago will be required to quarantine for 14 days on arrival in Scotland. At the same time Portugal will be added to the list of destinations where travellers will be exempt from the requirement to quarantine.**

**20-Aug-20**

**UK Government announce that driver training will restart in Scotland on Monday 24 August 2020, with driving tests restarting from Monday 14 September 2020.**

**01-Sep-20**

**Scottish Government announce restrictions on indoor gatherings and limits to hospital and care home visiting in East Renfrewshire, Glasgow and West Dunbartonshire, from midnight on Tuesday 1 September. Schools and nurseries will remain open, and plans for the opening of colleges and universities remain in place.**

**01-Sep-20**

**Scottish Government announce that travellers from Greece will be required to self-isolate from 4am on Thursday 03 September.**

**10-Sep-20**

**Scottish Government announce the restrictions on meetings in indoor household settings in West Scotland are to be extended to people living in Renfrewshire and East Dunbartonshire. Indoor visits to hospitals and care homes will be limited to essential visits.**

**10-Sep-20**

**Scottish Government announce the launch of the Protect Scotland app.**

**10-Sep-20**

**Scottish Government publish an updated route map, limiting indoor and outdoor gatherings to six people from two households, as Scotland remains in Phase 3**

**10-Sep-20**

**Scottish Government announce quarantine measures for people travelling to Scotland from Hungary and La Réunion, while Sweden is added to exemption list.**

**11-Sep-20**

**Scottish Government publish guidance for universities, colleges and student accommodation providers.**

**11-Sep-20**

**Scottish Government announce the extension of local restrictions to North and South Lanarkshire, limiting household gatherings from midnight on Friday 11 September.**

**22-Sep-20**

**Scottish Government announce new restrictions on household visits and a national curfew for pubs, bars and restaurants from 23 September 2020.**

**25-Sep-20**

**10pm curfew introduced in the hospitality sector.**

**07-Oct-20**

**Scottish Government announce new temporary measures, restricting hospitality opening times to 6am-6pm indoors, with no sales of alcohol. All licensed premises in the central belt area will be required to close, with the exception of takeaway services. Outdoor live events, adult contact sports and indoor group exercise classes (18+) are to be paused. Snooker/pool halls, indoor bowling, casinos and bingo halls are to close. Shops across Scotland are asked to return to two metres physical distancing. The new restrictions will be backed by a £40 million support fund for business and the existing UK Job Retention Scheme and will be in place nationwide for 16 days.**

**15-Oct-20**

**First Minister Nicola Sturgeon announces the wearing of face coverings is to become mandatory in workplace canteens from Friday 16 October, and in communal workplace areas, such as corridors and social spaces from Monday 19 October.**

**22-Oct-20**

**Scottish Government announce quarantine measures for travellers from Liechtenstein. Canary Islands, Denmark, the Maldives and Mykonos are added to exempt list.**

**05-Nov-20**

**Scottish Government announce the extension of quarantine rules for travellers from Germany and Sweden.**

**05-Nov-20**

**UK Government announce the extension of furlough to March and increased self-employed support.**

**17-Nov-20**

**Scottish Government announce updated COVID-19 protection levels and travel regulations preventing people who live in a Level 3 or Level 4 area from travelling outside their local authority except for an essential purpose.**

**24-Nov-20**

**Scottish Government announce details of a UK-wide “limited relaxation” of coronavirus restrictions over the Christmas period.**

**15-Dec-20**

**Scottish Government announce that on Friday 18 December at 6pm, East Lothian, Aberdeen City and Aberdeenshire will move up to Level 3 of the COVID-19 protection scale.**

**19-Dec-20**

**First Minister Nicola Sturgeon announces the tightening of COVID-19 restrictions around the festive period. The easing of restrictions around Christmas will now be limited to Christmas Day itself, and not the previous 5-day window that was planned. From Boxing Day, all of Scotland will have Level 4 restrictions applied, including the closure of non-essential retail and hospitality. Other than for specific exemptions, travel between Scotland and the rest of the UK will not be legal from midnight on Sunday 20 December.**

**04-Jan-21**

**Scottish Government announce mainland Scotland is to go into lockdown from 5 January 2021 with a new legal requirement forbidding anyone from leaving their home except for essential purposes.**

**05-Jan-21**

**Mainland Scotland goes into lockdown.**

**07-Jan-21**

**Scottish Government announce the temporary ban on eviction orders will be extended until the end of March.**

**07-Jan-21**

**Scottish Government announce people arriving in Scotland from Botswana, Israel (and Jerusalem), Mauritius or Seychelles will need to self-isolate from 4am on Saturday, 9 January.**

**13-Jan-21**

**Scottish Government announce the strengthening of lockdown restrictions from 00:01 on Saturday 16 January. Non-essential click and collect retail services will be prohibited in Level 4 areas, with changes in five other key areas including restrictions on the consumption of alcohol in public places.**

**18-Jan-21**

All travel corridors are suspended.

**19-Jan-21**

**Scottish Government updates the taxi grant criteria to include taxi drivers in receipt of state benefits.**

**19-Jan-21**

**Scottish Government announce current lockdown measures will stay in place across mainland Scotland and some island communities until at least the middle of February. Barra and Vatersay will move into lockdown from 00:01 on Wednesday (20 January) following a sharp increase in infection rates.**

**03-Mar-21**

**UK Government announce the furlough scheme and Universal Credit uplift will be extended until the end of September.**

**09-Mar-21**

**Scottish Government announce changes to level 4 restrictions. From Friday 12 March up to four adults from two households can meet locally outdoors for social and recreational purposes as well as exercise. Outdoor non-contact sports and group exercise will also resume for adults in groups of up to 15 people.**

**16-Mar-21**

**Scottish Government publish a timetable for easing restrictions. Stay at Home regulations are to be lifted on 2 April and replaced with guidance to Stay Local, with more services including hairdressers, garden centres and non-essential click and collect services able to open from 5 April.**

**30-Mar-21**

**Scottish Government announce Non-essential journeys within the local authority area are allowed from Friday 2 April when a requirement to Stay Local will replace the Stay at Home rule. Hairdressers, garden centres, car showrooms and forecourts, homeware stores and non-essential click and collect services can open from Monday 5 April.**

**13-Apr-21**

**Scottish Government announce Travel within Scotland for outdoor socialising, recreation and exercise, and outdoor meetings in groups of up to six adults from up to six households will be allowed from Friday 16 April.**

**20-Apr-21**

**Scottish Government announce all parts of the country will move to Level 3 from Monday 26 April. Hospitality venues such as cafés, pubs and restaurants can reopen, along with tourist accommodation.**

**14-May-21**

**Scottish Government announce most of mainland Scotland (with the exception of Moray) will move to level 2 from Monday 17 May, with eased restrictions on hospitality, entertainment, education and sport. Most islands to move to level 1. The number of people and households that can meet inside homes in Level 2 has been increased to six people from three households. From 17 May, anyone entering Scotland from countries on a new international travel 'Green List' will not be required to quarantine on arrival, but will have to take a PCR test for COVID-19.**

**14-May-21**

**Scottish Government announce Glasgow and Moray will remain in Level 3 from Monday 17 May due to a high rate of**

**COVID-19 cases. Travel to and from these areas will be prohibited other than for permitted purposes.**

**21-May-21**

**Scottish Government announce Moray moves to Level 2 from midnight, 21 May. Glasgow is to remain at Level 3.**

**01-Jun-21**

**Scottish Government announce Glasgow will move to Level 2 on Saturday 5 June 2021, while 15 mainland local authorities will move to Level 1. All islands currently in Level 1 will move to Level 0 at the same time due to sustained low numbers of cases.**

**22-Jun-21**

**First Minister Nicola Sturgeon announces a new indicative date for the whole of Scotland to move to level 0 on 19 July, provided all necessary vaccination and harm reduction measures are met. A further indicative date of 9 August for the lifting of all major COVID-19 restrictions (subject to confirmation).**

**27-Jun-21**

**Scottish Government announce the opening of a self-registration portal for all over 18s.**

**29-Jun-21**

**Scottish Government announce Manchester, Salford and Bolton travel restrictions will be lifted on 30 June.**

**13-Jul-21**

**First Minister Nicola Sturgeon announces all of Scotland will move to protection level 0 on Monday 19 July. Physical distancing in will reduce to 1 metre in all indoor public settings and outdoors, and informal social gatherings of up to 15 people from 15 households will be permitted**



**outdoors without physical distancing. Mandatory face coverings will remain in place.**

**19-Jul-21**

**Scotland moves to protection level 0**

**19-Jul-21**

**JCVI issues advice on COVID-19 vaccination of children and young people – children at increased risk of serious COVID-19 disease should be offered the Pfizer-BioNTech vaccine. That includes children aged 12 to 15 with severe neurodisabilities, Down's syndrome, immunosuppression and multiple or severe learning disabilities.**

**23-Jul-21**

**Scottish Government announce changes to self-isolation rules for close contacts of COVID-19 cases – essential staff in critical roles will be allowed to return to work to maintain lifeline services and critical national infrastructure.**

**28-Jul-21**

**Scottish Government announce fully vaccinated people from the EU and US will be able to travel to Scotland without quarantining from Monday 2 August.**

**03-Aug-21**

**First Minister Nicola Sturgeon announces Scotland to move beyond level 0 on 9 August, when the legal requirement for physical distancing and limits on gatherings will be removed. Some protective measures will stay in place such as the use of face coverings indoors and the collection of contact details as part of Test and Protect.**

**01-Oct-21**

**The Scottish Government's vaccination certification scheme is in operation from 1 October. People attending certain late night venues and larger indoor and outdoor live events will be required to show staff proof of their Covid status or a valid exemption.**

**28-Oct-21**

**Scottish Government announce the final seven countries are to be removed from the international travel red list from 1 November, meaning travellers to the UK from those destinations will no longer have to stay in hotel quarantine for 10 days on arrival.**

**29-Oct-21**

**Scottish (and other UK) Covid status certificates are adopted into the European Union's Digital Covid Certificate (EU DCC) scheme. From 1 November, Covid status certificates will be recognised by more than 40 countries. All EU DCC member countries will have their full certificates recognised and verifiable in Scotland.**

**16-Nov-21**

**Scottish Government publish an update to Scotland's Strategic Framework, setting out the latest approach to managing the pandemic.**

**23-Nov-21**

**Scottish Government announce that from 6 December, people attending venues covered by Scotland's COVID certification scheme are to be given the option of providing a recent negative lateral flow test for the virus, as an alternative to proof of vaccination.**

**12-Dec-21**

**UK Government announce the UK coronavirus (COVID-19) alert level will be increased from Level 3 to Level 4.**

**12-Dec-21**

**Scottish Government announce all 30-39 year olds will be able to book their appointment for a COVID-19 vaccine booster from Monday 13 December.**

**14-Dec-21**

**Scottish Government publish updated guidance on reducing social interaction at home or in indoor public places to a maximum of three households at any time, with everyone encouraged to take a lateral flow test before meeting.**

**14-Dec-21**

**Scottish Government announce 11 countries are to be removed from the international travel red list as Omicron cases increase globally. Pre-departure tests and PCR testing measures on or before day 2 on arrival in Scotland will remain in place.**

**16-Dec-21**

**Scottish Government publish new guidance for businesses. From Friday 17 December 2021, businesses will be legally required to take reasonable measures to minimise transmission of coronavirus (COVID-19).**

**17-Dec-21**

**Scottish Government publish updated guidance to reduce the risks of Covid-19 in schools, ELC services, school age childcare services and childminder services. Safety mitigations that were already in place must continue to be strictly followed and some measures that were previously relaxed are being reintroduced.**

**17-Dec-21**

**Scottish Government publish updated guidance on visiting care homes and hospitals. Adult care homes and hospitals should continue to support visits for residents and patients, however new recommendations set out that visits should be in line with the rules for the general public brought in to control the spread of the Omicron variant of Covid-19.**

**21-Dec-21**

**Scottish Government announce one metre physical distancing to return in indoor hospitality and leisure settings from 27 December. Attendance at large events will be limited (100 people for indoor standing events, to 200 for indoor seated events, and to 500 for all outdoor events) from 26 December.**

**23-Dec-21**

**Scottish Government announce nightclubs are to close from 27 December, subject to a review after three weeks.**

**11-Jan-22**

**Scottish Government announce large outdoor events can resume without physical distancing or capacity limits from 00:01 on Monday 17 January.**

# Appendix B: Policy documents relating to the pandemic

(Source: <https://spice-spotlight.scot/2022/02/18/timeline-of-coronavirus-covid-19-in-scotland/> )

[In the following list we detail:

**Date**

Policy Announcement]

**21-Apr-20**

**Scottish Government publishes report on the projected impact of COVID-19 on Scotland's economy.**

**21-Apr-20**

**Scottish Government calls on the UK Government to fill gaps in business funding schemes.**

**23-Apr-20**

**'COVID-19: A Framework for Decision-Making' is published by the Scottish Government. The document sets out the position during lockdown and outlines the factors that must be considered as the country moves gradually to ease restrictions.**

**24-Apr-20**

**Scottish Parliament holds its first meeting of the newly formed COVID-19 Committee. The Committee is established as a temporary committee for the duration of the emergency legislation which has been enacted to respond to the pandemic.**

**11-May-20**

**A second Coronavirus (Scotland) Bill is introduced to the Scottish Parliament. It includes emergency measures to protect people facing financial hardship and allow public services to operate effectively in response to the pandemic.**

**12-May-20**

**UK Government publishes ‘Our plan to rebuild: The UK Government’s COVID-19 recovery strategy’: a roadmap for how and when the UK will adjust its response to the COVID-19 crisis.**

**20-May-20**

**Scottish Parliament has unanimously supported new emergency measures in the Coronavirus (Scotland) (No.2) Bill. The Bill makes changes that will help public services continue to operate during the coronavirus pandemic. It also includes changes to support businesses and individuals.**

**21-May-20**

**Scottish Government publishes a COVID-19 Routemap to take Scotland through and out of the COVID-19 pandemic.**

**31-May-20**

**Communities Secretary Aileen Campbell calls on the UK Government to provide support for people classed as having No Recourse to Public Funds (NRPF) – including many who have lived and worked across the UK for many years. It follows remarks from the Prime Minister this week that he would investigate the issue of how many people were affected**

**07-Jun-20**

**Communities Secretary Aileen Campbell urges the UK Government to provide urgent clarity on charity funding.**

**24-Jun-20**

**Scottish Government publish an updated route map with indicative dates for Phase 2 and early Phase 3 measures**

**29-Jun-20**

**Scottish Government publish Coronavirus (COVID-19): UK fiscal path – a new approach. The report calls for a UK-wide £80 billion stimulus package to regenerate the economy and reduce inequalities following the coronavirus (COVID-19) pandemic.**

**12-Jul-20**

**Scottish Government calls for the UK government to suspend their restrictions in order to prevent homelessness and destitution among people who have No Recourse to Public Funds (NRPF).**

**29-Sep-20**

**Scottish Government publish the State of the Economy report, summarising recent developments in the global, UK and Scottish economies and providing an analysis of the performance of, and outlook for, the Scottish economy. The report notes that the Scottish economy has recovered half the fall in GDP which followed the imposed lockdown in March, while unemployment is expected to increase to 8.2% by the end of 2020.**

**06-Oct-20**

**Finance Ministers from Scotland, Wales and Northern Ireland issue a joint call for greater fiscal flexibility to manage the implications of coronavirus (COVID-19), involvement in the Spending Review and an assurance that lost EU funding will be replaced in full and brought under the control of devolved administrations.**

**23-Oct-20**

**Scottish Government publish the five-level Strategic Framework, which indicates different levels of protection that might be needed based on different levels of transmission for the virus. The levels are due to come into force on 2 November.**

**21-Jan-21**

**Scottish Government publish “If not now, when?” – Social Renewal Advisory Board report.**

**23-Feb-21**

**Scottish Government publish the updated Strategic Framework, setting out the broad order of priority for re-opening and the conditions that need to be met to start lifting restrictions.**

**16-Mar-21**

**Scottish Government publish a timetable for easing restrictions. Stay at Home regulations are to be lifted on 2 April and replaced with guidance to Stay Local, with more services including hairdressers, garden centres and non-essential click and collect services able to open from 5 April.**



**26-May-21**

**First Minister Nicola Sturgeon announces the priorities for the Scottish Government in the first 100 days, including completing the vaccination of all adults (subject to supply); establishing a cross-party steering group on COVID recovery; and publishing an NHS Recovery plan.**

**17-Aug-21**

**Scottish Government launches its consultation on Scotland's recovery, which sets out a range of proposals, including whether some temporary provisions made under Scottish and UK coronavirus legislation and due to expire in March 2022 should be maintained.**

**05-Oct-21**

**Scottish Government publish Covid Recovery Strategy: for a fairer future.**

**16-Nov-21**

**Scottish Government publish an update to Scotland's Strategic Framework, setting out the latest approach to managing the pandemic.**

**16-Nov-21**

**The Coronavirus (Discretionary Compensation for Self-isolation) (Scotland) Bill is introduced to Parliament.**

**15-Dec-21**

**Finance Secretary Kate Forbes writes a letter to the Treasury requesting further financial support to deal with the impact of the Omicron variant.**

# Appendix C: Business support announcements relating to the pandemic

(Source: <https://spice-spotlight.scot/2022/02/18/timeline-of-coronavirus-covid-19-in-scotland/> )

[In the following list we detail:

## **Date**

Business Support Announcements]

**17-Mar-20**

**UK Chancellor Rishi Sunak announces the biggest package of emergency state support for business since the 2008 financial crash.**

**25-Mar-20**

**Sea Fisheries Intervention Fund set up**

**26-Mar-20**

**UK Chancellor Rishi Sunak unveils a package of measures to help self-employed workers**

**15-Apr-20**

**Scottish Government announces its second phase of small business relief funding, worth £120m.**

**15-Apr-20**

**Scottish Government announces the creation of the £3m Aquaculture hardship fund, to support shellfish and trout farmers.**

**21-Apr-20**

**Economy Secretary Fiona Hyslop confirms that grant funding for the newly self-employed suffering hardship and SMEs in distress will be made available.**

**30-Apr-20**

**The Scottish Government announces a new £100 million package of additional grant support for small and medium sized businesses (SMEs) and newly self-employed people.**

**05-May-20**

**Scottish Government announces the second phase of the Small Business Grant scheme – which extends grant support to all subsequent eligible properties – is now open for applications.**

**07-May-20**

**The Scottish Government announces a £100 million emergency loan fund will open on 18 May for small and medium-sized enterprises (SMEs) housebuilders.**

**08-May-20**

**Scottish Government announces it is doubling its Pivotal Enterprise Resilience Fund from £45 million to £90 million. The Fund provides grants to SMEs which have been made vulnerable by this crisis. (The funds which make up the £145 million support package are: £34 million Newly Self-Employed Hardship Fund; £20 million Creative, Tourism and Hospitality Enterprises Hardship Fund; £90 million Pivotal Enterprise Resilience Fund).**

**12-May-20**

**Scottish Government announces that properties occupied by charities can now apply for the £10,000 Small Business Grant Scheme to help with pressures caused by the pandemic. The Small Business Grant Scheme is administered by local authorities. Organisations can apply for the scheme through their local council.**

**16-May-20**

**Scottish Government announces that shellfish growers and trout producers will receive a share of £800,000 of funding**

**20-May-20**

**Scottish Government announces its Business Support Fund has been increased by £40 million to provide additional support for key sectors of the Scottish economy.**

**01-Jun-20**

**Scottish Government announces inshore fishers who usually target shellfish will now be able to diversify into new markets and access fishing opportunities worth up to £2 million.**

**12-Jun-20**

**Scottish Government announce a £62 million Energy Transition Fund to help the energy sector recover from the dual economic impacts of coronavirus (COVID-19) and the oil and gas price crash.**

**12-Jun-20**

**Scottish Government has agreed a funding package for the Edinburgh Festival Fringe Society**

**03-Jul-20**

**Scottish Government announce £10 million fund to support Scotland's performing arts venues.**

**05-Jul-20**

**UK Government announce £1.57 billion investment for cultural, arts and heritage institutions**

**08-Jul-20**

**Chancellor of the Exchequer Rishi Sunak announces a package of financial support in his Summer Statement.**

**10-Jul-20**

**Scottish Government announce a comprehensive package of support for innovative early stage businesses whose routes to investment and growth have been impacted by coronavirus (COVID-19) .**

**13-Jul-20**

**UK Government announce the Eat Out to Help Out Scheme for Restaurants and other establishments serving food for on-premises consumption.**

**15-Jul-20**

**UK Government announce that 736,000 Scottish workers have been furloughed as part of the Coronavirus Job Retention Scheme, an increase of 100,000 since the end of May. 155,000 self-employed people in Scotland have been paid through the Self-Employment Income Support Scheme.**

**17-Jul-20**

**Scottish Government launch the Agriculture Loan Scheme, which aims to maintain cash flow for farmers and crofters during COVID-19**

**25-Jul-20**

**Scottish Government announce the creation of the £4 million Museums Resilience and Recovery Fund.**

**26-Jul-20**

**Scottish Government announce a £10 million funding package to support the recovery of the events sector from COVID-19.**

**29-Jul-20**

**Scottish Government announce a £14 million Hotel Recovery Programme to support Scotland's larger hotels.**

**03-Aug-20**

**UK Government's Eat Out to Help Out scheme launches, allowing diners to receive a maximum £10 discount per person at participating restaurants, bars and cafes.**

**16-Aug-20**

**Scottish Government announce a support package of £3.8 million for the National Trust for Scotland**

**19-Aug-20**

**Scottish Government announce £1 million funding for Aberdeen businesses affected by temporary measures.**

**13-Sep-20**

**Scottish Government announce a £2m Islands Green Recovery Programme, included in the Programme for Government, which aims to support island communities in their economic recovery from the coronavirus (COVID-19) pandemic.**

**08-Oct-20**

**Scottish Government launch the National Transition Training Fund. The Fund, which aims to boost the supply of skills in areas such as sustainable green jobs, is open to anyone aged 25 or over who is unemployed, economically inactive or at risk of unemployment due to the impact of Covid-19.**

**09-Oct-20**

**Scottish Government announce the creation of the COVID-19 Restrictions Fund, which will provide one-off grants of up to £3,000, depending on rateable value, to bars, restaurants and other businesses required to close by regulations. A hardship fund with grants of up to £1,500 will support some businesses that remain open but are directly impacted by the restrictions.**

**18-Oct-20**

**Scottish Government launch the 'Scotland Loves Local' grant for local projects. The funding aims to support small scale improvements that will help motivate people to shop, eat and relax within their community whilst ensuring public health safety.**

**21-Oct-20**

**The COVID-19 Restrictions Fund will now provide one-off grants of up to £4,310 to businesses required to close by regulations. For businesses that may remain open but are directly impacted by the restrictions, the maximum hardship fund grant will increase to £2,155.**

**22-Oct-20**

**Scottish Government announce a £2 million support package for residential outdoor education centres.**

**22-Oct-20**

**UK Government announce increased financial support through the Job Support and self-employed schemes.**

**05-Nov-20**

**UK Government announce the extension of furlough to March and increased self-employed support.**

**13-Nov-20**

**Scottish Government announce the second phase of the Flexible Workforce Development Fund will open to applications on 16 November 2020. The fund helps businesses invest in their workforce and is available for all of Scotland's employers who are subject to the UK Government's Apprenticeship Levy**

**30-Nov-20**

**Scottish Government announce £11.8 million additional funding to help businesses take advantage of digital technologies.**

**27-Dec-20**

**Scottish Government announce additional £48 million funding for level 4 changes.**

**17-Jan-21**

**Scottish Government announce £3 million additional funding for Aberdeen Performing Arts, Eden Court Highlands and Capital Theatres.**

**18-Jan-21**

**Scottish Government announce additional funding for taxi and private hire drivers.**

**19-Jan-21**

**Scottish Government updates the taxi grant criteria to include taxi drivers in receipt of state benefits.**

**03-Feb-21**

**Scottish Government announce £7.75 million funding for the seafood sector.**

**17-Mar-21**

**Scottish Government announce a £2 million City Centres Recovery Fund and a £2 million Regional Recovery Fund.**

**28-May-21**

**Scottish Government announce £3 million Destination and Sector Marketing Fund for tourism organisations to promote key visitor destinations in a responsible and sustainable way.**



**02-Jun-21**

**Scottish Government announce £12 million of funding for businesses in Level 2 areas – including those in the hospitality, events, weddings and soft play sectors, additional funding for taxi drivers and operators and £25 million to support the culture sector.**

**16-Jun-21**

**Scottish Government announce £20 million for the second phase of the National Transition Training Fund.**

**29-Jun-21**

**Scottish Government announce £1 million funding to support the return of live events at the Edinburgh International Festival and Edinburgh Fringe.**

**23-Aug-21**

**Scottish Government launch £750,000 touring fund for live music.**

**25-Aug-21**

**Scottish Government announce £14 million North East Economic Recovery and Skills Fund. The funding will provide opportunities for more than 3,000 individuals in Aberdeen and Aberdeenshire through training and enterprise projects across a number of sectors, including entrepreneurship, tourism and energy transition.**

**17-Dec-21**

**Scottish Government announce the breakdown of a £100 million financial package to support businesses experiencing cancellations due to the spread of the new Omicron variant.**

**29-Dec-21**

**Scottish Government announce the breakdown of £107 million support package for businesses impacted by the spread of the Omicron variant.**

**03-Jan-22**

**Scottish Government announce details a financial package worth £65 million for culture and major events.**

# Appendix D: Welfare support announcements relating to the pandemic

(Source: <https://spice-spotlight.scot/2022/02/18/timeline-of-coronavirus-covid-19-in-scotland/> )

[In the following list we detail:

## **Date**

Welfare Support Announcements]

**18-Mar-20**

**Communities Secretary Aileen Campbell announces £350m to support people in need.**

**10-Apr-20**

**New domestic abuse campaign launched to highlight the help still available during lockdown. The campaign will run until 17 May 2020.**

**13-Apr-20**

**£50m Wellbeing Fund opened to assist charities, community and voluntary groups and social enterprises.**

**14-Apr-20**

**New National helpline set up to provide essential assistance to high-risk individuals without family or community support.**

**21-Apr-20**

**Economy Secretary Fiona Hyslop confirms that grant funding for the newly self-employed suffering hardship and SMEs in distress will be made available.**

**21-Apr-20**

In response to the increase in Universal Credit claims, the Scottish Government, in partnership with the Citizens Advice network, launches a new campaign to raise awareness of the financial support available to people during the pandemic.

**21-Apr-20**

Clear Your Head campaign launched to provide advice and support to help people cope during COVID-19.

**24-Apr-20**

A national media campaign is launched to encourage people to seek medical help for urgent health issues which are not related to coronavirus (COVID-19).

**24-Apr-20**

Health Secretary Jeane Freeman urges survivors of childhood abuse to continue seeking help from organisations which are still open and working through the pandemic.

**24-Apr-20**

The Scottish Government announces funding to support new infrastructure programme for pop-up walking and cycling routes or temporary improvements to existing routes to better enable social distancing.

**29-Apr-20**

Health Secretary Jeane Freeman confirms that all families of frontline NHS staff who die as a result of coronavirus (COVID-19) will receive financial support.

**01-May-20**

**The Scottish Government publishes updated guidance on Domestic Abuse to support the Health Protection (Coronavirus)(Restrictions) (Scotland) Regulations 2020.**

**01-May-20**

**The Scottish Government announces that more than £250 million of funding to close the poverty-related attainment gap and aid learning during the pandemic has been allocated to schools**

**03-May-20**

**Two specialist organisations to receive additional funding to support 47,000 autistic people across Scotland during the pandemic**

**03-May-20**

**Scottish Government announces new measures to assist those affected by drug use during the pandemic**

**03-May-20**

**Scottish Government announces key mental health services supporting families, young people and autistic people are to receive more than £1 million additional funding**

**04-May-20**

**Scottish Government launches the Caring Communities campaign aimed at people helping those in their communities affected by COVID-19.**

**06-May-20**

**Scottish Government proposes that as part of the next emergency coronavirus legislation, an additional £19.2 million investment in Carer's Allowance Supplement will enable a special one-off Coronavirus Carer's Allowance Supplement in June.**

**07-May-20**

**The Scottish Government announces a new £5 million programme called 'Connecting Scotland' which will offer internet connection, training and support, and a laptop or tablet to vulnerable people who are not already online during the pandemic.**

**10-May-20**

**Scottish Government announces that families on lower incomes and older people are to get more support with extra funding for lifeline services to cope with the pandemic.**

**11-May-20**

**National Wellbeing Hub is launched. The Hub is a new partnership between national, local and professional bodies looking after the emotional and psychological wellbeing of Scotland's health and social services workers.**

**12-May-20**

**Scottish Government confirms an initial £50 million to help the social care sector deal with the financial implications of the pandemic.**

**12-May-20**

**Scottish Government announces that properties occupied by charities can now apply for the £10,000 Small Business Grant Scheme to help with pressures caused by the pandemic. The Small Business Grant Scheme is administered by local authorities. Organisations can apply for the scheme through their local council.**

**14-May-20**

**Scottish Government announces that a quarter of a million packages containing essential supplies have been delivered to people across Scotland facing the highest clinical risks from COVID-19. The free boxes, which include vital food and toiletries, are dropped off weekly to the homes of people who are shielding.**

**17-May-20**

**Scottish Government announces £61,771 has been awarded under the Scottish Government's Immediate Priorities Fund and will be distributed by the Encompass Network to nine organisations across Scotland who provide specialist support services to women engaged in prostitution.**

**19-May-20**

**Scottish Government announces that Councils will get more support to deal with increased levels of domestic abuse and gender-based violence during the pandemic. New guidance has been developed in partnership with COSLA.**

**20-May-20**

**Scottish Government announces £5 million of additional investment to support tenants under financial pressure during the COVID-19 outbreak.**

**22-May-20**

**Scottish Government announces that community projects are to be given £8 million to help combat isolation. The £8 million is part of the £50 million Wellbeing Fund that supports organisations across the third sector who are helping people through the pandemic.**

**24-May-20**

**Scottish Government announces that extra financial support will be given to social care workers in Scotland during the Coronavirus emergency.**

**31-May-20**

**Scottish Government publishes 'Re-mobilise, Recover, Re-design, The Framework for NHS Scotland' which sets out how Health Boards will follow national and local clinical advice to safely and gradually prioritise the resumption of some paused services.**

**02-Jun-20**

**Scottish Government announce an additional one-off Carer's Allowance Supplement payment of at least £460.20, to be paid from Friday 26 June.**

**07-Jun-20**

**Scottish Government announce the launch of Carers Week launched with additional support. £300,000 from the £350 million communities funding to support people and communities affected by COVID-19, is being given to support young carers across Scotland.**

**09-Jun-20**

**Scottish Government establish a new expert group to assess the impact of the virus on minority ethnic communities**

**10-Jun-20**

**Scottish Government announce an expert advisory board on social renewal.**



**11-Jun-20**

**Scottish Government announce the early access of £11.4m of discretionary funds to support higher education students in financial difficulty, and the suspension of all debt recovery actions by SAAS in respect to grants and bursaries until September 2020.**

**14-Jun-20**

**Housing Minister Kevin Stewart has written to the UK Government calling for urgent action to support housing tenants affected by the coronavirus (COVID-19) pandemic.**

**15-Jun-20**

**UK Government announce reservists returning to civilian work eligible for government support schemes.**

**16-Jun-20**

**Scottish Government announce children eligible for free school meals will be among those who continue to be supported over the summer through a package of £27.6 million of additional funding.**

**16-Jun-20**

**Scottish Government announce a £230 million Return to Work package has been unveiled to help stimulate Scotland's economy following the coronavirus (COVID-19) pandemic.**

**19-Jun-20**

**Scottish Government publish a report on the impact of COVID-19 restrictions on people experiencing domestic abuse, and other forms of violence against women and girls. The report looks at a number of factors, including referral rates to support organisations, access to support, criminal justice processes and the experience of women and children living with domestic abuse.**

**24-Jun-20**

**Scottish Government publish an assessment of the health and social impacts of COVID-19 on particular groups**

**24-Jun-20**

**Scottish Government publish guidance for social care workers and employers about the Social Care Staff Support Fund, that aims to ensure social care workers do not experience financial hardship if they are ill or self-isolating due to coronavirus.**

**25-Jun-20**

**Scottish Government publish a guidance framework to support gypsy/traveller communities; to help local authorities and their partners in decision-making in their local response to COVID-19 in relation to Gypsy/Travellers.**

**07-Jul-20**

**Housing Minister Kevin Stewart publishes an open letter to social housing tenants containing information and advice for those affected by the COVID-19 pandemic.**

**11-Jul-20**

**Scottish Government announce coastal communities across Scotland will receive £9.7 million of revenue generated by the Scottish Crown Estate's marine assets to mitigate the impact of coronavirus (COVID-19).**

**12-Jul-20**

**Scottish Government calls for the UK government to suspend their restrictions in order to prevent homelessness and destitution among people who have No Recourse to Public Funds (NRPF).**

**16-Jul-20**

**Scottish Government announce the creation of the Transitional Support Fund, with funding of £11.4m available to help childcare providers in the private and third sectors, including out-of-school care providers.**

**16-Jul-20**

**Scottish Government announce a £100m package of support for people looking for work or those at risk of redundancy.**

**20-Jul-20**

**Scottish Government announce additional mental health support for health and social care staff.**

**02-Aug-20**

**Scottish Government announce that homeless people and others affected by the coronavirus (COVID-19) outbreak are to receive further support through the Scottish Government's emergency funding for communities.**

**03-Aug-20**

**Scottish Government announce the social care sector will receive up to £50 million further additional funding to help meet additional costs related to coronavirus (COVID-19).**

**05-Aug-20**

**Scottish Government announce the introduction of local restrictions in Aberdeen. Taking effect from 5pm on Wednesday 5 August,**

**13-Sep-20**

**Scottish Government announce a £2m Islands Green Recovery Programme, included in the Programme for Government, which aims to support island communities in their economic recovery from the coronavirus (COVID-19) pandemic.**

**30-Sep-20**

**Universities Scotland announce a package of ten measures designed to support student wellbeing.**

**30-Sep-20**

**Scottish Government announce a new grant to support people on low incomes if they are asked to self-isolate. The Self-Isolation Support Grant aims to help those who would lose income if they needed to self-isolate, such as those unable to carry out their work from home.**

**02-Oct-20**

**Scottish Government publish the Coronavirus (COVID-19): mental health needs of hospitalised patients – report. Dr Nadine Cossette was commissioned to examine mental health needs of patients hospitalised due to COVID-19. Her report contains analysis of need and recommendations for action to support recovery.**

**02-Nov-20**

**Scottish Government announce a £15 million funding package to respond to children and young people's mental health issues, with a focus on those brought about by the pandemic.**

**03-Nov-20**

**Scottish Government publish the Adult Social Care Winter Preparedness Plan, backed by £112 million investment to support the sector over winter.**

**05-Nov-20**

**Scottish Government launch the Young Person's Guarantee, which aims to give young people in Scotland the chance to succeed despite the economic impacts of coronavirus.**

**13-Nov-20**

**Scottish Government announce the second phase of the Flexible Workforce Development Fund will open to applications on 16 November 2020. The fund helps businesses invest in their workforce and is available for all of Scotland's employers who are subject to the UK Government's Apprenticeship Levy**

**16-Nov-20**

**Scottish Government announce further funding for six organisations supporting people subject to No Recourse to Public Funds.**

**16-Nov-20**

**Scottish Government announce £1 million funding for digital devices to keep care home residents connected.**

**27-Nov-20**

**Scottish Government announce £2 million funding for UNICEF to help address the impact of the pandemic on children in Malawi, Zambia and Rwanda.**

**30-Nov-20**

**Scottish Government announce the extension of the £500 Self-Isolation Support Grant to include parents on low incomes whose children are asked to self-isolate and people who may be eligible for Universal Credit, but have not yet applied.**

**30-Nov-20**

**Scottish Government announce the Winter Plan for Social Protection and a £100m support package for communities.**

**30-Nov-20**

**Scottish Government announce a one-off £500 payment for health and social care staff.**

**01-Dec-20**

**Scottish Government announce two new initiatives to increase apprenticeships. The £15 million Apprenticeship Employer Grant will provide funding for employers taking or upskilling an apprentice. Pathways Apprenticeships will offer 26 weeks of training with a £100 weekly allowance.**

**03-Dec-20**

**Scottish Government announce a six week temporary halt to evictions from rented properties.**

**11-Dec-20**

**Scottish Government announce £750,000 for student associations to assist with welfare advice on campuses.**

**11-Dec-20**

**Scottish Government announce £5.91 million for tackling social isolation and loneliness.**

**07-Jan-21**

**Scottish Government announce the temporary ban on eviction orders will be extended until the end of March.**

**16-Jan-21**

**Scottish Government announce funding to help vulnerable young people into work.**

**17-Jan-21**

**Scottish Government announce £3 million additional funding for Aberdeen Performing Arts, Eden Court Highlands and Capital Theatres.**

**21-Jan-21**

**Scottish Government announce £1 million funding for childminders.**

**21-Jan-21**

**Scottish Government publish “If not now, when?” – Social Renewal Advisory Board report.**

**02-Feb-21**

**Scottish Government extends the criteria for the Self-Isolation Support Grant.**

**22-Feb-21**

**Scottish Government launch the £7 million Equality and Human Rights Fund.**

**24-Feb-21**

**Scottish Government launch the £15 million Scottish Community Lenders Fund to support affordable lending services.**

**26-Feb-21**

**Scottish Government launch the Workforce Specialist Service, which offers confidential mental health assessment and treatment to health and social care professionals.**

**17-Mar-21**

**Scottish Government publish an updated testing strategy, including a £13 million investment in 2021/22 to establish Scotland’s own genomic sequencing service to track new COVID-19 variants and manage future outbreaks.**

**17-Mar-21**

**Scottish Government announce a £2 million City Centres Recovery Fund and a £2 million Regional Recovery Fund.**

**19-Mar-21**

**Scottish Government announce £2.75 million for Round Two of the Better Places Green Recovery Fund to support activities in areas suffering the most countryside related visitor pressures during the 2021 season.**

**03-Jun-21**

**Scottish Government announce £1 million funding to support legal aid trainees.**

**13-Jun-21**

**Scottish Government announce £20 million of additional funding for students impacted by COVID-19.**

**16-Jun-21**

**Scottish Government announce £90,000 to support women involved in prostitution.**

**27-Jun-21**

**Scottish Government announce £8 million funding package for health and social care workforce wellbeing**

**29-Jun-21**

**Scottish Government announce Manchester, Salford and Bolton travel restrictions will be lifted on 30 June.**

**30-Jun-21**

**Scottish Government announce social care Personal Assistants will receive £500 payment.**

**25-Jul-21**

**Scottish Government announce additional £5 million for frontline services for women and girls affected by gender-based violence**



**28-Jul-21**

**Scottish Government announce £70 million investment in the Young Person's Guarantee scheme.**

**29-Jul-21**

**Scottish Government announce nine projects supporting carers and disabled people will share £1 million to tackle loneliness and isolation as a result of the pandemic.**

**25-Aug-21**

**Scottish Government announce £14 million North East Economic Recovery and Skills Fund. The funding will provide opportunities for more than 3,000 individuals in Aberdeen and Aberdeenshire through training and enterprise projects across a number of sectors, including entrepreneurship, tourism and energy transition.**

**07-Oct-21**

**Scottish Government announce 47 countries will be taken off the international travel red list from 11 October. In addition, vaccine certificates from a further 37 countries will be recognised to allow quarantine-free travel to Scotland.**

**07-Oct-21**

**Scottish Government announce £1.6 million funding to help local authorities deliver services that can support people affected by psychological trauma and adversity.**

**15-Oct-21**

**Scottish Government launch the £15 million Communities Mental Health and Wellbeing Fund.**

**29-Oct-21**

**Scottish Government announce £41 million Winter Support Fund for low income households.**

**12-Dec-21**

**Scottish Government announce financial support for adult care providers who incur additional costs if employees are vaccinated in working time.**

**17-Dec-21**

**Scottish Government announce funding of £25 million to support community projects and local economies. The Regeneration Capital Grant Fund will support 22 locally developed place-based projects that tackle inequalities and promote sustainable and inclusive economic recovery from the Coronavirus (COVID-19) pandemic.**

**03-Jan-22**

**Scottish Government publish details of the allocation of the Healthy Islands Fund, aiming to promote healthy and resilient island communities.**

# Appendix E: Local Authority Delivered Funds October 2020 to August 2021

## (Footnote 225)

[In the following list we detail:

- Item: Total value of awards paid to date (£m)]
- October Circuit breaker - Closure: 11.4
- October Circuit breaker - Hardship: 5.6
- October Circuit breaker - Furlough Top-up: 3.6
- October Circuit breaker - Contingency: 6.9
- Strategic Framework Business Fund: 344.8
- Restart Grants: 444.8
- Localised Restrictions Support Fund: 9.6
- Routemap extension fund: 12.6
- Additional Softplay Support One-off Payment: 0.6
- Local Authority Discretionary Fund (including Glasgow Top-up): 104.4
- Hospitality, Retail and Leisure Top-up Fund: 234.3
- Island Equivalent Fund: 7.7
- Island Equivalent Payments Top-up: 4.1
- Taxi and Private Hire Driver Support Fund (March 2021): 32.8
- Taxi and Private Hire Driver and Operators Fund (June 2021): 46.5
- Contingency Fund – Travel Agents, Brewers and Indoor Football Centres: 5.4
- Exclusive Use and Large Self Catering: 3.0
- Small Accommodation Providers (SAP-CTF) – Wave 1, 2 and 3: 8.8
- Top Up Payments To Licensed Bingo Clubs And Casinos: 2.9
- Transitional Support Fund for Childcare Providers: 9.4
- Temporary Restrictions Fund for Childcare Providers: 7.1
- **Total: 1,306**

# Appendix F1: Sector Funding March to September 2020

## (Footnote 226)

[In the following list we detail:

- Item: Total value of awards paid to date (£m)]
- Business Support Fund Grants (Small Business Grant Scheme and Retail, Hospitality and Leisure Business Grant Scheme): 1,021
- Newly Self-Employed Hardship Fund – Round: 1 11.3
- Creative, Tourism and Hospitality Enterprises Hardship Fund: 23.6
- Pivotal Enterprise Resilience Fund: 121.8
- Early Stage Growth Challenge Fund (grants and convertible loan notes): 25
- Pre-seed Fund (grants and wrap around support): 3
- Sea Fisheries Intervention Fund: 8.4
- Aquaculture Hardship Fund: 0.8
- Scottish Seafood Business Resilience Fund: 5.8
- Bed and Breakfast Hardship Fund: 1.2
- Coronavirus Support Scheme for Self-catering businesses: 1.5
- Coronavirus Liquidity Support for SME Housebuilders (Loans): 18.0
- Creative Scotland and Screen Scotland Bridging Bursary Funds: 4.3
- Grassroots Music Venues Stabilisation Fund – Round 1: 2.2
- Cultural Organisations and Venues Recovery Fund: 13.2
- Performing Arts Venues Relief Fund: 12.2
- Independent Cinemas Recovery and Resilience Fund: 3.5
- Museums and Galleries Scotland Recovery and Resilience Fund (not incl. top up): 4.6

- Museums and Galleries Scotland Covid-19 Adaption Fund: 0.3
- Museums and Galleries Scotland Digital Resilience Fund: 0.1
- Museums and Galleries Scotland Urgent Response COVID-19 Fund: 0.6
- **Total: 1,282**

# Appendix F2: Sector Funding March to September 2020

## (Footnote 227)

[In the following list we detail:

- Item: Total value of awards paid to date (£m)]
- Wedding Sector Support Fund: 25.8
- Scottish Wedding and Events Top Up Fund: 2.8
- Scotland Pivotal Event Businesses Fund: 11.4
- Culture Collective Fund: 5.9
- Scottish Wholesale Food and Drink Resilience Fund: 5.5
- Grassroots Music Venue Stabilisation Fund: 4
- Ski Centre Support Fund: 3
- Ski Centre (and Ski School) Fund: 3.8
- Travelling ShowPeople Fund: 1.5
- Sector and DMO Operational Readiness Fund: 1.4
- Youth Arts Emergency Fund: 1
- Visitor Attraction (excludes those publicly owned tourist attractions): 9.7
- Marine and Outdoor Tourism Restart Fund (1): 3.2
- Marine and Outdoor Tourism Restart Fund (2): 0.11
- Mobile and Home Based Close Contact Services Fund: 35.8
- Newly Self-Employed Hardship Fund – Round 2: 34.6
- Events Industry Support Fund: 8.1
- Events Industry Recovery Fund 2: 7.4
- Scottish Events Recovery Fund: 1.9
- Three Arts Venues: 3
- Museums Recovery and Resilience Fund Top Up: 2.9
- Museums and Galleries Covid-19 Adaptation Fund: 0.2
- Childminder Grants: 2.7
- Legal Aid Resilience and Recovery Fund: 2.3

- Legal Aid Business Support Fund: 6.8
- Hostel COVID-19 Business Support and Continuity Fund: 2.5
- Coach Operators Fund: 8.4
- Coach Operators Fund 2: 1.3
- Scottish Country Sports and Tourism Fund: 0.8
- Scotland's Tour Guides Fund: 2.7
- Tour Operators Fund (including international inbound and larger domestic operators): 14.2
- Campervan and Motorhome Rental Operators Fund: 0.8
- Hardship Fund Creative Freelancers: 16.8
- Zoo and Aquarium Conservation Fund: 0.7
- Performing Arts Venue Relief Fund 2: 8.6
- Culture Organisation and Venues Recovery Fund 2: 8.3
- Emergency Spectator Support Fund[8] : 59.7
- Covid-19 Support Scheme for Self-Catering Businesses: 1.6
- Independent Cinema Recovery and Resilience Fund 2: 1.9
- **Total: 313**

# Footnotes

1. <https://www.who.int/emergencies/disease-outbreak-news/item/2020-DON229> 5 January 2020.
2. <https://www.bbc.co.uk/news/uk-scotland-54974855> 17 November 2020.
3. <https://www.gov.scot/news/cautious-approach-to-christmas/> 24 Nov 2020.
4. <https://www.gov.scot/news/new-guidance-issued-for-the-festive-period/> 19 Dec 2020.
5. <https://www.gov.scot/news/stay-local-from-2-april/> 30 Mar 2021; <https://www.gov.scot/news/accelerated-easing-of-restrictions/> 13 Apr 2021; <https://www.gov.scot/news/moving-to-level-3/> 20 Apr 2021; <https://www.gov.scot/news/moving-to-level-3/> 20 Apr 2021.
6. <https://www.gov.scot/news/next-steps-out-of-lockdown/> 11 May 2021; <https://www.gov.scot/publications/coronavirus-covid-19-update-first-ministers-statement-22-june-2021/> 22 Jun 2021.
7. "Although it is guidance, please do not think of it as optional." Nicola Sturgeon  
<https://www.bbc.co.uk/news/uk-scotland-59655829>  
14 December 2021.
8. <https://www.bbc.co.uk/news/uk-59792754> 26 December 2021.
9. Cameron-Blake, E., Tatlow, H., Wood, A., Hale, T., Kira, B., Petherick, A., and Phillips, T. (2020). 'Variation in the response to COVID-19 across the four nations of the United Kingdom'. Blavatnik School of Government, University of Oxford.
10. *ibid*, Cameron-Blake et al (2020).
11. NAO, (2021) 'The government's preparedness for the COVID-19 pandemic: lessons for government on risk management', p.6.



12. **ibid**, NAO (2021), p.10.
13. Public Health England, (2017) 'Exercise Cygnus', p.6.
14. Scottish Government, 'Exercise Silver Swan', April 2016.
15. **ibid**, NAO (2021), p.9,
16. Audit Scotland (2021) 'Tracking the implications of Covid-19 on Scotland's public finances', February, p.9.
17. <https://www.gov.scot/news/looking-beyond-lockdown/> 23 Apr 2020.
18. Scottish Government, (2020) 'Covid-19: Scotland's route map through and out of the crisis', April, p. 15.
19. The First Minister said: 'As we move through the different phases of easing it is incumbent on us to give you clear guidance on what that will mean for you. We will also give you notice as to when changes are happening so you have time to prepare' (Scottish Government, (2020) 'Covid-19: Scotland's route map through and out of the crisis', June, p.4).
20. **ibid**, Scottish Government, (2020), June.
21. <https://www.gov.scot/news/local-restrictions-introduced-in-aberdeen/> 05 Aug 2020;  
<https://www.gov.scot/news/restrictions-introduced-across-west-of-scotland/> (Glasgow, East Renfrewshire and West Dunbartonshire) 01 Sep 2020;  
<https://www.gov.scot/news/localised-restrictions-extended-to-lanarkshire/> 11 Sep 2020.
22. <https://www.bbc.co.uk/news/uk-scotland-54661494> 23 October 2020. By this stage, most of Scotland's local authorities were in Level 3: Glasgow City, Renfrewshire, East Renfrewshire, East Dunbartonshire, West Dunbartonshire, East Ayrshire, North Ayrshire, South Ayrshire, South Lanarkshire, North Lanarkshire, Inverclyde, City of Edinburgh, Midlothian, East Lothian, West Lothian, Clackmannanshire, Falkirk, Stirling, Dundee.( <https://www.bbc.co.uk/news/uk-scotland-54731245> ) 23 October 2020, Angus, Perth and Kinross and Fife also moved to level 3 (e.g. no non-essential

travel) in November 2020. (<https://www.bbc.co.uk/news/uk-scotland-scotland-politics-54703899> 10 November 2020).

23. Scottish Government, (2020) 'Scotland's Strategic Framework', October.
24. Scottish Government, (2020) 'Framework for Decision Making – Assessing the Four Harms of the Crisis', December.
25. <https://www.gov.scot/publications/coronavirus-covid-19-update-first-ministers-speech-25-november-2020/>
26. <https://www.gov.scot/publications/coronavirus-covid-19-update-first-ministers-speech/> 19 December 2020.
27. <https://www.gov.scot/news/first-covid-19-vaccinations-in-scotland-take-place/>
28. Scottish Government, (2021) 'Scotland's Strategic Framework Update', February, p. 31.
29. Scottish Government, (2021) 'Scotland's Strategic Framework Update', June, p. 4.
30. Scottish Government, (2021) 'Scotland's Strategic Framework Update', November, p. 16, emphasis in bold added.
31. <https://www.gov.scot/news/omicron-variant/> 29 Nov 2021.
32. <https://www.gov.scot/news/new-measures-required-to-slow-the-spread-of-coronavirus/> 14 Dec 2021.
33. <https://www.gov.scot/news/11-countries-removed-from-international-travel-red-list/> 14 Dec 2021
34. <https://www.gov.scot/news/further-measures-needed-to-reduce-contacts/> 21 Dec 2021.
35. Normally, HM Treasury base their 'fair' allocation to Scotland based on spending in England. So, if England increases expenditure by £100 million, Scotland receives around £10 million (assumes that Scots represent 10 per cent of the UK population).
36. Audit Scotland (2021) 'Tracking the implications of Covid-19 on Scotland's public finances', February, p.9.

37. <https://www.gov.uk/government/news/1-billion-in-support-for-businesses-most-impacted-by-omicron-across-the-uk>
38. <https://www.gov.scot/publications/covid-recovery-strategy-fairer-future/documents/>  
The Scottish Government also formed an advisory council to develop a 10 year National Strategy for Economic Transformation. <https://www.gov.scot/news/delivering-economic-transformation/> 09 Jul 2021.
39. House of Commons Library, (2021) 'Coronavirus: Economic Impact', Number 8866, 17 December.
40. Scottish Government, (2020) Covid-19: Scotland's route map through and out of the crisis, April, p. 7.
41. This is borne out in data (<https://decisionmakerpanel.co.uk/>). From this panel of around 8-9,000 UK firms, there is clear evidence of a decline in R&D businesses expenditure during the pandemic.
42. <https://decisionmakerpanel.co.uk/>
43. This was an issue particularly in July 2021 where there were concerns about a 'pingdemic' in Scotland <https://www.bbc.co.uk/news/uk-scotland-57925449> 22 July 2021.
44. Greene, F. J. (2020) 'Entrepreneurship theory and practice'. Red Globe Press.
45. There are numerous examples of announcements about available funding and guidance from the very start of the pandemic (e.g. <https://www.gov.scot/publications/coronavirus-covid-19-tourism-and-hospitality-sector-guidance/pages/frequently-asked-questions-faqs/> <https://www.gov.scot/publications/coronavirus-covid-19-advice-for-animal-owners/pages/farm-animals-and-livestock/> <https://www.gov.scot/publications/coronavirus-covid-19-offices/>

<https://www.gov.scot/news/support-for-aquaculture/>)

through to the advent of Omicron (e.g.

<https://www.gov.scot/news/businesses-allocated-gbp-107-million-support/>

<https://www.gov.scot/news/targeted-funds-for-culture-and-events/> )

46. Reicher, S., and Drury, J. (2021). Pandemic fatigue? How adherence to covid-19 regulations has been misrepresented and why it matters. 'Bmj', 372.
47. Wright, L., Steptoe, A., and Fancourt, D. (2021). Trajectories of compliance with COVID-19 related guidelines: longitudinal analyses of 50,000 UK adults. 'medRxiv'.
48. <https://www.gov.scot/news/restarting-tourism-safely/>
49. <https://www.gov.scot/publications/coronavirus-covid-19-update-first-ministers-speech-22-september-2020/>
50. <https://www.gov.scot/publications/coronavirus-covid-19-update-first-ministers-speech-7-october-2020/>
51. Failure to comply with these could have led businesses to legal action taken against businesses under the Health and Safety at Work Act (1974).
52. House of Commons Library, (2021) 'Coronavirus: business interruption insurance', Number 8917, November.
53. <https://www.theguardian.com/world/2020/oct/08/pubs-restaurants-do-scientists-think-covid-closures-curfews-work-virus>
54. <https://celluloidjunkie.com/2021/12/09/german-study-demonstrates-low-covid-19-infection-risk-in-cinemas/>
55. The Scottish government define social isolation as 'an individual has an objective lack of social relationships (in terms of quality and/or quantity) at individual group, community and societal levels' while loneliness is a subjective feeling experienced when there is a difference between the social relationships we would like to have and

those we have' (Scottish Government (2018) 'A Connected Scotland', p. 16).

56. **ibid**, Scottish Government (2018).  
<https://www.gov.uk/government/news/pm-launches-governments-first-loneliness-strategy#:~:text=Minister%20for%20Loneliness%2C%20Tracey%20Crouch,for%20addressing%20this%20generational%20challenge> .
57. See: Teuton, J. (2017) Social isolation and loneliness in Scotland: a review of prevalence and trends. NHS Health Scotland; Riches, E., Pulford, A., Whitehead, R., Greci, S., Ferguson, K., and Scott, S. (2021). 'Rapid evidence review of the socioeconomic determinants of mental wellbeing'. ONS (2018) 'What characteristics and circumstances are associated with feeling lonely?' (<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/lonelinesswhatcharacteristicsandcircumstancesareassociatedwithfeelinglonely/2018-04-10> )
58. These are measured on a numerical scale using these questions: 'Overall, how satisfied are you with your life nowadays?', 'Overall, to what extent do you feel that the things you do in your life are worthwhile?', 'Overall, how happy did you feel yesterday?' and 'On a scale where 0 is "not at all anxious" and 10 is "completely anxious", overall, how anxious did you feel yesterday?'
59. This is confirmed in a meta-analysis: Xiong, J., Lipsitz, O., Nasri, F., Lui, L. M., Gill, H., Phan, L., ... and McIntyre, R. S. (2020). Impact of COVID-19 pandemic on mental health in the general population: A systematic review. 'Journal of affective disorders', 277, 55-64.
60. <https://www.gov.scot/publications/scottish-covid-19-mental-health-tracker-study-wave-4-report/pages/8/>  
The Scottish COVID-19 (SCOVID) Mental Health Tracker Study began in May 2020. The study does not report over its four waves (last one for February-March 2021)

consistent differences in urban-rural, living alone-with others, carers-non carers.

61. Males are much more likely to commit suicide and is highest among males aged 35-44 years old (<https://www.publichealthscotland.scot/publications/suicide-statistics-for-scotland/suicide-statistics-for-scotland-update-of-trends-for-the-year-2020/>).
62. <https://www.scotpho.org.uk/health-wellbeing-and-disease/suicide/data/scottish-trends/>. Males are much more likely than females to commit suicide and highest among males aged 35-44 years old. In 2020, suicide rates were higher in Northern Ireland, similar in Wales but lower in England.
63. Gilleen, J., Santaolalla, A., Valdearenas, L., Salice, C., and Fusté, M. (2021). Impact of the COVID-19 pandemic on the mental health and well-being of UK healthcare workers. 'BJPsych open', 7(3); Bu, F., Mak, H. W., Fancourt, D., and Paul, E. (2022). Comparing the mental health trajectories of four different types of keyworkers with non-keyworkers: 12-month follow-up observational study of 21 874 adults in England during the COVID-19 pandemic. 'The British Journal of Psychiatry', 1-8.
64. Bu, F., Steptoe, A., and Fancourt, D. (2020). Loneliness during a strict lockdown: Trajectories and predictors during the COVID-19 pandemic in 38,217 United Kingdom adults. 'Social Science and Medicine', 265, 113521; Pedersen, M. T., Andersen, T. O., Clotworthy, A., Jensen, A. K., Strandberg-Larsen, K., Rod, N. H., and Varga, T. V. (2022). Time trends in mental health indicators during the initial 16 months of the COVID-19 pandemic in Denmark. 'BMC psychiatry', 22(1), 1-13; Pierce, M., Hope, H., Ford, T., Hatch, S., Hotopf, M., John, A., ... and Abel, K. M. (2020). Mental health before and during the COVID-19 pandemic: a longitudinal probability sample survey of the UK population. 'The Lancet Psychiatry', 7(10), 883-892.



65. Chen, T., and Lucock, M. (2022). The mental health of university students during the COVID-19 pandemic: An online survey in the UK. *Plos one*, 17(1), e0262562; Carr, E., Davis, K., Bergin-Cartwright, G., Lavelle, G., Leightley, D., Oetzmann, C., ... and Hotopf, M. (2021). Mental health among UK university staff and postgraduate students in the early stages of the COVID-19 pandemic. 'Occupational and Environmental Medicine'.
66. Lee, C. M., Cadigan, J. M., and Rhew, I. C. (2020). Increases in loneliness among young adults during the COVID-19 pandemic and association with increases in mental health problems. 'Journal of Adolescent Health', 67(5), 714-717.
67. Kemp, O., Horne, G. A., and Soutar, R. (2020). The psychological impact of COVID19 on a shielding high-risk cohort. 'Scottish Medical Journal', 65(4), 120-122; Westcott, K. A., Wilkins, F., Chancellor, A., Anderson, A., Doe, S., Echevarria, C., and Bourke, S. J. (2021). The impact of COVID-19 shielding on the wellbeing, mental health and treatment adherence of adults with cystic fibrosis. 'Future healthcare journal', 8(1), e47.
68. Stephan, U., Zbierowski, P., and Hanard, P. J. (2020). Entrepreneurship and Covid-19: challenges and opportunities; Greene, F.J. and Rosiello, A. (2020) 'Falling through the cracks: The economic costs of the coronavirus pandemic for the UK's freelancers', University of Edinburgh Business School/IPSE, June.
69. <https://www.gov.scot/publications/domestic-abuse-recorded-police-scotland-2020-21/pages/2/> Obviously, this is an underestimate because not all cases of domestic abuse are reported. The 4 per cent increase (80 per cent of cases are between a female victim and male accused) is the fifth year of increase in these formally reported cases.

70. <https://www.gov.scot/publications/coronavirus-covid-19-domestic-abuse-forms-violence-against-women-girls-during-phases-1-2-3-scotlands-route-map-22-11-august-2020/pages/3/>
71. <https://www.copfs.gov.uk/media-site-news-from-copfs/1957-hate-crime-in-scotland-2020-21>. Because Covid-19 originated in China and following Donald Trump tweeting that it was the 'China virus' there was a reported in anti-Asian racist behaviours and actions in the US (<https://ajph.aphapublications.org/doi/full/10.2105/AJPH.2021.306154>). Subsequently, to reduce stigma against individual groups, Covid-19 variants were renamed using the Greek alphabet ('Kent' is Alpha, the South African is Beta, Indian variant is Delta)  
<https://www.bbc.co.uk/news/world-57308592> 31 May 2021.
72. 96% of households in Great Britain had internet access, up from 93% in 2019 and 57% in 2006  
<https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/bulletins/internetaccesshouseholdsandindividuals/latest#related-links>
73. 73 and 14 per cent of rural areas in Scotland were able to access superfast and gigabit broadband, respectively (May, 2021), while these figures for urban areas are 98 and 52 per cent, respectively  
(<https://commonslibrary.parliament.uk/research-briefings/cdp-2021-0175/> ).
74. <https://www.lloydsbank.com/banking-with-us/whats-happening/consumer-digital-index.html>
75. <https://www.ofcom.org.uk/research-and-data/media-literacy-research/adults/adults-media-use-and-attitudes>
76. <https://www.ageuk.org.uk/latest-press/articles/2021/nearly-two-million-over-75s-in-england-are-still-digitally-excluded--in-a-covid-19-world/>



77. <https://www.ofcom.org.uk/phones-telecoms-and-internet/information-for-industry/policy/affordability-of-communications-services>
78. Although Scotland's records do not go back that far, the UK – which saw a 25.1 per cent fall in the same period – saw its worst quarterly fall for 300 years. 2020 also saw for the UK's GDP an annual fall of nearly 10 per cent, its worst performance in nearly 100 years. This was at the high end of GDP declines during the pandemic. Across the OECD group of richer economies, the average was -4.5 per cent (<https://stats.oecd.org/index.aspx?queryid=33940> )
79. <https://www.gov.scot/publications/monthly-gdp-november-2021/>
80. There were also significant falls in consumer spending. For the UK, it fell by a fifth (House of Commons Library, (2021) 'Coronavirus: Economic Impact', Number 8866, 17 December).
81. <https://www.gov.scot/publications/monthly-gdp-november-2021/>
82. This is modest growth. The UK business population grew by around a third from 4.4 million in 2010 to nearly 5.9 million in 2019. In 2019, Scotland also had lower business density rates (number of businesses per 10,000 population) than any other than UK nation or region except for the North East (<https://www.gov.uk/government/statistics/business-population-estimates-2019>, Table 8). Equally, relative to many other parts of the UK, Scotland has had lower start-up rates (<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/businessdemography/2019#which-regions-have-the-highest-business-births-and-deaths>, Table 3).

83. Table B: Number of businesses (registered and unregistered) in Scotland by number, employment and turnover, March 2019,  
<https://www.gov.scot/publications/businesses-in-scotland-2019/>
84. Table B: Number of businesses (registered and unregistered) in Scotland, March 2020-2021 (author's own calculations),  
<https://www.gov.scot/publications/businesses-in-scotland-2021/>
85. Table 18: Number of registered private sector businesses<sup>2</sup> in Scotland per 10,000 resident adults by Local Authority area, March 2019-2021,  
<https://www.gov.scot/publications/businesses-in-scotland-2021/>
86. Scotland was hit harder— relative to England – because of its sectoral mix: Scotland has more businesses in primary sectors such as agriculture and in accommodation and food services but fewer firms in information and communications and administration and support services (TABLE 10, Regional Industrial Summary, (author's own calculations)  
<https://www.gov.uk/government/statistics/business-population-estimates-2019>)
87. TABLE 10, Regional Industrial Summary, (author's own calculations)  
<https://www.gov.uk/government/statistics/business-population-estimates-2019>
88. Fairlie, R. (2020), "The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey", No. 27309, 'National Bureau of Economic Research', Cambridge, MA.  
<http://dx.doi.org/10.3386/w27309>; Graeber, D., A. Kritikos and J. Seebauer (2020), "Covid-19: A Crisis of the Female Self-Employed", 'SOEP paper', No. 1108, 41 S, DIW, Berlin.

89. <https://www.scotlandscensus.gov.uk/census-results/at-a-glance/ethnicity/>
90. **ibid**, Greene (2020).
91. The advantage of this survey is that it was timely and had reasonably large numbers of business responding to the survey. One main disadvantage is that it is prone to ‘survivorship bias’ in that as a voluntary survey, surviving businesses are more likely to respond to the survey.  
<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/businessinsightsandimpactontheuconomy>
92. <https://www.gov.scot/collections/business-and-innovation-statistics/> (authors own calculations).
93. <https://www.gov.scot/collections/business-and-innovation-statistics/> (authors own calculations)
94. <https://www.gov.scot/collections/business-and-innovation-statistics/> (authors own calculations).
95. These data are not broken down into the four nations.
96. The average weekly number of company incorporations in 2019 was 12,896. Across 2020 and 2021, the average weekly number was 14,555  
<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/companyincorporationsandvoluntarydissolutions> (author’s own calculations).
97. This is where company directors decide to take their business off the register. This may be for reasons such as selling the business, retirement or because the directors feel that they no longer want to continue with the business.
98. This is where there is a petition by a third party – often Company House – to formally close the business. If it is by Company House it typically is because the company has failed to meet their legal obligations (e.g. file accounts).
99. Companies House stopped company compulsory dissolutions between 16 April and 10 October 2020, and between 21 January 2021 and 8 March 2021. They also

extended the deadline for businesses to supply them with statutory paperwork.

100. <https://spice-spotlight.scot/2021/06/08/guest-blog-the-impact-of-covid-19-on-scottish-smes-liquidity-and-access-to-finance/>. OECD (2021) also show that bankruptcies were lower in 2020 in very many developed economies (<https://www.oecd.org/cfe/an-in-depth-analysis-of-one-year-of-sme-and-entrepreneurship-policy-responses-to-covid-19-6407deee-en.htm> ), May 2021.
101. The difference between unemployment and claimant count data is that the 'unemployed' are those that self-declare in the Labour Force Survey that they are 'out of work, but 'currently and actively seeking to work' while the claimant count refers to those claiming unemployment related benefits.
102. This rapid return to pre-pandemic unemployment rates – if examined without the enormous public expenditure – is surprising because in 2007 Scotland's unemployment rate was 5 per cent. Following on from the 2008 financial crisis, it took until 2013 before unemployment was similar (4.9 per cent).  
(<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/unemployment/timeseries/ycnn/lms>)  
. Similar patterns are evident for claimant counts: before the 2008 financial crisis, the claimant count stood at around 2.5 per cent. It was not until six years later in 2014 that the claimant count rate was at 3.5 per cent  
([https://www.nomisweb.co.uk/reports/lmp/gor/2013265931/subreports/nrhi\\_time\\_series/report.aspx?](https://www.nomisweb.co.uk/reports/lmp/gor/2013265931/subreports/nrhi_time_series/report.aspx?))
103. [https://www.nomisweb.co.uk/reports/lmp/gor/2013265931/subreports/nrhi\\_time\\_series/report.aspx?](https://www.nomisweb.co.uk/reports/lmp/gor/2013265931/subreports/nrhi_time_series/report.aspx?)
104. Part of the reason for the spike in the claimant count was that across the UK there were 402,000 redundancies in Sept-Nov 2020 (ONS, RED02: 'Redundancies by age, industry and region', 14 December 2021.)

105. Fairlie, R. W., and Fossen, F. M. (2021). 'Sales Losses in the First Quarter of the COVID-19 Pandemic: Evidence from California Administrative Data' (No. w28414). National Bureau of Economic Research; Block, J. H., Fisch, C., and Hirschmann, M. (2020). Solo self-employed individuals and bootstrap financing in the COVID-19 crisis. 'Social Science Research Network (SSRN), 3598818': Bloom, N., Fletcher, R. S., and Yeh, E. (2021). The impact of COVID-19 on US firms (No. w28314). National Bureau of Economic Research; Kim, O. S., Parker, J. A., and Schoar, A. (2020). 'Revenue collapses and the consumption of small business owners in the early stages of the covid-19 pandemic' (No. w28151). National Bureau of Economic Research; Cowling, M., Brown, R., and Rocha, A. (2020). Did you save some cash for a rainy COVID-19 day? The crisis and SMEs. 'International Small Business Journal', 38(7), 593-604; Kim, O. S., Parker, J. A., and Schoar, A. (2020). 'Revenue collapses and the consumption of small business owners in the early stages of the covid-19 pandemic' (No. w28151). National Bureau of Economic Research.
106. Greene, F. J. (2020) 'Entrepreneurship theory and practice'. Red Globe Press.
107. Swift, T. K. (2009). Economic Effects of a Flu Pandemic. 'Chemical Engineering Progress', 105(9), 22-22.
108. The number of bankruptcies in the US (Wang, J., Yang, J., Iverson, B. C., and Kluender, R. (2020). Bankruptcy and the COVID-19 Crisis. 'Available at SSRN 3690398') and France (Cros, M., Epaulard, A., and Martin, P. (2021). Will Schumpeter Catch Covid-19?) – which had similar levels of business support – was also muted.
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111. Barrero, J. M., Bloom, N., and Davis, S. J. (2020). 'COVID-19 is also a reallocation shock' (No. w27137). National Bureau of Economic Research; Garrett, T. A. (2008). Pandemic economics: The 1918 influenza and its modern-day implications. *Federal Reserve Bank of St. Louis Review*, 90(March/April 2008); Karlsson, M., Nilsson, T., and Pichler, S. (2014). The impact of the 1918 Spanish flu epidemic on economic performance in Sweden: An investigation into the consequences of an extraordinary mortality shock. *Journal of health economics*, 36, 1-19; Carillo, M. F., and Jappelli, T. (2022). Pandemics and regional economic growth: evidence from the Great Influenza in Italy. *European Review of Economic History*, 26(1), 78-106; Barro, R. J., Ursúa, J. F., and Weng, J. (2020). 'The coronavirus and the great influenza pandemic: Lessons from the "spanish flu" for the coronavirus's potential effects on mortality and economic activity' (No. w26866). National Bureau of Economic Research.

112. Barrero, J. M., Bloom, N., and Davis, S. J. (2021). 'Why working from home will stick' (No. w28731). National Bureau of Economic Research.
113. There also has been a noticeable shift to internet retail since the pandemic began. Since April 2020, these have increased to a quarter of all retail sales (House of Commons Library, (2022) 'Economic Indicators: Retail sales', Number 02818, 21 January).
114. Zymek, R., and Jones, B. (2020). UK regional productivity differences: An evidence review. 'Report for the Industrial Strategy Council'.
115. <https://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-december-2021/>
116. House of Commons Library, (2021) 'Coronavirus: Economic Impact', Number 8866, 17 December.
117. This differs from the NAO estimate because of the way that UK government spending is attributed to different sources.
118. This ranges from start-up support (e.g. Start-up Loans), scale up support (e.g. tax support through the Enterprise Investment Scheme, Venture Capital Trusts), for exporters, groups (e.g. young people, women, ethnic minorities) and places (regional growth funds). Much of this 'hard' financial support is augmented with 'soft' support (e.g. training, advice, counselling) programmes.
119. <https://www.gov.uk/government/speeches/chancellor-of-the-exchequer-rishi-sunak-on-covid19-response>
120. <https://www.gov.uk/government/speeches/the-chancellor-rishi-sunak-provides-an-updated-statement-on-coronavirus>
121. An assumed level of earnings used to calculate benefit payments for self-employed people who are unable to work and are claiming Universal Credit as a result.
122. <https://www.gov.uk/government/news/future-fund-launches-today>



123. In August 2020, NICs and pension contributions were not covered. In September 2020, CRJS covered 70% of wages and 60% of wages in October 2020. During November 2020-June 2021, CRJS reverted back to August 2020 levels of support (80% of wages, no NICs and pension contributions) and tapered down to 70% in July 2021 and 60% in August 2021. SEISS payments (March 2020-September 2021) came in five rounds and although the maximum paid out (£7,500) remained the same over the five rounds, increasing consideration was taken of the level of turnover reductions experienced by the claimant.
124. [Recovery Loan Scheme - British Business Bank \(british-business-bank.co.uk\)](https://www.british-business-bank.co.uk)
125. House of Commons Library (2022) 'Coronavirus business support schemes: Statistics, Number' CBP 8938, January.
126. This figure does not include the £1.97 billion of short-term commercial papers held by the Bank of England as part of its Covid Corporate Financing Facility (CCFF) ([Results and usage data | Bank of England](#), accessed 30/01/2022). At its peak in May 2020, £18.98 billion commercial paper was held.
127. <https://www.gov.uk/government/publications/coronavirus-grant-funding-local-authority-payments-to-small-and-medium-businesses>. This is estimated from these schemes: the Restart Scheme, Omicron Hospitality and Leisure Grant, Additional Restrictions Support Grant, Local Restrictions Support Grant and Christmas Support Payment, Local Authority Discretionary Grant Fund, Small Business Grants Fund (SBGF) and Retail, Hospitality and Leisure Business Grants Fund (RHLGF). This is unlikely to be a comprehensive review of business support.
128. <https://www.nao.org.uk/report/implementing-employment-support-schemes-in-response-to-the-covid-19-pandemic/>



129. <https://www.instituteforgovernment.org.uk/publications/furlough-scheme>
130. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/PAPLS-27-08-2020?meeting=12775&iob=115514>
131. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/EEFW-02-06-2020?meeting=12672&iob=114635>
132. HMRC (2021) Coronavirus Job Retention Scheme (CJRS) Statistics, 16 December, Table 11;  
<https://www.nao.org.uk/wp-content/uploads/2020/10/Investigation-into-the-Bounce-Back-Loan-Scheme.pdf>.
133. <https://www.instituteforgovernment.org.uk/blog/sunak-speech-reaction>
134. National Audit Office (2021) 'The Bounce Back Loan Scheme: an update', HC 861, 3 December. The NAO estimated a range of losses from 31% to 48% of Business Bounce Back loans. The central estimate was 37%. This equated to an overall loss of £17 billion. Most of these would arise from inability to repay rather than from fraud. The NAO estimated that fraud would account for £4.9 billion of the overall losses.
135. <https://www.nao.org.uk/report/implementing-employment-support-schemes-in-response-to-the-covid-19-pandemic/>
136. <https://www.nao.org.uk/wp-content/uploads/2020/07/Implementing-employment-support-schemes-in-response-to-the-COVID-19-pandemic.pdf>
137. Treasury Select Committee (2021) 'Economic impact of coronavirus: gaps in support and economic analysis', HC 882, 15 February.
138. <https://www.instituteforgovernment.org.uk/blog/sunak-speech-reaction>

139. <https://www.gov.scot/publications/coronavirus-covid-19-summary-of-scottish-business-support-funding/>. Again, this is not comprehensive as this figure does not include, for example, recent Omicron support.
140. <https://www.gov.scot/publications/coronavirus-covid-19-summary-of-scottish-business-support-funding/>. Again, this is not comprehensive as this figure does not include, for example, recent Omicron support.
141. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/CTEEA-28-01-2021?meeting=13091&iob=118488>; House of Commons Scottish Affairs Committee, (2020) Coronavirus and Scotland, HC 895.
142. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/EEFW-01-12-2020?meeting=12986&iob=117392>;  
[https://www.parliament.scot/S5\\_EconomyJobsFairWork/Inquiries/EEFW-S5-20-COVID-14-ScottishStoneGroup.pdf](https://www.parliament.scot/S5_EconomyJobsFairWork/Inquiries/EEFW-S5-20-COVID-14-ScottishStoneGroup.pdf);  
[https://www.parliament.scot/S5\\_EconomyJobsFairWork/Inquiries/EEFW-S5-20-COVID-12-Bookspeed.pdf](https://www.parliament.scot/S5_EconomyJobsFairWork/Inquiries/EEFW-S5-20-COVID-12-Bookspeed.pdf)
143. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/EEFW-01-12-2020?meeting=12986&iob=117392>
144. O'Connor, A. (2021) 'Scottish Tourism and COVID-19', Spice Briefing, March.
145. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/EEFW-08-12-2020?meeting=13006>
146. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/EEFW-08-12-2020?meeting=13006>

147. [https://www.parliament.scot/S5\\_EconomyJobsFairWork/Inquiries/EEFW-S5-20-COVID-19-RosemountHotel.pdf](https://www.parliament.scot/S5_EconomyJobsFairWork/Inquiries/EEFW-S5-20-COVID-19-RosemountHotel.pdf)
148. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/EEFW-01-12-2020?meeting=12986&iob=117392>
149. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/EEFW-08-12-2020?meeting=13006>
150. <https://www.gov.scot/publications/coronavirus-covid-19-summary-of-scottish-business-support-funding/>
151. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/EEFW-02-06-2020?meeting=12672&iob=114635>
152. [https://www.parliament.scot/S5\\_EconomyJobsFairWork/Inquiries/EEFW-S5-20-COVID-07-Salmonds.pdf](https://www.parliament.scot/S5_EconomyJobsFairWork/Inquiries/EEFW-S5-20-COVID-07-Salmonds.pdf)
153. <https://www.parliament.scot/chamber-and-committees/official-report/what-was-said-in-parliament/FCC-12-06-2020?meeting=12695&iob=114834>). Based on the Barnett formula, pre-pandemic additional funding from the UK government (Barnett consequentials) was tied to particular UK funding announcements. When the pandemic hit, it was difficult for the Scottish government to know if they were going to get funding for particular initiatives. In response, the UK government introduced 'Barnett guarantees' which promised up front a specific total amount of Barnett consequentials for devolved nations in July 2020. These totals were revised upwards in October 2020 to take further account of the longevity of the pandemic (<https://spice-spotlight.scot/2020/10/14/covid-19-barnett-funding-7-2-billion-for-scotland-now-guaranteed/>).

154. <https://www.theguardian.com/world/2020/nov/01/not-fair-welsh-and-scottish-leaders-hit-out-at-furlough-extension-for-england-covid-lockdown>
155. <https://www.gov.uk/government/speeches/from-welfare-state-to-welfare-system> 16 November 2016.
156. Replaced benefits were: Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit, Housing Benefit.
157. Scotland's GDP was £170 billion, with £73.4 billion of that made up of public spending (43 per cent).
158. <https://www.gov.scot/publications/2019-annual-report-welfare-reform/pages/3/>
159. Social Security (Scotland) Act 2018.
160. Child Poverty (Scotland) Act 2017.
161. Scottish Affairs Committee, House of Commons (2021) Welfare policy in Scotland, Second Report of Session 2021–22, June.
162. 'individuals living in households whose equivalised income is below 60 percent of median income in the same year. This is a measure of whether those in the lowest income households are keeping pace with the growth of incomes in the economy as a whole'.  
[https://data.gov.scot/poverty/#Poverty\\_measurement](https://data.gov.scot/poverty/#Poverty_measurement)
163. 'individuals living in households whose equivalised income is below 60 percent of inflation-adjusted median income in 2010/11. This is a measure of whether those in the lowest income households are seeing their incomes rise in real terms'.  
[https://data.gov.scot/poverty/#Poverty\\_measurement](https://data.gov.scot/poverty/#Poverty_measurement)
164. For example, London has relatively lower rates of relative poverty before housing costs (14 per cent) but this jumps to 27 per cent if housing costs are included (House of Commons Library (2021) Poverty Statistics). The UK – like the US – is a highly unequal developed country (Gini coefficient measure). Income inequality has been rising since

the 1980s (OECD (2017) Understanding the socio-economic divide in Europe, January) and in Scotland the wealthiest 10% of households owned 43% of all private net wealth (<https://www.gov.scot/publications/wealth-assets-scotland-2006-2014/pages/2/>)

165. 910,000 people living in relative poverty before housing costs.
166. For comparison purposes, Scotland has the same rate of relative poverty (before housing costs) as the UK. After housing costs are included, Scotland's rates are lower than in the UK (22 per cent). The South East (14 per cent) has the lowest rates on this measure with the North East being highest (21 per cent). On this measure, poverty is lowest in Northern Ireland (18 per cent) and highest in London (27 per cent) (House of Commons Library (2021) Poverty Statistics).
167. <https://data.gov.scot/poverty/>
168. This is 28 per cent of adults aged 16-24. 15 per cent of adults aged 65 and older (150,000 adults) are in relative poverty.
169. <https://data.gov.scot/poverty/persistent.html>
170. <https://data.gov.scot/poverty/cpupdate.html>
171. <https://www.foodaidnetwork.org.uk/scotland-food-bank-data>
172. Social Mobility Commission (2021) State of the Nation, 2021.
173. <https://www.gov.scot/publications/supporting-communities-funding-statement/>
174. £25m was kept in reserve.
175. House of Commons Library (2021) 'Coronavirus: Support for landlords and tenants'.
176. <https://www.gov.scot/news/supporting-mental-health/>
177. <https://www.gov.scot/news/extra-payment-for-unpaid-carers/>
178. <https://www.gov.scot/news/tackling-gender-based-violence/>

179. <https://www.gov.scot/news/supporting-communities-affected-by-coronavirus/>;  
<https://www.gov.scot/news/new-grant-for-those-self-isolating/>;  
<https://www.gov.scot/news/winter-support-fund-for-families-and-children/>
180. <https://www.gov.scot/news/support-for-women-involved-in-prostitution/>;  
<https://www.gov.scot/news/funding-to-prevent-destitution-during-covid-19/>
181. Under the NAO methodology, the total package of support for individuals was £60 billion. This amount includes SEISS payments and a range of other activities. It does not include operational costs to support the increased need for support. For example, to increase the operational support capacity of the Department of Work and Pensions, the UK government spent £2.5 billion.
182. See Scottish Affairs Committee, House of Commons (2021) 'Welfare policy in Scotland', Second Report of Session 2021–22, June.
183. <https://www.gov.scot/news/funding-to-prevent-destitution-during-covid-19/>
184. **ibid**, Scottish Affairs Committee, House of Commons (2021).
185. The excess mortality in certain parts of Scotland has been termed the 'Glasgow Effect' or the 'Scotland effect'. Multiple studies have attempted to show why those in the West of Scotland have seen differences between this area and other areas (Walsh, D., Taulbut, M., and Hanlon, P. (2010). The aftershock of deindustrialization—trends in mortality in Scotland and other parts of post-industrial Europe. 'The European Journal of Public Health, 20'(1), 58-64; Cowley, J., Kiely, J., and Collins, D. (2016). Unravelling the Glasgow effect: The relationship between accumulative bio-psychosocial stress, stress reactivity and Scotland's health problems. 'Preventive medicine reports,



4', 370-375; Scottish Council Foundation (1998) The Scottish Effect? Edinburgh: Scottish Council Foundation, Healthy Public Policy Network; Reid, M. (2011). Behind the "Glasgow effect". 'World Health Organization. Bulletin of the World Health Organization, 89'(10), 706).

186. <https://www.gov.scot/publications/labour-market-monthly-briefing-january-2022/>
187. <https://www.gov.scot/publications/labour-market-monthly-briefing-january-2022/>
188. <https://www.gov.scot/publications/labour-market-monthly-briefing-january-2022/>
189. <https://www.sustainweb.org/news/sep20-scotland-food-bank-use-doubles-in-covid/>
190. <https://www.jrf.org.uk/report/uk-poverty-2020-21>
191. <https://www.resolutionfoundation.org/publications/the-living-standards-outlook-2021/>
192. Two main changes were made: a £500 increase in work allowances (how much a claimant can earn before their entitlement to UC is reduced) and a reduction in the taper rate from 63 to 55 per cent (how quickly the UC entitlement is reduced as earnings rise above that point).
193. <https://www.resolutionfoundation.org/publications/taper-cut/>
194. <https://www.gov.scot/news/supporting-tenants/>
195. <https://www.gov.scot/news/aid-for-private-rental-landlords/>
196. <https://www.gov.scot/news/protecting-tenants-during-pandemic/>
197. <https://www.scotsman.com/news/politics/covid-scotland-no-progress-on-tenant-hardship-grant-fund-for-renters-struggling-due-to-pandemic-3376225>
198. The Joseph Rowntree Foundation found that 3.8 m low-income households in the UK were in arrears in October 2021 (<https://www.jrf.org.uk/report/dragged-down-debt-millions-low-income-households-pulled-under-arrears-while-living-costs-rise> ). The Resolution

Foundation estimate it to be around three-quarters of a million families.

199. <https://www.bankofengland.co.uk/monetary-policy-report/2022/february-2022>
200. <https://ifs.org.uk/taxlab/key-questions/how-have-government-revenues-changed-over-time>
201. <https://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/data-trends/>
202. <https://www.resolutionfoundation.org/publications/pandemic-pressures/>
203. <https://ifs.org.uk/publications/15146>;  
<https://www.jrf.org.uk/press/nearly-two-thirds-families-universal-credit-forced-lockdown-debt-%E2%80%99nightmare%E2%80%99>
204. These are regulated and awarded charitable status by the Office of the Scottish Charity.
205. <https://www.gov.scot/policies/third-sector/third-sector-funding/>
206. In 2019, 72 per cent of ‘social enterprises’ were registered charities while 18 per cent of charities carried out social enterprise activities  
(<https://socialenterprisecensus.org.uk/> )
207. However, the legal status of charities and social enterprises can differ. Scottish charities may be set up and governed as a trust, as an unincorporated charity or as a company (Scottish Charitable Incorporated Organisation (SCIO)) regulated by the Office of the Scottish Charity Regulator. Social enterprises have more governance plurality: they can set up as a limited company, as a charity or SCIO, co-operative, registered society, a community interest group (a special type of limited company for the benefit of users not shareholders) or as a sole trader or partnership. There are also some other modest differences: charities mostly operate in social care, sporting and cultural activities and community, social and economic development while social enterprises tend to



work in the arts and cultural space, through community halls or in health and social care.

<https://scvo.scot/policy/sector-stats>

<https://socialenterprisecensus.org.uk/>

208. In 2019, the suggested income of social enterprises was £4.4 billion while charities had incomes of £6.6 billion.
209. There were an estimated £1.4 million volunteers in 2018.
210. More than half of Scottish charities have revenues of under £25,000. Four out of ten social enterprises have turnovers of lower than £50,000.
211. This data does not include Scottish universities. These are huge enterprises. The University of Edinburgh is the biggest, with a turnover of over £1 billion in 2021.
212. In England and Wales, there was a £750m package to the third sector.  
<https://www.gov.uk/guidance/financial-support-for-voluntary-community-and-social-enterprise-vcse-organisations-to-respond-to-coronavirus-covid-19#full-publication-update-history> (May 2020).
213. <https://www.gov.scot/news/extra-support-for-charities/>
214. Prior to the pandemic, Scotland gave core funding of £24.5m (2017-18) and supported a range of schemes and funds to support the third sector  
<https://www.gov.scot/policies/third-sector/third-sector-funding/>
215. <https://www.gov.scot/publications/supporting-communities-funding-statement/>
216. £15m for the Social Catalyst fund (loans), £10m for the Circular Economy Fund (loans) and £5m for the Social Impact Venture Portfolio (equity investments).
217. For example: 'The furlough scheme was hugely important' Paul Bradley (Scottish Council for Voluntary Organisations), Scottish Parliament Social Justice and Social Security Committee 13th Meeting 2021, Session 6 Thursday 9 December 2021.

218. 9 per cent of SCVO respondents had to make redundancies.
219. Although around a third of SCVO respondents used fewer volunteers, there was the emergence of ‘informal’ volunteers where individuals helped others (e.g. support elderly neighbours) and new community groups <https://www.gov.scot/publications/scottish-third-sector-perspectives-volunteering-during-covid-19-survey-report/documents/>.
220. 88 per cent of SCVO respondents saw disruptions to their service delivery.
221. Volunteer Scotland (2020) Impact of COVID-19 on volunteer participation in Scotland.
222. ‘On the impact of the pandemic, overall the sector has coped remarkably well over the past 16 or 18 months. I do not think that that is too surprising, given that the sector operates in an environment that is always uncertain and we are always unsure about what will come next in relation to funding, resource and support’. Paul Bradley (Scottish Council for Voluntary Organisations), Scottish Parliament Social Justice and Social Security Committee 13th Meeting 2021, Session 6 Thursday 9 December 2021.
223. 57 per cent of SCVO respondents saw an increase in demand for their services – largely in terms of the need for support in terms of finance and personal well-being.
224. “that policies such as furlough and some emergency COVID grants have allowed charities to continue who might otherwise have ceased due to dwindling reserves or falling income, even in normal times” Rutherford, A and Duggan, A. (2021), p. 9.
225. <https://www.gov.scot/publications/coronavirus-covid-19-summary-of-scottish-business-support-funding/>
226. <https://www.gov.scot/publications/coronavirus-covid-19-summary-of-scottish-business-support-funding/>

227. <https://www.gov.scot/publications/coronavirus-covid-19-summary-of-scottish-business-support-funding/>

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