

Grŵp yr Economi, Ynni a Thrafnidiaeth
Economy, Energy and Transport Group

Cyfarwyddwr Cyffredinol – Director General



Llywodraeth Cymru
Welsh Government

Mark Isherwood MS
Chair
Public Accounts and Public Administration Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1NA

10 April 2024

Dear Chair

Economic Resilience Fund – Post Completion Monitoring

Following the Committee's scrutiny of the Welsh Government's 2020-21 accounts, I am writing to update the Committee on the progress of the post completion monitoring (PCM) of grants issued under the Covid-19 Economic Resilience Fund (ERF).

The Committee will recall the Welsh Government directly provided more than 26k grants worth £352m through ERF to protect business and their employees throughout the pandemic, as a part of the wider £2.6bn of Covid-19 business support delivered. The ERF schemes were delivered on a rolling basis over eight rounds during financial years 2020/21 and 2021/22. Given the nature of the circumstances in which these grants were paid was iterative, our aim was to improve the control framework around the grant award process, learning from previous application rounds, as well as post-award checks, either through surveys or full post completion monitoring. Annexed to this letter is the position at the end of January 2024 in relation to ERF PCM.

With best wishes.

Yours sincerely

Andrew Slade
Director General, Economy, Energy & Transport

Welsh Government - ERF PCM activity

- **Phases 1 to 8: Survey**

ERF Phase	Number of Surveys Issued	Surveys returned
Phases 1 & 2 Micro	9094	3029
Phases 1 & 2 SME (under £30,000)	1257	421
Phase 3 Micro	1205	690
Phases 4-7	3866	1248
Phase 8	2484	772
Total	17,906	6160

Activity considered closed as the % response rate has exceeded the target set of 30% and is considered completed.

- **Phases 1- 8: Post Completion Monitoring**

ERF Phase	Number of cases	Number of cases closed	% Complete
Phases 1 & 2 SME (over £30,000)	1270	708	56%
Phases 1 & 2 Non-SME	52	51	98%
Phase 3 SME/Non-SME			
To December	342	260	76%
To June	463	85	18%
Total Phase 3	805	345	43%
Phases 4-7 SME/Non-SME	432	139	32%
Phase 8 SME/Non-SME	40	0	0%
Total	2599	1243	48%

ERF Write-off

To date there are 90 live awards (some will be to the same business) to the value of £3,348,718 where the business has entered some form of insolvency. As part of WG standard debt management procedures, the Central Debt team submit a proof of debt form to the Administrator/Liquidator to lodge the debt. We await to see if there will be any dividend distribution to creditors in relation to these cases.

Welsh Government is making provision against these recoveries being pursued as part of its' usual financial reporting processes.

The write offs below are cases where the insolvencies are complete and write off has been processed.

- **Phases 1-8: Written Off**

Written off	Number of cases	Value of Write Off
Phases 1 & 2	7	£282,050
Phase 3	3	£134,120
Phases 4-7	0	£0
Phase 8	0	£0
Total	10	£416,170

Therefore, the potential value of write offs in relation to businesses that have entered some form of insolvency is 100 awards to the value of £ 3,764,888.

ERF Recoveries

- **Phases 1-8: Total Completed Recoveries**

Recoveries	Number of Cases	Value of Recovery
Phases 1 & 2	28	£1,708,884
Phase 3	35	£481,429
Phases 4-7	13	£216,743
Phase 8	0	£0
Total	76	£2,407,056