****

**HERTSMERE BOROUGH COUNCIL**

**Discretionary Business Grants Policy – January 2022**

**OMICRON ARG Scheme**

1. **Grant Funding Covered under this Policy**
   1. This discretionary business grants policy supersedes the previous discretionary policy and is for the purpose of awarding all remaining Additional Restrictions Grant (ARG) funding following the rise of the Omicron variant
   2. Please see paragraph 3 for details on eligibility and paragraph 8 on the level of grants to be paid under this phase of the ARG
2. **Background** 
   1. Following the second lockdown on November 5th 2020, the government introduced the ARG as a way of allowing local authorities to assist local businesses not covered by other grant funds but who were affected by the restrictions caused by lockdown.
   2. Under the previous discretionary policy, Hertsmere has already awarded £4,086,255 of ARG grant funding to 838 local businesses. This is around 95% of the total ARG funding allocations Hertsmere received from the first three tranches of ARG funding. The remaining 5%, c.£200k, which had been set aside for wider business support, must be spent by 31 March 2022.
   3. Due to the rise of the Omicron variant, on 21 December 2021, the Government announced that a further £102 million would be made available for Local Authorities, through a top-up to the Additional Restrictions Grant: <https://www.gov.uk/government/news/1-billionin-support-for-businesses-most-impacted-by-omicron-across-the-uk>
3. **Additional Restriction Grant (ARG)**
   1. The ARG is a discretionary grant fund. Its purpose now is to support businesses that have been impacted by the rise of the Omicron variant, in particularly those that have not been able to seek support from the statutory scheme (known as Omicron Hospitality and Leisure Grant)
   2. Hertsmere Borough Council have been given a limited fund that must all be awarded by 31st March 2022.

* The scheme will close on 31st March 2022, in accordance with the Government guidance, and absolutely no awards can be made for any reason after this date.

***ARG Funding***

* 1. The allocation Hertsmere has received for this element of the scheme is £326,434.59.
  2. The council also still has £197,922.46 remaining from their initial ARG allocations, which had been set aside for use for wider business support but has not been required for this purpose due to other Covid-19 funding. As such these remaining ARG funds have now been repurposed to be paid as business grants under this policy. This means the authority can award up to £524,357.05 under this discretionary policy.
  3. The council cannot award beyond this amount and this may mean that they cannot make awards to everyone that may apply.

***Who Can Benefit From the ARG Grant Funding?***

* 1. The Omicron ARG scheme is intended to assist any business that has been adversely impacted by the Omicron variant including those outside the rating system. This may include but not limited to:
* Businesses not entitled to the Omicron Hospitality Grant
* The travel and tourism sector
* Industries linked to providing events (such as weddings or conferences)
* Wholesalers
* Gyms, leisure centres, dance studios, personal care
* mobile businesses (including caterers, events, hair, beauty and wedding related businesses)
  1. This list is not exhaustive.

***How will the ARG funding be applied in Hertsmere?***

* 1. This fund will be awarded as a one off grant. The level of grant depends on the size of the business. See para 8.4 for more details on this

1. **Businesses that will not be entitled**
   1. The following businesses will not be eligible to receive grant funding under this discretionary policy:
      * Businesses that are eligible to receive a grant under the Omicron Hospitality and Leisure Grant.
      * Businesses that have already received grant payments that equal the maximum permitted levels of subsidy, refer to section 5 below.
      * Businesses that are in administration, insolvent or where a striking-off notice has been made.
   2. It should also be noted that 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.
2. **Subsidy Allowance**
   1. 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. However, in the vast majority of cases this will not apply. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. BEIS Guidance for public authorities explaining the subsidies chapter of the TCA, World Trade.
   2. Organisation rules on subsidies, and other international commitments can be found here: <https://www.gov.uk/government/publications/complying-with-the-uksinternational-obligations-on-subsidy-control-guidance-for-public-authorities>.
3. **This Grant is Subject to Tax**
   1. Grant income received by a business is taxable. The Additional Restrictions Grant will need to be included as income in the tax return of the business.
   2. Only businesses which make an overall profit once grant income is included will be subject to tax.
   3. 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.
4. **How to Apply**
   1. In order to receive a grant all businesses must complete a new online application form which can be found on our website via this [link](http://hbcrandbl3:96/scripts/OPENPortal-Live.wsc/ndr/ndrlrsgrant.p)
   2. Before payment, the authority will have to verify:
   * That the business is trading
   * The bank details are correct and linked to the business
   * The business has been adversely affected by the spread of the Omicron variant
5. **Level of award**
   1. The awards will be made as follows:

|  |  |
| --- | --- |
| **Rateable Value** | **Value of Award** |
| Licensed Taxi Driver registered in Hertsmere | £500 |
| Non Rated businesses | Up to £2,667 |
| Rateable value of up to and including exactly £15,000 | £2,667 |
| Rateable value of between £15,001 and £50,999 | £4,000 |
| Rateable value of £51,000 and over | £6,000 |

1. **Decisions**
   1. The main principles of this policy are in accordance with the principles approved by Hertsmere’s Executive on 9th December 2020 (EX/20/79), the full Council on 17 November 2021 (C/21/33) and the Government (BEIS) guidance issued on 30 December 2021 and will be implemented by officers under the delegated authority.
   2. This policy was last reviewed on 25th January 2022.
   3. Applications must be received by no later than 5pm on 11 March 2022.
   4. Grants will be paid up to the total funding envelope of £524,357.05 on a first come first served basis.
   5. The decisions will be final and there is no further appeal mechanism.