

## Record of operational decision

<b>Decision title:</b>	Additional Restrictions Grant (ARG) Omicron business grant - January 2021.
<b>Date of decision:</b>	7 January 2022
<b>Decision maker:</b>	Director Economy and Place
<b>Authority for delegated decision:</b>	Council constitution 3.7.9 all necessary decisions in the case of emergencies
<b>Ward:</b>	'Countywide'
<b>Consultation:</b>	Consultation with Cabinet Member – Environment and Economy
<b>Decision made:</b>	To accept and spend funding awarded to the council via the “top-up” Addition Restrictions Grant (ARG) award announced by the government 21 December 2021. To urgently provide funding to support, via an ARG Omicron business grant, those businesses and charities affected in accordance with the government measures announced in response to the rise of the Omicron variant of COVID19. Given the urgent need to provide support to affected businesses and charities as soon as possible the Section 151 Officer has confirmed the council can start paying grants in advance of any financial award arriving from government.
<b>Reasons for decision:</b>	<p>In response to the various national lockdowns commencing in March 2020, the government has provided an economic support package that included financial support to businesses and charities in the form of business grants to be administered by local authorities.</p> <p>The business grant support has come in two forms:</p> <ul style="list-style-type: none"> <li>• Support for businesses and charities on the Valuation Office Agency (VOA) ratings list;</li> <li>• ARG support for businesses and charities not on the VOA ratings list, used to address local priorities.</li> </ul> <p>The council has previously received £7.360m of ARG from the government. Of this amount a total of £304,000 remains as of 7 January 2022.</p> <p>On 21 December 2021, Government announced the introduction of a further top up of ARG funds to be awarded to Local Authorities in response to the Omicron variant of COVID19. This top up funding totals £102 million which will be allocated to Local Authorities in England from 30 December 2021. The council has received an award of £440,000 rom this fund.</p> <p>The amount of ARG funding available to support Herefordshire businesses and charities will be £740,000. This decision approves the acceptance and spend of this funding awarded to the council by government from the third top up of ARG funding.</p>

The government issued guidance states that Local Authorities should continue to issue grants at their discretion, based on local economic needs, but have provided within the guidance a suggested list of sectors to be prioritised for support.

The government guidance on the ARG scheme states that unlike previous ARG funding this top up funding cannot be used by Local Authorities for wider business support activities.

All ARG funding is required to be allocated by the end of March 2022. It is intended that all of the council's remaining ARG funding as well the 'top up' amount will be utilised through the following scheme.

#### **Proposed Approach to the ARG Omicron business grant**

Given the urgent need to support businesses and charities affected by the response to the Omicron variant of COVID19, the council is developing and implementing an ARG Omicron business grant as quickly as possible.

It is proposed to open an ARG grant scheme to businesses and charities in those sectors most impacted by the restrictions introduced in December 2021. In line with the government guidance for the ARG support, and local priorities, these sectors are:

- a. Hospitality and supply chain
- b. Accommodation and supply chain,
- c. Leisure and supply chain,
- d. Personal care
- e. the travel and tourism sector, including group travel, travel agents and tour operators,
- f. coach operators,
- g. wedding industries and supply chain,
- h. nightclubs,
- i. theatres,
- j. events industries,
- k. wholesalers,
- l. English language schools,
- m. breweries,
- n. freelance and mobile businesses
- o. gyms

As with previous ARG schemes, and in accordance with the government guidance requirements, businesses and charities will need to complete an application process. This will be an online based process accessible from the council website. Officers will provide guidance and definitions to accompany the application process.

The government is providing support to rateable businesses within the Hospitality and Leisure sectors via the Omicron Hospitality and Leisure Grant. Rateable businesses in the sectors listed above which are ineligible for the Omicron Hospitality and Leisure Grant will be able to receive support via the ARG Omicron grant.

The scale of award made to businesses and charities will vary depending

on employee numbers, the table below demonstrates the suggested award levels:

FTE Count (min stated)	Award
0.5 – 1	£500
1.1 – 2	£1,000
2.1 – 3	£1,500
3.1 – 4	£2,000
4.1 – 5	£2,500
5+	£3,000

The council reserve the right to alter the above bandings to reflect any change in circumstances. All ARG funding allocated to the council will be utilised through the grant scheme prior to the end of March 2022 deadline. Delegation is given to the Head of Economy and/or the Economic Development Manager to amend the banding.

The Head of Economy and the Economic Development Manager are authorised to finalise the specific grant criteria and application process and are authorised to approve grant awards to businesses and charities following satisfactory assessment of the applications received (up to a value of £10,000 per business/charity).

The eligibility criteria for applicants broadly matches the previous ARG criteria and includes:

1. Must be a business or a registered charity;
2. Must employ someone for at least 15 hours per week within/from Herefordshire (charities can include volunteer time) and this can include the business owner(s) or director(s);
3. Either has a business rating or can demonstrate that the business or charity trades most weeks of the year from/within Herefordshire.

Unlike previous ARG schemes government guidance states there is no starting date from which businesses must have been trading or charities established in order to qualify for grant funding

To comply with the government's ARG criteria, proof of trading checks will be required, and the council will need to ensure it holds the following information for each business:

- a) Name of business/charity
- b) Business trading address/ charity registered address including postcode
- c) Unique identifier
- d) High level SIC Code
- e) Nature of business/charity
- f) Date business/charity established
- g) Number of employees
- h) Business rate account number (if applicable)
- i) Cumulative total of previous funding received under all COVID-19 grants schemes

**Highlight any associated risks/finance/legal/**

**Finance**

Government have reduced the scope of the support available via the

**equality  
considerations:**

rateable business support schemes, consequently more businesses and charities will be eligible for support via the ARG schemes. Information from these businesses and charities – number of employees for example – has not previously be provided. There is uncertainty around the number and size of businesses and charities who may be eligible and apply for the scheme.

Based on the number of previous ARG approvals in the above sectors it is calculated that, for previous ARG applicants only, the above scheme would cost in the region of between £300,000 and £350,000 depending on how many businesses and charities apply, and their employee numbers.

It is estimated that the cost of supporting rateable businesses and charities within the above sectors is in the region of £170,000 to 400,000. Again this amount will vary depending on number of applications and business/charity employee numbers.

The suggested award banding takes into account this uncertainty. Following the application process any remaining ARG budget will be distributed among the successful applicants. The total value of grant awards will be contained within the final confirmed funding allocation.

Given the urgency of making awards and supporting businesses the S151 officer has confirmed that the council can make grant payments to eligible businesses and charities in advance of receiving the funding from government.

**Legal**

The cost of the ARG scheme will met using a grant from the Department of Business Energy and Industrial Strategy under 31 of the Local Government Act 2003 the details of which are likely to be similar to those which were set out in a letter dated 6 November 2020.

The council has the power to deliver the ARG scheme under Section 1 of the Localism Act 2011.

The council is to use its discretion to ensure that grants are provided to meet local circumstances and in taking previous decisions on the use of ARG funds has considered the appropriate level of award.

In assessing applications for grants under the ARG scheme the council will need to ensure that any information contained in the grant application form is correct, accurate, and that applicants meet the stated criteria.

Copies of all grant applications and assessment of applications will be kept by the council for audit persons.

**Risk**

The response to the emergence of the Omicron variant of COVID19 has severely affected some Herefordshire businesses and charities in specific sectors, without grant support there is a high risk many will fail with resulting loss of jobs in the county.

There is a reputational risk if the council does not quickly make the grant funding available from the government allocation.

	<p>Demand for the grant exceeds the available budget – The report demonstrates that there is uncertainty regarding the available budget and the expected level of demand for this grant. Officers have used best endeavours to construct an award banding scheme that allocates appropriate levels of support whilst keeping within the available budget.</p> <p>High volume of applications, which will have an impact on resourcing – The council has experience of delivering these schemes from previous lockdown periods. There is expected to be high level of demand for this scheme, officer resource to administer the scheme will be provided from within the Economic Development team, with some support from the finance team for making fraud checks and payment to businesses and charities. This will necessitate the movement of Economic Development staff from their current, day to day duties.</p> <p><b>Equality</b> The ARG Omicron business grant will be open to all businesses and charities that meet the scheme criteria.</p>
<b>Details of any alternative options considered and rejected:</b>	Do nothing - to not deliver the ARG support and not spend any top up allocation received from government. Herefordshire businesses and charities have been severely affected by Covid 19 and the impacts of the related lockdown periods. Particular sectors continue to be impacted either by ongoing restrictions / trading conditions or by new measures implemented in response to the Omicron variant of COVID19. If the council don't approve the expenditure of the available funds, then local businesses and charities would be unable to benefit from the national government support which may lead to business and charity closures.
<b>Details of any declarations of interest made:</b>	If any officers or members involved or consulted in the decision-making have declared an interest you should include the declaration here.

I am an officer delegated to make the decision

Signed:

Print Name: Neil Taylor

Job Title: Interim Director for Economy and Environment