

# Economic Resilience Fund

## Guidance Notes

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### ECONOMIC RESILIENCE FUND - PURPOSE OF THE GRANT

The Welsh Government is making a further package of business support available through the Economic Resilience Fund (ERF). The ERF will provide support in the form of cash grants for businesses, social enterprises and charities and associated supply chain businesses that have experienced / will continue to experience a material negative impact as a result of ongoing COVID-19 restrictions.

The grants will help meet operating costs (excluding staff wages) for the period 1<sup>st</sup> of July 2021 to 31<sup>st</sup> August 2021 directly impacted by the restrictions in place from the beginning of the period.

Specifically, the ERF will support businesses that are either:

- a) Forced to remain closed or unable to trade by on-going restrictions between 1st July 2021 and 31st August 2021
- b) Dedicated event Space and attractions severely impacted by ongoing social distancing regulations
- c) Other businesses with >60% impact on Turnover as a direct result of ongoing restrictions since 1st of May and were unable to open indoors before the 17th May 2021
- d) A supply chain business that generates 60% or more of its sales revenue from businesses falling into categories a), b) and/or c)

AND (in addition this applies to all the above):

Have experienced a severe impact through reduced turnover of 60% or more in July and August 2021 as compared to July and August 2019 caused directly by on-going COVID-19 restrictions.

**The grant will be open to applications from the week commencing the 26<sup>th</sup> July and will remain open for a period of 2 weeks .**

The Fund is administered in two parts; support for businesses with a turnover greater than £85,000 will be provided directly by the Welsh Government; support for businesses with a turnover of less than £85,000 is administered by Local Authorities. Turnover levels should be for a normal trading year or an estimate if the business started post March 2020.

This Guidance relates to the support for businesses with a turnover of less than £85,000 administered by Local Authorities.

### BUSINESS WALES

Business Wales provides tailored support to start-up, micro and small and medium sized businesses in Wales. The service can help you understand what your needs are and provide tailored support packages including access to online tools, workshops, specialist advisers and mentors. In addition to working with you on a business diagnostic and action plan, our advisers can also provide targeted financial advice and access other support that you might benefit from.

To find out more, please visit [www.businesswales.gov.wales](http://www.businesswales.gov.wales).

## ECONOMIC RESILIENCE FUND – WHO CAN APPLY ?

Businesses that meet the following criteria **may** be eligible for the grant:

- Business was trading prior to the 4<sup>th</sup> of December 2020
- Businesses must be operating in Wales
- Businesses must have **one** or more of the following
  - HMRC Unique Taxpayer Reference (UTR) Number
  - VAT Registration Number or a VAT exemption certificate (if applicable)
  - Company Registration Number (if applicable)
  - Hackney carriage license number or private minicab licence number (if applicable)
- Businesses must meet one of the following :
  - Business has been forced to remain closed or unable to trade by on-going restrictions between 1st July 2021 and 31st August 2021 and has experienced a drop in turnover of >60% in the period as a **direct result** of the continuing restrictions , or
  - Business is a dedicated event space or attraction severely impacted by ongoing social distancing regulations and has experienced a drop in turnover of >60% in the period as a **direct result** of the continuing restrictions , or
  - Other business with >60% impact on Turnover as a direct result of ongoing restrictions since 1st of May and were unable to open indoors before the 17th May 2021 , or
  - Be a supply chain business that generates 60% or more of its sales revenue from businesses falling into the 3 categories above and has experienced a drop in turnover of >60% in the period
- Limited company with a turnover of between £10,000 and £85,000
- Sole traders / partnerships with a turnover less than £85,000
- The business must employ at least 1 FTE (this can include the owner)
- The business must be your main source of income (>50%)
- Supported businesses must aim to maintain employment for 12 months
- Only one application per business (where there are multiple premises under 1 business they should be combined into a single application)
- Businesses should be actively trading up to the 4<sup>th</sup> December when the new restrictions were introduced in Wales and may be required to provide evidence to demonstrate this
- If you have received funding in the last 12 months which exceed 100% of your turnover in the 2019 financial year, you should not apply for this fund.

## ECONOMIC RESILIENCE FUND - HOW MUCH CAN YOU APPLY FOR?

A grant is available to assist businesses based on the number of Full Time Equivalent (FTE) staff they employ as of the 1<sup>st</sup> May 2021:

<b>FTE / Type</b>	<b>Business closed by regulation during the period</b>	<b>Event Space and attractions with &gt;60% impact on Turnover (TO)</b>	<b>Other business with &gt;60% impact on TO as a result of closure and restrictions</b>	<b>Sole Traders without a property (LA delivery only &lt;85k TO) Impacted by &gt;60%</b>
<b>1-3</b>	<b>£5000</b>	<b>£3500</b>	<b>£2500</b>	<b>£1000</b>
<b>4-9</b>	<b>£10000</b>	<b>£7000</b>	<b>£3500</b>	


**Full-time equivalent job (FTE)** – This is the number of full time jobs within your organisation. A full-time job is one of 30 hours or more per week; a part-time job is one of at least 15 hours per week; two part-time jobs count as one full-time equivalent job. We do not accept zero hour contracts as eligible permanent jobs.

**\*The FTE figure can include the owners which may be taking drawings etc., however any employees must be paid through PAYE.**

To calculate the total FTE jobs, divide the number of part-time employees by 2 and add to the number of full-time employees. If the job is less than 15 hours per week you should combine multiple roles to make 30 as a single FTE. Seasonal posts should be treated as year round staff as long as they are employed annually.

### **Example:**

4 part-time employees = 2 added to 1 full-time employee equals FTE employees of 3.

You are **not eligible** for this grant if:

- The business generates less than 50% of your income if you are a sole trader or partnership. The business must be your main source of income.
- Your turnover has not reduced by at least 60% compared to the July / August period in 2019 or an equivalent trading period if you started after that date
- You have received support from the Cultural Recovery Fund - Freelancer Support (launched on 17 May 2021).
- **You have received funding for costs for the same time period from funds such as the “Be Active Wales Fund” or the “Communities Resilience Fund”.**

All applications will be considered on an individual basis and payment of the grant is at the absolute discretion of the Local Authority within the criteria set out in this guidance.

## ECONOMIC RESILIENCE FUND - HOW TO APPLY

Businesses can apply for the grant by accessing their Local Authority's website. If eligible, you will be able to access the online application form, complete all the requested fields and submit your application. Please note that all fields are mandatory – failure to complete them **will result** in your application being rejected.

The Local Authority has absolute discretion on the duration and terms of the fund.

## ECONOMIC RESILIENCE FUND - GUIDANCE ON COMPLETING THE FORM

### Section 1 – Your personal details

This part asks for information about you the applicant / business owner.

### Section 2 – Information about your business

This part asks for information about your business. Please ensure the details in this section are accurate and complete. Application forms that have incomplete or inaccurate data will **not** be processed.

Businesses will **not be eligible** for the grant if they fall into one of the following categories:

- Enforced closure having infringed social-distancing rules. However, if improvements have been made and the business has been allowed to re-open then they may be eligible for the grant (subject to meeting the eligibility criteria)
- Businesses that chose to close but are not required to
- In liquidation or dissolved or in process of being struck off
- Breached subsidy threshold
- If the business your applying for is not your main source of income

### Section 3 – Impact of the lockdown on your business

Please confirm or otherwise if the statement on the application form applies to your business. The local authority **may** request further information/documentation to evidence this estimated turnover reduction. Also in this section please tell us how the continuing restrictions are / will **directly** affect your business in the period 1 July 2021 to 31 August 2021.

### Section 4 – Bank Details

Please provide your business bank account details as this information will be used to make the grant payment to you – please ensure these details are correct.

The local authority may request your latest bank statements and further information to confirm your bank details and evidence trading activity.

### Section 5 – Subsidy Control

If awarded a 'Small Amounts of Financial Assistance' grant you must ensure that its use is compatible with the applicable agreements contained in the World Trade Organisation rules, UK-EU Trade and Cooperation Agreement, any Free Trade Agreement involving the UK, the Northern Ireland Protocol and any domestic legislation.

As part of your application, you must declare if you have received any EU de minimis support or 'Small Amounts of Financial Assistance' subsidy (as defined in by Article 364

paragraph 4 of the UK-EU Trade and Cooperation Agreement) during the previous 3 fiscal years (i.e. current fiscal year and the previous two fiscal years) together with the amount received and details of the awarding body.

Examples could include Economic Resilience Fund, Start-up Grant, Non Domestic Rates Grants but not the Job Retention Scheme or the Self Employment Income Support Scheme (if you're unsure please list the support).

## **Section 6 - Declarations**

Please read the declarations and tick the box to confirm you accept and understand them.

It is very important that you have read and understood this guidance document.

### **ECONOMIC RESILIENCE FUND - WHAT HAPPENS AFTER THE APPLICATION IS RECEIVED?**

Receipt of your application will be acknowledged within 10 working days.

Decisions on applications will be made based on the information provided in the application form, associated evidence and information checks that are conducted from other business data sources. If any data is incomplete or incorrect or the evidence provided is insufficient we will **not** process the application and it will be rejected.

We aim to process grant applications within 30 working days of receipt of all required supporting evidence/information.

Grants will be paid on the basis that 100% of the grant is paid up front.

**If your application is unsuccessful**, you will receive an email outlining the reason[s] for rejection. There is no appeal process.

### **ECONOMIC RESILIENCE FUND - GRANT REPAYMENT**

Applicants should note that the Local Authority may require repayment of the grant in full or part if evidence emerges that the applicant was not eligible for the Economic Resilience Fund .