Welsh Government

Economic Resilience Fund (ERF)

Restrictions Business Fund

Non-Domestic Rates (NDR) Linked Grants - March 2021

**The NDR linked grant schemes**

1. Two new NDR linked grant schemes are being introduced by the Welsh Ministers in March 2021. They are as follows.

**i) Grant A:**

A **£4,000** cash grant payment for hospitality, tourism and related supply chain businesses including some retail businesses with Small Business Rate Relief (SBRR) qualifying hereditaments with a rateable value of £12,000 or less.

ii) Grant B:

A **£5,000** cash grant payment for hospitality, tourism and related supply chain businesses including some retail businesses occupying hereditaments with a rateable value between £12,001 and £500,000.

1. Local authorities should process both grants for businesses that received an NDR linked grant via the schemes launched in December 2020 without need for any further application processes to be introduced.
2. For qualifying businesses that have not previously applied for or been awarded a grant, a registration form should be made available. Local authorities should **open the registration process for these businesses on Monday 15th March 2021 and close it at 5pm on Wednesday 31st March 2021**.
3. Businesses registering for the first time will be asked to self-declare whether they have experienced a **40% reduction in turnover** for January 2021 and February 2021 as compared to January 2020 and February 2020.
4. For registering businesses that had not yet started trading in January 2021 local authorities will need to apply their discretion in assessing the application.
5. Businesses needing to register will need to be liable as the ratepayer to the local authority and in occupation of the qualifying hereditament on **1st March 2021** and will need to have been actively trading and generating sales revenue up to 6pm on **4th December 2020**.
6. The multiple property restriction applied to the Small Business Rates Relief scheme applies to this grant. Therefore the same ratepayer may only receive the grant for a maximum of two properties in each local authority.
7. Grant A will also apply to ratepayers eligible for charitable relief and Community Amateur Sports Clubs (CASC) relief, operating in the leisure and hospitality sectors occupying properties with a rateable value of up to £12,000. Local authorities have discretion to provide grants to not-for-profit bodies they consider to be operating for charitable purposes but aren’t currently receiving charitable relief or CASC relief. This discretion will only apply to not-for-profit organisations who are in receipt of or have entitlement to discretionary rates relief and operate in the leisure or hospitality sectors.
8. Grant B is also available to not-for-profit organisations occupying eligible hospitality and leisure properties.

**Definitions – Hospitality**

1. Qualifying hospitality hereditaments include:

- Restaurants

- Cafés

- Pubs

- Bars or wine bars

- Accommodation providers (e.g. hotels)

1. In addition, some premises are required to close under the Health Protection (Coronavirus Restrictions) (No. 4) (Wales) Regulations 2020, as amended[[1]](#footnote-1). A list of such properties is provided below.
* Concert halls
* Theatres
* Licenced club premises or live music venues
* Bingo halls
* Bowling alleys, amusement arcades and indoor play areas
* Cinemas
* Skating rinks
* Funfairs, amusement parks and theme parks
* Museums and galleries
* Visitor attractions
1. Where businesses occupying properties types listed above have applied and have been awarded a grant under the December 2020 onwards NDR linked grant schemes, local authorities are expected to make an automated re-payment under this new scheme.
2. Any businesses occupying potentially eligible hereditaments that have not registered or been awarded a grant under the December 2020 onwards NDR linked grant schemes will need to complete the registration process.

**Definitions – Hospitality, Tourism, Leisure supply chain and Retail**

1. In processing any new applications for each of the above grants from hospitality, tourism and leisure supply chain businesses and retail businesses materially impacted by the new restrictions, local authorities should apply the Welsh Government’s guidance on Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21. This guidance provides a detailed list of the hereditaments that are eligible. It also provides a list of hereditaments that are not eligible.
2. In relation to self-catering accommodation, similar guidance as for previous NDR linked grant schemes applies, which is that properties will not be eligible for the grant unless the following criteria are met:
* The self-catering accommodation can produce two years of trading accounts directly preceding the current financial year of the business
* The self-catering accommodation business must be the primary source of income for the owner (minimum threshold is 50%).
* The self-catering accommodation must actually have been let for a period of 140 days or more over a continuous 12 month period during the two years preceding the grant application
1. For self-catering properties, local authorities have full discretion to request and examine trading business accounts, booking lists and self-assessment tax returns submitted to HMRC if additional evidence is required to demonstrate that this criteria is met. In cases where local authorities have decided to request additional evidence and the evidence shows that the scheme criteria are not met, local authorities are required to withhold payment of grant.
2. It is presumed that where necessary, local authorities will already have conducted any checks on self-catering properties paid grant as part of earlier NDR linked grant schemes (notably the Firebreak scheme and the schemes available in Wales since December 2020). **Repeat checks on the same self-catering businesses already awarded grant will not therefore be expected as part of this new scheme.**
3. In relation to gambling and gaming, arcades of the type that could be classified as amusements rather than gambling premises are considered leisure establishments and are eligible for the grants either via the SBRR route or, where the rateable value of the premises makes them eligible, for the larger £5,000 grant as leisure facilities.
4. Gaming establishments (as generally found in a city centre environment but potentially also located anywhere) that usually have limited access to people aged 18 and over and are a) not entitled to SBRR and b) where gambling rather than amusement is the predominant activity are not eligible for the retail, leisure and hospitality grant. The NDR scheme guidance for Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21 explicitly excludes gambling hereditaments.
1. See: <https://gov.wales/sites/default/files/publications/2020-12/the-health-protection-coronavirus-restrictions-no-4-wales-regulations-2020-as-amended-with-the-changes-illustrated.pdf> [↑](#footnote-ref-1)