

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

meeting date: 18 JANUARY 2022
title: COVID 19 BUSINESS GRANTS
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1 PURPOSE

- 1.1 To provide update on progress with the existing ARG scheme.
- 1.2 To update members following the recent announcement made by the Chancellor of the Exchequer on 21 December 2021 in response to the Omicron variant regarding further business support.
- 1.3 To consider a new strand to the Additional Restrictions Grant (ARG) Scheme for the Omicron Variant.

2 BACKGROUND

- 2.1 This Council currently has live 3 ARG grant schemes which were agreed in November by this Committee:
 - Travel Agents - £1,000 to those based at home and £5,000 to those who have a business premises/shop and are registered for business rates in the Ribble Valley;
 - Business Recovery – businesses seeking to invest in their premises or facilities as a direct result of the pandemic who had not received a Restart Grant.
 - Business Growth – to support businesses in recovering from the impact of the pandemic and to support businesses in expanding and adapting their businesses to support long-term sustainability and the Council’s Climate Change Strategy.
- 2.2 For the Business Growth and Recovery strands it was agreed the grant would provide up to 50% of any eligible expenditure with a maximum grant of £25,000. The minimum level of expenditure would be £5,000. Eligible expenditure would count from 1 July 2021 for those businesses based in Ribble Valley who were trading on 1 April 2021 and registered for business rates.
- 2.3 On 21 December 2021 the Chancellor announced two further funding streams for businesses severely affected by the Omicron variant
 - Omicron Hospitality and Leisure Grant; businesses in the hospitality and leisure sectors in England will be eligible for one-off grants of up to £6,000 per premises.
 - A third top-up to local authorities ARG funding to support businesses who have been severely impacted by the Omicron variant including those outside the business rate system

3 ARG – TRAVEL AGENTS/RECOVERY/GROWTH STRANDS

3.1 Since the last meeting we have received 52 applications. Of these 14 have been approved and 12 rejected. Approvals total £88k. Unallocated funds at the time of writing this report were £416k.

4 OMICRON HOSPITALITY AND LEISURE GRANT (OHLG)

4.1 The Government have issued guidance for local authorities to administer this scheme on their behalf.

4.2 We were notified on Friday 7 January 2022 that the allocation for Ribble Valley will be £1,056,078. Note if the eligible grants paid out exceed this we will be reimbursed by the Government.

Who is eligible

4.3 Grants are payable to hospitality, leisure and accommodation business premises.

4.4 Businesses must have been trading or engaged in business activity on 30 December 2021 to be eligible for the grant.

4.5 The business who according to the councils records is the ratepayer will receive the grant funding.

The value of the grant

4.6 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 £2,667

4.7 businesses occupying hereditaments appearing on the local rating list with a rateable value over £15,000 and less than £51,000 on 30 December 2021 will receive a payment of £4,000

4.8 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 £6,000

Exclusions to the grant

4.9 Government guidelines state that hospitality excludes the following businesses:-

4.10 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)

4.11 Government guidelines state that leisure excludes the following businesses:-

- all retail businesses, coach tour operators, and tour operators

4.12 Government guidelines state that accommodation excludes the following businesses:-

- private dwellings, education accommodation, residential homes, care homes, residential family centres and beach huts
- businesses that are not in the rating list
- businesses that are in Administration, insolvent or where a striking off notice has been made
- businesses that have already received grant payments that equal the maximum permitted subsidy allowances will not be eligible to receive funding

4.13 Grant income received by a business is taxable. This grant will need to be included as income in the tax return of the business. Only businesses which make an overall profit once grant income is included will be subject to tax.

Closure date for applications

4.14 The application closure date for this scheme is 28 February 2022 and final payments must be made by 31 March 2022. This gives us very little time to get the scheme up and running and process applications.

Next Steps

4.15 Whilst we await the funding from the Government, we have designed an online application form similar to those created for the previous covid grant schemes in order that we can do the necessary pre-payment checks required by BEIS.

4.16 We hope to go live soon with our application process.

5 ARG THIRD TOP-UP

5.1 In addition to the OHL scheme the Government have awarded Ribble Valley a third ARG top-up to be allocated at our discretion to businesses which have been severely impacted by the Omicron variant, including those outside of the business rates system.

5.2 They have made clear that the third top-up payment should only be allocated directly to business and should not fund wider business support measures.

5.3 We were notified on Friday 7 January 2022 that we have been allocated £146,048. We are not certain when we will receive the funding.

Next Steps

5.4 We suggest due to the relatively small amount of funding available, that grants should be £1,000 for businesses with a rateable value and £500 for those not registered for business rates.

5.5 We have to design a scheme and application process as soon as possible in order the funding is fully spent by 31 March 2022. This will be extremely challenging especially running alongside the OHLG scheme at the same time as setting the budget and council tax for next year.

6 RECOMMENDED THAT

6.1 Committee note the progress with the existing ARG scheme

- 6.2 Committee note and welcome the new OHLG scheme.
- 6.3 Committee agree the amounts of grants available for the new Omicron ARG scheme and delegate the creation of a detailed scheme to the Director of Resources, in consultation with the ARG task and finish group.

DIRECTOR OF RESOURCES
10 JANUARY 2022