



BUSINESS IMPROVEMENT DISTRICT

Update from Welsh Government on new economic resilience fund

The Economic Resilience Fund aims to plug the gaps in the support schemes already announced by the UK Government, including the Job Retention Scheme and the Self-Employed Income Support Scheme, which will guarantee 80% of people's wages and income.

The new £500 million Welsh fund will support firms of all sizes, including social enterprises, with a focus on those which have not already benefited from the coronavirus grants already announced by Welsh Government.

First Minister Mark Drakeford said:

“The pace at which the coronavirus pandemic is affecting our economy is extraordinary. Now, more than ever, government needs to do all it can to support the economy and business.

The recent announcements by the UK Government provided some much-needed protection for many workers and their families in Wales. Only the UK Government has the macro-economic and fiscal levers to minimise the enormous damage this economic shut-down will do to the UK economy.

But even with these interventions, there are elements of the economy, businesses and charities in Wales facing insolvency because fixed and operating costs – rent, residual salary costs, leasing charges for vital equipment and maintaining operations – cannot be met during this crisis.

We made a commitment as a Welsh Government to fill the gaps and support the economy and businesses through this incredibly difficult time.

This package of support provides further assurance to firms, charities and social enterprises that we will do just that – help them deal with the economic impact of the pandemic.”

The £500 million fund is made up of two main elements:

- a new £100 million Development Bank of Wales fund will be available for companies experiencing cash flow problems as a result of the pandemic and will provide loans of between £5,000 and £250,000 at favourable interest rates
- businesses will also be able to benefit from a £400 million emergency pot providing:
 1. Grants of £10,000 for micro-businesses employing up to nine people. This includes sole traders employing staff. Qualifying businesses will be able to apply by mid-April.
 2. Grants of up to £100,000 for small and medium sized firms with between 10 and 249 employees. Qualifying businesses will be able to apply from next week.
 3. Support for larger Welsh companies, which are of critical social or economic importance to Wales. This element will be open to qualifying businesses within the next two weeks.

The £500 million Economic Resilience Fund will support businesses forced to temporarily cease trading – to go into “hibernation” – or which need cash-flow support to adapt to a remote way of working.

The new fund builds on the £1.4 billion business support package announced by Welsh Government on 18 March, which provides a year-long rate relief holiday for all but the largest premises in the retail, hospitality and leisure sectors and grant-support for more than 70,000 small businesses.

Ken Skates, Minister for the Economy, Transport and North Wales, said:

“This £500m package will provide further vital assistance to thousands of firms and third sector organisations, which normally rely on trading income.

We have been very clear, we are here to support the economy and the business community. We stand with every business and worker. Together we will get through this exceptionally challenging period.”