

Selby District Council

Leader Urgent Decision Paper



To: Leader of the Council
Date: 4 January 2022
Ward(s) Affected: All
Authors: Tammy Fox, Revenues and Benefits Manager
Stuart Robinson, Head of Business Development and Improvement
Lead Executive Member: Cllr Lunn, Lead Councillor for Finance and Resources

Title – Omicron Hospitality and Leisure Grants December 2021

1. Summary

- 1.1.1 This report provides details on the further COVID-19 support scheme for businesses announced on the 21 December 2021. The Omicron Hospitality and Leisure Grants are to support hospitality, leisure and accommodation businesses, in recognition that the rise of the Omicron variant means that some businesses are likely to struggle over the coming weeks. Local Authorities are expected to open applications and make payments to businesses as soon as possible in order to support them at a time of urgent need.
- 1.2 An additional £785 million in support for businesses is being provided to Local Authorities to deliver the new Omicron Hospitality and Leisure Grant and through a top-up payment of the Additional Restrictions Grant (ARG) fund.
- 1.3 Guidance has been issued regarding the operation and implementation of the mandatory Omicron Hospitality and Leisure Grant, and grants of up to £6,000.00 will be paid to these businesses. Local Authorities will also receive a proportion of a £120 million top-up to the Additional Restrictions Grant (ARG) and this amount will be allocated on a per business basis, the individual amounts for Local Authorities are yet to be announced. A further report will be produced when more details about this fund have been provided from central government.

2. Recommendations

- 2.1 That as the matter is urgent, and the decision cannot await a full meeting of the Executive due to the need to put in place arrangements as part of the Covid-19 response, the Leader agrees that:
- (i) The Omicron Leisure and Hospitality Grant Scheme December 2021, attached at Appendix A to the Report is approved; and

- (ii) That delegated authority is given to the Head of Business Development and Improvement to administer the schemes and the Chief Finance Officer is authorised to make technical scheme amendments.

3. The Report

3.1 Omicron Hospitality and Leisure Grant December 2021

3.2 The Omicron Hospitality and Leisure Scheme is for businesses in the ratings list only and will be provided in a one-off grant with amount dependent on the rateable value of the property. Businesses should provide in-person services and they must have been trading and occupying the property on 30 December 2021 to be eligible to receive funding under this scheme.

3.3 The grant will support hospitality, leisure and accommodation business premises as follows:

- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £15,000 or under on 30 December 2021 will receive a payment of £2667;
- Businesses occupying hereditaments appearing on the local rating list with a rateable value of over £15,000 and less than £51,000 on 30 December 2021 will receive a payment of £4000;
- Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or over on 30 December 2021 will receive a payment of £6000.

3.4 For the purposes of this scheme, a hospitality business can be defined as a business whose main function is to provide a venue for the consumption and sale of food and drink. The guidance advises that the definition of a hospitality business should exclude: food kiosks and businesses whose main service (generating 50% or more of income) is a takeaway (not applicable to those that have adapted to offer takeaways during periods of restrictions, in alignment with previous COVID-19 business grant schemes).

3.5 For the purposes of this scheme, a leisure business can be defined as a business that provides opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out. The guidance advises the definition of a leisure business should exclude: all retail businesses, coach tour operators, and tour operators.

3.6 For the purposes of this scheme, an accommodation business can be defined as a business whose main lodging provision is used for holiday, travel or other purposes. The guidance advises the definition of an accommodation business should exclude: private dwellings, education accommodation, residential homes, care homes, residential family centres and beach huts.

3.7 Businesses that are not within the ratings system will not be eligible to receive funding under this scheme. Businesses that have already received grant payments that equal the maximum permitted subsidy allowances (previously called State Aid)

will not be eligible to receive funding. Also businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

- 3.8 There are a number of pieces of information that need to be collected from businesses for the requirements of BEIS returns therefore an application form will be provided for all businesses to apply for this grant. Previous recipients of grants will be contacted to advise of the criteria and new application process for these grants.
- 3.9 The Government Grants Management Function and Counter Fraud Function will make their digital assurance tool, Spotlight, available to Local Authorities to further verify eligibility of the grants for ratepayers. Pre-assurance checks of the bank account for payment of the grants are made as a bank statement is requested from all applicants.
- 3.10 BEIS has advised the scheme will close for applications on 28 February 2022 and all final payments must be made and dispersed to recipients by 31 March 2022.

4. Risks

4.1 Legal

- 4.1.1 The grants are being issued to recipients on directives from Ministry of Housing, Communities and Local Government and guidance issued from BEIS.
- 4.1.2 No right of appeal on any decision to refuse payment of the grant has been given in the guidance. As good practice, the right to request a review of any decision, is given in the scheme.
- 4.1.3 The EU State Aid rules no longer apply to subsidies granted in the UK following the end of the transition period. From 4 March 2021 new subsidy allowances were established for the COVID-19 business grant schemes, on the basis of principles set out in Article 3.4 of the Trade and Cooperation Agreement.
- 4.1.4 There are three subsidy allowances for this scheme -
- Small Amounts of Financial Assistance Allowance when the business is allowed up to £335,000 (subject to exchange rates) over any three years;
 - COVID-19 Business Grant Allowance when the business is allowed up to £1,900,000;
 - COVID-19 Business Grant Special Allowance when limits under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance have been reached, the business may be able to access a further allowance of funding under these scheme rules up to £10,000,000, provided certain conditions are met.

Grants under these allowances may be combined to a potential total allowance of £12,235,000 (taking into account all grants previously received under the COVID-19 business grants schemes and subject to the amounts applicable under the Small Amounts of Financial Assistance Allowance.

4.1.5 To ensure compliance with this all businesses applying for the grants will be required to make a declaration regarding state aid on the online form and that payment of the grant will not breach their limits.

4.2 Financial

4.2.1 The scheme is fully funded by the Government. The funding allocation Omicron Hospitality and Leisure Grant has been calculated based on the costs of payments to businesses within the business rates system based on the number of eligible hereditaments. If the allocation proves insufficient for all eligible businesses, top-up funding will be provided.

4.2.2 Fully documented decisions by officers of the grants issued will be made to ensure all requirements are fulfilled. Local authorities will be required to report to central government the numbers and value of grants that have been issued. This report will be submitted using the DELTA system.

5. Recommendations

5.1 The Leader of the Council is requested to approve the immediate action in this report so the grant payments can begin to be administered as soon as possible.

Contact Officers: Tammy Fox – Revenues & Benefits Manager, tfox@selby.gov.uk

Stuart Robinson – Head of Business Development and Improvement,
srobinson@selby.gov.uk

Decision Maker

Leader	Yes
Officer Delegated Decision	Yes for individual payment of grant