

Omicron Additional Restrictions Grant Scheme

Report to the Chief Executive



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PORTFOLIO	Economy & Growth
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PURPOSE

1. The purpose of the report is to seek approval of the Omicron Additional Restrictions Grant scheme.

RECOMMENDATION

2. It is recommended that the Chief Executive using urgency powers under Part 3 of the Constitution (Executive Functions):
 - a) Approves the eligibility criteria and grant rates as set out below in this report for the Omicron Additional Restrictions Grant Fund;
 - b) To delegate authority to Strategic Head of Economy and Growth and Head of Finance and Property to approve grant applications; and
 - c) To waive call-in to enable businesses sufficient time to respond to a call for bids that has to be closed on 18th March, with payments made no later than 31st March, subject to the prior agreement of the Chair of Scrutiny.

REASONS FOR RECOMMENDATION

3. Following the imposition of additional restrictions on 21st December 2021 in response to the increasing rates of infection from the new Omicron variant, the government has made available two grant schemes for businesses affected by the restrictions.
4. Under the Omicron Grant Scheme a range of hospitality, leisure and accommodation businesses are identified and are eligible for grants of between £2,667 and £6,000 depending on their rateable value. The government has also made available to Burnley Council a £112k top up to the Additional Restrictions Grant to support businesses severely impacted by the rise of the Omicron variant, that are not eligible for the main Omicron Grant scheme.
5. It is for local authorities to determine the scope of the Additional Restrictions Grant Top Up based on the guidance provided by HMG.

6. The Additional Restrictions Grant comes with very tight timescales for implementations with a closing date of Friday 18th March 2022 and with all funding having to be distributed to businesses by 31st March 2022. It is therefore necessary for the decision to be made by the Chief Executive under urgency powers, and call-in waived.

SUMMARY OF KEY POINTS

7. On 21 December 2021, the Chancellor announced, in response to the rise of the Omicron variant, a £102 million top-up for the Additional Restrictions Grant. This guidance has been updated to take account of that announcement. The allocation to Burnley Borough Council is £112k.
8. The guidance states that the third top-up payment should only be allocated to business support grants and should not fund wider business support measures. All funding provided under this scheme should provide direct support to businesses.
9. 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.
10. In Burnley it is proposed to provide support as set out below. The eligibility is not as broad as previous rounds of ARG but reflects the businesses identified by Government as most severely impacted by restrictions.

Criteria 1

Hospitality and leisure businesses that have been impacted by Omicron and were trading on the 30th December 2021 but **do not** occupy commercial premises and **are not** liable for business rates. These businesses would have been eligible for the Omicron Hospitality and Leisure Grant if they had been liable for business rates. This could include, small B&B/Guest houses/self-catering accommodation that pay Council Tax, leisure craft and boat hire operators. It is proposed a one off grant of £750.

Criteria 2

Hospitality, Leisure and non-essential retail/personal service businesses that have been impacted by the Omicron variant and were trading on the 30th December 2021 but **occupy premises where the landlord is liable** for the business rates. It is proposed a one off grant of £750.

Criteria 3

Businesses that have been impacted by the Omicron variant and were trading on the 30th December 2021 but lease or sub lease a property that is **exempt** from business rates, e.g.,

places of worship, properties in historic parks and gardens. It is proposed a one off grant of £750

Criteria 4

Businesses that supply products and services to businesses that have been impacted by the Omicron variant and were trading on the 30th December 2021 (for example in the hospitality, leisure and accommodation sectors) that **are** liable for business rates where they are able to demonstrate that **at least 50%** of their income is derived from supplying a business that is eligible for the Omicron Hospitality & Leisure Grant.

The following grant rates are based on a one-off payment at 50% of the Omicron Hospitality and Leisure Grant would apply:

Properties with a rateable value of less than £15,000 - **£1,333 grant** ;
Properties with a rateable value between £15,001 to £50,999 - **£2,000 grant**;
Properties with a rateable value over £51,000 - **£3,000 grant**.

Criteria 5:

Businesses that supply products and services to businesses that have been impacted by the Omicron variant and were trading on the 30th December 2021 (for example hospitality, leisure and events, accommodation) that are **outside of the rates system** but are able to demonstrate on-going fixed overheads (excluding wages) that are eligible for the Omicron Hospitality and Leisure Grant. It is proposed a one off grant of £750.

Criteria 6:

Businesses that provide a cattery and kennel service that are not eligible for the Omicron Hospitality & Leisure Grant and were trading on the 30th December 2021.

The following grant rates based on a one-off payment at 50% of the Omicron Hospitality and Leisure Grant would apply:

Properties with a rateable value of less than £15,000 - **£1,333 grant**;
Properties with a rateable value between £15,001 to £50,999 - **£2,000 grant**;
Properties with a rateable value over £51,000 - **£3,000 grant**.

Criteria 7:

Businesses that provide a travel agency service that are not eligible for the Omicron Hospitality & Leisure Grant and were trading on the 30th December 2021. The following grant rates based on a one-off payment at 50% of the Omicron Hospitality and Leisure Grant would apply:

Properties with a rateable value of less than £15,000 - **£1,333 grant**;
Properties with a rateable value between £15,001 to £50,999 - **£2,000 grant**;
Properties with a rateable value over £51,000 - **£3,000 grant**.

11. From our existing records there are 89 businesses that would fall under the criteria set out above, with a total grant requirement of £108,737. Given the strict timescales for accepting and processing applications together with a limited amount of money available, it is not proposed to Open the scheme to new applicants. The 89 identified businesses will be contacted directly and invited to submit a simple on-line application.
12. The Omicron Hospitality and Leisure Grant scheme did not include support for Gyms but have been identified in the guidance as potential recipients for ARG (see para 9 above). Based on our records there are approximately 40 Gym and sports based businesses that

have previously received support. The cost of providing ARG to these businesses would cost approximately £65000. There is therefore insufficient ARG to support these businesses, assuming 100% take up. We understand that the Gym and exercise industry continues to be affected by restrictions and the rapid spread of Omicron and therefore propose that support is offered to Gyms and Sports businesses a one-off payment at 50% of the Omicron Hospitality and Leisure grant rate.

13. Due to the timescales involved, the limited funding available and the limited resource to deal with applications, the scheme will only be open to businesses that have previously benefitted from ARG grant. From our records there are 89 eligible businesses

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

14. From our existing records there are 89 businesses that would fall under the criteria set out above, with a total grant requirement of £108,737, leaving a balance of £3,183.
15. Support for Gyms and Sports Businesses would need to be supported through additional funding from the Council's Covid Reserve up to £62,000 depending on take up of the ARG.

POLICY IMPLICATIONS

16. The decision supports the Council's strategic priorities for economy and growth and the Council's Economic Recovery and Growth Strategy.

DETAILS OF CONSULTATION

17. Cllr. Afrasiab Anwar, Leader of the Council
18. Cllr Sue Graham, Executive Member for Resources

BACKGROUND PAPERS

19. None

FURTHER INFORMATION

PLEASE CONTACT:

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ALSO: