

## **Economic Resilience Fund – Greater than £85k Turnover**

### **Frequently Asked Questions**

#### **What is the purpose of the funding package?**

The ERF will provide support in the form of cash grants for businesses, social enterprises and charities and associated supply chain businesses that are experiencing continued severe impacts 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> July 2021 to 31<sup>st</sup> August 2021.

#### **Who is able to apply?**

The ERF will support businesses that are either:

- a) Forced to remain closed or unable to trade by on-going restrictions between 1<sup>st</sup> July 2021 and 31<sup>st</sup> August 2021
- b) 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 (applies to all):**

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.

#### **What are the key aims of the support available?**

The key aims are to support businesses to cover their operating costs which support business survival and safeguarding jobs. As a condition of funding you will be expected to safeguard the jobs for a minimum of 12 months.

## How will the funding be delivered?

For applicant businesses with an annual turnover above £85k, the funding will be delivered through an online application and administered through the Welsh Government. Eligible businesses with an annual turnover below £85k will need to apply via their local authorities. Information on how to apply (and links to the relevant page on each local authority website) can be found on the Business Wales website.

## How much can I apply for?

For eligible businesses the package of support will provide the following grant awards based on the number of Full Time Equivalent Posts:

Number of FTE's	Forced to remain closed or unable to trade by on-going restrictions between 1st July 2021 and 31st August 2021	Event Space and attractions severely impacted by ongoing social distancing regulations	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	A supply chain business that generates 60% or more of its sales revenue from businesses falling into categories a), b) and/or c)
1-3 FTE	£5,000	£3,500	£2,500	£2,500
4-9 FTE	£10,000	£7,000	£5,000	£5,000
10-49 FTE	£15,000	£12,000	£7,500	£7,500
50-99 FTE	£20,000	£15,000	£10,000	£10,000
100+ FTE	£25,000	£20,000	£15,000	£15,000

### **I am a business with part of my business forced to remain closed, can I apply for the highest award?**

If only a proportion of the business is closed (for instance a bar which also has a nightclub attached, or a travel agent which is only able to offer limited travel options), you will be eligible for the “other business with >60% impact” category as long as you meet the other eligibility criteria.

### **When can I apply?**

Applications will be open at midday on the 13<sup>th</sup> July 2021 for the Welsh Government administered element of the scheme (for eligible businesses with an annual turnover above £85k).

Applications for the Local Authority Administered element of the scheme will be open on the 26<sup>th</sup> July 2021.

### **What is the deadline for applications?**

The applications will be open for 2 weeks or until the fund is fully subscribed, the Local Authority administered applications will be open on the 26<sup>th</sup> July and will remain open for 2 weeks.

### **What period will the funding cover?**

Funding is to cover the period from 1<sup>st</sup> July 2021 to 31<sup>st</sup> August 2021.

### **What time period do I need to show that I have had a 60% drop in turnover?**

The turnover drop should be in comparison to the same time period in 2019 (July / August 2019 ), or if you are a new business which started trading after that date then a broadly comparable 2 month period where trading was allowed.

You will need to estimate the drop in turnover for July / August 2021 to calculate the expected turnover drop, and may be required to provide evidence such as VAT receipts.

### **I am a travel agent which can't fully trade because of travel restrictions, which category should I apply under?**

If you are a specialist travel agent which only sells holidays to countries on the Red List, then you can apply under being forced to close. If you are still able to sell holidays to countries on the Green / Amber list then you should select the "Other businesses with >60% impact on Turnover as a direct result of ongoing restrictions" option

### **I am a business that is impacted by the restrictions as I am unable to fully open indoors, but I'm not sure if the turnover drop will be 60%, should I still apply?**

You should only apply if you are confident that your turnover drop for the 2 months (July / August) will drop by 60%, and should clearly explain the reasoning for this in the application form in the questions "How has the restrictions impacted your business".

Should it subsequently be found that the information is not correct then Welsh Government may recover any funds awarded to the business.

### **What information will I need to complete the Application?**

On the final page of the checker there is a list of information you will need to have to complete the application. This includes:

- VAT registration Number (If applicable)
- Company Registration or Charity Commission Number (if applicable):
- The Sector the business works in
- Number of Staff (headcount and Full Time Equivalent) including those on Furlough
- Annual Turnover
- Bank account details – Bank , Sort code and Account number

- Which COVID-19 support funds you have applied for or been accepted for.

**I have a VAT number but due to drop in turnover earlier in the year I have de-registered, should I include the number?**

No, you should note that you are not registered for VAT, and explain that you have de-registered in the “how has Covid impacted your business” section in the application form.

**What is the difference between Headcount and FTE for Staff?**

Headcount is the total number of people employed through PAYE.

FTE is the number of Full time staff working at least 30 hours per week. If a member of staff works less than 30 hours you should count them as part time so 0.5 of a job. If the job is less than 15 hours per week you should round up the hours to make 30 as a single FTE.

**Example** – Business employs 16 staff, 10 of which work 36 hours a week and 6 which work 18 hours per week. The headcount is 16, and the FTE is 13 as the 6 staff are 0.5 each.

**What grants are included in totalling of all Grants received in the last 12 months that cannot exceed 100% of overall turnover for the same period?**

An application can't receive more in total grant aid from the various schemes listed below in this financial year than they turned over in the last full financial year, or proportionally estimated for those new businesses that do not have a full years accounts.

Schemes forming the total of grant aid:

ERF Phase 1

ERF Phase 2

ERF Phase 3

Non Domestic Rates (NDR) linked grants  
Local authority Covid-19 Discretionary Grants  
Job Resilience Scheme  
Non Domestic Rates Firebreak Grant  
Non Domestic Rates Firebreak Discretionary Grant  
Sector Specific Fund 1  
Sector Specific Fund 2  
ERF May and June  
Cultural Recovery Fund (Phases 1 and 2)  
Third Sector Fund  
Sport Wales Funds

**If successful, when will I receive the funding?**

Decisions for applications will be made on an ongoing basis once the fund is open, the intention is for decisions to be made within 6 weeks of the closing date of the fund.

**I have already received funding from either the Welsh Government Economic Resilience Fund, the Non Domestic Rates (NDR) linked grant, Cultural Recovery Fund, ERF Restrictions Fund or other Welsh Government grant funds, can I still apply?**

Yes for the majority of previous funds, however if you received funding from funds which apply to the same time period (1<sup>st</sup> July – 31<sup>st</sup> August 2021) such as the extended Cultural Recovery Fund or the Be Active Wales Fund, you are not eligible for this fund.

**Is there a requirement for match funding?**

No, this is an emergency fund intended to support your business survival and safeguard jobs.

**Do I need to provide business accounts?**

No.

**I have an accountant / consultant who does all of my administration, can they apply on my behalf?**

No, the application must be made by the owner / registered director of the business as when you sign the declarations in the form, this is a legal statement from the owner. Any applications made by anyone other than the Owner or registered directors will be rejected.

**What is the Economic Contract?**

The Economic Contract is part of the Welsh Government's "Prosperity for All - Economic Action Plan". It is designed to enable the Welsh Government to develop a new and strengthened relationship with organisations and to drive inclusive growth and responsible business behaviours, including increasing the availability of fair work, green growth and climate resilience. It means that companies receiving support commit to a something for something approach that is built firmly on the principles of collaboration.

**Will this fund cover redundancy costs?**

No The fund is intended as a means for businesses / organisations to maintain employment and will not cover any costs associated with redundancy

The Job Retention Scheme (also known as the furlough scheme) has now been extended to September 2021 and more employees are eligible.

Your employees can be on any type of contract, including a zero-hour contract or a temporary contract, and foreign nationals and agency workers are eligible. The scheme covers 80% of an employee's salary for usual hours not worked (up to £2,500), however this is changing through the summer and you should check the latest position on GOV.UK

Claims can be submitted up to 14 days in advance, and you will receive the payment and must pass this on to your employee. The full details of the scheme and information on how to claim are here: <https://www.gov.uk/government/collections/coronavirus-job-retention-scheme>

Please ensure you furlough all eligible staff for all their usual hours not worked to minimise income loss.

### **What monitoring will be undertaken?**

There will be a post completion monitoring exercise undertaken after the end of the year and you will be required to report on the activities undertaken with the funding received and how the funding has supported your organisation.



