

Selby District Council

Leader Urgent Decision Paper



To: Leader of the Council
Date: 10 February 2022
Ward(s) Affected: All
Decision: Key
Authors: Tammy Fox, Revenues and Benefits Manager
Lead Executive Member: Cllr Lunn, Lead Councillor for Finance and Resources

Title – Additional Restrictions Grant Scheme (Omicron)

1. Summary

- 1.1 This report provides an update on the discretionary grant scheme for COVID-19 support and requests an amendment to consider further awards for hospitality, leisure and accommodation businesses that have been affected by the government guidance because of the Omicron variant.
- 1.2 Various tranches of funding have been received for the Additional Restrictions Grants (ARG) since the scheme began in November 2020 and the Council's total allocation has been £2.6m. There is £167,000.00 of this amount remaining in the fund.
- 1.4 On 21 December 2021, the Government announced that a further £102 million would be made available nationally for Local Authorities, through a top-up to the Additional Restrictions Grant (ARG). The guidance for the ARG funding scheme aims to support businesses severely impacted by coronavirus restrictions and the rise of the Omicron variant who do not qualify for the 'Omicron Hospitality and Leisure Grant' (OHLG). The authority has been issued with a further £165,853.00 to support these businesses, all funding must be spent by 31 March 2022.
- 1.5 An amendment to the authorities ARG scheme is proposed for the total funding available of £332,853.00, this would be phase 4 of the authorities scheme. The scheme would support the business types directed for support in the latest ARG guidance of hospitality, leisure of accommodation and those

identified as severely impacted by the rise of the Omicron variant and travel restrictions of travel agents and associated travel/tourism suppliers.

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 amended Additional Restrictions Grant (ARG) scheme, 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 scheme and the Chief Finance Officer is authorised to make technical scheme amendments.

3 The Report

3.1 Selby District Council has been allocated £2.6m in ARG funding. To date over £2.4m has been distributed to just over 370 businesses in direct business grants.

3.2 In December 2021 a mandatory Omicron Hospitality and Leisure Grant was introduced 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. These mandatory grants were for businesses in these sectors in rated premises. Further funding for the discretionary ARG was also announced, and local authorities were advised to use this to provide assistance to locally based businesses severely impacted by COVID-19 and in particular the Omicron variant.

3.3 A number of businesses in the Hospitality, Leisure and Accommodation sectors were adversely impacted by a reduction in the number of customers, with cancellations, lower attendance and 'no-shows'. Venues in which social mixing is a primary function, such as restaurants, were notably affected, with a reduction in income for businesses and their suppliers e.g., catering supplies due to general concerns on the rapid rise of the Omicron variant. Travel and tourism continue to be detrimentally affected by COVID-19. This has led to a significant reduction in trade for associated businesses, particularly for travel agents and pet boarding kennels.

3.4 The ARG scheme phase 4 would support businesses that were trading on 30 December 2021 and directly offer or supply in-person services within the hospitality, leisure and accommodation sectors and are not eligible for the OHLG, and businesses in the travel and tourism sectors and associated businesses including travel agents and pet boarding kennels.

- 3.5 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. It will include those businesses providing an in-person service and where the food and/or drink is consumed on the premises (indoor or outdoor) but will exclude those business whose main service is a takeaway. The scheme applies to suppliers to the hospitality sector as they are considered to have been severely impacted by a reduction in attendance and / or cancellations. Examples are food, drink and linen suppliers.
- 3.6 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 scheme supports event venues along with suppliers to the industry e.g. caterers, catering equipment, which are most impacted by a reduction in customers or cancellations.
- 3.7 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 whether it be for work purposes or leisure.
- 3.8 In line with government guidance, all retail businesses are excluded for the scheme and also personal care businesses are excluded from the scheme.
- 3.9 The grant will support eligible businesses with awards up to the amounts 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 payment of up to £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 payment of up to £4000;
 - Businesses occupying hereditaments appearing on the local rating list with a rateable value of exactly £51,000 or over on 30 December 2021 payment of up to £6000.
 - Mobile or home-based businesses, payment of up to £2667.00.
- 3.10 The size of the business and impact will be used to determine a decision on the level of grant awarded and information will be gathered on the number of employees and turnover to decide this.
- 3.11 Applications will be open for a two-week period from when the application form is put on the website and payment amounts will then be considered and made to eligible businesses at the end of the application period.

4. Risks

4.1 Legal

4.1.1 The grants are being issued to recipients on directives 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 DLUHC have advised the following regarding State Aid and support announced for businesses –

The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. This does not impact the limited circumstances in which State aid rules still apply.

4.1.4 It has been advised in the guidance that the following directives apply - grants under the Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance may be combined for 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 exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator and the three fiscal year period applicable to the Small Amounts of Financial Assistance Allowance).

4.1.5 The guidance advises Local Authorities must be satisfied that all State Aid requirements have been fully met and complied with when making grant payments. 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 Grants for the ARG will be awarded within the funding allocation limits of the agreed scheme and the spend on this scheme will be closely monitored. Should applications exceed funding available, they will be considered on a first come first served basis.

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 revised policy to allow further grant awards to be made.

Contact Officer:

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Decision Maker

Leader	Yes
Officer Delegated Decision	Yes for individual payment of grant