



Ein cyf/Our ref: KS/212/20

Members of the Senedd  
Welsh Members of Parliament

28 May 2020

Dear Colleagues,

Further to my oral statement made on 20 May 2020 outlining my response to COVID-19, I would like to provide you with clarification of the financial support we have provided and more information on the companies we have supported.

Non-domestic rates support administered through Local Authorities provides 100% rates relief for the financial year 2020-21 for retail, leisure and hospitality businesses with a rateable value of £51,000 or less and also provides additional grant support as below:

- £25,000 grant for retail, leisure and hospitality businesses with a rateable value of between £12,001 and £51,000.
- £10,000 grant to all businesses eligible for Small Business Rates Relief with a rateable value of £12,000 or less.

The Welsh Government has also announced a £500m Economic Resilience Fund (ERF) to support businesses, social enterprises and charities that are not eligible for other Welsh Government Covid-19 non-repayable grant support schemes. The first phase saw the £100m Development Bank of Wales loan scheme fully subscribed in little more than a week and we initially made available £200m of non-repayable revenue support to provide:

- Up to £10k grant for micro businesses (1-9 employees) including start-ups and sole traders who are VAT registered, employ staff and seen an impact of >40% on their turnover.
- Up to £100k grant for small and medium enterprises (SMEs) (10-249 employees) which are VAT registered, employ staff and seen impact on turnover of >60%.
- Up to £690k grant for large businesses (250+ employees) considered on a case-by-case basis with impact of >60% on turnover.

Due to unprecedented demand for this fund, with more than 6,000 applications for grants being received within 24 hours of launching, a further £100 million of non-repayable revenue support was released. The fund was paused at midday on 27 April for reflection on

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

how the remaining money could be best used to support and reach businesses, charities and social enterprises in need.

Up to 27 April 2020, the fund received over 6,500 micro-business applications totalling £67m, and over 2,500 SME applications totalling £142.8m. The larger business fund had received around £30m worth of applications. Annex A provides breakdowns of the applications received from sectors and regions. Officials are currently processing these and we have made more than £100m in offers to over 6,000 businesses, I will provide you with an update of the funding awarded once this exercise is complete.

As mentioned in my oral statement, and responding to your concerns, the second phase of the ERF eligibility checker will open earlier than planned by the week commencing 8 June 2020 - allowing companies time to prepare their applications, with the full application phase expected to open on 29 June 2020. This will enable access to the remaining £100m of the £300m revenue support already approved. £100m of grant support will be retained within the ERF for potential interventions to support recovery.

Phase one of the ERF covered any sustainable business operating in Wales of any age or type that is VAT registered, employs people via PAYE and has suffered a significant turnover impact (40% or more for micro businesses and 60% or more for SMEs/large businesses).

Phase two of the fund will operate in broadly the same way as phase one but with an update to the eligibility of the micro scheme to enable limited companies which are not VAT registered to access the fund (subject to other criteria being met), and with potential changes to turnover limits being considered. Businesses will only be able to receive funding from the ERF once, but – if rejected in phase 1 and circumstances have changed in a relevant way – would be able to in phase 2.

Work is currently underway with stakeholders to develop further support options for those businesses that support has not yet reached, for example start-up businesses not eligible for the Self Employment Income Support Scheme. Further information on this will be shared with Members in coming weeks.

Yours sincerely,



**Ken Skates AS/MS**

Gweinidog yr Economi, Trafnidiaeth a Gogledd Cymru  
Minister for Economy, Transport and North Wales

## Annex A

### Breakdown of businesses which have applied for the Economic Resilience Fund by sector

| Sector                                    | Micro Businesses   |                        | SMEs               |                        | Large Businesses   |                        |
|---|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|
|   | Total Applications | Total Requested Amount | Total Applications | Total Requested Amount | Total Applications | Total Requested Amount |
| Advanced Manufacturing & Materials (AM&M) | 102                | £1,011,000             | 127                | £7,468,129             | 24                 | 9,501,060              |
| Care Services                             | 55                 | £524,785               | 89                 | £3,096,318             | -                  | -                      |
| Construction                              | 2,176              | £21,198,561            | 413                | £17,881,160            | 1                  | 106,000                |
| Creative Industries                       | 329                | £3,153,950             | 41                 | £1,772,557             | 2                  | 447,000                |
| Defence & Security                        | 35                 | £332,200               | 9                  | £393,935               | -                  | -                      |
| Energy & Environment (E&E)                | 116                | £1,096,300             | 43                 | £2,312,359             | 5                  | 1,673,000              |
| Farming                                   | 35                 | £341,663               | 2                  | £60,000                | -                  | -                      |
| Financial & Professional Services (F&PS)  | 432                | £4,202,056             | 84                 | £3,798,308             | 4                  | 1,377,000              |
| Food & Drink Manufacturing                | 79                 | £771,499               | 48                 | £2,155,065             | 6                  | 3,288,000              |
| Food & Drink Service                      | 309                | £3,019,749             | 365                | £13,970,006            | -                  | -                      |
| Health Care & Complementary Therapy       | 149                | £1,456,000             | 40                 | £1,688,746             | -                  | -                      |
| ICT                                       | 175                | £1,664,320             | 37                 | £1,775,864             | 2                  | 1,146,000              |
| Language/ Translation                     | 15                 | £150,000               | 4                  | £322,499               | -                  | -                      |
| Life Sciences                             | 16                 | £153,500               | 11                 | £595,000               | 1                  | 589,000                |
| Marine                                    | 23                 | £230,000               | 7                  | £384,000               | -                  | -                      |
| No Sector Selected                        | 16                 | £149,999               | 16                 | £839,000               | 4                  | 2,270,000              |
| Other                                     | 1,769              | £17,165,275            | 633                | £27,835,053            | 6                  | 2,966,000              |
| Residential Management Services           | 31                 | £300,500               | 11                 | £412,500               | -                  | -                      |
| Retail                                    | 410                | £3,994,500             | 217                | £9,927,436             | -                  | -                      |
| Tourism                                   | 259                | £2,518,309             | 244                | £12,521,924            | 7                  | 3,760,000              |
| Transport                                 | 321                | £3,167,500             | 126                | £5,609,534             | 2                  | 760,500                |
| <b>Total</b>                              | <b>6,852</b>       | <b>£66,601,666</b>     | <b>2,567</b>       | <b>£114,819,393</b>    | <b>64</b>          | <b>27,883,560</b>      |

## Breakdown of businesses which have applied for the Economic Resilience Fund by region

| Region       | Total Applications* | Total Requested Amount* |
|--------------|---------------------|-------------------------|
| Mid          | 674                 | £11,816,713             |
| North        | 1,966               | £38,877,265             |
| South East   | 4,394               | £84,952,555             |
| South West   | 2,345               | £43,806,989             |
| No region    | 42                  | £1,594,596              |
| <b>Total</b> | <b>9,421</b>        | <b>£181,048,118</b>     |

\* excludes large business applications and includes two companies without sector detail.