

Omicron Hospitality and Leisure Grant Policy 2022 **(Business Rates premises only).**

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. This support will take the form of a one-off grant funding scheme. Funding will be made available in Financial Year 2021-2022 and must be used in Financial Year 21/22 only. The scheme is called the Omicron Hospitality and Leisure Grant (OHLG). The scheme will close for applications on **18 March 2022**, and all payments disbursed to recipients by 31 March 2022.

The Omicron Hospitality and Leisure Grant scheme is for businesses on the Valuation Office Agency (VOA) ratings list on 30 December 2021 only. The Omicron Hospitality and Leisure Grant will support hospitality, leisure, and accommodation business premises with one-off grants of up to £6,000. The following thresholds apply for these businesses:

- 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.
- 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.
- 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.

Any changes to the rating list (rateable value or to the hereditament) after 30 December 2021 will be ignored for the purposes of eligibility. Businesses will be entitled to receive a grant for each eligible hereditament. So, some businesses may receive more than one grant where they have more than one eligible hereditament.

Businesses must complete an application form to supply information needed to enable the council to pay the grant, available on the council's website. As part of their application process for the scheme, all businesses will be required to self-certify that they meet all eligibility criteria in this policy.

All payments will be made via BACS (as soon as practicable) and the business must provide bank details for payment, including a recent bank statement (which must show the bank account number, sort code and the business name which must match the business rates account). Please note further checks may be needed to verify the business, therefore contact details must be provided. Failure to provide the information required will delay the payment of the grant and may result in the application being declined.

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 premises, in the hospitality, leisure and accommodation sectors.

Hospitality

For the purposes of this scheme, a hospitality business can be defined as a business whose main function is to provide a venue for the consumption and sale of food and drink. The following criteria will be applied in order to identify qualifying businesses under this threshold.

- Businesses offering in-person food and drink services to the general public.
- Businesses that provide food and/or drink to be consumed on the premises, including outdoors.

For these purposes, the definition of a hospitality business should **exclude**: 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)

The businesses which fall into the scope of for hospitality in line with Government guidance:

- Food courts
- Public houses/pub restaurants
- Restaurants
- Roadside restaurants
- Wine bars
- Cafes

Leisure

For the purposes of this scheme, a leisure business can be defined as a business that provides opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out.

The following criteria will be applied in order to identify qualifying businesses under this threshold

- Businesses that may provide in-person intangible experiences in addition to goods.
- Businesses that may rely on seasonal labour.
- Businesses that may assume particular public safety responsibilities.
- Businesses that may operate with irregular hours through day, night and weekends.

For these purposes, the definition of a leisure business should **exclude**: all retail businesses, coach tour operators, tour operators, and gyms and sports businesses where physical exercise or training is conducted on an individual basis or group basis.

The businesses which fall into the scope of for hospitality in line with Government guidance:

- | | |
|-----------------------------------|------------------------------|
| • Casinos and gambling clubs | • Arenas |
| • Cinemas | • Concert halls |
| • Museums and art galleries | • Tourist attractions |
| • Stately homes & historic houses | • Theme parks |
| • Theatres | • Amusement arcades |
| • Zoos & safari parks | • Soft play centres or areas |
| • Amusement parks | • Clubs & institutions |
| • Wedding venues | • Village halls & scout huts |
| • Events venues | • Cadet huts, etc. |
| • Night clubs & discotheques | |

Accommodation

For the purposes of this scheme, an accommodation business can be defined as a business whose main lodging provision is used for holiday, travel or other purposes.

The following criteria will be applied in order to identify qualifying businesses under this threshold

- Businesses that provide accommodation for 'away from home' stays for work or leisure purposes.
- Businesses that provide accommodation for short-term leisure and holiday purposes.

For these purposes, the definition of an accommodation business should **exclude**: private dwellings, education accommodation, residential homes, care homes, residential family centres and beach huts.

The businesses which fall into the scope of for hospitality in line with Government guidance:

- Caravan parks
- Caravan sites and pitches
- Chalet parks
- Coaching inns
- Country house hotels
- Guest houses
- Hostels
- Hotels
- Lodge
- Holiday apartments,
- Cottages or bungalows
- Campsites
- Boarding houses
- Canal boats or other vessels
- B&Bs
- Catered holiday homes
- Holiday homes

This list is indicative of the types of eligible businesses but is not exhaustive.

Businesses will only be eligible where their main service falls within hospitality, leisure or accommodation. 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. Businesses will need to declare which is their main service.

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. To help further, some trading indicators are included below that can help assess what can be defined as trading for the purposes of the grant schemes. Indicators that a business is trading are.

- The business continues to trade, including online, via delivery services etc.
- The business is not in liquidation, dissolved, struck off or subject to a striking-off notice or under notice
- The business is engaged in business activity, managing accounts, preparing for reopening, planning, and implementing COVID-safe measures

In all cases the following businesses will **not** be eligible.

- Businesses that are not within the ratings system will not be eligible to receive funding under this scheme.
- Businesses not occupying the business rates premises on the 30th December 2021
- Businesses responsible for premises which are unoccupied.
- Businesses that have already received grant payments that equal the maximum permitted subsidy allowances will not be eligible to receive funding.
- Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

Tax

Grant income received by a business is taxable. The Omicron Hospitality and Leisure Grant will need to be included as income in the tax return of the business. Only businesses that make an overall profit once grant income is included will be subject to tax. Payments made to businesses before 5 April 2022 will fall into the 2021/22 tax year. Unincorporated businesses will be taxed when they receive the grant income. The information provided on the grant form will be shared with HMRC.

Subsidy

As part of the application process for this scheme, all businesses will be required to self-certify that they meet the Subsidy criteria set out below.

COVID-19 business grant subsidy allowance

The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. This does not impact the limited circumstances in which State aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

The following scheme rules are to be applied to COVID-19 business grants on the basis of the EU-UK Trade and Co-operation Agreement (TCA).

The below scheme rules should be applied to applicants at the level of economic actor, which is defined as an entity or a group of entities constituting a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

There are three subsidy allowances for this scheme set out below: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance, and the COVID-19 Business Grant Special Allowance.

Small Amounts of Financial Assistance Allowance

Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021. An applicant may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances available under this scheme.

COVID-19 Business Grant Allowance

Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,900,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £2,235,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

COVID-19 Business Grant Special Allowance

Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £10,000,000 per single economic actor, provided the following conditions are met:

- a) The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and the date of application, including such costs incurred in any part of that period ('eligible period');
- b) Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss.
- c) 'Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;
- d) The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs.
- e) Grant payments under this allowance must not exceed £10,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge.
- f) Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.

An applicant must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special Allowance.

Grants provided in excess of the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an 'undertaking in difficulty' (as defined in Annex C below) on 31 December 2019. In derogation to the above, grants can be granted to micro or small enterprises (as defined above) that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.

Grants in scope of Article 10 of the Northern Ireland Protocol remain subject to EU State aid rules, following the end of the Transition Period which ended on 31 December 2020. Article 10 provides that EU State aid rules will continue to apply to the UK in respect of measures which affect trade in goods and electricity between Northern Ireland and the European Union.

For the avoidance of doubt, grants under the Small Amounts of Financial Assistance

Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance may be combined for a potential total allowance of £12,235,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).

Fraud

The council and Government will not accept deliberate manipulation or fraud. If any person(s) and/or business is found to have falsified their records, given false or misleading information, or omitted information to gain grant money they may face prosecution and any grant monies paid will be recovered. Any grants paid in error will also be subject to recovery

As part of their application process for the scheme, all businesses will be required to self-certify that they meet all eligibility criteria in this policy. They will also be required to complete a declaration to confirm information provided is true and correct and understand that action will be taken where the information is found to be incorrect.

The information provided on the application will be subject to further checks required before payment can be made. These checks will be but not limited to the Government Grants Management Function and Counter Fraud Teams digital assurance tool, Spotlight, and the verification of bank details with credit referencing agencies.

The information you provide will be shared with the Government Grants Management team (BEIS) and may be exchanged with other government bodies and fraud prevention agencies for the prevention or detection of crime. For more information on how the data is used please see the Government BEIS department privacy notice

Appeals

There are no further appeal rights for the grant, the Council's decision is final.