

P-05-987 Update guidelines so family run Adult Gaming Centres qualify for Business Grants in Wales

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Petition title: Update guidelines so family run Adult Gaming Centres qualify for Business Grants in Wales.

Text of petition: Many towns in Wales have an Adult Gaming Centre (AGC). Of all the AGCs in Wales, only a handful are operated by national chains, the rest are family run.

Welsh Government is currently adamant that they will not update COVID Business Grant guidelines to support these family run AGCs. AGCs are also excluded from the Economic Resilience Fund.

Some AGCs in Wales have operated since the 80s and all employ local people. The current lack of support is putting hundreds of Welsh jobs at risk.

AGCs have been included in the grant schemes in England and in Scotland, and businesses in those countries have confirmed they have received the grants.



1. Background

As part of its response to the coronavirus pandemic, the Welsh Government has implemented a number of schemes to support businesses, including through grants linked to the rateable value of a property and relief for non-domestic rates.

Business rates (also known as non-domestic rates or NDR) have been fully devolved to Wales since April 2015.

Adult Gaming Centres (AGCs), often called arcades, fall under a specific licensing arrangements, as set out by the [Gambling Commission](#).

2. Welsh Government action

On [19 March](#), the Minister for Finance and Trefnydd announced a package of support for businesses in dealing with COVID-19. This followed an announcement on [17 March](#) regarding businesses support.

The support includes 100% business rates relief for all properties used for retail, leisure and hospitality. This was subsequently amended on [24 March](#) to exclude properties with a rateable value of £500,000 and over. The [guidance](#) relating to this relief does not explicitly reference Adult Gaming Centres or arcades. However, it excludes 'casino and gambling clubs'.

The support package also introduced two grants for businesses fulfilling certain criteria, which are being delivered through local authorities (the guidance for these schemes is no longer available on the [BusinessWales website](#)). These are:

- Grant 1: A grant of £25,000 made available for retail, leisure and hospitality businesses occupying properties with a rateable value of between £12,001 and £51,000. This includes, for example, businesses that occupy properties such as shops, restaurants, cafes, drinking establishments, cinemas, live music venues, hotels, guest and boarding premises and self-catering accommodation.
- Grant 2: A £10,000 grant to all businesses eligible for [Small Business Rates Relief \(SBRR\)](#) in Wales with a rateable value of £12,000 or less.

The grant scheme was extended on [6 May](#) to all ratepayers eligible for charitable relief and Community Amateur Sports Clubs (CASC) relief, operating in the retail, leisure and hospitality sectors and occupying properties with a rateable value of £12,000 or below, could access a grant of £10,000.

The Welsh Government outlines in its letter to the Petitions Committee regarding this petition that ‘there are no plans to amend the eligibility criteria’ for the rates relief and grant support schemes. It notes three specific conditions being considered by local authorities in relation to amusement arcades and similar businesses:

1. All businesses in receipt of small business rates relief (SBRR) are entitled to a £10k grant. This means that smaller gaming/gambling establishments benefitting from SBRR could also be eligible for a grant.
2. Arcades of the type that could be classified as amusements rather than gambling premises are considered leisure establishments and are eligible for the grants either via the SBRR route or, where the rateable value of the premises makes them eligible, for the larger £25k grant as leisure facilities.
3. Gaming establishments (as generally found in a city centre environment but potentially also located anywhere) that usually have limited access to people aged 18 and over and are a) not entitled to SBRR and b) where gambling rather than amusement is the predominant activity are not eligible for the retail, leisure and hospitality grant. The NDR scheme guidance for Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21 explicitly excludes gambling hereditaments.

The grant scheme closed to new applications on 30 June 2020.

The UK Government has offered similar grants to businesses in England:

- A £10,000 grant to small businesses that are eligible for Small Business Rate Relief or Rural Rate Relief (the small business threshold in England is properties with a rateable value under £15,000).
- A £25,000 grant for retail, hospitality and leisure businesses with a rateable value of over £15,000 and under £51,000.

It has also expanded its Retail Discount scheme 2020-21 to 100% business rates relief and to include leisure and hospitality sectors. The associated guidance notes that casinos, gambling clubs and bingo halls are eligible for the relief.

The Scottish Government have also offered two grants:

- A grant of up to £10,000 to eligible small businesses (i.e. ratepayer in receipt of the Small Business Bonus Scheme or Rural Relief)
- A grant of up to £25,000 for qualifying retail, hospitality and leisure businesses with a rateable value between £18,001 and up to and including £51,000. The types of properties that qualify include, for example, amusements and bingo halls.

The Scottish Government has also implemented **100% business rates relief for retail, hospitality and leisure sectors**. A list of eligible properties is included in the **relevant regulations** and this includes, for example, bingo halls.

3. Welsh Parliament action

In response to a **written question** (29 April 2020) asking the Minister to confirm that:

...adult gaming centres are shops retailing a leisure activity and therefore entitled to benefit from the grant for retail leisure and hospitality business rate-paying premises, as do similar venues, such as bingo halls, and as they do in England under the equivalent scheme there...

The Minister for Economy, Transport and North Wales answered (13 May 2020):

The guidance recognises that some of the categories listed may include a range of different business activities. Where the guidance is not explicit, it is for local authorities to determine whether the activities of an individual business align with the purpose of the scheme.

In response to a **written question** asking if an amendment would be made to the grant guidance to “ensure that gaming centres and amusement arcades are added to the list of retail, hospitality and leisure businesses eligible for relief” (19 May 2020). The Minister for Finance and Trefnydd answered (5 June 2020) “there are no plans to amend the eligibility criteria”.

The Economy, Infrastructure and Skills Committee has issued an **open call for evidence and experiences of the impact of COVID-19**. Through this it has received **evidence from Bacta** – the trade association for the amusement and gaming machine industry in the UK. This notes:

The situation in Wales has been more problematic than in other parts of the UK, as Welsh Government and local authority decision-making has meant that many high street and seaside arcades have not been able to access the rate-related Retail, Leisure and Hospitality Grant.

The Petitions Committee has considered two petitions relating to COVID-19 and Business Rates:

- **P-05-967: Welsh Government to amend its NDR relief policy to help keep Debenhams stores open in Wales** (23 June 2020)
- **P-05-968: Pay Coronavirus grants to all businesses eligible for Small Business Rate Relief same as rest of UK** (23 June 2020)

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