

EXECUTIVE DECISION NOTICE

SERVICE AREA:	GOVERNANCE AND PENSIONS Exchequer Services
SUBJECT MATTER:	OMICRON HOSPITALITY AND LEISURE GRANT AND CARF - COVID ADDITIONAL RELIEF FUND
DECISION:	That it be DETERMINED that: (i) The award of the Omicron Hospitality and Leisure Grant to eligible business ratepayers in 2021/22 be noted and (ii) The local discretionary scheme for the award of £3.7m Covid Additional Relief Fund (CARF) monies, to eligible ratepayers in 2021/22, be approved noting the short timescales and that the process may be subject to further guidance and clarification from Government so the Assistant Director of Exchequer Services be authorised to amend accordingly and as necessary in the interests of expedient delivery of grant monies.
DECISION TAKER(S):	Cllr Oliver Ryan
DESIGNATION OF DECISION TAKER (S):	Executive Member Finance and Economic Growth
DATE OF DECISION:	13 January 2022
REASON FOR DECISION:	The decision to approve a local scheme is in accordance with Section 47 of the Local Government Finance Act 1988.
ALTERNATIVE OPTIONS REJECTED (if any):	All considered options are set out in the report below.
CONSULTEES:	None
FINANCIAL IMPLICATIONS: (Authorised by Section 151 Officer)	In December 2021, Government announced additional funding to support Businesses in the form of additional grants and non-domestic rate relief. Each form of support is fully funded and the Council will be reimbursed for all grants and reliefs awarded. Whilst the grant payments are fully funded by Government, the administration of applications and payments of grant, together with the reporting requirements for BEIS and reconciliations, are complex and time consuming. There are also short timescales for the award and payment of grants during an already busy time of year. New burdens funding has been committed by Government but individual allocations have not been announced, and therefore it is not clear whether this funding will fully cover the additional cost to the Council of administering the scheme.
LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)	This report sets out the rationale and process for the scheme and is on line with central government guidance and criteria in relation to delivery. As with all schemes there needs to be a robust process in place to ensure that the funds are allocated correctly and also

	that there is a process in place to recover any grant paid either in error or as a result of fraud. The steps to mitigate this are set out in the main body of the report. Close monitoring of the overall funding will also be required to ensure that the payments do not exceed current budget.
CONFLICT OF INTEREST:	None
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	N/A
ACCESS TO INFORMATION:	<p>The background papers relating to this report can be inspected by contacting the Report Writer, Ilys Cookson by:</p> <p> Telephone: 0161 342 4056</p> <p> E-mail: ilyc.cookson@tameside.gov.uk</p>



Signed

Councillor Oliver Ryan (Executive Member (Finance and Economic Growth))

. Dated: 13 January 2022

EXECUTIVE DECISION REPORT

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SUBJECT MATTER:	OMICRON HOSPITALITY AND LEISURE GRANT AND CARF - COVID ADDITIONAL RELIEF FUND
DATE OF DECISION:	13 January 2022
DECISION TAKER(S):	Cllr Oliver Ryan
DESIGNATION OF DECISION TAKER (S):	Executive Member Finance and Economic Growth
REPORTING OFFICER:	Ilys Cookson Assistant Director Exchequer Services
REPORT SUMMARY:	This report sets out a new business rates grant and a relief available to eligible business rate payers in the current financial year 2021/22
RECOMMENDATION:	(i) That the award of the Omicron Hospitality and Leisure Grant to eligible business ratepayers in 2021/22 be noted and (ii) That the local discretionary scheme for the award of £3.7m CARF monies, to eligible ratepayers, in 2021/22, be approved.
JUSTIFICATION FOR THE DECISION:	The decision to approve a local discretionary scheme is in accordance with Section 47 of the Local Government Finance Act 1988.
ALTERNATIVE OPTIONS REJECTED (if any):	All considered options are set out in the report below.
CONSULTEES:	None
FINANCIAL IMPLICATIONS: (Authorised by Section 151 Officer)	In December 2021, Government announced additional funding to support Businesses in the form of additional grants and non-domestic rate relief. Each form of support is fully funded and the Council will be reimbursed for all grants and reliefs awarded. Whilst the grant payments are fully funded by Government, the administration of applications and payments of grant, together with the reporting requirements for BEIS and reconciliations, are complex and time consuming. There are also short timescales for the award and payment of grants during an already busy time of year. New burdens funding has been committed by Government but individual allocations have not been announced and therefore it is not clear whether this funding will fully cover the additional cost to the Council of administering the scheme.
LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)	This report sets out the rationale and process for the scheme and is on line with central government guidance and criteria in relation to delivery.

	<p>As with all schemes there needs to be a robust process in place to ensure that the funds are allocated correctly and also that there is a process in place to recover any grant paid either in error or as a result of fraud. The steps to mitigate this are set out in the main body of the report.</p> <p>Close monitoring of the overall funding will also be required to ensure that the payments do not exceed current budget.</p>
CONFLICT OF INTEREST:	None
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	N/A
ACCESS TO INFORMATION:	<p>The background papers relating to this report can be inspected by contacting Ilys Cookson by:</p> <p> Telephone: 0161 342 4056</p> <p> E-mail: ilyc.cookson@tameside.gov.uk</p>

1 INTRODUCTION

- 1.1 During December 2021 central government released information and guidance on a number of further financial support packages for businesses impacted by the COVID pandemic ([£1 billion in support for businesses most impacted by Omicron across the UK - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/1-billion-in-support-for-businesses-most-impacted-by-omicron-across-the-uk)) as follows:
- Omicron Hospitality and Leisure Grant
 - CARF – Covid Additional Restrictions Relief
 - Additional Restrictions Grant
- 1.2 Both CARF relief and the Omicron Hospitality and Leisure Grant are to be awarded to businesses on the Rating List and will be administered by Exchequer Services and which are the subject of this report. Further Additional Restrictions Grant (ARG) monies is subject to a separate report and is to be administered by the Growth Directorate.
- 1.3 Final guidance was released on 30 December 2021 by the Department for Business, Energy and Industrial Strategy (BEIS) and a webinar is planned for local authorities on 10 January 2021. Risk management, audit and finance colleagues have been involved in the planning and implementation process of the grant and relief.
- 1.4 Guidance received to date details the steps local authorities must take to guard against the risk of fraud, pre and post award checks, monitoring and reporting arrangements, application process and data to be gathered.

2 OMICRON HOSPITALITY AND LEISURE GRANT

- 2.1 On 21 December 2021, Government announced the introduction of grant support for hospitality and leisure businesses in England. The scheme provides support to 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.
- 2.2 This support will take the form of a one-off grant-funding scheme. Funding is available in the current financial year 2021-2022 and can be used in this financial year only. Funding will be made available to all local authorities from January 2022. The scheme will close for applications on 28 February 2022 and all final payments must be made and dispersed to recipients by 31 March 2022.
- 2.3 The Omicron Hospitality and Leisure Grant scheme is for businesses on the Valuation Office Agency (VOA) ratings list only as at 30 December 2021 and the following thresholds apply for these businesses:

Rateable Value	Grant payment
Exactly £15,000 or under	£2,667
Over £15,000 and less than £51,000	£4,000
exactly £51,000 or over	£6,000

- 2.4 Specific conditions apply in terms of the amount of 'subsidy' a business receives as a result of the cumulative total of other previous grants and reliefs awarded. Subject to subsidy allowance conditions, businesses will be entitled to receive a grant for each eligible hereditament (premise). Therefore, some businesses may receive more than one grant where they have more than one eligible hereditament.
- 2.5 The primary principle of the Omicron Hospitality and Leisure Grant scheme is to support businesses that offer in-person services, where the main service and activity takes place in

a fixed rate-paying premise, in the hospitality, leisure and accommodation sectors.

- 2.6 The guidance provides a list of businesses that fall into scope for hospitality, leisure and accommodation and businesses will only be eligible where their main service falls within hospitality, leisure or accommodation. This is estimated be 611 in Tameside. If a business operates services that could be considered hospitality or leisure, and also fall into another category, the main service can be determined by assessing which category constitutes 50% or more of their overall income. The main service principle will determine whether a business receives funding.
- 2.7 Businesses must have been trading on 30 December 2021 to be eligible to receive funding under this scheme. For the purposes of this grant scheme, a business is considered to be trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession, or buying and selling goods or services in order to generate turnover. Fully constituted businesses in liquidation, dissolved, struck off or subject to a striking-off notice are not eligible under these conditions.
- 2.8 Local authorities are asked to make clear to applicants that data may be shared with BEIS.

3 CARF – COVID ADDITIONAL RELIEF FUND

- 3.1 The government has determined that the £1.5 billion funding available for CARF will be allocated to local authorities via a Section 31 grant, and based upon the estimated rateable value in each local authority rating list that falls within the scope of the fund. The total monies in respect of CARF to be administered in Tameside is £3,709,485m
- 3.2 Guidance states that the fund is *'available to support those businesses affected by the pandemic, but that are ineligible for existing support linked to business rates'*. The government will reimburse any relief awarded and expects local authorities to using discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual billing authorities to adopt a local scheme and determine in each individual case whether, having regard to the guidance and their own local scheme, to grant relief under section 47. The relief is available to reduce chargeable amounts in respect of 2021/22 only.
- 3.3 In terms of eligibility, guidance makes clear that local authorities must not award relief as follows:
- a) ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS),
 - b)
 - c) not award relief to a hereditament for a period when it is unoccupied (other than hereditaments which have become closed temporarily due to the government's advice on COVID-19, which should be treated as occupied for the purposes of this relief).

Local authorities must direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves, or certain precepting authorities (e.g. a parish or county council).

Based on the above a total of 5,927 business premises in Tameside will be ineligible to apply as follows:

Exclusions from CARF	
Reason:	Number of hereditaments
In receipt of Extended Retail Relief	846
In receipt of Nursery Relief	46
In receipt of Small Business Rates Relief	3,871
Unoccupied premises	960
Tameside Council premises and schools	204
Total	5,927

- 3.4 The award of Small Business Rates Relief to hereditaments with a rateable value of less than £12,000 covers the ratepayers business rates liability in full for the current year and so there are no business rates to pay, hence such premises being excluded from CARF.
- 3.5 The relief must be applied to business rates accounts in a specific hierarchy and after all other mandatory and eligible discretionary reliefs have been awarded. As the CARF is a relief of business rates (and not a grant) 12 months notice must be given to ratepayers of any variation to the discretionary relief in accordance with Section 47 of the Local Government Finance Act 1988.
- 3.6 Specific conditions apply in terms of the amount of 'subsidy' a business receives as a result of the cumulative total of other previous grants and reliefs awarded and as such each business must apply for CARF monies and declare that they have not breached subsidy levels, using the relevant drafted declarations from BEIS. Eligible business would need to specify how they have been impacted by the pandemic. Guidance specifies the information which BEIS requires from businesses.
- 3.7 A considerable issue in the award of this relief and the Omicron Hospitality and Leisure Grant is the timescale in which this is to be awarded. Further guidance was released at 16.41hrs on 12 January 2021 and which now states as follows:
- *Paragraph 9 states*
9. Funding will be made available to all Local Authorities from January 2022. The scheme will close for applications on 28 February 2022 and all final payments must be made and dispersed to recipients by 31 March 2022.
 - *Paragraph 50 states*
50. The application closure date for this scheme is 28 February 2022. Grants cannot be awarded or offers issued after this date. All final payments must be made and dispersed to recipients by 31 March 2022.
- Based on paragraph 50, (second sentence), the actual application window to enable businesses to apply must be some considerable time before 28 February 2022 and namely 18 February 2022, to enable time to: assess each application, undertake pre-payment checks using NFI or Spotlight and, **make a decision** prior to 28 Feb, **issue offer of the award** by 28 Feb and **pay** by 28 Feb as '**grants cannot be awarded or offers issued after this date**'.
- 3.8 The timescales to administer this are particularly challenging as this falls within the planning and implementation phase of new systems releases, and testing, for year start business rates bills for the next financial year 2022/23, which are produced in March.
- 3.9 In addition to the prescribed requirements set by BEIS in the guidance, Tameside's local scheme will consider applications received based on the following and in line with some other Greater Manchester local authorities:
- The business hereditament is related to business activity only, rather than for personal use.

- The impact that the pandemic has had on the business in and the evidence provided.
- The business sector and how this has been affected.
- The government guidance and scheme intentions.
- The level of demand versus budget that is available.

3.10 It is estimated that a total of 1,811 businesses may be eligible to receive CARF funding in Tameside. If relief were granted using the rateable value bands (as Government have determined in other COVID grant determinations) then the numbers within each band would be as follows with an estimated relief per business:

Rateable values	Number of potentially eligible businesses for CARF relief	Maximum £ relief per eligible business	Total estimated relief
Exactly £15,000 or under	1066	£1,500	1,102,365
Over £15,000 and less than £51,000	442	£2,500	1,100,869
Exactly £51,000 or over	303	£4,500	1,359,000
Total estimated spend	1811		£3,562,233

- 3.11 Any relief awarded will not exceed the annual business rates liability after all other mandatory and eligible discretionary reliefs have been awarded. The relief will be capped at the maximum annual business rates liability. As the relief is linked to the rateable value of a hereditament some businesses may have more than one property and so a relief would be granted to each eligible property.
- 3.12 Assumptions are made that all identified eligible hereditaments will apply and the number of applications received will determine final spend. If the actual spend is below funding available then the amount of award will be reviewed and potentially increased with a further top up of relief to ensure that all available funding is used. Should this be the case, and in light of any further guidance received in the future regarding the award of the relief, then permission is sought for the Section 151 Officer and Councils Monitoring Officer to have delegated authority to approve the increase or otherwise to any secondary relief awarded given that the deadline for spend is 31 March 2022.
- 3.13 A further option would be to award relief based on a percentage of the business rates chargeable amount for the 2021/22 financial year based on those most impacted. The percentage could be determined when all applications have been received and based on number of applications and funding available, however this would not be transparent as businesses would be unable to determine in advance how much relief they may be entitled to receive. This option does however have the potential advantage in only providing one amount of relief however to determine the percentage and assess applications when all have been received could provide administratively burdensome and fall in the midst of annual billing year start system testing and therefore this option has been discounted. It is critical that the relief is awarded to businesses quickly and within the timescales specified, as government will not reimburse any monies paid after 31 March 2022 and in the midst of year start billing activities.
- 3.14 Specific eligible businesses will be contacted and encouraged to apply and the application form will be available on the Councils website after the webinar on 10 January 2022 along with further information and guidance.

4 RISKS

- 4.1 The risks in terms of the award of the grant or relief is in fraudulent applications being

received, however the application and assessment process and pre-payment checking process approved by audit colleagues will mitigate against this. Previous business rates grant and relief awards have also been subject to audit approved rigorous assessment processes.

- 4.2 Resources are a risk at present as the award of both the grant and relief falls within the implementation phase of the annual raising of business rates bills, which are sent out in March each year. The annual billing process dates will be reviewed to determine the last available date to raise bills in light of the award of the grant and relief.
- 4.3 If insufficient applications are received in respect of CARF after extensive contact and advertising, there is a risk that a secondary award of relief may be made to ensure all monies are used and which will be administratively burdensome in light of billing activities.
- 4.4 BEIS guidance states that they may vary the terms of these schemes or suspend or close the schemes with immediate effect, without notice and at any time, and requiring that undispersed funds are returned to BEIS within 30 days.

5 CONCLUSIONS

- 5.1 Central government have determined that a new grant known as the Omicron Hospitality and Leisure Grant be available to eligible business ratepayers in the current financial year. Awards are by way of fixed amount of grant to affected businesses in the hospitality, leisure and accommodation sectors. Guidance is prescriptive on eligible hereditaments.
- 5.2 Funding has also been made available for local authorities for CARF – Covid Additional Relief Fund to *'support those businesses affected by the pandemic, but that are ineligible for existing support linked to business rates'*. A total of £3,709,485m is Tameside's allocation payable via a Section 31 grant. The government will reimburse any relief awarded.
- 5.3 Guidance on the award of the relief is available and government expects local authorities to use discretionary relief powers under section 47 of the Local Government Finance Act 1988 to adopt a local scheme and determine in each individual case whether, having regard to the guidance and their own local scheme, to grant relief. The relief is available to reduce chargeable amounts in respect of the current financial year, 2021/22 only.
- 5.4 A local scheme has been developed and which is detailed in Section 3 and risks are in awarding the grant and reliefs within a tight timescale within the annual bill raising activity period, alongside guarding against the risk of fraud. An audit approved robust application, assessment and pre-payment check is in place and quality assurance will continue to be monitored throughout the award process.

6 RECOMMENDATIONS

- 6.1 Recommendations are set out at the front of this report.