



Eich cyf/Your ref P-05-968
Ein cyf/Our ref RE/00339/20

Janet Finch-Saunders MS
Ty Hywel
Cardiff Bay
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23 June 2020

Dear Janet,

Thank you for your letter, in your position as Chair of the Petitions Committee, about non-domestic rates and the Welsh Government's support for self-catering businesses.

The Welsh Government is providing £1.7 billion of support to help businesses in Wales during the Coronavirus outbreak. The package includes more than £350m to help businesses with their non-domestic rates bills during this financial year.

All retail, leisure and hospitality businesses with a rateable value of £500,000 or below will receive 100% non-domestic rates relief in 2020-21. This means that, in total, over 70,000 Welsh businesses will pay no rates at all for the year.

Alongside the extra rates relief, £876m is available for a new grant scheme for businesses. Businesses previously eligible for our Small Business Rates Relief – those with a rateable value up to £12,000 – will receive a grant of £10,000. There are no conditions on the number of staff employed by the business. Also, retail, leisure and hospitality businesses with a rateable value between £12,001 and £51,000 will receive a grant of £25,000.

Grants are available to self-catering businesses on the grounds that they fall within one of the sectors most immediately affected by the Covid-19 outbreak and make an important contribution to the tourism economy in Wales.

The grant guidance was amended following discussion with local authorities. Certain rural authorities expressed concerns about the possibility that grants might be paid to second home owners who only occasionally let out their property. As of 20 April 2020, in relation to self-catering accommodation, properties will not be eligible for grant unless the following criteria are met:

- The self-catering accommodation can produce two years of trading accounts directly preceding the current financial year of the business

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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.

- The self-catering accommodation must actually have been let for a period of 140 days or more in the financial year 2019-20
- The self-catering accommodation business must be the primary source of income for the owner (minimum threshold is 50%).

However, the guidance accompanying the grant scheme provides local authorities with discretion as to the decision to award the grant to a particular business and any additional evidence they require from business owners before making a grant award. These discretions extend to local authorities' decisions about awarding grants to all businesses in the eligible categories, including self-catering accommodation. The guidance has been drawn up in consultation with a working group of local authority representatives and the Welsh Local Government Association.

The decision whether to award grant support remains at the discretion of the individual local authority. The current guidance is available at:

<https://businesswales.gov.wales/coronavirus-advice/covid-19-grants-businesses-wales-linked-non-domestic-rates>

The Welsh Government is also providing support to businesses through its £500m Economic Resilience Fund, to which businesses not eligible for rates relief and grant support may apply. We are also calling on the UK Government to go further with its support to Welsh businesses.

In addition, our Business Wales service and the Development Bank of Wales can advise you on the range of support options available, from financial and supply chain planning to advice on staffing issues. You can contact the Business Wales helpline on 03000 603000 for practical information and advice or signposting to relevant agencies and organisations.

Yours sincerely,



Rebecca Evans AS/MS
Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd