



Department for
Business, Energy
& Industrial Strategy

COVID-19 Business Grants Frequently Asked Questions (FAQs): Omicron Grant Support

Omicron Hospitality and Leisure Grant (OHLG) and
Additional Restrictions Grant (ARG) third top-up
(updated on 20 January 2021)

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If you have any enquiries regarding this document/publication, to us at: enquiries@beis.gov.uk

Department of Business, Energy and Industrial Strategy

1 Victoria Street

London

SW1H 0ET Telephone: 020 7215 5000

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Omicron Hospitality and Leisure Grant

General

1. What is the Omicron Hospitality and Leisure Grant (OHLG)?

The Omicron Hospitality and Leisure Grant (OHLG) scheme supports 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 with one-off grants of up to £6,000. The funding supports sectors where social mixing is a primary motivation for consumers.

The Omicron Hospitality and Leisure Grant will support hospitality, leisure and accommodation business premises only. Further detail on the definitions of hospitality, leisure and accommodation for the purposes of this scheme can be found in paragraphs 29-37. Businesses not meeting these definitions – including retail, travel agents and personal care businesses are not in scope of this grant.

Eligibility

2. Are gyms included in the definition of a leisure business?

As per paragraph 34 of the OHLG Guidance: “the definition of a leisure business should exclude: ...gyms and sports businesses where physical exercise or training is conducted on an individual basis or group basis.”

Gyms and sports businesses include dance and fitness studios; sports centres and clubs; sports courts; swimming pools and golf courses. This list is not exhaustive.

If it is unclear whether a business is primarily supplying a leisure or an exercise opportunity it is for Local Authorities to determine eligibility.

3. Are sports clubs with bars or other social spaces defined as leisure businesses?

Gyms and sports businesses where physical exercise or training is conducted on an individual basis or group basis are excluded from the definition of leisure.

Club spaces that provide opportunities, experiences and facilities, in particular for culture, recreation, entertainment, celebratory events and days and nights out, may meet the definition of a leisure business.

If a business provides both services, the main service principle will determine whether a business receives funding (see OHLG guidance paragraph 22).

If it is unclear whether a business is primarily supplying a leisure or an exercise opportunity, it is for Local Authorities to determine eligibility.

- 4. Do educational settings meet the definition of a leisure business?**
Educational settings do not meet the definition of a hospitality, leisure or accommodation business.
- 5. Are travel businesses eligible for the OHLG?**
All businesses must meet the eligibility criteria for a hospitality, leisure or accommodation business as set out in paragraphs 29-37. Businesses which do not meet these definitions are ineligible for this grant.
- 6. Are supply chain businesses eligible for the OHLG?**
All businesses must meet the eligibility criteria for a hospitality, leisure or accommodation business as set out in paragraphs 29-37. Businesses which do not meet these definitions are ineligible for this grant.
- 7. Are seasonal businesses eligible for the OHLG?**
Seasonal businesses who meet all eligibility criteria, including the definitions of trading at paragraphs 24 and 25 of the guidance, are eligible for a grant under this scheme.
- 8. Are holiday lets and second home eligible for the OHLG?**
Second homeowners not trading as a business cannot claim a grant of any amount. The scheme eligibility is clear that private dwellings are not eligible for funding which is strictly provided for businesses only.

Holiday accommodation businesses are eligible for the OHLG provided they have evidence they were trading as a business on 30 December 2021, and only where they are a business listed on the business rates register. Local Authorities must use their discretion to determine if a business is trading, but where businesses cannot demonstrate any income generated from the let of the premises under consideration over a given period (e.g. the last 6-months), then this could justify a judgement that the business is not trading. Paragraph 25 of the guidance provides a non-exhaustive list of other trading indicators that can help assess what can be defined as trading for the purposes of the grant schemes.

This is consistent with steps announced by Government on 14 January 2022, which mean that owners of second homes who abuse a tax loophole by claiming their often-empty properties are holiday lets will be forced to pay their fair share of tax under tough new measures due to be introduced from April 2023.

- 9. Can parish and town councils be the beneficiaries of the OHLG Grant for businesses that they run?**
Parish and town councils are not able to receive a grant for an eligible business because publicly funded bodies, including Local Authorities, may not be the beneficiaries of grant funding through this scheme.

Application and payment deadlines

Note: Paragraph 50 of the scheme guidance was revised on 20 January to say: *“The application closure date for this scheme is 18 March 2022. Offers may be issued until 31 March 2022 and all final awards and payments must be made and dispersed to recipients by 31 March 2022.”*

10. What is the application deadline?

The application closure date for this scheme is 18 March 2022.

11. What is the processing deadline?

You must process all applications and make all grant awards by 31 March 2022. Grants cannot be awarded or offers issued after this date.

12. What is the final payment deadline?

All monies must be fully dispersed 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.

Managing the risk of fraud and payments in error

13. Is a new application form always required or can Local Authorities use information previously provided by applicants?

Local Authorities should not rely on previous verification or assurance activity completed under any previous scheme. You must be able to demonstrate the application information used is accurate and up to date and that the business is eligible for support under the OHLG scheme. Where you can reduce the administration of a full new application for previous grant recipients while also undertaking and evidencing the necessary eligibility and checks, you can do so.

14. Is the use of Spotlight now mandatory? What evidence is required to demonstrate that digital checks have been completed?

Use of Spotlight or an equivalent digital tool for checks to support pre-award due diligence is required. Evidence of Spotlight checks undertaken needs to be retained by Local Authorities for audit purposes. Screenshot evidence of digital checks undertaken needs to be retained by Local Authorities for audit purposes.

15. What bank account checks are required where Spotlight cannot assist, for example in the case of sole traders?

Spotlight complements existing pre-award due-diligence checks and highlights areas of risk to inform grant-making decisions. Where digital tools are not able to supplement existing controls the Local Authority must use its best judgement when conducting the pre-payment check to determine whether the evidence provided is sufficient to verify a bank account and satisfy due-diligence requirements. The Local Authority must also ensure that checks are documented and can be evidenced for verification, if required. If the Local Authority is satisfied, then payment can be made.

16. Where a business is using the main service principle, what evidence is required?

The application form should confirm the main service and be supported by a copy of annual accounts, management accounts or statement from an appropriately qualified Chartered Accountant is required to confirm the income breakdown.

17. Can grants be paid into an account based in the Channel Islands or the Isle of Man?

All grants must be paid into a mainland UK-based bank account. Bank accounts held in the Channel Islands, or the Isle of Man are offshore bank accounts.

Pre- and post-event assurance

18. Can we offset the outstanding recovery from a previous scheme against any new grant payment?

No. Even where there is outstanding recovery, no grant scheme should be offset against another.

19. What is the evidence requirement for assurance of subsidy control?

The PPAS assurance process will require the S151 Officer to confirm appropriate steps have been taken in the award of covid business grants to adhere to subsidy control rule. There is no requirement for the LA to notify the Covid-19 Business Grants Directorate of the route taken.

Monitoring and reporting requirements

20. How often must data be submitted?

Following a revision to the guidance Local Authorities are now required to complete fortnightly reports using the Data Management System (see guidance annex B).

21. What is the 'Local Authority code' mentioned in paragraph 76 of the OHLG Guidance?

This refers to the Local Authority ONS reference number, a 9-digit code beginning with an 'E'. You can find your ONS 9-digit code [here](#).

22. My system does not allow me to include the mandatory payment reference set out a paragraph 76 of the guidance

To assist in fraud prevention and recovery Local Authorities are asked to include the name of the grant (OHLG) and Local Authority code as part of the payment reference when making a payment to a business. If, for systems reasons, you are unable to include this reference please ensure that you use an auditable and trackable Unique Reference Number of your choice.

23. How is "size of business" defined in the monthly reporting requirements?

This is to be defined as micro, small, medium, large, according to the number of employees, where:

Micro: 0 – 9

Small: 10 – 49

Medium: 50 – 249

Large: More than 250

The employee numbers provided should be for the premises in receipt of the grant. The purpose of this data field is to capture whether the grants are supporting micro, small, medium or large businesses on a local scale.

Additional Restrictions Grant – third top-up

General

24. Do we need to administer the third top-up payments of ARG separately to other remaining ARG funds?

You are not required to administer the third top-up as a distinct fund but must ensure that the guidance is followed in its allocation. The third top-up payment should only be allocated to direct grants to businesses and should not fund wider business support measures.

25. Are Local Authorities required to refocus outstanding ARG funding?

Local Authorities have the discretion to use ARG funding to support businesses in the way that best meets local economic need, in line with the scheme guidance. Local Authorities are encouraged to focus support on businesses who have been severely impacted by reduced business activity due to the spread of the Omicron variant.

26. Will any ARG overspend be recompensed by BEIS after reconciliation is complete?

Local Authorities have been provided with 100% of ARG allocations. No overspend is permitted.

27. Can Local Authorities work with third parties for assistance (e.g.: LEPS) in distributing ARG grants?

The third top-up payment should only be allocated to direct grants to businesses and should not fund wider business support measures. If you wish to work with a partner to distribute the grants you must manage the application and payment process to achieve all spend by 31 March 2022.

Eligibility and application

28. What evidence is required to determine if a business has been severely impacted by Omicron?

The guidance does not mandate specific evidence and it is for Local Authorities to issue grants at their discretion, based on local decision making.

29. If a business has received an OHLG grant are they also eligible for a further ARG payment?

Local Authorities are not prevented from issuing OHLG recipients with further ARG funding. ARG is a discretionary scheme and it is for Local Authorities to issue grants at their discretion, based on local economic need

30. Are supply chain businesses eligible for ARG?

Local Authorities are encouraged to use ARG to support those businesses severely impacted by Omicron. This may include supply chain businesses, subject to local discretion.

31. Is a new application form required or can Local Authorities use information previously provided by applicants?

Local Authorities should not rely on previous verification or assurance activity completed under any previous scheme. You must be able to demonstrate the application information used is accurate and up to date and that the business is eligible for support. Where you can reduce the administration of a full new application for previous grant recipients while also undertaking and evidencing the necessary eligibility and checks, you can do so.

32. Is there an application deadline for ARG?

There is no specified application deadline. As per paragraph 24 of the guidance Local Authorities need to manage their application and payment process to achieve all spend by 31 March 2022. There must be evidence that payments have been dispersed from the local authority bank account no later than 31 March 2022. Payments after this date will not be allowed in any circumstances.