

£144.5m of grants spread across retail, leisure and hospitality businesses forced to close. Grants ranged from £5,000 - £1,000 and included a discretionary fund for non-retail, leisure and hospitality business materially affected by lockdown restrictions.

7. Under Alert Level Four measures, most of the recipients of the separate Cultural Recovery Fund would also be required to close. The first phase of that fund covered £63m from September 2020 up to its second phase in April 2021. The fund covered up to £10,000 for smaller organisations and £10,000 to £150,000 and a more detailed application process for larger businesses, alongside the Arts Council of Wales administering the support for theatres and galleries.
8. In summary, if replicating the support given to closed businesses (excluding sport, outdoor education and third sector related ones) for a period of around 2-3 weeks then a budget of circa £150m is likely to be required – noting the absence of furlough.
9. Comparison between any future Covid Urgent support and support provided for the Firebreak should bear in mind that the latter was a “top-up” of previous support packages (we had already provided £100 million support by that time). It should also be borne in mind that many of those required to close will have spent previous funding on increased wages, Covid measures and wider recovery etc. Therefore it's likely that many businesses will not have the same reserves of funding as they had in late 2020.
10. Should an emergency ERF fund for closed businesses (excluding sport and third sector related ones) be required it is envisaged it would take 5 working days to establish an eligibility checker on the Business Wales website and 2-3 weeks before an application window would be open. It should be noted that the administrative requirements of local authorities would likely require local authorities to pause delivery of the £35m Business Development and Recovery fund that they are in the process of administering (November 2021 – March 2022) – as well as having implications for their delivery of UK Government levelling up funding.

Points to consider if no UK Government support schemes

11. The Welsh Government does not have the data, capacity, finance or systems to support individual support schemes like JRS and SEISS at scale. To operate such schemes requires tax records which HMRC is not legally able to share.
12. Any Welsh Government-led intervention on paying incomes would entail a large element of risk and involve paying businesses and not individual employees and would rely on good faith/self-certification that the amounts requested were correct and would be passed on to employees.

Economic impact – worst case response: