

P-05-1061 Give financial support to pet boarding businesses

Y Pwyllgor Deisebau | 1 Rhagfyr 2020
Petitions Committee | 1 December 2020

Reference: RS20/14570-8

Petition Number: P-05-1061

Petition title: Give financial support to Pet Boarding businesses

Text of petition:

The latest grants made available are for those in lockdown areas or business development. Many Pet Boarding businesses outside lockdown areas have seen customer numbers fall to zero. The Business Development Grants cannot be used to pay the monthly bills. Pet Boarding Businesses need financial support now to stop them going out of business. Hundreds of jobs and homes are at risk without adequate financial support.

Pet Boarding businesses have struggle to keep the doors open to assist NHS staff working long hours fighting Covid, they have helped care for pets of people who have been hospitalised. In many cases having one or two pets in at a time costs them more than they earn and with increased heating and lighting bills over the winter months many will be forced to close, removing this vital service.

These are businesses that were successful before Covid and will be again as long as action is taken to protect them.



1. Background

Businesses and workers have faced considerable impacts since the start of the coronavirus pandemic, and the Welsh and UK governments have developed a range of measures to assist them. The Research Service has published an article [outlining the various business support schemes available](#) in addition to an article on [support available through the benefits system](#). Both are updated regularly.

Whilst there is no sector specific support available to pet boarding businesses, they may be able to access certain schemes dependent upon the eligibility criteria.

The petitioner refers to two schemes – support available to those in local lockdown areas and to business development grants – which they suggest do not provide adequate support for those in the trade. More information on these is outlined below.

It is worth noting that a number of the schemes available from the UK and Welsh Governments are to support businesses forced to close as a result of coronavirus restrictions. However pet boarding businesses have been able to remain open throughout the coronavirus pandemic in order to provide services for key workers and others, as [highlighted in guidance published by the Association of Dog Boarders](#) for pet business owners.

Whilst pet boarding businesses have remained open, the petitioner highlights that many have experienced significantly reduced demand.

Welsh Government Support

The petitioner refers to support only available to those in local lockdown areas. On 29 September 2020, the Minister for Economy, Transport and North Wales [made a statement in Plenary](#) in relation to Phase 3 of the Economic Resilience Fund (ERF).

Members will be aware that at the time of the statement, a number of areas in Wales were subject to local lockdown restrictions. Since then, a national [firebreak lockdown](#) has been implemented (which required a number of businesses to close between 23 October and 9 November) followed by a [new set of national restrictions](#).

Ahead of the firebreak, on 20 October the Minister for Economy, Finance and North Wales issued a statement announcing additional funding as part of the ERF. The Research Service's blog article on coronavirus business support provides a comprehensive overview of the different funding and support now available through the ERF and the eligibility criteria that applies. This includes detail of grants provided through the Lockdown Business Fund. The support available to businesses who pay non-domestic rates was:

- Retail, hospitality and leisure businesses with a rateable value of £12,001 to £51,000 required to close for the firebreak lockdown under *The Health Protection (Coronavirus Restrictions) (No. 3) (Wales) Regulations 2020* were eligible for a grant of £5,000; and
- Businesses which are eligible for Small Business Rate Relief, charitable relief or Community Amateur Sports Club relief with a rateable value of up to £12,000 were eligible for a grant of £1,000. **They were also entitled to a further grant of £1,000 if they were subject to local lockdown restrictions for 3 or more weeks prior to 23 October**, and saw a reduction in turnover of this period of at least 50%. In addition, these businesses were eligible for a further grant of £2,000 if required to close for the firebreak lockdown under the coronavirus regulations.

Discretionary support was also announced for businesses who do not pay business rates:

- Businesses required to close for the firebreak lockdown under the coronavirus regulations or which could demonstrate that the firebreak lockdown reduced their turnover by at least 80% over this period were eligible to apply for a grant of £1,500; and
- Businesses who met the above criteria, and were also subject to local lockdown restrictions for 3 or more weeks prior to 23 October and saw a reduction in turnover of this period of at least 50%, were able to apply for a grant of £2,000.

The petitioner also refers to Business Development Grants, which were one element of phase 3 of the ERF. These grants are available to support firms to transition to the future economy. The petitioner highlights that forms of support such as this cannot “be used to pay the monthly bills”. The support available was:

- Micro businesses (employing between 1 and 9 people) were able to apply for up to £10,000. Tourism and hospitality businesses, and those in sectors required to close were able to receive 100% grant funding. Businesses in other sectors were required to match grant funding received with their own investment of at least 10%;

- SMEs (employing between 10 and 249 people) were able to apply for up to £150,000. Tourism and hospitality businesses, and those in sectors required to close were able to receive 100% grant funding. Businesses in other sectors were required to match grant funding received with their own investment of at least 10% for small businesses (1 to 49 staff) and 20% for medium sized (50 to 249) businesses; and
- Large businesses (employing 250+ people) were able to apply for up to £200,000 on the condition they match this with their own investment of at least 50%.

On 28 October the Welsh Government issued a [press release](#) announcing that Phase 3 of the ERF was open for applications. This stated that **eligible businesses that did not qualify for “business rates linked grants...[could] apply for awards of up to £2,000 from a £25 million discretionary fund via their local authority”**.

Subsequently, the application process for Business Development Grants ~~was~~ **suspended** on 29 October, as the fund was fully subscribed due to the large number of applications received. The business rates grants from the Lockdown Business Fund closed for applications on 20 November, while the discretionary grants remain open in some local authority areas at the time of writing.

UK Government support

In his statement regarding Phase 3 of the ERF, the Minister for Economy, Transport and North Wales stated that the Welsh Government’s support “aims to complement and supplement other UK Government schemes”.

These schemes include [the Bounce Back Loans scheme](#) and the [Coronavirus Business Interruption Loan Scheme](#). More detail is provided in the Research Service blog article on business support ([link above](#)).

The UK Government has also developed a Self-Employment Income Support Scheme - which may be able to provide support to those who run businesses such as pet boarding facilities.

Self-Employment Income Support Scheme

The UK Government’s [Self-Employment Income Support Scheme](#) allows self-employed people whose income has been negatively affected by coronavirus to claim a taxable cash grant.

It is available to people whose annual trading profits were less than £50,000 in 2018-19 (or whose annual trading profits averaged less than £50,000 a year in the

period 2016-17, 2017-18 and 2018-19), and where more than half of their income comes from self-employment. It is only available to people who traded in the 2018-19 and 2019-20 tax years, have submitted their 2018-19 tax return, and who are continuing to trade but are still being affected by the pandemic.

The Chancellor has recently announced that two further rounds of the grant will be opened from November 2020 to April 2021, for businesses who continue to be affected by the pandemic. From 30 November, businesses will be able to apply for a grant of 80% of average monthly trading profits between November 2020 and January 2021, paid out in a single instalment covering 3 months' worth of profits, and capped at £7,500 in total.

As outlined later in this brief, the issue of support for those who are self-employed has been raised in the Senedd. In particular, concerns have been raised over the fact that a number of people are still not eligible for support. For example, those who have only recently become self-employed would not meet the eligibility criteria for the UK Government scheme. These issues have also been reported in the media.

2. Welsh Government action

In her letter to the Chair dated 30 October 2020, the Minister for Finance and Trefnydd refers to a number of the support schemes put in place by the Welsh Government to support businesses as detailed above.

The Minister's letter references schemes available to businesses forced to close as a result of coronavirus restrictions, however, as outlined, pet boarding businesses have been able to remain open.

The Minister also refers support available through the Discretionary Assistance Fund (DAF). This is a separate fund from the business support schemes outlined above. Whilst the fund existed to provide emergency support to those experiencing hardship prior to the pandemic, the Minister's letter refers to an extra £5million being made available through the DAF which can provide grants to people in need of urgent help during the crisis. This includes those waiting for benefit payments.

In her letter, the Minister encourages any business in need of support to contact Business Wales.

On 11 November, the Minister for Economy, Transport and North Wales told the Senedd's Economy, Infrastructure and Skills Committee that **the Welsh Government will operate a fourth phase of the Economic Resilience Fund in early 2021**. He stated that:

You'll be aware that the finance Minister has set aside £300 million for financial support for businesses in the first quarter of 2021, and we're keen to make sure that the focus is on supporting jobs. Everything right now is about supporting people in employment, avoiding mass unemployment and avoiding the scarring that is associated with it. So, we're looking at how we can support businesses through the winter, into the first quarter of 2021, and to the point where we would hope there will be an array of vaccines available. We can't guarantee it—obviously, nothing can be taken for granted—but that £300 million is there, available for business support, and we want to make sure that we use further business support to protect businesses from the potential impacts of the end of the transition period as well.

The Minister for Economy and Transport also stated in Plenary on 11 November that he is looking at how to use an underspend of £35 million from the first phase of the ERF.

3. Welsh Parliament action

The Economy, Infrastructure and Skills Committee undertook an inquiry into the impacts of the pandemic. Reporting on its early findings in June 2020 (PDF,208KB), the Committee highlighted the evidence it had heard that there are gaps in the support available to businesses. In particular, the Committee heard evidence from the FSB Wales likening the package of support to “a lattice...,it's covering lots of areas but there are gaps”. Specific examples included self-employed people who did not have recent accounts and were therefore unable to access the support schemes, businesses that do not have a premises, and companies that are not VAT registered.

The issue of support for those who are self-employed and not eligible for a range of business support schemes has also been raised in Plenary a number of times. Most recently, the issue has been discussed on 21 October and 11 November.

In response to Members highlighting examples where their constituents have not been eligible for support, the Welsh Ministers have referred to the £25 million

discretionary fund administered by local authorities as part of the Lockdown Business Fund.

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.