

Report to Leader

Subject: Additional Restrictions Grant – Omicron Business Support Scheme 2021/22

Date: 21 January 2022

Author: Director of Corporate Resources and s151 Officer

Wards Affected

All

Purpose

The purpose of this report is:

- 1) To adopt the local Additional Restriction Grant scheme, developed in accordance with the latest government guidance, known as the Gedling Borough Council Additional Restrictions Grant – Omicron Business Support Scheme 2021/22 to act as guidance for the administration of the approved grants;
- 2) To delegate, to the Director responsible for Revenues Services, the authority to determine grant eligibility, in accordance with the Government's guidance and the Council's Additional Restrictions Grant – Omicron Business Support Scheme 2021/22.
- 3) To delegate, to the Portfolio Holder for Resources and Reputation, the authority to determine grant eligibility and award value, in cases where it is considered that there are exceptional reasons to provide support for organisations, which are not specified as qualifying businesses within the Additional Restrictions Grant – Omicron Business Support Scheme 2021/22, but which provide key benefit to the local economy of the Borough of Gedling.
- 4) To establish the budget to allow the payment of the grants.

Key Decision

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards of the Borough.

Recommendation(s)

THAT:

- 1)** the local Gedling Borough Council Additional Restrictions Grant – Omicron Business Support Scheme 2021/22 is adopted to act as guidance for the administration of the approved grants;
- 2)** a delegation is provided to the Director responsible for Revenues Services, for the determination of grant eligibility and payment award, in accordance with the Government's guidance and the Council's Additional Restrictions Grant – Omicron Business Support Scheme 2021/22 with the exception of those grant awards delegated to the Portfolio Holder for Resources and Reputation as detailed at 4 below;
- 3)** a delegation is provided to the Portfolio Holder for Resources and Reputation, for the determination of grant eligibility and award value, in cases where it is considered that there are exceptional reasons to provide support for organisations, which are not specified as qualifying businesses in the Additional Restrictions Grant – Omicron Business Support Scheme 2021/22 but which provide key benefit to the local economy of the Borough of Gedling;
- 4)** that a budget of £150,800 is established by virement to allow the payment of the grants, to be funded by Government grant.

1 Background

- 1.1** On 9 September 2020, the Government announced that it would provide further funding to support businesses that are required to close in the event that localised restrictions are put in place as part of the Government's response to the Covid-19 Coronavirus.
- 1.2** On 3 November 2020, the Government issued guidance on five grant schemes one of which was the Additional Restrictions Grant, a discretionary scheme designed to assist businesses adversely affected by Covid-19, with funding of £2,357,900 allocated to Gedling. The criteria for the award of the Additional Restrictions Grant was approved by the Leader on 13 November 2020 as part of the Council's Local Restrictions Business Support scheme.
- 1.3** On 5 January 2020, the Government announced a further £500m to be made available to Local Authorities through a top-up to the Additional Restrictions Grant, of which £1,047,300 has been allocated to Gedling. They further announced that there would be no change to either the deadline set to deliver

the grant funding which remained at 31 March 2022 or to the guidance for the scheme, and therefore there were no changes required to eligibility criteria in the Council's approved Local Restrictions Business Support Guidance

- 1.4 On 25 February, the Leader approved the top-up Additional Restrictions Grant (ARG) amounts set by business type for payment in accordance with the criteria approved in the Council's approved Local Restrictions Business Support Scheme.
- 1.5 On 3 March 2021, the Government announced that a further £425m funding would be made available, through a conditional second top-up to Additional Restrictions Grant from 1 April 2021. Councils were advised that they would only be able to access the additional funding subject to their meeting the necessary conditions, which required that the whole amount of the previous funding allocation as announced on 5 January be spent by 30 June 2021, which was an acceleration of the deadline which was previously set at 31 March 2022. The indicative grant allocation for Gedling for the second top-up was £623,800.
- 1.6 To enable the distribution of the remaining grant to meet the Government's conditions, on 17 May, the Leader approved a second top-up to the Additional Restrictions Grant (ARG) amounts for payment in accordance with the criteria approved in the Council's approved Local Restrictions Business Support Scheme. Full distribution of the grant was completed by 11 June 2021.
- 1.7 On 11 June 2021 the Council claimed the conditional top-up funding of £623,800 from Government and receipt of the funds is expected on or around 16 July 2021. On 6 July 2021 the Leader approved the Additional Restrictions Grant-Business Support Scheme (ARGBS) to enable the distribution of this tranche of funding. The scheme was open for applications for a period of 16 weeks, awarding grants to 247 businesses by November, leaving £214,000 remaining for allocation. In December 2021, coinciding with the emergence of the Omicron variant, the Leader approved the allocation of the remaining funding by the award of a top-up grant to the eligible applicants of (ARGBSS) and Strand 1 of the Covid Restart Grants.
- 1.8 On 21 December 2021 the Government announced that a further £102 million would be made available to local authorities through a top-up to the Additional Restrictions Grant to support businesses severely impacted by the rise of the Omicron variant. The grant allocated for Gedling Borough is £150,700 and must be paid to eligible applicants by 31 March 2022.
- 1.8 The latest round ARG funding was announced at the same time as the Government's new Omicron Hospitality and Leisure Grant (OHLG) to assist businesses adversely affected by the Omicron variant. The eligibility criteria for the OHLG were defined by Government and is available only to certain businesses which are subject to the payment of business rates in the hospitality, accommodation and specified leisure businesses. The Government's ARG

guidance is designed to be complementary to the Hospitality and Leisure Grants, to provide support to businesses from all sectors that may have been severely impacted by Omicron but are not eligible for an OHLG, including those outside of the business rates system.

- 1.9 The Council may exercise its discretion regarding the specific eligibility criteria and award amounts for the Additional Restriction Grant scheme based on local economic need and having regard to Government guidance. The proposed Gedling Borough Council ARG – Omicron Business Support scheme attached at Appendix 2 has been devised to provide an equitable and proportionate grant award for businesses that have been severely impacted by restrictions and the rise in the Omicron variant, taking into account: whether a business has fixed property costs; and if they are also eligible for other Covid restrictions grants i.e. it is proposed that the scheme is not available to those businesses which are eligible for an OHLG or have recently received a top-up award under the previous ARGBSS or Strand 1 Restart Grant as detailed in paragraph 1.8. An eligible business may receive a one-off grant payment subject to the availability of funds and the satisfactory receipt of all required evidence i.e. grants will be awarded on a first come first served basis.
- 1.10 Applications for grants will be necessary in order for the Council to undertake the required due diligence checks and counter-fraud measures. Applications will be invited by the Council and advertised as widely as possible.

2 Proposal

- 2.1 It is proposed that the local Additional Restrictions Grant scheme, developed in accordance with the latest government guidance (attached at Appendix 1), to be known as the Gedling Borough Council Additional Restrictions Grant – Omicron Business Support Scheme 2021/22, as detailed in Appendix 2, is adopted to determine eligibility criteria and award amounts, and act as guidance for the administration of the approved grants.
- 2.2 It is proposed that a delegation is provided to the Director responsible for Revenues Services, for the determination of grant eligibility and payment award, in accordance with the Government's guidance and the Council's Additional Restrictions Grant – Omicron Business Support Scheme 2021/22 with the exception of those grant awards delegated to the Portfolio Holder for Resources and Reputation as detailed at 2.4 below.
- 2.3 It is proposed that a delegation is provided to the Portfolio Holder for Resources and Reputation, for the determination of grant eligibility and award value, in cases where it is considered that there are exceptional reasons to provide support for organisations, which are not specified as qualifying businesses in the

Additional Restrictions Grant – Omicron Business Support Scheme 2021/22 but which provide key benefit to the local economy of the Borough of Gedling.

- 2.4 It is proposed that a budget of £150,800 is established by virement to allow the payment of the grants, to be funded by Government grant.

3 Alternative Options

- 3.1 An alternative to the proposal to adopt the local scheme known as the Gedling Borough Council Additional Restrictions Grant Omicron Business Support Scheme, would be to adopt alternative eligibility criteria. However, this scheme has been drafted in accordance with the Government guidance and is considered to be fit for purpose and a good solution to suit the needs of the local business community taking account of the funding available.
- 3.2 An alternative to the proposal to delegate the authority to exercise the Council's discretion would be to report each grant case to the Leader for his determination in accordance with the national and local guidance. This would mean that the Leader would have to consider multiple applications over a potentially long period. This would place an unnecessary burden on the Executive and may prevent the timely award of the grants.

4 Financial Implications

- 4.1 The value of the budget required for the Additional Restrictions Grant – Omicron Business Support Scheme 2021/22 is £150,800. This value is fixed as the Government has stipulated that this is a one off grant. The funding enables the payment of grants under the Additional Restrictions Grant. When the full budget has been allocated this particular discretionary scheme will be closed.

5 Legal Implications

- 5.1 The Secretary of State for Health and Social Care has the power to require the closure of businesses in a local area under regulations made using powers in Part 2A of the Public Health (Control of Disease) Act 1984 in response to the threat posed by coronavirus and commonly as part of a wider set of measures.
- 5.2 The Council must be satisfied that all subsidy (formerly state aid) requirements have been fully met and complied with when making grant payments, including, where required, compliance with all relevant conditions of the subsidy allowances which were established for the COVID-19 business grants schemes with effect from 4 March 2021, on the basis of the principles set out in Article 3.4 of the Trade and Cooperation Agreement (TCA) with the EU.

- 5.3 These new rules are the replacement for state aid but do not apply retrospectively, the Government has advised that previously state aid rules including limits on the amount of aid granted are to be applied up to 4 March 2021.
- 5.4 There are three subsidy allowances. Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance. Any business that has reached the limits of payments permissible under the relevant subsidy allowances will not be able to receive further grant funding.

6 Equalities Implications

- 6.1 The proposed eligibility criteria for the schemes provides the transparent basis for the assessment of all applications for the Additional Restrictions Grant – Omicron Business Support Scheme which has been applied equally to all scheme applicants.
- 6.2 To ensure equal accessibility for all to make an application, the Council will have both its own online application system available for completion on the Council's website, and non-digital users will be able to contact the Council's Customer Services Team by telephone and they will be supported to complete an application. Appropriate adjustments will be made as required to ensure the accessibility of forms for individuals across languages and disabilities.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 There are no carbon reduction/sustainability implications arising from this report.

8 Appendices

- 8.1 Appendix 1 – Additional Restrictions Grant – Guidance for Local Authorities (January 2022)
- 8.2 Appendix 2 – Gedling Borough Council, Additional Restrictions Grant – Omicron Business Support Scheme 2021/22

9 Background Papers

- 9.1 Omicron Hospitality and Leisure Grant Government Guidance

10 Reasons for Recommendations

- 10.1 The Council is expected by Government to award discretionary grants in line with the guidance it has published and to adopt readily available and easily understood guidance for the administration of those grants.

Statutory Officer approval

Approved by: Chief Financial Officer

Date: 21 January 2021

Approved by: Monitoring Officer

Date: 21 January 2021