# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

|  |  |
| --- | --- |
| **TITLE** | **Financial support for businesses affected by additional restrictions to commence on 4 December 2020** |
| **DATE** | **01 December 2020** |
| **BY** | **Ken Skates, Minister for Economy, Transport and North Wales** |

Throughout this Covid-19 crisis, the Welsh Government has worked hard to support businesses and employees in Wales impacted. We have provided help over and above what is available at a UK Government level through the most generous package of support for business anywhere in the UK.

The Welsh Government has allocated more than £1bn to support businesses through rates relief for the retail, leisure and hospitality sectors and Non-Domestic Rates (NDR) linked grants. We have also previously allocated over £600m to support businesses through phases 1, 2 and 3 of our Economic Resilience Fund, and the Cultural Recovery Fund and the Sport and Leisure Recovery Fund. This has resulted in businesses receiving support via grants, as well as the Development Bank of Wales’ loan scheme and skills support.

Yesterday, the Welsh Government announced a further substantial support package of £340m for businesses materially impacted by the set of new targeted restrictions in the hospitality, tourism and leisure sectors coming into effect from 6:00 pm on 4 December 2020. This increases the support made available for businesses and their employees in Wales since the start of the Covid-19 pandemic to around £2bn which is additional to support available from the UK Government through, for example, the Job Retention Scheme and Self-Employed Income Support Scheme.

The first element of this latest package of support is a £160m Restrictions Business Fund which is expected to support around 60,000 hospitality, leisure, tourism and retail businesses across Wales affected by the restrictions. The Restrictions Business Fund will provide the following financial support:

* Businesses in the hospitality sector that are in receipt of Small Business rate relief (SBRR) and have a rateable value of £12,000 or less will be eligible for a £3,000 payment. Tourism, leisure, retail and supply chain business qualifying for SBRR will also be eligible for this support if they have greater than 40% reduction in turnover during the restriction period.
* Hospitality businesses with a rateable value of between £12,001 and £51,000 will also be eligible for a £5,000 payment if impacted by the restrictions. Tourism, leisure, retail and supply chain business in the same rateable value bracket will also be eligible for this support if they have greater than 40% reduction in turnover during the restriction period.
* Hospitality businesses with a rateable value of between £51,001 and £150,000 will also be eligible for a £5,000 payment if impacted by the restrictions. Tourism and leisure business in the same rateable value bracket will also be eligible for this support if they have greater than 40% reduction in turnover during the restriction period.

Discretionary Support will continue to be available through local authorities in Wales for those businesses that are materially impacted. As was the case for the Firebreak, this will be targeted at businesses that are not on the NDR system and therefore not eligible for the NDR linked grants. The grant level for this strand will be set at eligible costs of up to £2,000 (typically £1,500) per business. This will also provide support to sub VAT sole traders without a property who are materially impacted by more than a 40% reduction in turnover as a result of the restrictions.

The Welsh Government will work with local authorities to ensure that, where possible, payments are made to impacted sectors as quickly as possible before Christmas.

The second additional element of support being made available in this latest package is exclusively targeted at hospitality, tourism and leisure businesses or supply chain companies materially impacted. This will be run in parallel and in addition to NDR linked grants to provide help to up to 8,000 hospitality businesses, with the potential to support a further 2,000 in the supply chain.

This additional element will be available to hospitality, tourism and leisure businesses materially impacted with greater than 60% impact on turnover as a result of the restrictions. It will be open to companies that are VAT registered, limited companies with turnover above £50,000 and employing staff via PAYE.

If a business meets the above criteria, the package would provide the following:

* For Small and Medium Enterprises (SMEs): £1,500 will be available per employee up to a maximum of 10 employees, representing £15,000 or - for those employing more than 10 - £1,500 per employee or self-declared operating costs for the restricted period (whichever is the lower amount). There will be an upper limit of £100,000 for SMEs, with a digital system based application. For micro businesses with one employee only, the minimum grant will be £2,500
* For Non-SMEs: £500 will be available per employee up to a maximum of £150,000, with a manual case by case application through Business Wales.

The eligibility checker for this new package will be live by 11 December 2020 and the application process will open in January.

The Business Wales service and the Development Bank of Wales continues to be available to support businesses through a range of support options. Business Wales can provide practical information and advice to any businesses experiencing issues because of coronavirus, such as supply chain delays or staffing matters.  Support is provided virtually - by phone, video calling and digitally including webinars.

Any business affected is encouraged to visit the Business Wales website [https://businesswales.gov.wales/](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fbusinesswales.gov.wales%2F&data=04%7C01%7CLisa.Tudor%40gov.wales%7Ce8ddd94dd04c4dcb4a1e08d874194ec2%7Ca2cc36c592804ae78887d06dab89216b%7C0%7C0%7C637386999322925229%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=9lQO72M8qL%2F4WWVzqwanQXLT%2BOC1ILSrHtDwK8cemLI%3D&reserved=0) in the first instance or contact the Business Wales helpline on 03000 6 03000 between 10am-4pm Monday-Friday where practical information and advice, or signposting to relevant agencies and organisations, can be provided.