



Janet Finch-Saunders AC/AM

Aelod Cynulliad dros Aberconwy

Assembly Member for Aberconwy



Mark Drakeford AM, First Minister,
Welsh Government,
By Email

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URGENT

Re: Non Domestic Rates Grants

Janet.Finch-Saunders@Assembly.Wales

Dear First Minister, Mark,

I hope that this letter finds you well.

It has been brought to my attention by a number of concerned business owners that there may be a serious problem with non domestic rates grants. As you will know, there are two different grants: £25,000 for retail, leisure and hospitality businesses occupying properties with a rateable value of between £12,001 and £51,000, and £10,000 to all businesses eligible for small business rates relief in Wales with a rateable value of £12,000 or less.

Unfortunately, it seems that there is a complication with the processing of grants for some businesses in the self-catering sector. Indeed, it seems that this has led to your Welsh Government issuing guidance enabling local authorities to change the eligibility criteria for grant funding, so that operators can only qualify if their property has been let for at least 140 days during 2019-20, rather than 70 days, and that the business is the proprietor's primary source of income. For example, Gwynedd Council has stated the following on their website:

'Welsh Government has published revised guidance in relation to self-catering accommodation. In accordance with the new guidance, properties will not be eligible for grant unless the following criteria are met: The self-catering accommodation can produce two years of trading accounts to 31 March 2019; The self-catering accommodation must actually have been let for a period of 140 days or more in the financial year 2019-20; The self-catering accommodation business must be the primary source of income for the owner (minimum threshold is 50%)'.

More so, I understand that Local Authorities have been given discretion as to whether to request and examine trading business accounts, booking lists and self-assessment tax returns submitted to HMRC.

According to Welsh Government guidance, self-catering properties are liable for business rates rather than council tax only in certain circumstances. These are if:

- it will be available for letting commercially as self-catering accommodation for short periods totalling 140 days or more in the following 12 month period;

[Cont...]

Mi wnaff Janet Finch-Saunders cadw unrhyw wybodaeth bersonol yn gwbl gyfrinachol, ac fel arfer mi fydd rhaid iddi rannu'r wybodaeth 'efo aelodau o staff i'w galluogi nhw i ddellio 'efo'r awdurdodau perthnasol er mwyn eich helpu a'ch cynorthwyo chi. Efallai mi fydd angen i rywun ysgrifennu atoch er mwyn darparu'r wybodaeth ddiweddaraf o bwys. Gadwch wybod i ni os nad oes diddordeb gennych mewn cael eich cysylltu at y diben hwn.

Janet Finch-Saunders will treat in confidence any personal information which you may pass on to her, and she will normally allow her staff to see it, so that they can consult with relevant authorities in order to help and advise you. We may wish to write to you from time to time to keep you informed on issues which you may find of interest. Please let us know if you do not wish to be contacted for this purpose.

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[Cont...]

- the ratepayer's interest in the property enables them to let it for such periods;
- in the 12 months prior to assessment it has been available for letting commercially as self-catering accommodation for short periods totalling 140 days or more; and
- the short periods it has actually been commercially let total at least 70 days during that period.

It would seem to a reasonable person that the validity of the business has already been tested in accordance with your guidance, and therefore that it is unreasonable during the current crisis to introduce tougher criteria to qualify for a grant. Consequently, I would be grateful if you could urgently:

- explain why the Welsh Government has introduced tougher criteria;
- explain why self-catering accommodation needs to have been commercially let for at least 70 days to qualify for business rates, but potentially 140 days for a grant;
- state why so much discretion seems to have been given to local authorities;
- clarify how there will now be a consistent Wales wide approach to issuing grants to self-catering businesses;
- consider issuing guidance which ensures that a self-catering business in one local authority area will not be treated more or less favourably than one in another;
- explain why local authorities are allowed to state that the self-catering accommodation business must be the primary source of income for the owner (minimum threshold is 50%).

Please note that my wish is to see a fair and efficient grant allocation process in Wales. At present, it seems that this may not be the case, with many self-catering businesses still waiting for grant support, and being made to face further and potentially inconsistent qualification requirements in different areas of Wales.

Yours sincerely,

Janet Finch-Saunders AM/AC

Enc – <https://businesswales.gov.wales/coronavirus-advice/covid-19-grants-businesses-wales-linked-non-domestic-rates>; <https://businesswales.gov.wales/sites/business-wales/files/NDR%20non-domestic%20rates%20-%20Self-Catering%20-%20Guidance%20for%20ratepayers%202019%20%28ENG%29%20-%20Update%20-%202019-09-19%20%28PDF%29.pdf>; <https://www.gwynedd.llyw.cymru/en/Businesses/Help,-support-and-training/Covid-19-Business-Support.aspx>

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