

P-05-1156 Match the funding for small businesses during lockdown with England - including the restart grant, Correspondence – Petitioner to Committee, 10.03.21

Firstly, I would like to thank you for discussing our petition.

We would like to ask the Welsh Government to re-evaluate their funding for the smallest businesses in Wales, and to match it with that of England's for this lockdown.

The Welsh Government has made continuous claims that our funding package in Wales has been the most generous. I would like a public response from the Government on how they came to the calculations which enables them to freely make this claim in the media?

For most small businesses in Wales, we have received the smallest package of support for this lockdown of all UK nations. At the beginning of the pandemic, a £10,000 or £25,000 grant was distributed to all businesses with an RV under £51,000 for a period of closure from the end of March through to June/July. This was uniform across the UK. For this current lockdown, which in Wales began on December 20th, most businesses have received the sum of £6,000 or £10,000 for almost the same time frame - with businesses also being forced to close for their busiest period of the year. Many hospitality businesses will have already placed orders for food and alcohol prior to the lockdown announcement, resulting in huge wastage and losses for these businesses.

Comparably, in England an identical business would have received a one off payment of £4000, with a further £2001 paid every 42 days - they were also able to trade during Christmas week. In Northern Ireland, a business is receiving £800 per week of closure, and in Scotland where they actually have the most generous package, they are receiving - a one off payment of £6000 with a further £2000 per month. I have attached a document comparing all UK nations. This is based on the NDR Grants.

I understand that the counter argument from the Welsh Government will be that they have announced a unique fund - Economic Resilience Fund - however, only for the firebreak lockdown could this even be considered to be a generous offer. Most businesses failed to meet the criteria for these funds. The stipulations often excluded businesses below the VAT threshold, or who's business falls in the non-essential retail category (most businesses) and those able to claim SEISS. Round 3 of the ERF was also project based and closed within 72 hours. Furthermore, the most recent fund excludes non-essential retail again in addition to businesses with less than 10 full time employees. I would also like to question why the number of employees is relevant when the cost of employees are covered mostly by the furlough scheme? The overheads of a business in the same size premises and the same rateable value will not differ substantially, whether they have 4 or 14

employees - with the exception of NI contributions. I would understand those who employ more receiving a slightly larger sum to offset this, but to exclude all businesses on the basis of employee number seems unjustified, as the number of businesses in Wales who won't meet this criteria is in the vast majority.

Additionally, many of these businesses are categorised under non-essential retail, but are however service based industries, such as hair salons, beauty salons, barbershops, and like ourselves, a photographic studio. These businesses are unable to operate any take-away or click and collect services, resulting in a zero turnover for the period of closure.

Most of our smallest businesses in Wales employ less than 10 full time employees, and are run by sole traders or partnerships. This means that they will have received a total of £6000-£10000 for their premises costs (which is insufficient for most, as it barely covered their rent) , but have also had no income in this time due to the SEISS last being paid in November/December with no further grant until the end of April. This is resulting in many business owners running up to thousands of pounds in debt.

For direct comparison;

A hair salon in Wales, with a RV of £10000 and 4 employees will have received a total of £6000 to cover December 20th-March 31st.

A hair salon in England, with a RV of £10000 and 4 employees will have received a total of £8097 to cover January 5th-March 31st.

How is it fair that a business in the River Wye, which meets the exact same criteria as a business in Monmouthshire, but there is a disparity of over £2000 in their funding, yet the business in Monmouthshire also had to shut for Christmas week. For businesses with a larger RV, this disparity is even larger.

Additionally, in England they have announced re-start grants to help businesses regain their footing. Non-essential retail will be receiving grants of upto £6000, while hospitality, leisure and close contact services will be receiving upto £18000. No such support has been announced as of yet in Wales. A sum of £740 million has been provided to Wales for additional business support, so I would like to ask how this will be allocated?

I would also quickly like to mention that this petition was started just days ago, and received a total of 2455 signatures. I agreed for the petition to be cut short for it to be discussed by yourselves before the election, however I am more than confident that had the petition run for the full month that we would have exceeded 10,000 signatures - so we do have a huge support for our cause.

Thank you for taking the time to discuss our petition, and I look forward to your response.

Kind Regards,