



Executive

Date: Wednesday, 19 January 2022

Time: 2.00 pm

Venue: Council Chamber, Level 2, Town Hall Extension

This is a **supplementary agenda** containing additional information about the business of the meeting that was not available when the agenda was published.

Access to the Public Gallery

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Membership of the Executive

Councillors

Craig (Chair), Akbar, Bridges, Midgley, Rahman, Rawlins and White

Membership of the Consultative Panel

Councillors

Butt, Karney, M Sharif Mahamed, Ilyas and Taylor

The Consultative Panel has a standing invitation to attend meetings of the Executive. The Members of the Panel may speak at these meetings but cannot vote on the decisions taken at the meetings.

Supplementary Agenda

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|------------|---|-----------------------------|
| 9. | Administration of the Covid 19 Additional Relief Fund (CARF)
Report of the Deputy Chief Executive and City Treasurer attached | All Wards
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| 10. | Grants to businesses in response to the Omicron variant
Report of the Deputy Chief Executive and City Treasurer attached | All Wards
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Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on 14 January 2022 by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

Manchester City Council Report for Resolution

Report to: Executive – 19 January 2022

Subject: COVID-19 Additional Relief Fund (CARF)

Report of: Deputy Chief Executive and City Treasurer

Summary

This report seeks agreement on the proposed approach to the administration of the COVID-19 Additional Relief Fund (CARF).

Relief towards the business rates chargeable amount for the 2021/22 financial year will be granted using discretionary powers under section 47 of the Local Government Finance Act 1988.

The Council is required to adopt a local scheme and determine each individual case having regard to the government guidance and their own local scheme.

Recommendations

It is recommended that the Executive:

- (i) Notes the funding of £23.993m that will be available and supports the development of the COVID-19 Additional Relief Fund scheme providing rates relief to reduce chargeable amounts for the 2021/22 financial year to businesses in the city.
 - (ii) Notes the challenges administering the grant and the limited funding which means that the Council will have to prioritise awards.
 - (iii) Notes that this scheme will be developed and delivered using **only** the government funding that will be fully reimbursed using discretionary relief powers under section 47 of the Local Government Finance Act 1988.
 - (iv) Grants delegated authority to the Deputy Chief Executive and City Treasurer to finalise and implement the scheme in accordance with the principles within this report and any further government guidance (in consultation with the Leader).
 - (v) Grants delegated authority to the Deputy Chief Executive and City Treasurer, in consultation with the Leader of the Council, to develop and implement new or extended schemes involving further tranches of this funding that sit within the same government policy intention for the remainder of the municipal year. This will include decisions up to and including the May 2022 Executive meeting.
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Wards Affected – all wards

Financial Consequences – Revenue

The additional work associated with these measures will be administered by the team that has been set up from across the Council to deal with the business grants and other relief due to Covid.

This is a significant demand on Council staffing resources to deliver this scheme and other financial schemes announced by the government.

New burdens funding will be made available by the government. At this stage we do not know how much this will be.

The Council is going to receive £23.993m that will be paid as a relief towards business rates accounts for the 2021/22 financial year. Guidance was received on 15 December and a scheme now must be developed with some urgency so that businesses can claim and receive any relief promptly towards the rates bill.

Financial Consequences – Capital

Not applicable

Contact Officers:

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Name: Julie Price
Position: Director of Customer Services and Transactions
E-mail: julie.price@manchester.gov.uk

Background documents (available for public inspection):

The following document discloses important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

- Department for Levelling Up, Housing and Communities - COVID-19 Additional Relief Fund (CARF): Local Authority Guidance
- [CARF Guidance.docx \(publishing.service.gov.uk\)](#)

1.0 Background

The Council is going to receive £23.993m that will be paid towards business rates bills for the 2021/22 financial year. Guidance was received on 15 December and a scheme now must be developed with some urgency.

Businesses in the retail, hospitality and leisure sectors have received significant support towards their rates bills in the last two years. This was 100% rates relief in 2020/21 and 75% relief in 2021/22. All other businesses had to pay their full rates less any existing relief unrelated to covid.

On 25 March 2021 the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund is available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates. A change to primary legislation was required to facilitate the fund, which explains the lengthy period between the announcement and the issuing of the guidance in late December 2021.

The £1.5 billion has been allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund, weighted for the Gross Value Added (GVA) impacts of COVID-19 per sector.

The Government is not changing the legislation relating to the funding of business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in their guidance, reimburse local authorities where relief is granted 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 this guidance and their own local scheme, to grant relief under section 47.

The relief is available to reduce chargeable amounts in respect of the 2021/22 financial year only. On that basis, this relief is only payable to businesses that had a business rates liability during this period.

In summary this is a new discretionary relief that will be paid to the 2021/22 rates bill to reduce the rates payable. It is for all those businesses that have been affected by the pandemic but have not received any rates relief to date and have not been able to submit an appeal to the Valuation Office Agency to reduce their business rates because of the pandemic.

2.0 Key principles from the government guidance

Billing authorities will be responsible for designing the discretionary relief schemes that are to operate in their areas.

However, in developing and implementing their schemes local authorities must, if they are funding the relief from the section 31 grant:

- a) **not** award relief to 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) **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), and
 - c) direct their support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact.

The Council is going to receive £23.993m. Guidance was received on 15 December and a scheme now must be developed with some urgency. A massive amount of work is required to develop a scheme. The government has asked local authorities to process this relief as quickly as possible. Manchester is aiming to pay the majority of the awards by the end of April 2022.

3.0 How much relief will be available?

3.1 The Council's role

The government has stated that it will be for local authorities to determine the level of relief for individual hereditaments.

It should be noted that this is a relief paid towards the rates that were due to be paid in the 2021/2 financial year only and cannot be paid for any periods before or after this or in the form of a separate cash grant outside of the business rates system. It should be noted that ratepayers may be put into credit on their 2021/22 bill when the relief is awarded (see section 6.6 and 6.8).

This is a significant amount of work and requires the Council to individually assess several thousand requests for relief. Because this is a retrospective award towards a business rates account, it is complicated by recovery activity, previous payments by the charge payer and other rates relief. The technical detail is included for transparency.

3.2 Relief award and sequence

The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where billing authorities have provided relief using their wider discretionary relief powers introduced by the Localism Act 2011 which are not funded by section 31 grants. As required in the NNDR3 guidance notes, the former categories of discretionary relief prior to the Localism Act should be applied first in the sequence of discretionary reliefs and, therefore, before any relief provided under the COVID-19 Additional Relief Fund (CARF).

Billing authorities may wish to use their discretionary powers to offer further discounts outside this scheme. However, where an authority applies a locally funded relief, this must be applied after CARF.

4.0 Impact of small business rates relief

Those businesses that receive 100% small business rates relief will not be eligible for support from the CARF scheme. Businesses that only receive partial SBRR (those with a Business Rates Liability between £12,001 and £15,000) will be eligible for support and the relief will be awarded to the balance on the account.

5.0 Recalculation of relief

Depending upon how local authorities choose to award CARF, the amount of relief awarded may need to be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value of the hereditament. This change of circumstances could arise during the year in question or during a later year.

Under regulations made in section 47 of the Local Government Finance Act 1988, authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills (other than to comply with any international agreement). Such a revocation or variation can only take effect at the end of a financial year but, within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria. If a change in circumstances renders a property ineligible or reduces the value of the award, the relevant bill can be amended in the year to reflect the loss of the relief. Therefore, when making an award for CARF, local authorities should ensure in the conditions of the award that the relief are subject to the property's continuing eligibility

6.0 The Council's approach

There is a lot of technical and legislative detail that must be considered as per the earlier sections of this report,

The key priority, after ensuring that payments are not made to excluded groups, is for the Council to direct the financial support towards ratepayers who have been adversely affected by the pandemic and have been unable to adequately adapt to that impact. This will be by a retrospective adjustment to their 2021/22 business rates account. The remainder of this document explains how we will approach this.

6.1 Identifying potential in-scope businesses

The Council will aim to produce a list to identify all those businesses excluding those that are ineligible based on the government's criteria. This is expected to be circa 12,800 businesses. This will be a master list of in-scope businesses.

Business Rates are significant and could include business hereditament as small as an ATM, advertising hoarding or car parking space and as large as the airport units and major production sites.

As this is a discretionary award, the Council cannot fetter its discretion and must consider each case on its own merits subject to the criteria determined by the government.

6.2 Businesses that have already submitted an appeal to the Valuation Office Agency (VOA)

The Council will also identify a separate list of those businesses that have appealed for a reduction in rates from the Valuation Office Agency due to a material change of circumstances due to the covid pandemic. There have been 9,394 appeals lodged under these grounds since March 2020, from 4,700 businesses in Manchester. These are all businesses that have appealed to the valuation office under legislation in the business rates regime to seek a reduction in their rates due. The government has now stated that it will not be accepting these appeals and these businesses will be referred to the Council.

It should be noted that some of these will not be eligible for funds from the CARF due to them receiving other business rates relief which invalidates them (see section 8.0), in the main because they are retail, leisure and hospitality and will have already received significant rates relief.

The Council will then contact the eligible businesses to make them aware of the scheme and invite them to apply.

The scheme will also be available on the Council's website and will be publicised via the Council's Strategic Development Directorate working with a range of business support organisations in the city to maximise awareness.

6.3 In-scope businesses vs funding that is available

In the 2021/22 financial year so far, circa 29,741 businesses have been billed for a total charge of £296.7m. After removing businesses ineligible for the CARF (those subject to extended retail relief, nursery relief, and certain types of ineligible properties), this leaves around 12,800 businesses eligible to claim CARF (with a total 21/22 charge of £255.2m).

However, a significant number of these businesses will not have been adversely impacted by the pandemic and so would likely not be entitled to the relief. It is difficult from the data we have available (including property description) to ascertain exactly which of these businesses have been adversely affected or not. Businesses will need to apply, and we will have to make that determination based on their application and any supporting evidence. Without evidence of a detrimental impact we will not be able to pay any relief.

This is likely to be very resource intensive.

6.4 Application demand and prioritisation approach

This is a difficult scheme to estimate demand for, based on the following.

1. Business Rates are complex, and some smaller businesses may struggle with this process. The Council will work hard to raise awareness within the business community and will contact in-scope businesses with guidance including clear advice and next steps as well as where to go for support.

2. The amount of relief awarded, although a financial award, is not paid as a cash grant and is paid towards the 2021/22 rates account. If there are arrears this will just reduce the amount outstanding to the Council. This may mean that some businesses that could be eligible may not apply as it is not a cash payment.
3. Businesses may also be deterred by the activity required in terms of claiming and evidencing their application for this relief. Businesses may also choose not to provide evidence of negative financial impact and further forms for a retrospective rates bill.
4. Alternatively, there could be very high demand from businesses in the city that, to date, have not received any rates relief and this could prove a significant source of support that can be converted into a cash refund should their rates account be in credit.

Until we go live it is difficult to say what the demand will be.

6.5 Application process

The Council will develop a web-based application form that will be made available on the Council's website. Businesses will be required to confirm that they are not one of the excluded groups and say how they have been negatively impacted due to the covid pandemic and will be able to upload evidence to support their application.

The aim is that this application process will follow shortly after the implementation of the Omicron Hospitality and Leisure Grant (OHLG) and slightly before the extended Additional Restrictions Grant (ARG) that are also expected to launch mid-January 2022.

The application process will allow a set period (expected to be 4-6 weeks) for businesses to submit applications and evidence. There will then be a formal cut-off to allow applications to be considered. The intention is to provide as much financial support as possible to eligible businesses in the city cognisant of the budget available.

6.6 Awarding the relief

The amount paid in CARF will be paid as a relief to reduce the chargeable amount of business rates for the 2021/22 financial year. There will be no direct cash grants as a result of this scheme.

6.7 Amounts of relief paid

Each case must have been **severely impacted** (lost business revenue) by the pandemic and will then be considered on its own merits, taking into account the following:

- The business hereditament is related to business activity only rather than for personal use (for example a hobby, pastime or personal car parking space),
- The impact that the pandemic has had on the business and the evidence provided.

- The business sector and how this has been affected,
- The contribution and impact of the business within the city and its role as a good employer and provider of jobs and opportunities.
- The government guidance and scheme intentions.
- The level of demand versus budget that is available.

Award amounts will be paid a relief on the business rates account up to a maximum of 100% of the business rates chargeable amount for the 2021/22 financial year.

6.8 Dealing with credits

If the 2021/22 account is in credit, unless there is a specific request from the business requesting that the credit is refunded, any credit will be used to reduce any business rates liability. This could include arrears or the amount due for the 2022/23 financial year.

This approach may change based on government guidance.

7.0 Key Dates

The Council will launch the scheme on 19 January if possible, subject to sign off from the Executive.

The indicative closure date for applications is 28th February 2022.

The scheme will be reviewed on a weekly basis to consider the budget position and the status of the economy and the covid related local and national restrictions.

It is proposed that when the scheme is closed the number of applications will be considered based on the available budget and credits are expected to be transferred into the business rates accounts during March and April 2022.

The decision to close the scheme will be made by the Deputy Chief Executive and City Treasurer in liaison with the Leader of the Council.

8.0 Out of Scope and exclusions to receive CARF relief

8.1 Out of scope based on government criteria

As stated above, the following areas are **not** entitled to relief. 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, certain precepting authorities (e.g. a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

8.1.1 Extended Retail Discount (covering Retail, Hospitality and Leisure)

This is based on them wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- for assembly and leisure; or
- as hotels, guest and boarding premises and self-catering accommodation.

8.1.2 The Nursery Discount

- On Ofsted's Early Years' Register
- Wholly or mainly used for the provision of the Early Years Foundation Stage

8.1.3 The Airport Ground Operations Support Scheme (AGOSS)

- Commercial airport situated within England with a valid commercial license from no later than 27 October 2021 that operated at least 12 scheduled commercial passenger flights in 2019
- Ground handling company providing, as your primary function, any of the handling service listed in EU Directive 96/67/EC directly to an airport user for scheduled commercial flights at a commercial airport in England, for a site or sites located in England

If any businesses apply for CARF and meet the criteria for the schemes above, they will be directed to claim the correct discount/relief.

8.2 Local consideration and exclusions

Applications will not normally be considered where it is the Council's view that the award of any relief is not in the best interests of the taxpayers of Manchester City Council. Examples of this include:

Businesses which cause a detrimental impact on the city, our residents, or our communities (including businesses who undertake tax avoidance schemes), where there is evidence to support this.

Applications will also not normally be considered for the following hereditaments:

- Premises and land used for personal use or storage.
- Car parking spaces that are not run as a commercial business.
- Utilities and communications infrastructure
- Central and local government and NHS infrastructure.

9.0 State Aid

Reliefs are subject to published state aid restrictions and businesses must confirm that they have not reached the published de minimis levels that would exclude them from receiving further funding that could be classed as state aid. The Council is required to provide the Government with details of the businesses we have given grants to.

10.0 Fraud

The Council reserves the right to check eligibility of all applications to mitigate and prevent fraud and error in the system. This will include both pre and post payment checks.

The government has stated that it will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant or other relief money will face prosecution and any funding issued will be subject to claw back, as may any grants or other relief paid in error.

11.0 Contributing to a Zero-Carbon City

Not applicable

12.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

Supporting our residents and businesses at difficult times is a key part of the Our Manchester Strategy. Working across service areas with the citizen at the heart of this is key.

(b) A highly skilled city

Support will be provided to those businesses that require assistance with their self-service and digital access skills development.

(c) A progressive and equitable city

This initiative supports businesses during difficult and challenging times and saves them money and time.

(d) A liveable and low carbon city

See above

(e) A connected city

Support will be provided to those businesses that require assistance with their self-service and digital access skills development.

13.0 Key Policies and Considerations

13.1 Equal Opportunities

There are no specific equality issues identified.

13.2 Risk Management

The following risks have been identified and are actively considered by the project team in the development and administration of the scheme.

1. Demand Management (see section 6.4)
2. Government requests that this relief should be allocated as soon as possible,
3. Conflicting priorities including the administration of the OHLG and extended ARG schemes as well as normal year end activity and recovery.
4. Fraudulent claims - Internal Audit are involved in the application process to ensure such claims are identified and, where appropriate, action taken against the fraudulent claimant.

13.3 Legal Considerations

Legal considerations are within the body of the report

14.0 Recommendations

It is recommended that the Executive:

- (i) Notes the funding of £23.993m that will be available and supports the development of the COVID-19 Additional Relief Fund scheme providing rates relief to reduce chargeable amounts for the 2021/22 financial year to businesses in the city.
- (ii) Notes the challenges administering the grant and the limited funding which means that the Council will have to prioritise awards.
- (iii) That this scheme will be developed using **only** the government funding that will be fully reimbursed using discretionary relief powers under section 47 of the Local Government Finance Act 1988.
- (iv) Grants delegated authority to the Deputy Chief Executive and City Treasurer to finalise in accordance with the principles within this report and the government guidance (in consultation with the Leader) and implement the scheme.
- (v) Grants delegated authority to the Deputy Chief Executive and City Treasurer, in consultation with the Leader of the Council, to develop and implement new or extended schemes involving further tranches of this funding that sit within the same government policy intention for the remainder of the municipal year. This will include decisions up to and including the May 2022 Executive meeting.

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Key Decision



MANCHESTER
CITY COUNCIL

Urgent Key Decision

Request to a scrutiny chair that an urgent key decision be made without being published in the Register of Key Decisions, and/or that key decision be exempt from call in for scrutiny.

Decision maker	The Executive
What is the decision?	Administration of the Covid 19 Additional Relief Fund (CARF)
List Non-confidential reports Reports to be considered that can be made available to the public	There will be an report produced for the 19 January 2022 Executive, seeking a decision to provide support to businesses under section 47 of the Local Government Finance Act 1988 .
List Confidential reports Reports to be considered which contain confidential or exempt information	None
Reason for confidentiality	N/A
Intended date of decision	19 January 2022
Officer contact details For any further information	Name: Julie Price Director of Customer Services and Transactions Tel: 0161 953 8202 Email: julie.price@manchester.gov.uk
Has the decision been published in the Register of Key Decisions?	Yes – RKD Ref (2021/12/20A)
Reasons for special urgency Explain why it cannot be published in the Register of Key Decisions with 28 days notice.	<p>On 25 March the Government announced a new COVID-19 Additional Relief Fund (CARF) of £1.5 billion. The fund will be available to support those businesses affected by the pandemic but that are ineligible for existing support linked to business rates.</p> <p>The £1.5 billion will be allocated to local authorities based upon the estimated rateable value in each local authority rating list which falls within the scope of the fund, weighted for the Gross Value Added (GVA) impacts of COVID-19 per sector.</p> <p>The Government is not changing the legislation relating to the business rates reliefs available to properties. Instead, the Government will, in line with the eligibility criteria set out in their guidance, reimburse local authorities where relief is granted 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</p>

	<p>determine in each individual case whether, having regard to this 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.</p> <p>The Council is going to receive £23.993m that we will have to pay out within the remainder of the 2022/23 financial year.</p> <p>The intention is to exclusively use government provided funds for this and there will be no contribution from the council. The council will also receive new burdens funding.</p> <p>Guidance was received on 15 December and a scheme now has to be developed with some urgency. This is a massive amount of work to develop a scheme.</p> <p>The key principles/considerations are that:</p> <ul style="list-style-type: none"> • Locally designed scheme which will assess economic impact on businesses in the city. • Fully funded by S31 grant (up to the max allocation level) • Can be applied in 2021/22 and reflected in NNDR3, although no explicit mention of carrying forward to 2022/23 • Preceptors share to be calculated at year end alongside 2021/22 NNDR3 • Relief to be applied after mandatory relief and those funded by S31 but before Discretionary Relief (which the Council funds), • Not applicable to those in receipt of Extended Retail and Nursery Relief, Airport and Ground Operational Support Scheme, or where property unoccupied (other than temporarily as a result of COVID). • Subject to Subsidy Control / State Aid rules. • New Burdens will be available, although details not yet available. • Relief award will be reported via DELTA returns and by Parliamentary Constituency – will need new Capita Academy system changes (main processing system for revenues and benefits) coding to capture CARF and ability to extract from system. 	
Is exemption from call-in for scrutiny needed?	Yes	
Explain how any delay will seriously prejudice the legal or financial position of the Council	<p>Any delay will compromise the Council's position by not meeting the expectations in the grant conditions.</p> <p>It will also have a significant impact on the financial support available to businesses who are now expecting the council to deliver a scheme promptly, including making payments before the end of the financial year.</p>	
Scrutiny Chair who has agreed the decision is reasonable and urgent	Name	Councillor Sarah Russell
	Signed	Signature redacted for publication purposes
	Date	07.01.22

Request prepared by:	Julie Price, Director of Customer Services and Transactions
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Manchester City Council Report for Resolution

Report to: Executive – 19 January 2022

Subject: Omicron Hospitality and Leisure Grant funding and extension to the Additional Restrictions Grant

Report of: Deputy Chief Executive and City Treasurer

Summary

This report seeks agreement on the proposed approach to the administration of:

- A new business rates support scheme, Omicron Hospitality and Leisure Grants (OHLG); and
- An extension to the Additional Restrictions Grant (ARG) to support a discretionary element of the above scheme.

The schemes were announced on 21 December 2021 with the formal notification and guidance issued on 30 December 2021. The Council will need to be in the position to start issuing the grants as soon as possible.

The Council will receive £6,090,174 for the OHLG scheme. This represents 90% of the Government's estimated requirement. When this has been fully allocated Government will top up funding to local authorities if required.

For the ARG scheme the Council will receive £999,017. This will not be enough to meet the demand in the city and the Council will have to prioritise applications.

The Council will only be administering funds and budget identified by the government and will not be providing any funding from within Council resources to support these schemes.

This report is intended to expedite this process by ensuring that the appropriate governance and approvals are in place.

Recommendations

It is recommended that the Executive:

- (i) Notes the funding that will be available and supports the delivery of both the OHLG and the ARG top up schemes to provide grants to businesses in the city as detailed within the body of this report.
- (ii) Notes the challenges of administering the grants and the limited funding which means that the Council will have to limit and prioritise awards.
- (iii) Notes that the Leader has granted delegated authority to the Deputy Chief Executive and City Treasurer, in consultation with the Leader, to further

- develop and implement both the core scheme and an extension to the additional restrictions grant (top-up).
- (iv) Grants delegated authority to the Deputy Chief Executive and City Treasurer, in consultation with the Leader of the Council, to develop and implement new or extended schemes involving further tranches of this funding that sit within the same government policy intention for the remainder of the municipal year. This will include decisions up to and including the May 2022 Executive meeting.
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Wards Affected – All wards

Financial Consequences – Revenue

The Council will only be administering funds and budget identified by the government and will not be providing any funding from within Council resources to support these schemes.

The additional work associated with these measures will be administered by the team that has been set up from across the Council to administer the business grants.

New burdens funding will be made available by the government.

The Council will aim to spend within the discretionary budget set by the government for the Additional Restrictions Grant and the Council will not be making an additional contribution from within council funds.

Financial Consequences – Capital

Not applicable

Contact Officers:

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Name: Julie Price
 Position: Director of Customer Services and Transactions
 E-mail: julie.price@manchester.gov.uk

Background documents (available for public inspection):

The following document discloses important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

- Omicron Hospitality and Leisure Grant funding government press release
- <https://www.gov.uk/government/news/1-billion-in-support-for-businesses-most-impacted-by-omicron-across-the-uk>

- Omicron Hospitality and Leisure Grant funding guidance to local authorities
- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1044354/omicron-hospitality-and-leisure-grant-guidance.pdf
- Omicron Hospitality and Leisure Grant funding web pages
- <https://www.gov.uk/guidance/check-if-youre-eligible-for-the-omicron-hospitality-and-leisure-grant>

1.0 Background

As part of its response to COVID-19, the government has provided various schemes to support businesses. This includes relief from business rates as well as cash grants administered by the Council.

Most of the main grants ended in the spring of 2021, with final returns to government in the summer.

There was also a discretionary scheme supporting the main schemes called the Additional Restrictions Grant that is due to run until March 2022 at which point any unspent funds should be returned to the government. Appendix One provides a breakdown of grant scheme to date as well as the Additional Restrictions Budget and spend.

Businesses in the retail, hospitality and leisure sectors received 100% rates relief in 2020/21 and 75% relief in 2021/22. All other businesses had to pay their full rates less any existing relief unrelated to covid.

2.0 The Government Announcement of Support

The government press release stated the following funding had been agreed

- Businesses in the hospitality and leisure sectors in England will be eligible for one-off grants of up to £6,000 per premises. In addition, more than £102 million in discretionary funding will be made available for local authorities to support other businesses.
- Government will also cover the cost of Statutory Sick Pay for Covid-related absences for small and medium-sized employers across the UK.
- £30 million further funding will be made available through the Culture Recovery Fund, enabling more cultural organisations in England to apply for support during the winter.

A further government release on 30 December 2021 provided the guidance for the additional ARG funding and the Council's allocation will be £999,017.

3.0 Scope of this report

This report will provide the approach to the first bullet point above which includes both a core scheme with set awards that, subject to meeting core conditionality, are fully reimbursed by government and the development of a discretionary fund operated as an extension to the Additional Restrictions Grant with advice on which areas should be targeted.

The guidance was circulated on 30 December 2021, followed by a webinar for local authority practitioners on 10th January 2022. The individual local authority allocations of the Additional Restrictions Grant are expected to be announced and made available to local authorities early in January 2022.

This report is split into two main areas covering the Council's approach to the following:

- Omicron Hospitality and Leisure Grant
- Extended Additional Restrictions Grant

Any delay processing grants will have a significant impact on the financial support available to businesses who are now expecting the council to deliver a scheme promptly, including a government requirement to make payments before the end of the financial year.

4.0 Omicron Hospitality and Leisure Grant funding

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.

The OHLG scheme provides a one-off grant payment. Funding is made available in the 2021/22 financial year and can only be used in the same financial year.

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.

4.1 Eligibility and amounts paid

The Omicron Hospitality and Leisure Grant scheme is for businesses on the Valuation Office Agency (VOA) ratings list 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 businesses had to be liable for rates on 30 December 2021.

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.

The government has given a clear steer on changes to the list and this is included for transparency, as follows.

Any changes to the rating list (rateable value or to the hereditament) after 30 December 2021 must be ignored for the purposes of eligibility. Local Authorities are not required to adjust, pay or recover grants where the rating list is subsequently

amended retrospectively to 30 December 2021. In cases where it was factually clear to the Local Authority on 30 December 2021 that the rating list was inaccurate on that date, Local Authorities may withhold the grant and/or award the grant based on their view of who would have been entitled to the grant had the list been accurate. This is entirely at the discretion of the Local Authority and only intended to prevent manifest errors. In all cases, including those where the rating list is deemed inaccurate, all grant payments must be disbursed from the Local Authority by 31 March 2022.

Businesses will be eligible for this support from 30 December 2021 and Local Authorities must not make payments to businesses before this date. Subject to subsidy allowance conditions, 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.

4.2 General eligibility

The following guidance has been provided by the government to local authorities in terms of general eligibility.

- i. Where a grant is issued, the business that according to the billing authority's records was the ratepayer in respect of the hereditament on 30 December 2021 is eligible to receive the grant. Where a Local Authority has reason to believe that the information that they hold about the ratepayer is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer. Local Authorities should make clear to recipients that the grant is for the ratepayer and may be liable for recovery if the recipient was not the ratepayer on the eligible day.
- ii. 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.
- iii. The Council has been provided with a general list of businesses that fall into scope for hospitality, leisure and accommodation using the valuation office agency codes. This list is indicative of the types of businesses but is not exhaustive. Local Authorities will have to use their local knowledge and the definitions and criteria set out below to assist in making a decision on eligibility of a business for this scheme.
- iv. 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 falls 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. Local Authorities will need to exercise their reasonable judgement to determine whether or not a business is eligible for grants and be satisfied that they have taken reasonable and practicable steps to pay eligible businesses.

- v. It is understood that in some cases it may not be materially clear whether a business falls into one of the eligible categories, so decisions on the eligibility of these businesses will be at the Local Authorities' discretion.
- vi. Businesses must have been trading on 30 December 2021 to be eligible to receive funding under this scheme.
- vii. 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
 - Preparing for reopening, planning and implementing COVID-safe measures

This list of indicators is not exhaustive and Local Authorities must use their discretion to determine if a business is trading.

4.3 Descriptions of hospitality, Leisure and accommodation

4.3.1 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 Council will be using the following criteria provided by the government to determine and assess whether a business is eligible for a grant 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 will 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 during periods of restrictions, in alignment with previous COVID-19 business grant schemes).

4.3.2 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 Council will be using the following criteria provided by the government to determine and assess whether a business is eligible for a grant 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.

4.3.3 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 Council will be using the following criteria provided by the government to determine and assess whether a business is eligible for a grant 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 used by the Council will exclude:

- private dwellings,
- education accommodation,
- residential homes,
- care homes,
- residential family centres and
- beach huts.

4.4 Exclusions to Omicron Hospitality and Leisure Grant funding

The proposed exclusions in the list at paragraphs above are not intended to be exhaustive and the government has stated that it will be for Local Authorities to determine those cases where eligibility is unclear. Billing authorities will have a good understanding of the premises in their areas and will be readily able to form a view on eligibility in the majority of cases.

- (i) Businesses that are not within the ratings system will not be eligible to receive funding under this scheme.
- (ii) Businesses that have already received grant payments that equal the maximum permitted subsidy allowances will not be eligible to receive funding.
- (iii) Businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.

5.0 Additional Restrictions Grant top-up

5.1 Background

Enhanced business support settlements were first provided to areas entering Tier 3 restrictions from 14 October 2020. With the 31 October 2020 announcement that national restrictions would be reintroduced, the scheme was extended and formalised into the Additional Restrictions Grant to support all Local Authorities or Combined Authorities. BEIS updated the Additional Restrictions Grant guidance and reissued this on 30 December 2021. This new guidance applies until 31 March 2022.

5.2 Funding

5.2.1 ARG spend to date

The following table shows ARG spend to date with full details included as appendix one,

The government had originally stated that the ARG top up will be prioritised for those authorities who have distributed their existing allocation. This does not appear to have been the case, but local authorities are urged to spend their previous ARG allocation as quickly as possible.

The Council had spent £20.676m or 98.8% of the existing ARG by 31 December with the remainder relating to the support to taxi drivers timed to be paid at the time their license is renewed and will be fully spent by the end of March 2022. There are no further funds available locally to support businesses.

ARG Schemes	£	%
Govt allocation to MCC	20,919,853	100.00%
ARG Allocated to 31 Dec 2021 (DELTA return)	20,675,521	98.83%

5.2.2 The December 2021 ARG top up budget

The share of £102 million is the third top up of ARG funding and will be allocated to Local Authorities in England from 30 December 2021. This funding will be allocated based on a per-business calculation.

The guidance note to Local Authorities states that further top-up funding may be allocated at the discretion of Government and confirms that reported data may be used to prioritise those Local Authorities most in need of further payments.

Manchester City Council will receive £999,017 for the discretionary grant scheme top-up.

5.3 Government guidance to Local Authorities to support the development of local schemes

5.3.1 General guidance

The Council's scheme will be based on the following sections from the government's guidance to Local Authorities and this guidance has informed the development of the Manchester scheme.

- (i) Businesses will be required to self-certify that they meet all eligibility criteria. In respect of the third top-up, Local Authorities must verify the evidence provided as part of prepayment checks. Evidence of completed checks must be retained by Local Authorities.
- (ii) 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.
- (iii) 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.
- (iv) There is no restriction on the number of grants a business may receive, subject to subsidy limits.
- (v) Local Authorities are encouraged to focus their support on businesses severely impacted by the rise of the Omicron variant.
- (vi) These lists are not directive nor exhaustive, and Local Authorities should continue to issue grants at their discretion, based on local economic needs.
- (vii) In taking decisions on the appropriate level of grant, Local Authorities may want to take into account the level of fixed costs of the business, the number of employees the business has, whether it is unable to trade online and the consequent scale of coronavirus losses.

- (viii) The grant amounts given to individual businesses will be subject to subsidy allowances.

5.3.2 Government exclusions to Additional Restrictions Grant funding

Based on government guidance the Council's scheme will exclude the following areas that are excluded from Additional Restrictions Grant funding

- (i) Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.
- (ii) For the avoidance of doubt, businesses that are in administration, insolvent or where a striking-off notice has been made, are not eligible for funding under this scheme.
- (iii) ARG funding should not be used as a wage support mechanism, for capital projects that do not provide direct business support, or to fund projects whereby Local Authorities are the recipients.

5.3.3 Local consideration and exclusions

Applications will not normally be considered where it is the Council's view that the award of any relief is not in the best interests of the taxpayers of Manchester City Council. Examples of this include:-

Businesses which cause a detrimental impact on the city, our residents, or our communities (including businesses who undertake tax avoidance schemes), where there is evidence to support this.

Applications will also not normally be considered for the following hereditaments:

- Premises and land used for personal use or storage.
- Car parking spaces that are not run as a commercial business.
- Utilities and communications infrastructure
- Central and local government and NHS infrastructure.

5.3.4 Funding Recipients

The government has provided further clarification that the Council's scheme will comply with:

- (i) Previous guidance for the Additional Restrictions Grant indicated that businesses must have been trading before relevant restrictions were introduced in order to be eligible. This is no longer the case. All businesses that are trading and meet other eligibility criteria may apply to receive funding under this scheme. There is no starting date from which businesses must have been trading in order to qualify for grant funding.
- (ii) 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.

6. The Council's ARG Scheme

The Council is going to receive £999,017.

What is important to note is that the list provided by the government in 5.3.1 (iii) above is much wider in scope than the eligibility for the OHLG scheme and includes a significant number of sectors and businesses in the city. £999,107 will not be enough to meet the demand that business in this list will present.

This is a limited budget and it will only support awards for a few hundred businesses in the city. As such, the Council will have to prioritise awards and, as well as the impact of the pandemic, we will also consider the level of fixed business-related costs.

The Council has already completed modelling based on businesses that have received support under previous schemes (more restrictive in scope than this recent guidance) and has calculated that the level of funding will not meet expected demand. As such, areas have been prioritised and award amounts have been amended as a percentage of the main scheme.

Based on previous awards and a contingency level of approximately a third for new awards the percentage award will be 50% of the OHLG grant amounts. Although this will be disappointing to some businesses, the Council has to carefully manage budget vs demand and the amounts can be increased or topped up to an amount equal to a maximum of the amounts paid within the OHLG scheme if demand is lower than forecasted.

This approach has worked well previously when managing in accurate demand expectations versus budget.

6.1 Eligibility

As a general principle all applicants **must** be able to evidence and demonstrate that they meet the two main principles, in that

- they have fixed property related costs; and
- they **must** be able to demonstrate a significant impact due to the Omicron variant.

It should be noted that the grant is not intended to provide a wage support scheme to cover lost wages, salary or personal income and is intended to support business-related costs only.

The Council will prioritise awards from businesses with fixed property related costs affected by the recent omicron variant within the wider hospitality and leisure sector who do not qualify for the OHLG grant schemes. This could be because they are in the supply chain and are not a direct provider of in person services or because they are not registered for business rates.

If there any funds remaining, other applications will be considered.

The Council is therefore going to approach grant awards in three priority areas

- Priority one- Hospitality, leisure and accommodation businesses. This broadly mirrors the entitlement within the OHLG scheme but are either not registered for business rates or are in the supply chain.
- Priority two- other areas identified in the government's guidance to local authorities, including travel agents and tour operators.
- Priority three- other businesses where applications are received, and they do not meet either priority one or priority two.

Further details as follows:

Priority One – Hospitality, leisure and accommodation

This includes the following sectors as a general guide

- hospitality,
- leisure,
- accommodation,
- culture and theatres,
- wedding and event industries and support services whose main activity is to support this specific sector,
- nightclubs and the nighttime economy,
- gyms and other sporting activities e.g. boxing clubs that can demonstrate impact
- breweries and wholesalers whose main activity is to support this specific sector.

Priority Two – travel and tourism

- travel agents and tour operators,
- coach operators,
- English language schools.

Priority Three - other businesses

Other businesses not listed above.

6.2 Award Amounts

It is proposed that awards are based at 50% of the main grant scheme amounts, depending on take up. This is to maximise awards, but if take up is too high, the percentage will have to be reduced.

Should there be funds available after all applications are considered a further top up payment up to a further 30% of the main grant scheme would be made, but this would only be considered if there was available budget.

The following thresholds apply for these businesses:

- Businesses with property related costs of exactly £15,000 or under on 30 December 2021 will receive a payment of £1,334.
- Businesses with property related costs over £15,000 and less than £51,000 on 30 December 2021 will receive a payment of £2,000.
- Businesses with property related costs of exactly £51,000 or over on 30 December 2021 will receive a payment of £3,000.

6.3 Approach to administration

The agreed scheme for the operation of the ARG top-up scheme will be published on the Council's website and will be published via the wider business community. Where we hold email details, previous recipients of the earlier ARG phases will be invited to apply

It will be open for a predetermined period (expected to be two weeks) to allow for all applications to be processed and assessed to manage the budget position.

An on-line application process will be developed that invites applications from businesses in the city that meet the criteria. Each case will be considered on its own merits.

7.0 Key Dates

- The Council will launch the scheme as soon as possible subject to sign off from the Executive.
- The OHLG scheme launched to applications on 10th January 2022. It is expected to close on 21st February 2022. This is to allow applications to be considered and paid before the government's deadline for decisions which is the 28th February. The Council then has until 31st March to make payments.
- The ARG scheme will go live as soon as practicably possible shortly after (scheduled for 19th January 2022), subject to prioritisation with other business schemes' application and database development.
- The aim is to run the scheme to accept applications from 19th January 2022 until 4th February 2022 (tbc). This is to allow enough time for applications to be considered and paid before the end of March deadline.
- The ARG scheme will be reviewed on a weekly basis to consider the budget position and the status of the economy and the covid related local and national restrictions.
- The decision to close the scheme will be made by the Deputy Chief Executive and City Treasurer in liaison with the Leader of the Council.
-

8.0 Local Authority Responsibilities and expectations for both areas

- i. The government has determined that Local Authorities will need to run a new application process.

- ii. The government has advised that recipients must be solvent businesses, and ratepayer should be trading.
- iii. Local Authorities will need to run an application process for all applicants for the grant and must be satisfied that businesses that have previously received related grants meet the eligibility criteria for the Omicron Hospitality and Leisure Grant and Additional Restrictions Grant.
- iv. As a minimum, Local Authorities must hold the following information on all applicants:
 - a) Name of business
 - b) Business Trading Address including postcode
 - c) Unique identifier (preferably Company Reference Number (CRN)) if applicable. If not applicable, VAT Registration Number, Self-Assessment/Partnership Number, National Insurance Number, Unique Taxpayer Reference, Registered Charity Number will also be acceptable)
 - d) High level SIC Code
 - e) Nature of Business
 - f) Date business established
 - g) Number of employees
 - h) Business rate account number
- v. The Council's scheme will make it clear to all applicants that the data provided above maybe shared with the Department for Business, Energy and Industrial Strategy (BEIS). The BEIS privacy notice, setting out how BEIS will handle personal data across all COVID-19 business grant schemes, can be found here:

<https://www.gov.uk/government/publications/covid-19-grant-schemes-privacynotice/covid-19-grant-schemes-privacy-notice>.
- vi. The Council will be undertaking the required pre-payment checks prior to the award of a grant.
- vii. The application process will mean that the Council will be able to carry out the required pre-grant fraud checks, as well as collecting the minimum data required for reporting, as set out in the government guidance.
- viii. 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.
- viii. All monies must be fully defrayed from the Local Authority bank account by 31 March 2022. Any monies paid after this date will not be reimbursed under this scheme and the Local Authority will be liable for this amount.
- ix. The Local Authority must email or write to the business, stating that by accepting the grant payment, the business confirms that they are eligible for the grant scheme.

9.0 Tax Implications

Grant income received by a business is taxable and any grant paid as part of this scheme will be subject to tax.

Only businesses which make an overall profit once grant income is included will be subject to tax.

10.0 State Aid

Grants are subject to published state aid restrictions and businesses must confirm that they have not reached the published de minimis levels that would exclude them from receiving further funding that could be classed as state aid. The Council is required to provide the Government with details of the businesses that grants have been awarded to.

11.0 Fraud

The Council reserves the right to check eligibility of all applications to mitigate and prevent fraud and error in the system. This will include both pre and post payment checks.

The government has stated that it will not accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

12.0 Contributing to a Zero-Carbon City

Not applicable

13.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

Supporting our residents and businesses at difficult times is a key part of the Our Manchester Strategy. Working across service areas with the citizen at the heart of this is key.

(b) A highly skilled city

Support will be provided to those businesses that require assistance with their self-service and digital access skills development.

(c) A progressive and equitable city

This initiative supports businesses during difficult and challenging times and saves them money and time.

(d) A liveable and low carbon city

See above

(e) A connected city

Support will be provided to those businesses that require assistance with their self-service and digital access skills development.

14.0 Key Policies and Considerations**14.1 Equal Opportunities**

There are no specific equality issues identified.

14.2 Risk Management

The following risks have been identified and are actively considered by the project team in the development and administration of the scheme.

1. Demand Management of managing a discrete budget for the discretionary ARG scheme of circa £999,017.
2. Government timescales, in that, at time of writing, all funds must be allocated by the end of March 2022. In addition, for the OHLG scheme the Council only has until 28th February to have received, considered and determined all applications for the OHLG fund
3. Conflicting priorities including the administration of the OHLG and extended ARG schemes as well as normal year end activity and recovery.
4. Fraudulent claims - Internal Audit are involved in the application process to ensure such claims are identified and, where appropriate, action taken against the fraudulent claimant.

14.3 Legal Considerations

Legal considerations are within the body of the report

15.0 Recommendations

It is recommended that the Executive:

- (i) Notes the funding that will be available and supports the delivery of both the OHLG and the ARG top up schemes to provide grants to businesses in the city as detailed within the body of this report.
- (ii) Notes the challenges administering the grant and the limited funding which means that the Council will have to limit and prioritise awards.
- (iii) Notes that the Leader has granted delegated authority to the Deputy Chief Executive and City Treasurer, in consultation with the Leader, to further develop and implement both the core scheme and an extension to the additional restrictions grant (top-up).

- (iv) Grants delegated authority to the Deputy Chief Executive and City Treasurer, in consultation with the Leader of the Council, to develop and implement new or extended schemes involving further tranches of this funding that sit within the same government policy intention for the remainder of the municipal year. This will include decisions up to and including the May 2022 Executive meeting.

Appendix One

Grant Spend to date

Table 1: shows ARG allocated to 31 December 2021 by ARG scheme

	Allocated to 31/12/2021	Committed	Total allocated and committed
ARG Scheme:	£	£	£
RV support grant (incl independent retailer, daytime/commuter, tourism, culture, airport supply and self-employed)	3,549,870	0	3,549,870
Non RV support grant (incl above non RV cohorts)	5,986,735	0	5,986,735
LRSO Open (to fund above grants awarded above allocation)	33,537	0	33,537
Emergency Business Support Grant RV	661,572	0	661,572
Emergency Business Support Grant non RV	115,500	0	115,500
ARG Restart RV	1,277,015	0	1,277,015
ARG Restart Non RV	1,466,284	0	1,466,284
ARG Additional Xmas Grant	397,850		397,850
Taxi drivers	1,071,838	177,902	1,249,740
Childcare / Daycare	1,503,000	0	1,503,000
Cultural / Entertainment	2,631,752		2,631,752
Charity	867,460	0	867,460
Of Economic Importance	1,113,108	0	1,113,108
Total ARG Scheme	20,675,521	177,902	20,853,423

Table 2: shows ARG spend to 31 Dec and future commitments demonstrating funding will be fully utilised by 31 March 2022

ARG Schemes	£	%
Govt allocation	20,919,853	100.00%
ARG Allocated to 31 Dec 2021 (DELTA return)	20,675,521	98.83%
<u>Other commitments:</u>		
ARG Taxi Scheme by 28 Feb 2022	177,902	0.85%
Other pending cases	45,000	0.22%
Total award and commitment	20,898,423	99.90%
Residual balance for other challenges / appeals	21,430	0.10%

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Key Decision



MANCHESTER
CITY COUNCIL

Urgent Key Decision

Request to a scrutiny chair that an urgent key decision be made without being published in the Register of Key Decisions, and/or that key decision be exempt from call in for scrutiny.

Decision maker	The Executive Leader						
What is the decision?	<p>To delegate authority to the Deputy Chief Executive and City Treasurer to develop (in consultation with the Leader) and implement the administration of new grants to hospitality and leisure business in the city in response to the Omicron variant and the extension of the Additional Restrictions Grant to support a discretionary element of the above scheme.</p> <p>Government made the announcement in the media on 21 December. The government issued further guidance on 30 December and there is a LA web conference on 10 December. Following the delivery of the web conference there is an expectation that LAs will immediately start processing grants.</p> <p>To do this the Council needs to agree approaches for both the OHLG and the ARG scheme as well as application processes, databases, payment schedules and comms campaigns etc.</p> <p>All payments have to be made by the end of March 2022</p>						
List Non-confidential reports Reports to be considered that can be made available to the public	There will be an report produced for the Executive Leader in advance of the Executive meeting on 19 January 2022 seeking the above decision to be made in order to provide support to businesses under section 47 of the Local Government Finance Act 1988.						
List Confidential reports Reports to be considered which contain confidential or exempt information	None						
Reason for confidentiality	N/a						
Intended date of decision	7 January 2022						
Officer contact details For any further information	<table border="1"> <tr> <td>Name:</td><td>Julie Price</td></tr> <tr> <td>Tel:</td><td>Director of Customer Services and Transactions</td></tr> <tr> <td>Email</td><td>0161 953 8202 julie.price@manchester.gov.uk</td></tr> </table>	Name:	Julie Price	Tel:	Director of Customer Services and Transactions	Email	0161 953 8202 julie.price@manchester.gov.uk
Name:	Julie Price						
Tel:	Director of Customer Services and Transactions						
Email	0161 953 8202 julie.price@manchester.gov.uk						
Has the decision been published in the Register of Key Decisions?	Yes - RKD Ref (2021/12/21A)						

<p>Reasons for special urgency Explain why it cannot be published in the Register of Key Decisions with 28 days notice.</p>	<p>On 21 December 2021 the government announced new grant schemes to support the hospitality and leisure businesses affected by the omicron variant of covid.</p> <p>The intention is to exclusively use government provided funds for this and there will be no contribution from the council. The council will also receive new burdens funding.</p> <p>This is what we know to date</p> <p>Hospitality (defined as accommodation, food & beverage services) and leisure premises will benefit from targeted grant support. The Additional Restrictions Grant (ARG) will also be topped up so local authorities (LAs) can continue to use their discretion to support other businesses in their area, based on local economic need.</p> <p><u>Headline: Nearly £700 million of targeted grants for hospitality and leisure businesses in England.</u></p> <p>Recipients must be solvent businesses, and ratepayers in the hospitality and leisure sector. For example, a pub; hotel; restaurant; bar; cinema; or amusement park.</p> <p>Grants are per premises and the amount paid is varied by rateable value (RV) of each eligible premises, in three bands: £0-15k; £15-51k; and over £51k.</p> <p>This scheme will cost £683 million nationally.</p> <p><u>Headline: Over £100 million of discretionary funding for local authorities in England.</u></p> <p>At this stage we are not aware of MCC's allocation.</p> <p>In addition, LAs in England will receive a top-up worth a total of £102 million to their ARG fund discretionary grant funding to support businesses in their local area who are experiencing a severe impact due to the Omicron variant.</p> <p>The ARG top up will be prioritised for those LAs who have distributed their existing allocation. Use of this funding is at the LA's discretion but is intended to support businesses who are impacted by COVID-19 but may not be eligible for the hospitality and leisure grant.</p>
<p>Is exemption from call-in for scrutiny needed?</p>	<p>Yes</p>
<p>Explain how any delay will seriously prejudice the legal or financial position of the Council</p>	<p>Any delay will compromise the Council's position by not meeting the expectations in the grant conditions.</p> <p>It will also have a significant impact on the financial support available to businesses who are now expecting the council to deliver a scheme promptly, including making payments before the end of the financial year.</p>

Scrutiny Chair who has agreed the decision is reasonable and urgent	Name	Councillor Sarah Russell
	Signed	Signature redated for publication purposes
	Date	07.01.21
Request prepared by:	Julie Price, Director of Customer Services and Transactions	

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