
**Decision Session - Executive Member for
Finance & Performance**

14 February 2022

Report of the Director Customer & Communities

Omicron Business Support Grants

Summary

1. This report provides the Executive Member for Finance & Performance in consultation with the Executive Member for Economy & Strategic Planning with the new Omicron business grants schemes for approval. The report also includes the officer decisions on the Covid Additional Relief Fund (CARF) and the new Omicron Additional Restrictions Grant (ARG) made on 21 January and 2 February respectively for ratification.

Recommendations

2. The Executive Member is asked to:
 - a) Note the adoption of the Government's Omicron Hospitality & Leisure Grant (OHLG) made at Executive on 13 January 2022 Paragraph 6 – 10 and Annex A.
 - b) Ratify the Officer Decision of 2 February in delivering the new Omicron ARG scheme Paragraph 11 – 14 and Annex B & C.
 - c) Ratify the Officer Decision of 21 January in delivering the new CARF scheme Paragraph 16 – 20 and Annex D & E.
 - d) Approve the delegation of any future changes resulting from government guidance in relation to all schemes in this report to the Chief Finance Officer (s151), Director of Economy & Place and Director of Customer & Communities in consultation with the Executive Member for Finance and Performance.

Reason: To provide financial support to the city's businesses during the ongoing covid-19 pandemic and the impact of the Omicron Variant.

Background

3. On 21 December 2021 the Government announced three new support grants for business linked to the recent rise in the Omicron variant and its financial effect on local businesses:

- Omicron Hospitality & Leisure Grant (OHLG)
- A third allocation of Additional Restrictions Grant (ARG)
- A Cultural Recovery Fund (CRF)

4. This was in addition to the Covid Additional Relief Fund announced in March 2021 by Central Government and delivered on 15 December 2021. The funding for each scheme is:

OHLG - £4,248,270 (To be spent by 31 March 2022)

ARG - £300,786 (To be spent by 31 March 2022)

CRF - By application to Arts Council England

CARF - £4,859,345 (Relief must be applied to the 2021/22 accounts by 30 September 2022)

5. The following paragraphs provide details of the schemes for the above grants.

Omicron Hospitality and Leisure

6. The full details of the grant are set out at Annex A of this report. The Government has set the rules for both the qualifying criteria and level of payment. There is no latitude or discretion other than deciding if a business meets the qualifying criteria which is the decision of the Business Rates team based upon the Government guidance (Annex A).

7. The Government has provided funding through Section 31 grant of £4.2m which is 90% of the expected demand based upon our business rate base. The scheme closes on 18 March 2022 with all payments having to have been made by 31 March 2022. Qualifying businesses must have been trading and have been on the business rates base as at the 30 December 2021.

8. The level of grant is set by Government and is based on rateable value as set out in table A below:

Table A

Rateable Value	£0 - £15k	£15 - £51k	>£51k
Value of Grant	£2.7k	£4k	£6k

9. All qualifying businesses have been identified from the base and have been written to (email) to apply for the grant. The application form is on the council's website and includes a declaration that they have read the Government's Privacy Notice and the subsidy rules that were provided by hyperlink in the invitation email. Any business not contacted who think they may qualify can complete the online application form and will be considered.
10. All applications are put through pre and post payment checking for fraud purposes using the various fraud tools including Spotlight and Experian.

Additional Restrictions Grant (ARG)

11. The Government has provided this funding to make direct grant payments only, to businesses who are suffering financial hardship arising from the Omicron variant:

“Local Authorities are encouraged to support businesses from all sectors that may have been severely impacted by restrictions, or by the Omicron variant, including those outside of the business rates system. These may include, but are not limited to: hospitality, accommodation, leisure, personal care, the travel and tourism sector, including group travel, travel agents and tour operators, coach operators, wedding industries, nightclubs, theatres, events industries, wholesalers, English language schools, breweries, freelance and mobile businesses (including caterers, events, hair, beauty and wedding related businesses), gyms, and other businesses that may have not received other grant funding. There is no restriction on the number of grants a business may receive, subject to subsidy limits”

12. The council has throughout the pandemic sought to support as many York businesses as possible through its ARG funding. This has included those businesses that have met the qualifying criteria whether they have a rateable value or not. Further grant funding has been paid to York as it had met the government criteria in spending its first two ARG payments supporting York businesses.

The third top up of ARG is much lower than previous grant payments and any payment has to be meaningful as set out in paragraph 15 below. The scheme seeks to provide as much support as it can to York business within the funding it has been allocated.

13. The grant must be spent by the 31 March 2022. All awards are subject to tax and subsidy rules and proper fraud checks must be undertaken. Unlike OHLG a business does not have to have been trading on 30 December 2021 or be on the business rates base. The Government's guidance is attached at Annex B and the council scheme at Annex C.
14. In summary the council scheme (Annex C) will see the council approach businesses in the sectors that have already received ARG funding to invite new applications meeting with the following conditions:
 - a. Businesses must demonstrate that they have seen reduced income of at least 30% on normal trading during the current Omicron wave (December 2021 onwards)
 - b. Businesses may not receive more than the agreed subsidy limits (for most businesses, maximum total grant = £335k over a rolling 3 year period).
15. Grant funding will be paid at the following levels:
 - c. Businesses not in premises with a rateable value: one-off grant of £1,500
 - d. Businesses in premises with RV below £15k but not eligible for OHLG: one-off grant of £2,667
 - e. Businesses in premises with RV between £15k and £51k but not eligible for OHLG: one-off grant of £4,000
 - f. Businesses in premises with RV above £51k but not eligible for OHLG: one-off grant of £6,000.

Cultural Recovery Fund

16. The Government has made available £30 million of further funding through the Culture Recovery Fund, enabling more cultural organisations in England to apply for support to recover from the effects of the Omicron variant during the winter months. Applications for support are made by organisations directly to Arts Council England. All the information is set out on the link below:

Covid Additional Relief Fund CARF

17. The purpose of this fund is to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. The fund compensates through business rate relief not grant in respect of the 2021/22 financial year. The council is funded through Section 31 grants for awards based upon its statutory returns.
18. This scheme is aimed at businesses who must have a rateable value but have not received any support in relation to covid-19. Some but not all of the businesses may have applied for a reduction in their rateable value (RV) to the VOA (Valuation Office Agency). The Government believe that the support can be better provide at a local level to all qualifying businesses than through temporary changes in RV.
19. All reliefs will need to have been applied by 30 September 2022. Each relief will require manual intervention by the council's Business Rates team.
20. Each authority must develop its own scheme and the guidance provided states councils should:
 - a. *not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),*
 - b. *not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief), and*
 - c. *direct our support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.*
21. The full government guidance is set out at Annex D and the scheme adopted by York at Annex E.

Consultation

22. The OHLG scheme approved at Executive on 13 January was prescribed by central government. The CARF scheme is again limited to those businesses meeting the government's criteria as set out in its guidance and the relief must specifically support these businesses. The third top up ARG support payment has more latitude but requires to be spent by 31 March 2022. On this basis the scheme incorporates the ARG knowledge gained since 2020 in developing the scheme.

Options

23. This report is ratifying the officer decisions delegated at Executive on 13 January 2022 and made on the 21 January (CARF) and 2 February (ARG).

Analysis

24. The OHLG scheme is prescribed by Government and was adopted by Executive on 13 January 2022. The CARF scheme was similar to OHLG in that the Government set out the qualifying criteria. It differs from previous Covid business support schemes in that it is not a financial grant but instead a business rate relief. In terms of awarding the relief this is based on the liability each business had for business rates so the relief can be distributed fairly. The ARG scheme has to be a financial payment direct to the qualifying business. The awards are based on the rates set out in the OHLG scheme and this is the approach been taken by neighbouring local authorities. There are a large number of businesses who may qualify which will mean it is possible that not all businesses who apply will receive support.

Council Plan

25. Ratifying the decisions in this report allows the council to deliver business support schemes in line with the council plan to deliver well paid jobs and an inclusive economy.

Implications

- 26.

Financial

The costs of all schemes are met in full by central government

Human Resources (HR)

There are no HR implications.

Equalities

This report will impact on all communities equally.

Legal

No implications

Crime and Disorder, Information Technology and Property

No implications

Risk Management

27. The key risks associated with the schemes are in relation to ensuring they are properly targeted to the businesses requiring support and that the money or relief is given within the prescribed deadlines set by central government. The schemes themselves along with the early officer decisions provide the risk mitigation in ensuring the schemes are delivered within the prescribed time scales. The risk is therefore low however the risk of a higher demand than grant available for the third ARG top up is high and cannot be mitigated.

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Specialist Implications

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Wards Affected:

All

For further information please contact the author of the report

Background Papers:

[http://modgov.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12799
&Ver=4](http://modgov.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12799&Ver=4)

Annexes

Annex A – Omicron Hospitality & Leisure Government Scheme

Annex B – ARG Third Top Up Government Guidance

Annex C – ARG Third Top Up Scheme

Annex D – CARF Government Guidance

Annex E – CARF Scheme

Abbreviations used in this report:

ARG - Additional Restrictions Grant

CARF - Covid Additional Relief Fund

OHLG - Omicron Hospitality & Leisure Grant