



*Covid-19 Welsh Government financial  
interventions: An analysis of administrative  
and beneficiary survey data*

April 2022



# Contents

<b>Summary</b>	<b>3</b>
<b>1. Introduction</b>	<b>7</b>
<b>2. ERF Phase 3 Non-Hospitality, Leisure and Tourism</b>	<b>11</b>
<b>3. ERF Phase 3 Hospitality, Leisure and Tourism</b>	<b>20</b>
<b>4. Sector Specific Fund (Economic Resilience Fund Phase 4)</b>	<b>27</b>
<b>5. Start-up grants</b>	<b>35</b>
<b>6. Beneficiary survey</b>	<b>39</b>
<b>7. Conclusions</b>	<b>57</b>
<b>Appendix 1: Overview of Welsh Government financial support</b>	<b>59</b>
<b>Appendix 2: Weighting of ORS-Wavehill Survey Results</b>	<b>62</b>

---

This report was written by Max Munday, Annette Roberts and Neil Roche of the Welsh Economy Research Unit at Cardiff Business School as part of the Economic Intelligence Wales research collaboration. The Beneficiary Survey reported in Section 6 was undertaken by ORS/Wavehill. We are grateful to Kester Holmes and Alys Thomas for providing the survey findings for this analysis.

## **Max Munday, Annette Roberts and Neil Roche**

Welsh Economy Research Unit, Cardiff Business School  
[mundaymc@cf.ac.uk](mailto:mundaymc@cf.ac.uk)

---

For further information or to submit feedback and research proposals please email: [EconomicIntelligence@developmentbank.wales](mailto:EconomicIntelligence@developmentbank.wales)

*The ONS has advised on the production of this report but is not responsible for the views or statistics presented and has not validated the content.*

---

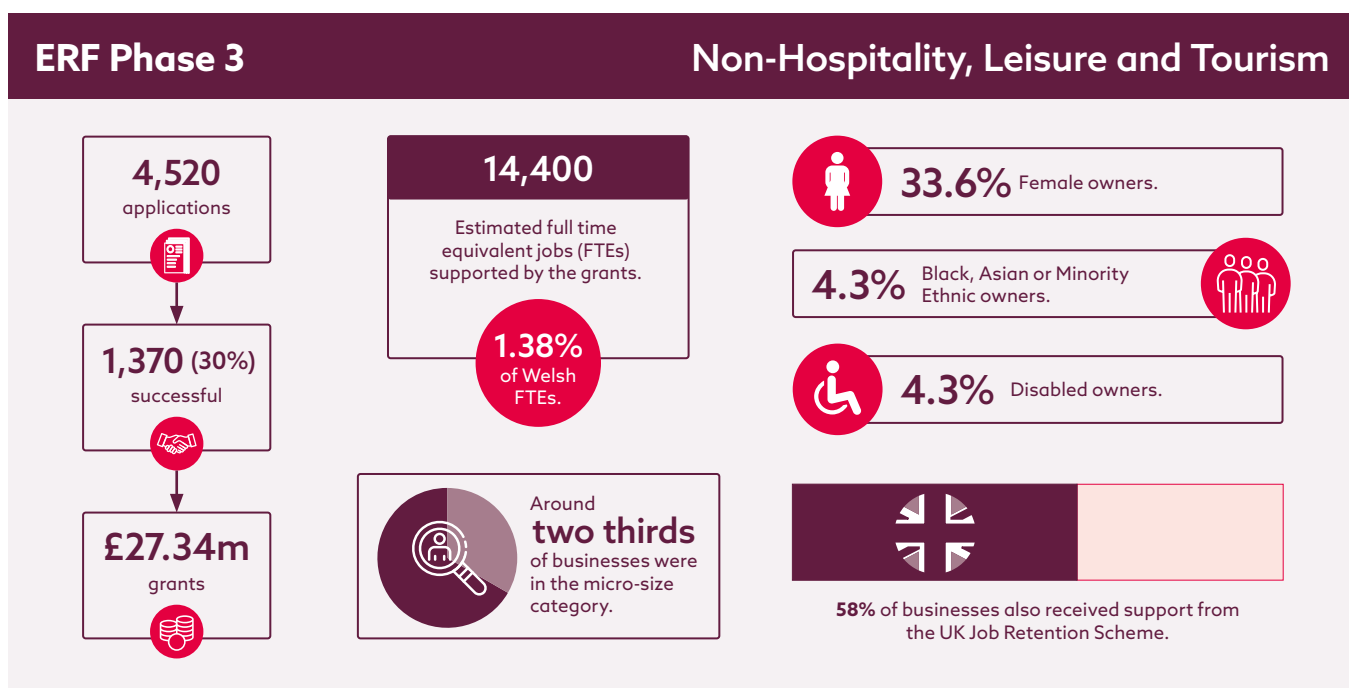
Economic Intelligence Wales Limited, Unit J Yale Business Village, Ellice Way, Wrexham, Wales, LL13 7YL, 11001584.

Development Bank of Wales Plc (Banc Datblygu Cymru ccc) is the holding company of a Group that trades as Development Bank of Wales. The Group is made up of a number of subsidiaries which are registered with names including the initials DBW. Development Bank of Wales Plc is a development finance company wholly owned by the Welsh Ministers and it is neither authorised nor regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). The Development Bank of Wales (Banc Datblygu Cymru ccc) has three subsidiaries which are authorised and regulated by the FCA. Please note that neither the Development Bank of Wales Plc (Banc Datblygu Cymru ccc) nor any of its subsidiaries are banking institutions or operate as such. This means that none of the group entities are able to accept deposits from the public. A complete legal structure chart for Development Bank of Wales Plc can be found [developmentbank.wales](https://www.developmentbank.wales).

# Summary

This Economic Intelligence Wales report, the second in a longer-term programme of research which aims to assess the effectiveness of Covid-19 financial interventions by Welsh Government, provides an initial headline analysis of administrative data from Welsh Government Economic Resilience Fund (ERF) Phase 3 and Phase 4 interventions together with Local Authority managed Start-Up grant data.

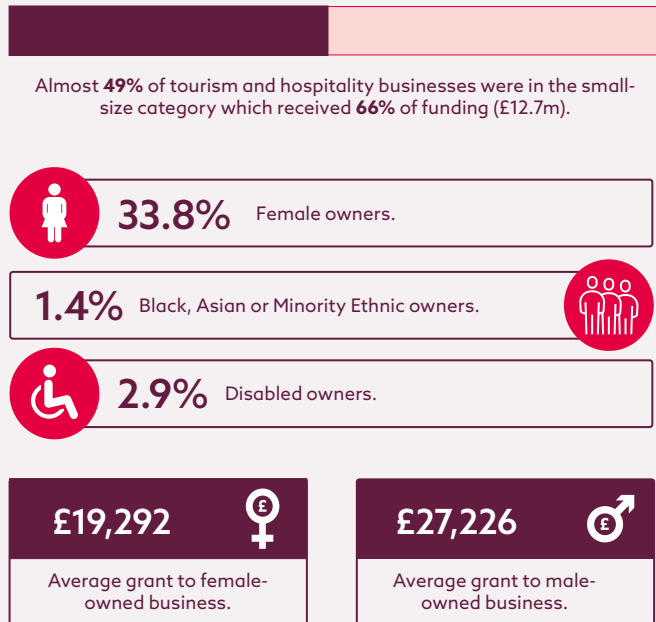
The report also examines findings from the Wavehill/ORS (August-October 2021) survey of beneficiaries of Economic Resilience Fund Phase 1 and 2, the Covid-19 Wales Business Loan Scheme (CWBLS), and the local authority managed Start-Up Grants scheme. The report headlines are summarised below.



# Summary

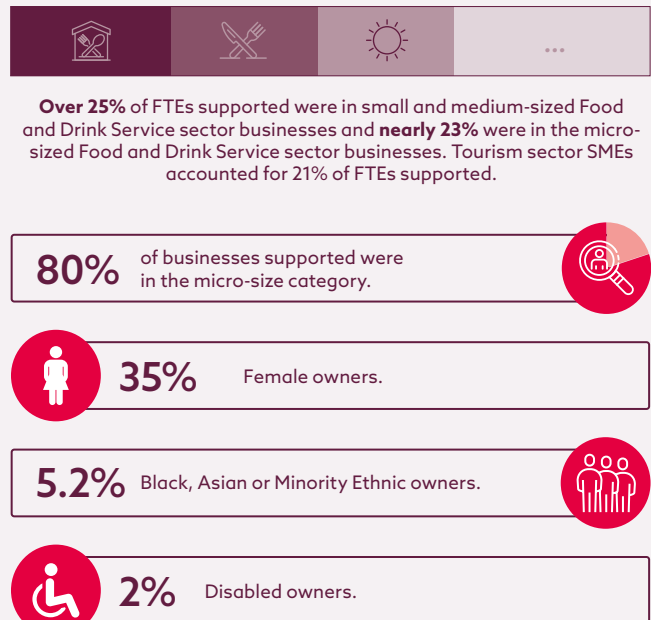
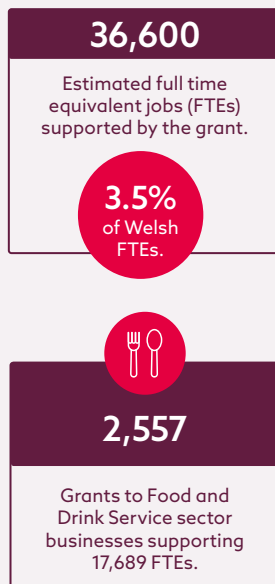
## ERF Phase 3

## Hospitality, Leisure and Tourism



## ERF Phase 4

## Sector Specific Funds



# Summary

## Start-up Grants



**12 of 22**  
Welsh local authorities provided data.



**Over 770**  
Full-time equivalent jobs (FTEs) were supported.



**Over £2.7m**  
was distributed in the twelve local authorities who submitted data, averaging **£2,500 per grant** to businesses and entrepreneurs.



**46%**

of successful applicants were female.



**3.4%**

Black, Asian or Minority Ethnicity.



**2%**

of successful applicants were disabled people.

A total of over £95m was spent on ERF 3, Sector Specific Funds (ERF 4) and Start-Up Grants, supporting over 60,000 full time equivalent jobs.

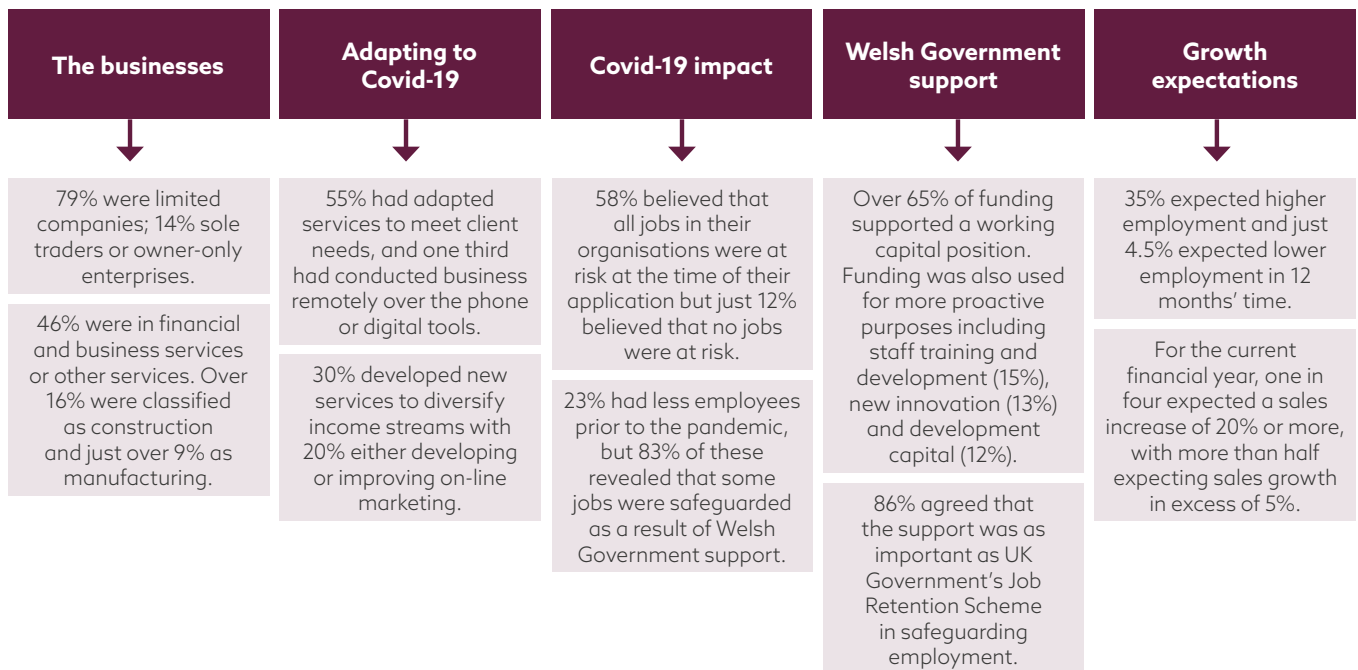
## Grant spending and employment supported

	Total grant £m	Total FTEs supported	Grant per FTE (£s)
ERF Phase 3 Non-Hospitality, Leisure and Tourism	27.3	14,464	1,887
ERF Phase 3 Hospitality, Leisure and Tourism	19.2	8,308	2,311
Sector Specific Fund ERF Phase 4	46.0	36,675	1,254
Start-up Grants	2.7	767	3,520
<b>Total</b>	<b>95.2</b>	<b>60,214</b>	<b>1,582</b>

# Summary

## ORS/Wavehill Survey of beneficiaries of Economic Resilience Fund Phase 1 and 2, the Covid-19 Wales Business Loan Scheme, and the local authority managed Start-Up Grants scheme.

There were 1,757 respondents to the survey.  
The key findings are shown below.



The survey confirms that Welsh Government assistance was an important complement to UK Government schemes in safeguarding employment. The upkeep of employment in the surveyed beneficiaries and improving prospects expected in 2022 is testament to the joint impacts of the furlough scheme and Welsh Government assistance. Critically, employment declines did

not match the severity of the declines in output reported by beneficiaries. Particularly encouraging findings were instances of Welsh Government support being used for more proactive and innovative activity to bring beneficiaries into a stronger position in 2021-22. The survey findings provided evidence of real business need underlying applications for funding.

## 1.1 Covid-19 interventions in Wales to assist businesses.

The Welsh Economy Research Unit at Cardiff Business School has been collaborating with Economic Intelligence Wales, Development Bank of Wales, and Welsh Government (Business Wales) to examine the impact of Covid-19 financial interventions in Wales. This is the second report in a longer-term programme of work to investigate the effectiveness of business finance interventions through the Welsh Government's Economic Resilience Fund (ERF).

The Covid-19 crisis during 2020-21 has severely impacted businesses across the Welsh economy, with very few sectors immune to the problems resulting from the lockdown process and its economic aftermath. There were a series of UK and Welsh Government-led interventions to assist businesses in Wales since March 2020. Initial research published in December 2020 by Economic Intelligence Wales examined administrative data for the Economic Resilience Fund Phase 1 and 2 interventions, together with data in respect of the Covid-19 Wales Business Loan Scheme and Non-Domestic Rate Grants.<sup>1</sup>

## 1.2 Economic Intelligence Wales report.

This Economic Intelligence Wales report extends the prior research in two main ways.

First, it provides an initial analysis of administrative data (largely derived from grant application forms) from Economic Resilience Fund (ERF) Phase 3 and 4 interventions together with Local Authority managed Start-Up grant data. The ERF Phase 3 Business Development Grants were available up until the end of March 2021 with committed funds of just over £46m. The ERF Sector Specific Fund closed in early December 2020, with around £48.6m committed. The Start-Up grant scheme was smaller in scope and operated between June and September 2020 with around £5m committed. This report provides a gross level summary of outcomes from these selected interventions and begins the process of understanding the impact of this financial support in mitigating Covid-19 impacts.

Second, this report provides an analysis of a survey of beneficiaries of Welsh Government financial assistance during 2020 and into early 2021. This survey was completed by Wavehill/ORS in the final quarter of 2021. The focus of the survey of beneficiaries in this report is on the following financial interventions:

- COVID-19 ERF Phase 1 and 2 grant support from Welsh Government that assisted organisations that faced problems resulting from the initial outbreak to gain financial assistance to deal with short term cash flow issues.
- The Welsh Government funded Covid-19 Wales Business Loan Scheme which was delivered by the Development Bank of Wales to support SMEs affected by Covid-19.
- Start-Up grants which were administered by local authorities to assist new entrepreneurs.<sup>2</sup>

<sup>1</sup> See for full report [EIW bespoke report on Covid-19 interventions\\_ENG.pdf](#) (developmentbank.wales)

<sup>2</sup> See report referenced in footnote 1 for further details of these schemes.

## 1.3 Why administrative data analysis?

As was noted in the first Economic Intelligence Wales bespoke report on this topic, any full evaluation of the impacts of these Welsh Government interventions will take some years. However, this report aims to further the understanding of these impacts through an analysis of the first detailed survey of ERF beneficiaries. The early and more descriptive analysis of administrative data underlying selected elements of the Welsh Government

and related stakeholder interventions is still important, not least because published data which will show Covid-19 effects in terms of business output, gross value added etc. is lagging on a timescale of up to two years.

The administrative data provided from applications for grants gives information on the types of businesses seeking help, and with resulting descriptive analysis, helping to develop information for future interventions.

## 1.4 Administrative data availability.

The administrative data used for this report came from several sources. Data relating to the Economic Resilience Funds Phase 3 and 4 came from the Business Accounts System (BAS) from Welsh Government. Data was collected from applicant information forms. The first Economic Intelligence Wales bespoke report on this topic (2020) revealed some issues with this data. Data collated from some fields within the application forms are of better quality and more comprehensive than others. Some applicants for ERF Phase 1 and 2 appeared to have misunderstood the process of gaining an estimate of full time equivalent (FTE) employment safeguarded by funding. Another issue was that applicants self-filled information in

respect of industry. This led to a large number of grant recipients being classed as 'Other' whereas the description of activity in other parts of the application form placed them firmly into one of the pre-defined industry categories on the forms. It is also important to recognise that the BAS data included a series of open text fields in respect of 'business situation' which are rich in details but problematic to systematically analyse. These problems also relate in part to both ERF Phase 3 and Phase 4 information.

Data in respect of start-up grants from local authorities was not as extensive or comprehensive as that held on the BAS system, with only 12 local authorities submitting information.



## 1.5 Administrative data use.

Notwithstanding variation in the amounts of administrative data from these sources, it is used in this report to:

- Develop a series of tabulations allowing description of organisational beneficiaries in terms of business size/sectors/geographies and to examine where there have been particularly strong/weak demands for grant assistance.
- Provide an initial analysis of the number of employees which the grant funding is helping to safeguard, although it is appreciated that other Welsh Government funds and interventions (including in some cases earlier rounds of ERF assistance) will be safeguarding identical activity.
- Explore disability, gender and ethnicity characteristics of business owners in receipt of loans and grants.
- Provide estimates of how much of Wales' economic activity has been supported by interventions made by Welsh Government.
- Examine how far grant and loan support has been provided to industries in Wales characterised by relatively high or low productivity characteristics.

## 1.6 The Survey.

The beneficiary survey undertaken by Wavehill/ORS is a critical adjunct to the analysis of the administrative data (see above). Application forms for assistance provide some information relating to beneficiary characteristics and the expected uses of grants and loan finance. However, the (ex post) survey provides better quality insights into how monies were actually used, business responses and impacts related to Covid-19. The survey also provides a means of verifying the safeguarded employment numbers outlined in grant/loan application forms, and the industries that benefited. The survey questions were designed by a steering group that comprised of the Welsh Economy Research Unit, Development Bank of Wales, Welsh Government and Wavehill/ORS staff.

The key elements/themes of the telephone/on-line survey reflected the following:

- Type of assistance received by the organisation.
- Business details: employment, age, industry and trading status (and if not trading, reason for this status).
- How far funding received helped the organisation through the period.
- The interplay of Welsh Government support through ERF with other Wales-level or UK wide assistance including COVID Corporate Financing Facility (CCFF); Coronavirus Business Interruption Loan Scheme (CBILS), Bounce Back Loan Scheme (BBLs) etc.
- Organisation applications for additional private/other funds through the pandemic period.
- Business response to the pandemic in terms of new product/service development, innovation, diversification, adaptation.
- Organisational use of ERF and related funds.
- Organisation support received through the UK Government's Coronavirus Job Retention Scheme, and employment supported thereby.
- Organisational perception of the role of different types of support individually or jointly in safeguarding economic activity.
- Changes in employment through the pandemic period and forecast changes in year ahead.
- Employment perceived to have been at risk from Covid-19 and how far this employment still existed at the time of the survey.

- Role of ERF and CWBLS support in safeguarding employment.
- Details of furloughed staff.
- Business sales impacts of Covid-19/EU transition and future expectations.
- Information in respect of the characteristics of individual applicants (i.e. gender, ethnicity, disabled status).

The Wavehill/ORS survey was piloted during July and August 2021, with the main phase of the Survey occurring in the period from 26th August 2021 until the 8th October 2021. Table 1.1 summarises the target and actual sample frame. Of the 1,757 responses some 83% were derived from the on-line survey while 17% were derived by telephone interview. This research seeks to report on selected of the above themes later in this report.

**Table 1.1**  
Sample and Respondent frame



Scheme	Intervention Scale (Upper Limit)	Business size <sup>2,3</sup>	Amount Approved	Applications Approved	Proposed Sample		Final count of respondents in Sample <sup>4</sup>
ERF 1 & ERF 2	£10k	Micro	£90.9m	9,201	500	25%	991
	£100k	Small/Medium	£91.8m	2,497	500	25%	294
	£200k	Large	£19.9m	66	35	2%	6
CWBLS	£250k	Open	£92m	1,332	500	25%	381
Start-up Grant	£2,500	All	£5m	1,790	80	4%	201
ERF 3 <sup>5</sup>	£10k	Micro	£11.5m	1,185	80	4%	51
	£150k	Small/Medium	£34m	804	300	15%	46
	£200k	Large	Under £10m	Under 10	5	*	-
<b>TOTAL unique firms<sup>1</sup></b>				0	2,000	100%	1,757

## 1.7 Structure of this report.

The report is structured as follows:

- Section 2 provides key findings in respect of ERF 3 grant interventions to Welsh businesses excluding those in Hospitality, Leisure and Tourism facing sectors.
- Section 3 focuses on ERF 3 interventions to Hospitality, Leisure and Tourism sectors.
- Section 4 analyses administrative data in respect of ERF 4 the Sector Specific Fund.
- Section 5 focuses on Start-Up grants managed by Welsh local authorities.
- Section 6 focuses on the analysis of findings from the Wavehill/ORS survey of beneficiaries.
- Section 7 concludes.

**Note**

<sup>1</sup> Some businesses accessed more than one funding stream, so that grossing the 'Final count of respondents' column will sum to more than 1,757.

<sup>2</sup> For ERF1 & ERF2 there were an additional 24 respondents with unknown business type.

<sup>3</sup> For ERF3 there was an additional 1 respondent with unknown business type.

<sup>4</sup> Business size was defined in terms of FTEs (where 2 Part time employees = 1 Full time). Casual workers were not included.

<sup>5</sup> The contact sample provided had fewer contacts than originally assumed/stated in this table. **Beneficiaries that had only received ERF3 were not sampled.** Those receiving ERF3 support were only interviewed where they also had another support type.

## 2.1 Introduction.

A summary of the findings from the Economic Resilience Fund (ERF) Phase 3, Non-Hospitality, Leisure and Tourism and beneficiary data provided by the Welsh Government, is presented in this section. Analysis was undertaken on:

- employees supported by the fund.
- distribution of the amounts received, by sector, location, productivity characteristics and SME size band.

Results of the analysis are presented by this sectoral breakdown as well as by business size (employment) category and local authority where relevant. 4,520 applications were made to the Phase 3 ERF (Non-Hospitality, Leisure and Tourism), with 1,370 of these being successful (30.3%). Grants totalled £27.34m in support of enterprises.

## 2.2 Employees supported under ERF Phase 3 Non-Hospitality, Leisure and Tourism.

Headline employee data relating to the Fund are shown in Table 2.1 Successful applicants were associated with over 14,400 full-time equivalent employees (FTEs) during this time. Table 2.1

gives some context to the findings by comparing the total number of FTEs in Wales<sup>3</sup>. The funds are estimated to have supported 1.38% of all FTEs in Wales.

**Table 2.1**

Employees supported under the Economic Resilience Fund Phase 3 Non-Hospitality, Leisure and Tourism



	Phase 3 ERF Non-Hospitality, Leisure and Tourism
Full-time equivalent employees (FTEs)	14,464
% of all FTEs in Wales that were supported	1.38%

<sup>3</sup> FTEs in Wales for year 2020 were estimated using figures from the Business Register Employers Survey (BRES) run by the Office for National Statistics (ONS). Here, two part-time employees were assumed to be equivalent to one full-time employee. The data can be found on the National On-line Manpower Information System (or NOMIS - see [www.nomisweb.co.uk](http://www.nomisweb.co.uk)).

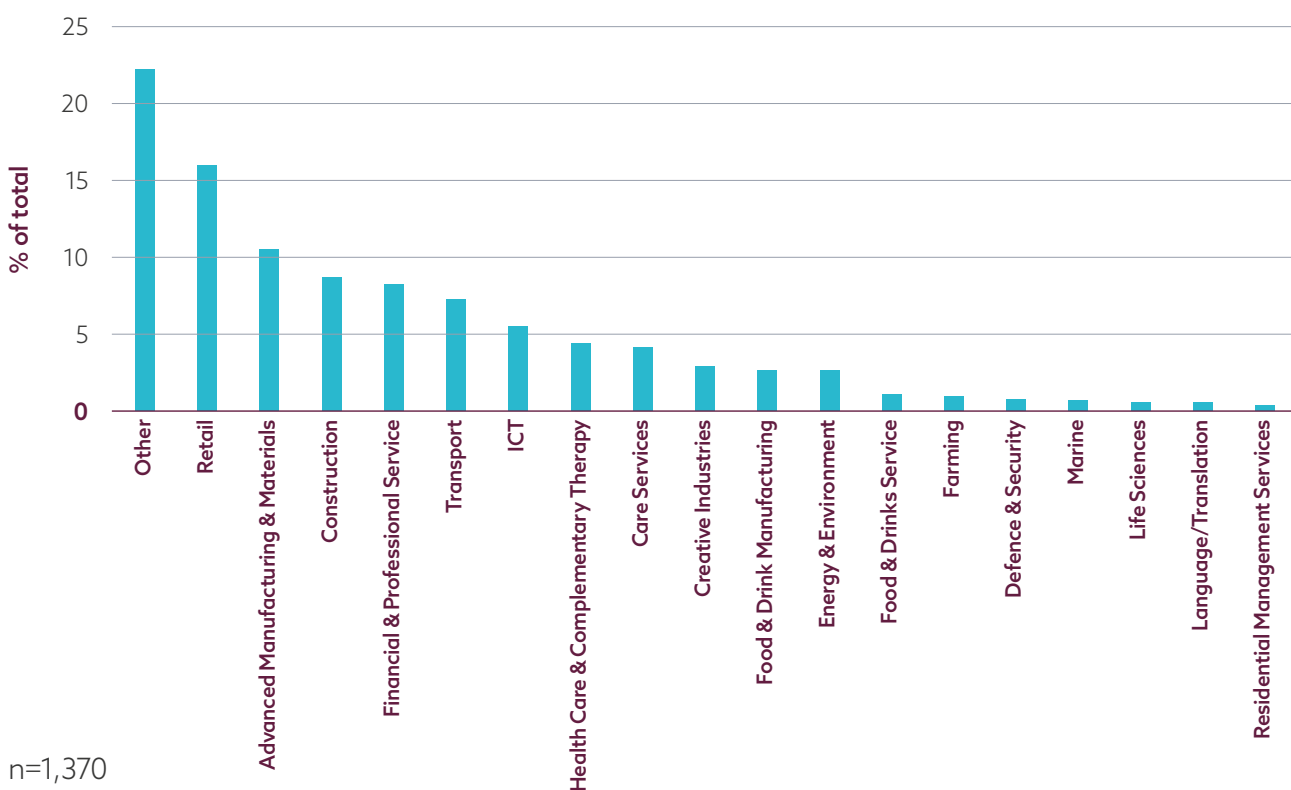
## 2.3 Sectors benefiting under ERF Phase 3 Non-Hospitality, Leisure and Tourism.

The distribution of employees supported by the Fund intervention by business sector is revealed in Figure 2.1 Organisations in Retail received a total of 231 grants, with this being associated with the support of 2,315 FTEs (or 16% of the total). Only the "Other" business sector category

received more grants (318) but note comments in Section 1 of this report in respect of issues with the 'Other' sector. Over 1,500 FTEs were supported in the Advanced Manufacturing and Materials sector through 61 grants.

**Figure 2.1**

*Sector distribution of employees supported under ERF Phase 3 Non-Hospitality, Leisure and Tourism (% of total)*



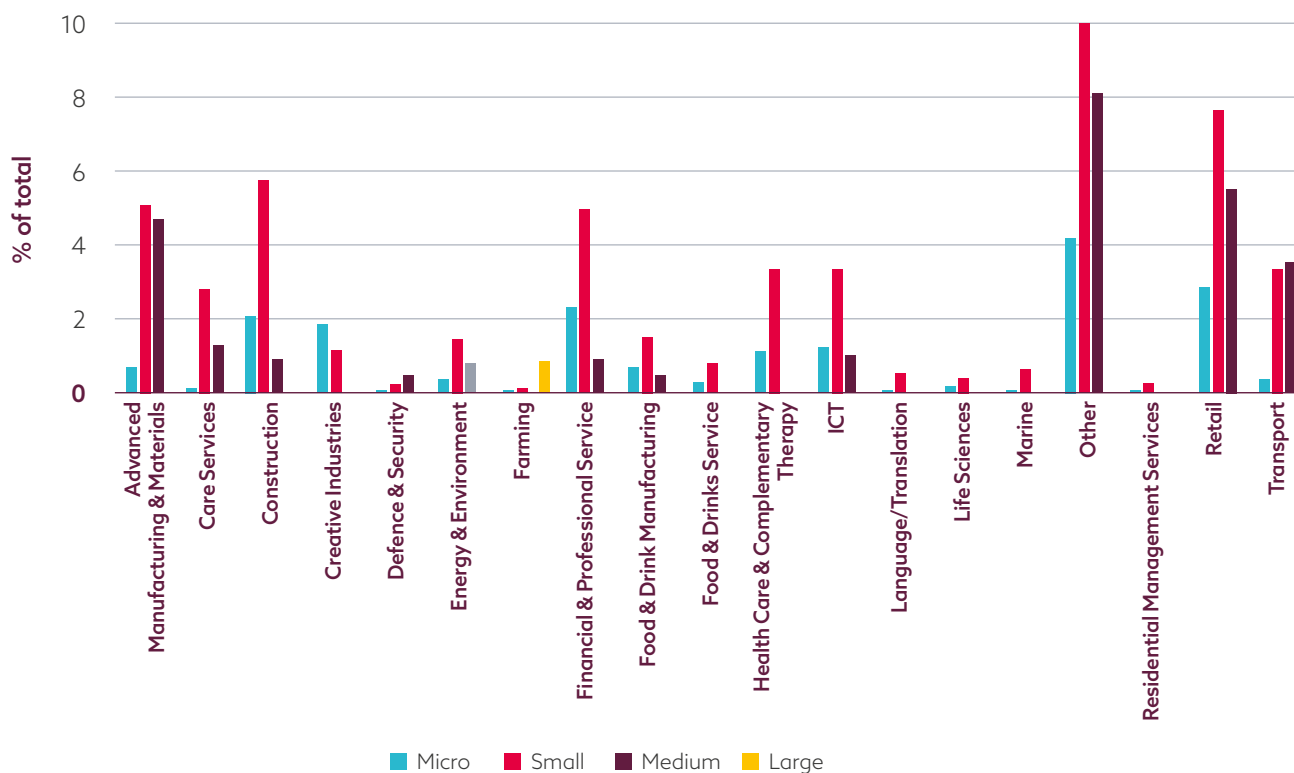
There was some variation in industry distribution of total employees according to business size category<sup>4</sup> (taken from the ERF grant fund that businesses received monies from). For example, in Advanced Manufacturing and Materials more employees were supported in small enterprises (738 FTEs, or 5.1% of the total

supported) as compared to micro and medium sized businesses. Figure 2.2 shows that higher numbers of employees were supported by small and medium sized "Other" category businesses (10.0% and 8.1% respectively), small-sized retail businesses (7.6%), and small construction businesses (5.7%).

<sup>4</sup> Micro businesses are defined as those employing 0 to 9 employees; Small businesses 10 to 49 employees; Medium businesses 50 to 249 employees; and large businesses 250+ employees.

**Figure 2.2**

*Sector distribution of total employees supported under the Economic Resilience Fund Phase 3 Non-Hospitality, Leisure and Tourism (% of total) by firm size*



n=1,370

## 2.4 ERF Phase 3 Non-Hospitality, Leisure and Tourism employees supported by location.

The distribution of employees<sup>5</sup> supported by the Phase 3 Fund across the local authorities of Wales is shown in Table 2.2. The more populous local authorities will have a larger business enterprise population and therefore more applications under the Fund.

To control for this, Table 2.2 also relates the total employees supported by the intervention to the total population in each local authority area (then the final column indicates total FTEs supported per 100,000 of local authority population).

The local authorities seeing the least employees supported under the Fund in Table 2.2 were

Merthyr Tydfil (163 FTEs), Gwynedd (177), Ceredigion (245), Isle of Anglesey (248) and Denbighshire (274). The authorities with the largest number of employees supported were Cardiff (2,559 FTEs), Swansea (1,170), Carmarthenshire (1,017), Rhondda Cynon Taff (944), and Caerphilly (787).

Controlling for the different population sizes of local authorities, numbers of employees supported under the Fund were lowest in Gwynedd, Merthyr Tydfil, Denbighshire, Vale of Glamorgan and Ceredigion, while highest in Cardiff, Carmarthenshire, Powys, Torfaen, and Flintshire.

<sup>5</sup> Employees based on workplace rather than location of residence

**Table 2.2**

Local authority distribution of employees supported under ERF Phase 3  
Non-Hospitality, Leisure and Tourism



	FTEs in ERF 3 Micro	FTEs in ERF 3 Small	FTEs in ERF 3 Medium	FTEs in ERF 3 Large	Total FTEs	Total FTEs supported per 100k population
<b>Blaenau Gwent</b>	32	198	59		289	413.7
<b>Bridgend</b>	137	370	204		711	483.5
<b>Caerphilly</b>	144	448	195		787	434.6
<b>Cardiff</b>	449	1,359	752		2,559	697.5
<b>Carmarthenshire</b>	155	388	474		1,017	538.7
<b>Ceredigion</b>	62	183			245	336.3
<b>Conwy</b>	156	275	139		570	486.7
<b>Denbighshire</b>	84	135	55		274	285.8
<b>Flintshire</b>	122	366	279		767	491.6
<b>Gwynedd</b>	79	98			177	141.7
<b>Isle of Anglesey</b>	38	210			248	353.4
<b>Merthyr Tydfil</b>	17	146			163	269.7
<b>Monmouthshire</b>	70	226	122		417	441.1
<b>Neath Port Talbot</b>	62	180	415		657	458.2
<b>Newport</b>	123	327	184		634	409.6
<b>Pembrokeshire</b>	111	310	124		545	433.2
<b>Powys</b>	108	462	115		685	516.9
<b>Rhondda Cynon Taf</b>	178	548	268		994	412.0
<b>Swansea</b>	253	650	268		1,170	473.5
<b>Torfaen</b>	54	254	49	123	480	510.8
<b>Vale of Glamorgan</b>	142	293			435	325.6
<b>Wrexham</b>	86	262	295		643	472.9
<b>All</b>	<b>2,659</b>	<b>7,685</b>	<b>3,997</b>	<b>123</b>	<b>14,464</b>	<b>458.8</b>

## 2.5 ERF Phase 3 Non-Hospitality, Leisure and Tourism employees supported by location.

Table 2.3 shows the distribution of funds by business sector. A total of £27.34m was distributed under the ERF Phase 3 (Non-Hospitality, Leisure and Tourism), with the average amount received per grant being £19,953.

The total amount of Fund monies accepted for the Retail sector was £4.36m. The Construction sector received £2.60m, Financial and

Professional Services £2.55m, while £6.13m was received by businesses classifying as Other. Beneficiaries in Farming received the largest amount on average per grant, at £42,103, compared to £12,863 in the Creative Industries. It is important to note in the case of creative industries that there was a further funding scheme for organisations in this sector, the Cultural Recovery Fund.<sup>6</sup>

**Table 2.3**

Business sector distribution of ERF funds Phase 3 Non-Hospitality, Leisure and Tourism



	Amount Accepted (£s)	Average amount of funding approved per grant (£s)
Advanced Manufacturing & Materials (AM&M)	1,968,551	32,271
Care Services	997,782	36,955
Construction	2,604,919	18,475
Creative Industries	1,337,721	12,863
Defence & Security	148,112	29,622
Energy & Environment (E&E)	794,427	24,826
Farming	126,309	42,103
Financial & Professional Services (F&PS)	2,552,244	16,256
Food & Drink Manufacturing	822,523	23,501
Food & Drink Service	395,569	19,778
Health Care & Complementary Therapy	1,221,643	15,271
ICT	1,856,200	22,364
Language/ Translation	209,127	34,855
Life Sciences	161,407	17,934
Marine	98,051	19,610
Other	6,127,221	19,268
Residential Management Services	88,093	14,682
Retail	4,360,323	18,876
Transport	1,466,061	31,193
<b>All</b>	<b>27,336,283</b>	<b>19,953</b>

<sup>6</sup> The Cultural Recovery Fund opened on 1st September 2020 and closed to applications on 2nd October 2020 and with the funding seeking to cover the period from 1 April 2020 to 31 March 2021. The Fund was subsequently extended in November 2020 due to high demands. Some 437 individual grants were approved totalling £19.4m. The total amount of Fund monies accepted for the Events sector was £7.3m, with the Creative sector receiving £6.4m, Heritage £4.0m, and Culture £1.8m.

## 2.6 ERF Phase 3 Non-Hospitality, Leisure and Tourism distribution across local authority areas.

The distribution of Phase 3 Non-Hospitality, Leisure and Tourism funds across the local authority areas of Wales is highlighted in Table 2.4. The average amount of funding approved per grant was largest in the local authorities of Merthyr Tydfil (£29,494), Isle of Anglesey (£26,470), and Flintshire (£25,229). The authorities of Gwynedd (£10,643), Vale of Glamorgan (£13,950), and Denbighshire (£14,159) had the lowest average amount of funding approved per grant.

Organisations based in the Cardiff local authority area received around one-in-six (16.8%) of the grants awarded under the Non-Hospitality, Leisure and Tourism Phase 3 Fund, totalling £5.02m. This equates to nearly a fifth of the total amount distributed (18.4%), whereas residents of the area comprise around 11.6% of the Welsh population<sup>7</sup>. It should be noted however that many people travel into work in Cardiff, more so than travel out of Cardiff for work, so the 'second tier' beneficiaries would be wider than the population of Cardiff.

**Table 2.4**

Distribution of ERF Phase 3 Non-Hospitality, Leisure and Tourism Grants by local authority



	Grants awarded	Grants awarded % of total	Amount Accepted (£s)	Amount accepted % of total	Ave amount funding approved per grant (£)
<b>Blaenau Gwent</b>	22	1.6	544,788	2.0	24,763
<b>Bridgend</b>	66	4.8	1,465,900	5.4	22,211
<b>Caerphilly</b>	74	5.4	1,617,382	5.9	21,857
<b>Cardiff</b>	230	16.8	5,022,593	18.4	21,837
<b>Carmarthenshire</b>	78	5.7	1,570,678	5.7	20,137
<b>Ceredigion</b>	29	2.1	527,229	1.9	18,180
<b>Conwy</b>	73	5.3	1,213,989	4.4	16,630
<b>Denbighshire</b>	38	2.8	538,045	2.0	14,159
<b>Flintshire</b>	59	4.3	1,488,528	5.4	25,229
<b>Gwynedd</b>	39	2.8	415,063	1.5	10,643
<b>Isle of Anglesey</b>	23	1.7	608,821	2.2	26,470
<b>Merthyr Tydfil</b>	14	1.0	412,921	1.5	29,494
<b>Monmouthshire</b>	44	3.2	861,325	3.2	19,576
<b>Neath Port Talbot</b>	37	2.7	844,119	3.1	22,814
<b>Newport</b>	58	4.2	1,216,411	4.4	20,973
<b>Pembrokeshire</b>	50	3.6	1,008,337	3.7	20,167
<b>Powys</b>	54	3.9	1,238,262	4.5	22,931
<b>Rhondda Cynon Taf</b>	96	7.0	1,603,439	5.9	16,702
<b>Swansea</b>	132	9.6	2,238,612	8.2	16,959
<b>Torfaen</b>	34	2.5	759,951	2.8	22,352
<b>Vale of Glamorgan</b>	73	5.3	1,018,369	3.7	13,950
<b>Wrexham</b>	47	3.4	1,121,521	4.1	23,862
<b>All</b>	<b>1,370</b>	<b>100.0</b>	<b>27,336,283</b>	<b>100.0</b>	<b>19,953</b>

<sup>7</sup> Mid-year population estimates, Office for National Statistics, [stats.wales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-year](https://stats.wales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-year)



## 2.7 ERF Phase 3 Non-Hospitality, Leisure and Tourism distribution by broad business productivity characteristics.

The Fund application form requested applicant details of turnover and employees (FTEs). Sales per full-time equivalent employee provides some information about differences in productivity between successful applicants. While not ideal<sup>8</sup>, it is one measure of productivity of the grant recipient businesses. Table 2.5 highlights sales per FTE by business sector, which ranged from £290,035 in the Energy & Environment sector, to £25,131 in

the Farming sector. Variations here indicate differences in capital intensity across the ERF business sectors but will also hint at wage differentials in the sectors. It is accepted that the key issue in the use of the ERF monies was to safeguard employment. The average sales per FTE in the sectors where employment was supported hints at the underlying quality of employment being supported through the Covid-19 crisis.

**Table 2.5**  
Sales per FTE employee for Fund-supported business sectors



	Sum of Annual Sales	FTE Employees	Sales per FTE
Advanced Manufacturing & Materials	160,960,629	1,515	106,252
Care Services	19,302,450	600	32,198
Construction	247,699,732	1,252	197,922
Creative Industries	33,445,236	426	78,602
Defence & Security	9,714,467	108	89,949
Energy & Environment (E&E)	109,488,357	378	290,035
Farming	3,605,000	143	25,131
Financial & Professional Services (F&PS)	81,562,233	1,183	68,922
Food & Drink Manufacturing	72,475,368	386	188,004
Food & Drink Service	37,729,583	158	239,553
Health Care & Complementary Therapy	69,487,228	643	108,084
ICT	158,513,317	802	197,763
Language/ Translation	12,843,589	78	165,724
Life Sciences	11,224,826	83	135,894
Marine	18,855,881	93	202,751
Other	366,840,233	3,216	114,085
Residential Management Services	2,050,093	44	46,593
Retail	388,271,143	2,315	167,698
Transport	120,485,651	1,045	115,297
<b>All</b>	<b>1,924,555,016</b>	<b>14,464</b>	<b>133,058</b>

<sup>8</sup> There are likely to be some issues in the estimation of labour productivity of beneficiaries. For example, there can be anomalies with the legal entity employing all the jobs being different to the entity that receives the grant or investment, or that reports audited turnover figures. There are also problems here with the smallest businesses which might report zero employment connected to a turnover figure, with this meaning that the denominator of employment is artificially small. Moreover a more standard measure, such as GVA per hour/worker differs from using the gross output (turnover) as the numerator. However, even here there could be differences across sectors in the ratio of GVA to turnover, making any sectoral comparison difficult.

## 2.8 Distribution of ERF Phase 3 Non-Hospitality, Leisure and Tourism by SME size band.

The majority of enterprises supported by the Non-Hospitality, Leisure and Tourism elements of the Phase 3 Fund were in the micro-size category. Around two-thirds of successful applicants (65.3%) were in this cohort. Micro businesses received nearly a third of the total funding (31.6%, or £8.64m). In contrast, small-sized enterprises made up 30.9% and received 53.7% of the total funding. Medium-sized enterprises made up 3.7% of all beneficiaries and received 14.4% of the

funding available. Large-sized enterprises made up 0.1% of all beneficiaries and received 0.4% of the total funding.

To give some context to the findings in this section, it should be noted that micro businesses are the largest enterprise size group in Wales making up an estimated 95.0% of all Welsh enterprises in 2019. This compared to 3.6% that were small, 0.8% medium-sized, and 0.6% that were large<sup>9</sup>.

## 2.9 Analysis of other information; Phase 3 Non-Hospitality, Leisure and Tourism.

The next sections move away from distributional issues to explore selected characteristics of successful applicants, and then whether beneficiaries of the Phase 3 Economic Resilience

Fund received support from other schemes. Note that the material here only relates to the ERF Phase 3 Non-Hospitality, Leisure and Tourism businesses.

## 2.10 Business owners.

There has been considerable interest in the extent to which the economic problems caused by Covid-19 have had a disproportionate effect on businesses owned or managed by female entrepreneurs, and businesses run by those from black, Asian, minority ethnic and disabled groups. Some limited additional information was available on a sample of ERF Phase 3 applicants to investigate these equal opportunity and other characteristics.

Many businesses may have multiple owners or partners, making it difficult to establish the gender composition of business ownership in Wales. Data from the Small Business Survey (Department for Business, Energy & Industrial Strategy) provides some information on ownership characteristics, finding for example that 14% of surveyed SME employers in Wales in 2020 were women-led, with a further 31%

equally led, and 10% having women in minority ownership<sup>10</sup>. The survey data for businesses without employees has slightly higher results, with 23% of businesses reporting that they were women-led in 2020<sup>11</sup>. The Business Wales report *Supporting Entrepreneurial Women in Wales*<sup>12</sup> (2019) notes that 29% of the businesses in the country were owned by women, just below the UK figure of 31%. These data differences illustrate the challenge of identifying ownership by gender, and in contextualising the demographic data for Economic Resilience Fund recipients.

Noting the caveat here of small sample numbers, Table 2.6 highlights that 33.6% of the businesses accepting Fund support (who provided owner gender data) were female owned, with these receiving an average of £15,853 (as compared to £16,685 for male-owned businesses).

<sup>9</sup> [gov.wales/sites/default/files/statistics-and-research/2019-12/size-analysis-active-businesses-2019-503.pdf](https://gov.wales/sites/default/files/statistics-and-research/2019-12/size-analysis-active-businesses-2019-503.pdf)

<sup>10</sup> [www.gov.uk/government/statistics/small-business-survey-2020-businesses-with-employees](https://www.gov.uk/government/statistics/small-business-survey-2020-businesses-with-employees)

<sup>11</sup> [www.gov.uk/government/statistics/small-business-survey-2020-businesses-with-no-employees](https://www.gov.uk/government/statistics/small-business-survey-2020-businesses-with-no-employees)

<sup>12</sup> [gov.wales/sites/default/files/publications/2020-01/supporting-entrepreneurial-women-wales-approach.pdf](https://gov.wales/sites/default/files/publications/2020-01/supporting-entrepreneurial-women-wales-approach.pdf) (page 2)

**Table 2.6**

Distribution of Economic Resilience Fund Phase 3 Non-Hospitality, Leisure and Tourism by owner gender



	Number of owners	Percentage of owners	Total amount received (£s)	Average amount received £s
Male	95	66.4	1,585,075	16,685
Female	48	33.6	760,943	15,853
All	143	100.0	2,346,018	16,046

Data on the ethnicity of business ownership in Wales was also relatively limited. The Small Business Survey indicates that 92% of SME employer respondents in Wales in 2020 reported having no directors or partners that were in ethnic minority groups<sup>13</sup>. The Fund administrative data in Table 2.7 shows that 4.3% of businesses receiving support had a

black, Asian, minority ethnic owner, and similar proportions had a black, Asian, and minority ethnic managing director (3.8%), or black, Asian, minority ethnic director (4.8%). Again, here a small sample size needs to be noted, especially when looking at average amounts received by black, Asian, minority ethnic recipients.

**Table 2.7**

Business owners and directors - black, Asian and minority ethnic



	Businesses	% of Businesses	Total amount received (£s)	% of amount	Average amount received (£s)
Black, Asian, minority ethnic owner	6	4.3	79,500	3.4	13,250
No black, Asian, minority ethnic owner	133	95.7	2,227,348	96.6	16,747
<b>All owners</b>	<b>139</b>	<b>100.0</b>	<b>2,306,848</b>	<b>100.0</b>	<b>16,596</b>
Black, Asian, minority ethnic MD	11	3.8	283,556	3.8	25,778
No black, Asian, minority ethnic MD	281	96.2	7,127,359	96.2	25,364
<b>All MDs</b>	<b>292</b>	<b>100.0</b>	<b>7,410,915</b>	<b>100.0</b>	<b>25,380</b>
Black, Asian, minority ethnic director	52	4.8	1,141,208	5.2	21,946
No black, Asian, minority ethnic director	1,037	95.2	20,726,490	94.8	19,987
<b>All directors</b>	<b>1,089</b>	<b>100.0</b>	<b>21,867,698</b>	<b>100.0</b>	<b>20,081</b>

Around one-in-twenty-three of the successful beneficiaries (4.3%) was owned by a disabled person. This cohort of businesses received on

average £9,824, or just under three-fifths of the amount received by businesses owned by non-disabled owners.

## 2.12. Beneficiaries receiving business support from other schemes.

Nearly three-fifths of Phase 3 Non-Hospitality, Leisure and Tourism beneficiaries (57.5%) had also received support from the UK Job Retention Scheme. Less had received support from the

Bounce Bank Loan Scheme (BBLs) (20.7%), Sick Pay Support (4.7%) or the Covid-19 Wales Business Loan Scheme (CWBLs, 8.0%).

<sup>13</sup> [www.gov.uk/government/statistics/small-business-survey-2020-businesses-with-employees](http://www.gov.uk/government/statistics/small-business-survey-2020-businesses-with-employees) (Table 21)

## 3.1 Introduction.

A summary of the findings from the Economic Resilience Fund (ERF) Phase 3, Hospitality, Leisure and Tourism beneficiary data provided by the Welsh Government, is presented in this section. Analysis is undertaken along a similar structure to that in Section 2 of this report.

In the administrative data organisations were divided into two business sectors- "Food

& Drink Service" and "Tourism". Results of the analysis are presented by this sectoral breakdown as well as by business size (employment) category and local authority where relevant. There were a total of 1,323 applications to the Phase 3 ERF Hospitality, Leisure and Tourism, with 632 of these being successful (47.8%). The 632 individual grants totalled £19.18m in support of enterprises.

## 3.2 Employees supported under ERF Phase 3 Hospitality, Leisure and Tourism.

Headline employee data relating to this part of the Fund are shown in Table 3.1 Successful applicants were associated with over 8,300 full-time equivalent employees (FTEs) during this time.

Table 3.1 gives some context to the findings by comparing the total number of FTEs in Wales<sup>14</sup>. The funds are estimated to have supported 0.79% of all FTEs in Wales. Clearly the support here would have supported a larger proportion of employees in the tourism sector.

**Table 3.1**

Business owners and directors - black, Asian and minority ethnic



	Phase 3 ERF Hospitality, Leisure and Tourism
Full-time equivalent employees (FTEs)	8,308
% of all FTEs in Wales that were supported	0.79%

<sup>14</sup> FTEs in Wales for year 2020 were estimated using figures from the Business Register Employers Survey (BRES) run by the Office for National Statistics (ONS). Here, two part-time employees were assumed to be equivalent to one full-time employee. The data can be found on the National On-line Manpower Information System (or NOMIS - see [www.nomisweb.co.uk](http://www.nomisweb.co.uk)).

## 3.3 Tourism sectors benefiting under ERF Phase 3 Hospitality, Leisure and Tourism.

The distribution of employees supported by broad tourism sector is revealed in Table 3.2 Organisations in the Tourism sector received a

total of 548 grants, with this being associated with the support of 7,489 FTEs (or 90% of the total FTEs supported by the grant).

**Table 3.2**

Distribution of total FTE employees supported under the ERF Phase 3 Hospitality, Leisure and Tourism



Business sector	Number of grants	Full Time Equivalent Employees	% of All FTEs
Food & Drink Service	84	819	9.9
Tourism	548	7,489	90.1
All	632	8,308	100.0

In both the Food & Drink Service and Tourism sectors more employees were supported in small enterprises: 598 FTEs, or 7.2% of the total

supported by the fund (8,308 FTEs) for the former, and 3,827 or 46.1% for the latter.

## 3.4 ERF Phase 3 Hospitality, Leisure and Tourism employment supported by location.

The distribution of employees supported by the Fund across the local authorities of Wales is shown in Table 3.3 The local authorities seeing the least jobs supported under the Fund in Table 3.3 were Blaenau Gwent (7 FTEs), Torfaen (19), Merthyr Tydfil (63), Monmouthshire (96) and Flintshire (118). The authorities with the largest number of jobs supported were Pembrokeshire (1,180 FTEs), Rhondda Cynon Taf (964), Cardiff (916), Conwy (854), and Gwynedd (659).

After controlling for the different population sizes of local authorities, the number of employees supported under the Fund is lowest in Blaenau Gwent, Torfaen, Merthyr Tydfil, Monmouthshire, and Flintshire, while highest in Pembrokeshire, Conwy, Gwynedd, Rhondda Cynon Taf, and Isle of Anglesey. This finding is possibly related to the relatively higher numbers of employees in more tourism-facing industries in some local authority areas.

**Table 3.3**

Local authority distribution of employees supported under the ERF Phase 3 Hospitality, Leisure and Tourism by business size category



Local Authority	FTEs in Micro businesses	FTEs in Small businesses	FTEs in Medium businesses	FTEs in Large businesses	Total FTEs supported	Total FTEs supported per 100k population
Blaenau Gwent	7				7	10.0
Bridgend	13	150	68		231	157.1
Caerphilly	24	111	130		265	146.1
Cardiff	87	617	213		916	249.6
Carmarthenshire	51	186			236	125.2
Ceredigion	44	65	100		209	286.8
Conwy	80	356	116	302	854	728.2
Denbighshire	26	122			148	154.1
Flintshire	25	33	60		118	75.3
Gwynedd	77	402	180		659	528.9
Isle of Anglesey	30	164	72		266	380.3
Merthyr Tydfil	8	55			63	103.6
Monmouthshire	28	68			96	101.0
Neath Port Talbot	17	107	93		217	151.4
Newport	19	94	62		175	113.1
Pembrokeshire	76	470	229	406	1,180	937.9
Powys	73	326	57		455	343.8
Rhondda Cynon Taf	12	191	136	625	964	399.6
Swansea	62	412	59		533	215.9
Torfaen	3	16			19	20.2
Vale of Glamorgan	31	329	123		483	361.6
Wrexham	12	153	52		217	159.2
<b>All</b>	<b>801</b>	<b>4,425</b>	<b>1,749</b>	<b>1,333</b>	<b>8,308</b>	<b>263.5</b>

## 3.5 Distribution of ERF Phase 3 Hospitality, Leisure and Tourism Funds by Tourism Sector.

Table 3.4 shows the distribution of the funding by tourism sector. A total amount of £19.18m was distributed under ERF Phase 3 (Tourism and Hospitality), with the average amount received per grant being £30,345. The total amount of

funding accepted for the Food & Drink Service sector was £2.18m and the average amount received per grant was £25,986 (or 84% of the Tourism sector average grant size).

**Table 3.4**

Business sector distribution of the ERF Phase 3 Tourism and Hospitality



	Amount Accepted (£s)	Average amount of funding approved per grant (£s)
Food & Drink Service	2,182,854	25,986
Tourism	16,995,114	31,013
All	19,177,968	30,345

## 3.6 Distribution of ERF Phase 3 Hospitality, Leisure and Tourism funds across local authority areas.

The distribution of funds across the local authority areas of Wales is highlighted in Table 3.5. The overall average amount of funding approved per grant was £30,345. The average amount of funding approved per grant was largest in the local authorities of Rhondda

Cynon Taf (£49,149), Vale of Glamorgan (£41,380), Bridgend (£41,339), Conwy (£39,758), and Wrexham (£35,991). The authorities of Blaenau Gwent (£9,875), Ceredigion (£13,848), and Monmouthshire (£14,223) had the lowest average amount of funding approved per grant.

**Table 3.5**

Distribution of ERF Hospitality, Leisure and Tourism grants awarded by local authority



Local Authority	Grants awarded	Grants awarded % of total	Amount Accepted (£s)	Amount accepted % of total	Average amount of funding approved per grant (£s)
<b>Blaenau Gwent</b>	4	0.6	39,500	0.2	9,875
<b>Bridgend</b>	14	2.2	578,750	3.0	41,339
<b>Caerphilly</b>	21	3.3	717,828	3.7	34,182
<b>Cardiff</b>	78	12.3	2,357,282	12.3	30,222
<b>Carmarthenshire</b>	35	5.5	698,389	3.6	19,954
<b>Ceredigion</b>	27	4.3	373,901	1.9	13,848
<b>Conwy</b>	61	9.7	2,425,223	12.6	39,758
<b>Denbighshire</b>	21	3.3	534,261	2.8	25,441
<b>Flintshire</b>	13	2.1	345,218	1.8	26,555
<b>Gwynedd</b>	51	8.1	1,371,006	7.1	26,882
<b>Isle of Anglesey</b>	23	3.6	618,122	3.2	26,875
<b>Merthyr Tydfil</b>	7	1.1	246,559	1.3	35,223
<b>Monmouthshire</b>	20	3.2	284,454	1.5	14,223
<b>Neath Port Talbot</b>	16	2.5	425,165	2.2	26,573
<b>Newport</b>	14	2.2	461,128	2.4	32,938
<b>Pembrokeshire</b>	59	9.3	2,037,488	10.6	34,534
<b>Powys</b>	48	7.6	1,202,599	6.3	25,054
<b>Rhondda Cynon Taf</b>	19	3.0	933,828	4.9	49,149
<b>Swansea</b>	47	7.4	1,430,719	7.5	30,441
<b>Torfaen</b>	3	0.5	67,000	0.3	22,333
<b>Vale of Glamorgan</b>	36	5.7	1,489,683	7.8	41,380
<b>Wrexham</b>	15	2.4	539,865	2.8	35,991
<b>All</b>	<b>632</b>	<b>100.0</b>	<b>19,177,968</b>	<b>100.0</b>	<b>30,345</b>



## 3.7 ERF Phase 3 Hospitality, Leisure and Tourism funding distribution by business productivity characteristics.

The Fund application form requested applicant details of turnover and employment (FTEs). Sales per full time equivalent employee provides some information about differences in productivity between successful applicants. While not ideal (see comments in Section 2), it is one measure of productivity of the grant recipient businesses. By business sector, Table 3.6 highlights that sales per FTE in Food & Drink Service (£236,621) were nearly double that of the Tourism sector (£121,869). Variation in sales per FTE indicate differences in capital intensity

across the business sectors but also hint at wage differentials in the sectors. As highlighted in Section 2 of this report, it is accepted that the key issue in the use of the ERF monies was to safeguard employment. However, the average sales per FTE in the sectors where employment was supported hints at the underlying quality of employment being supported through the Covid-19 crisis. It is noted here that sales per employee in Food and Drink Services is almost twice that in Tourism.

**Table 3.6**

Sales per FTE employee for Fund-supported business sectors



Hospitality, Leisure and Tourism sector	Sum of Annual Sales £m	Full Time Equivalent Employees	Sales per FTE (£)
Food & Drink Service	193.8	819	236,621
Tourism	912.6	7,488	121,869
All	1,106.5	8,308	133,184

## 3.8 Distribution of ERF Phase 3 Hospitality, Leisure and Tourism by SME size band.

The majority of Hospitality, Leisure and Tourism enterprises supported by ERF Phase 3 were in the small-size category with 48.9% of successful applicants in this cohort. Small businesses received two-thirds of the total funding (66.2%, or £12.7m). In contrast, micro sized enterprises made up 46.4% and received 15.1% of the total funding. Medium sized enterprises made up 4.3% of all beneficiaries and received 15.9% of the funding available.

Large sized enterprises made up 0.5% of the successful applicants and received 2.8% of the total funding.

To give some context to the findings in this section, it should be noted that micro businesses are the largest enterprise size group in Wales making up an estimated 95.0% of all Welsh enterprises in 2019. This compared to 3.6% that were small, 0.8% medium-sized, and 0.6% that were large<sup>15</sup>.

<sup>15</sup> [gov.wales/sites/default/files/statistics-and-research/2019-12/size-analysis-active-businesses-2019-503.pdf](https://gov.wales/sites/default/files/statistics-and-research/2019-12/size-analysis-active-businesses-2019-503.pdf)

## 3.9 ERF Phase 3 Hospitality, Leisure and Tourism applicant characteristics.

Noting again the caveat here of small sample numbers, the ERF Hospitality, Leisure and Tourism business data highlights that 33.8% of the businesses accepting support (who provided owner gender data) were female owned, with these receiving an average of £19,292 (as compared to £27,226 for male-owned businesses). The Fund administrative data also revealed that 1.4% of businesses receiving support had a black, Asian, minority ethnic

owner, 4.8% had a black, Asian, minority ethnic managing director, while 6.2% had a black, Asian, minority ethnic director. Again, here a small sample size needs to be noted. Finally, the data reveals that 2.9% of successful beneficiaries were owned by a disabled person. This cohort of businesses received on average £12,426 or just a half of the amount received by businesses owned by non-disabled owners.

## 3.10 ERF Phase 3 Hospitality, Leisure and Tourism beneficiaries receiving business support from other schemes.

Nearly three-quarters of Hospitality, Leisure and Tourism beneficiaries (72.6%) had also received support from the UK Job Retention Scheme. Less had received support from the

Bounce Bank Loan Scheme (BBLs) (20.7%), Sick Pay Support (4.3%) or the Covid-19 Wales Business Loan Scheme (CWBLs, 9.2%).

## 4.1 Introduction.

This section presents a summary of the findings from the Sector Specific Fund (SSF) Phase 1. The reporting structure follows a similar pattern to that used for ERF Phase 3 interventions.

There were a total of 8,792 applications to the Phase 1 SSF, with 5,186 of these being successful (59.0%). The grants totalled around £46m in enterprise support.

## 4.2 Employees supported under the Sector Specific Fund.

Table 4.1 highlights headline employee data relating to the SSF. Successful applicants were associated with over 36,600 full-time equivalent employees during this time.

Some context to the findings are given in Table 4.1, comparing the total number of FTEs in Wales<sup>16</sup>. The funds are estimated to have supported 3.50% of all the FTEs in Wales.

**Table 4.1**

Employees safeguarded/supported under the Sector Specific Fund



	Phase 1 Sector Specific Fund
Full-time equivalent employees (FTEs)	36,675
% of all FTEs in Wales that was supported	3.50%

## 4.3 Sectors benefiting under the Sector Specific Fund.

The distribution of employees supported by the Fund intervention by business sector is revealed in Table 4.2 Organisations in the Food and Drink Service sector received a total of 2,557 grants,

with this being associated with the support of 17,689 FTEs (or 48% of the total). Over 10,500 FTEs were supported in the Tourism sector through 1,137 grants.

<sup>16</sup> FTEs in Wales for year 2020 were estimated using figures from the Business Register Employers Survey (BRES) run by the Office for National Statistics (ONS). Here, two part-time employees were assumed to be equivalent to one full-time employee. The data can be found on the National On-line Manpower Information System (or NOMIS - see [www.nomisweb.co.uk](http://www.nomisweb.co.uk)).

**Table 4.2**

Business sector distribution of total FTE employees supported under SSF



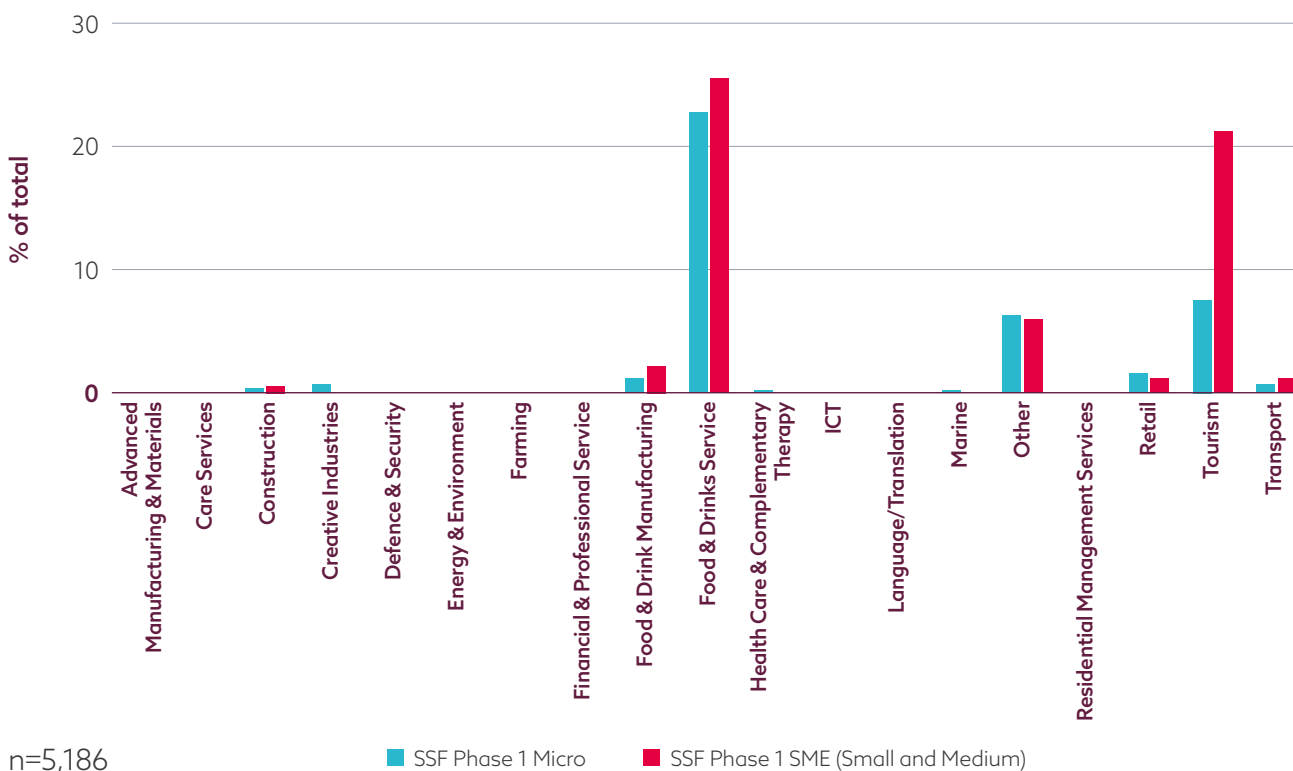
Business sector	Number of grants	FTE Equivalent Employees	% of all FTEs
Advanced Manufacturing & Materials (AM&M)	7	29	0.1
Care Services	6	51	0.1
Construction	39	298	0.8
Creative Industries	109	281	0.8
Defence & Security	6	23	0.1
Energy & Environment (E&E)	3	18	0.0
Farming	4	11	0.0
Financial & Professional Services (F&PS)	11	24	0.1
Food & Drink Manufacturing	148	1,237	3.4
Food & Drink Service	2,557	17,689	48.2
Health Care & Complementary Therapy	30	106	0.3
ICT	10	33	0.1
Language/ Translation	3	25	0.1
Marine	19	85	0.2
Other	812	4,470	12.2
Residential Management Services	4	11	0.0
Retail	186	1,043	2.8
Tourism	1,137	10,582	28.9
Transport	95	661	1.8
<b>All</b>	<b>5,186</b>	<b>36,675</b>	<b>100.0</b>

Analysing the distribution of employees by sector supported under the Fund indicates that the largest number of employees supported were those in the categories of Food and Drink Service, Tourism, and "Other". Contrastingly, the smallest number of employees supported were in Residential Management Services, Farming, and Energy & Environment.

Figure 4.1 reveals that much of the employment was supported by small and medium Food and Drink Service category businesses (25.4% of all supported) and micro Food and Drink Service category businesses (22.8%). Small and medium size Tourism enterprises accounted for 21.3% of the total employment supported by the Fund.

**Figure 4.1**

*Sector distribution of total employees supported under the Sector Specific Fund (% of total) by business size*



## 4.4 Sector Specific Fund employees supported by location.

Table 4.3 shows the distribution of employees supported by the Fund across the local authority areas of Wales. The local authorities seeing the least jobs supported under the Fund in Table 4.3 were Blaenau Gwent (324 FTEs), Merthyr Tydfil (382), Torfaen (536), and Neath Port Talbot (910). The authorities with the largest number of jobs supported were Cardiff (5,089 FTEs), Swansea

(3,058), Conwy (2,984), Pembrokeshire (2,774), and Gwynedd (2,741). After controlling for the different population sizes of local authorities, employment supported under the Fund is lowest in Blaenau Gwent, Caerphilly, Torfaen, and Merthyr Tydfil, while highest in Isle of Anglesey, Conwy, Pembrokeshire, and Gwynedd.

**Table 4.3**

Local authority distribution of employees supported under SSF



	FTEs in SSF Phase 1 Micro Fund	FTEs in SSF Phase 1 SME Fund	Total FTEs	FTEs supported per 100k population
<b>Blaenau Gwent</b>	190	134	324	464.1
<b>Bridgend</b>	457	647	1,104	750.6
<b>Caerphilly</b>	564	406	970	535.5
<b>Cardiff</b>	1,848	3,241	5,089	1,386.9
<b>Carmarthenshire</b>	884	1,085	1,968	1,042.6
<b>Ceredigion</b>	469	682	1,151	1,582.8
<b>Conwy</b>	1,254	1,731	2,984	2,546.1
<b>Denbighshire</b>	530	717	1,247	1,302.7
<b>Flintshire</b>	489	768	1,257	805.2
<b>Gwynedd</b>	1,275	1,466	2,741	2,200.6
<b>Isle of Anglesey</b>	478	1,623	2,101	2,999.4
<b>Merthyr Tydfil</b>	205	177	382	633.1
<b>Monmouthshire</b>	605	493	1,097	1,160.1
<b>Neath Port Talbot</b>	468	442	910	634.9
<b>Newport</b>	475	586	1,061	685.6
<b>Pembrokeshire</b>	1,100	1,674	2,774	2,205.2
<b>Powys</b>	718	1,029	1,746	1,318.5
<b>Rhondda Cynon Taf</b>	860	834	1,694	702.0
<b>Swansea</b>	1,278	1,780	3,058	1,238.1
<b>Torfaen</b>	213	323	536	570.3
<b>Vale of Glamorgan</b>	677	726	1,403	1,050.6
<b>Wrexham</b>	352	727	1,079	793.7
<b>All</b>	<b>15,388</b>	<b>21,287</b>	<b>36,675</b>	<b>1,163.2</b>

## 4.5 Distribution of Sector Specific Fund by sector.

The distribution of the Fund by business sector is revealed in Table 4.4 A total amount of £46.0m was distributed under SSF Phase 1, with the average amount received per grant being £8,871.

The total amount of funding accepted for the Food and Drink Service sector was around £22.2m. The Tourism sector received £13.1m, Food and Drink Manufacturing a little under £1.5m, Retail £1.3m, while £5.7m was received by businesses classified as Other.

**Table 4.4**  
Business sector distribution of SSF



	Amount Accepted (£s)	Average amount of funding approved per grant (£s)
Advanced Manufacturing & Materials (AM&M)	66,700	9,529
Care Services	26,500	4,417
Construction	405,807	10,405
Creative Industries	430,471	3,949
Defence & Security	35,500	5,917
Energy & Environment (E&E)	27,000	9,000
Farming	18,500	4,625
Financial & Professional Services (F&PS)	48,000	4,364
Food & Drink Manufacturing	1,483,437	10,023
Food & Drink Service	22,151,432	8,663
Health Care & Complementary Therapy	151,355	5,045
ICT	70,400	7,040
Language/ Translation	43,500	14,500
Marine	122,973	6,472
Other	5,701,149	7,021
Residential Management Services	18,500	4,625
Retail	1,312,295	7,055
Tourism	13,099,571	11,521
Transport	792,117	8,338
<b>All</b>	<b>46,005,207</b>	<b>8,871</b>

## 4.6 Sector Specific Fund distribution across local authority areas.

Table 4.5 shows the distribution of funds across the local authority areas of Wales. The overall average amount of funding approved per grant was £8,871. The average amount of funding approved per grant was largest in the local authorities of Cardiff (£10,214), Wrexham (£10,128), and Swansea (£9,598). The authorities of Caerphilly (£7,178), Rhondda Cynon Taf (£7,218), and Denbighshire (£7,706) had the lowest average amount of funding approved per grant.

Organisations based in the Cardiff local authority area received around one-in-eight (12.0%) of the grants awarded under the Fund, totalling £6.33m. This equates to 13.8% of the total amount distributed, whereas residents of the area comprise around 11.6% of the Welsh population<sup>17</sup>. It should be noted however that many people travel in to work in Cardiff, more so than travel out of Cardiff for work, so the 'second tier' beneficiaries would be wider than the population of Cardiff.

**Table 4.5**

Distribution of Sector Specific Fund and grants awarded by local authority



	Grants awarded	Grants awarded % of total	Amount Accepted (£s)	Amount accepted % of total	Average amount of funding approved per grant (£s)
<b>Blaenau Gwent</b>	54	1.0	452,377	1.0	8,377
<b>Bridgend</b>	157	3.0	1,436,043	3.1	9,147
<b>Caerphilly</b>	190	3.7	1,363,736	3.0	7,178
<b>Cardiff</b>	620	12.0	6,332,385	13.8	10,214
<b>Carmarthenshire</b>	312	6.0	2,527,533	5.5	8,101
<b>Ceredigion</b>	162	3.1	1,537,974	3.3	9,494
<b>Conwy</b>	407	7.8	3,864,917	8.4	9,496
<b>Denbighshire</b>	197	3.8	1,518,056	3.3	7,706
<b>Flintshire</b>	165	3.2	1,367,720	3.0	8,289
<b>Gwynedd</b>	399	7.7	3,477,707	7.6	8,716
<b>Isle of Anglesey</b>	156	3.0	1,465,635	3.2	9,395
<b>Merthyr Tydfil</b>	65	1.3	528,479	1.1	8,130
<b>Monmouthshire</b>	188	3.6	1,496,101	3.3	7,958
<b>Neath Port Talbot</b>	156	3.0	1,270,598	2.8	8,145
<b>Newport</b>	162	3.1	1,473,078	3.2	9,093
<b>Pembrokeshire</b>	380	7.3	3,573,580	7.8	9,404
<b>Powys</b>	270	5.2	2,260,724	4.9	8,373
<b>Rhondda Cynon Taf</b>	298	5.7	2,151,017	4.7	7,218
<b>Swansea</b>	419	8.1	4,021,480	8.7	9,598
<b>Torfaen</b>	79	1.5	638,909	1.4	8,087
<b>Vale of Glamorgan</b>	214	4.1	1,869,780	4.1	8,737
<b>Wrexham</b>	136	2.6	1,377,378	3.0	10,128
<b>All</b>	<b>5186</b>	<b>100.0</b>	<b>46,005,207</b>	<b>100.0</b>	<b>8,871</b>

<sup>17</sup> Mid-year population estimates, Office for National Statistics, [stats.wales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-year](https://stats.wales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-year)



## 4.7 Sector Specific Fund distribution by broad business productivity characteristics.

Table 4.6 highlights that sales per FTE among successful applicants ranged from £228,016 in the Retail sector, to £34,132 in the Health Care and Complimentary Therapy sector.

As concluded in Sections 2 and 3, this information hints at the quality of employment being supported by the Fund.

**Table 4.6**  
Business sector distribution of SSF



	Sum of Annual Sales	Full Time Equivalent Employees	Sales per FTE
Advanced Manufacturing & Materials (AM&M)	4,640,653	29	162,830
Care Services	5,402,063	51	105,923
Construction	46,366,082	286	162,119
Creative Industries	30,015,948	281	106,921
Defence & Security	2,604,441	23	111,971
Energy & Environment (E&E)	2,062,651	18	114,592
Farming	526,002	11	47,818
Financial & Professional Services (F&PS)	1,949,511	24	82,606
Food & Drink Manufacturing	185,905,508	1,237	150,300
Food & Drink Service	3,031,257,161	17,689	171,364
Health Care & Complementary Therapy	3,604,335	106	34,132
ICT	5,514,018	33	167,091
Language/ Translation	3,084,434	25	123,377
Marine	18,601,021	83	224,109
Other	690,273,288	4,470	154,439
Residential Management Services	554,615	11	50,420
Retail	237,876,680	1,043	228,016
Tourism	2,398,690,295	10,582	226,682
Transport	125,426,829	661	189,722
<b>All</b>	<b>6,794,355,535</b>	<b>36,661</b>	<b>185,328</b>

## 4.8 Distribution of Sector Specific Fund by SME size band.

Nearly four-fifths of enterprises supported by the Fund were in the micro-size category, with 79.0% of successful applicants in this cohort. Micro businesses (SSF Phase 1 Micro fund)

received just over a half of the total funding (51.5%, or £23.67m). Small and Medium-sized businesses (SSF Phase 1 SME fund) made up 21.0% and received 48.5% of the total funding.

## 4.9 Sector Specific Fund applicant characteristics.

Around 35.2% of the businesses accepting Fund support (who provided owner gender data) were female-owned, with these receiving an average of £6,318 (as compared to £7,761 for male-owned businesses). The Fund administrative data showed that 5.2% of businesses receiving support had a black, Asian or minority ethnic owner, and similar proportions had a black, Asian or minority ethnic managing director (4.9%), or black, Asian or minority ethnic director (6.5%). Enterprises with a black, Asian

or minority ethnic owner received on average £6,720 or around 92% of the average amount received by enterprises owned by non-Black, Asian or minority ethnic person (£7,285).

Around 2.0% of beneficiary businesses were owned by a disabled person, with this cohort of businesses receiving on average £6,194 or around 85% of the average amount received by businesses owned by non-disabled owners (£7,295).

## 4.10 Beneficiaries under Sector Specific Fund receiving business support from other schemes.

A little under one half of Fund beneficiaries (46.3%) had also received support from the UK Job Retention Scheme.

Less had received support from the Bounce Bank Loan Scheme (BBLs) (16.2%), Sick Pay Support (0.9%) or the Covid-19 Wales Business Loan Scheme (CWBLs, 2.3%).

## 5.1 Introduction.

A summary of the findings from the Start-up Grants beneficiary data provided by the Welsh Government via local authorities, is presented in this section. Organisations were allocated into one of twenty business sectors from the business description in the local authority administrative data. Results of the analysis are presented by this sectoral breakdown as well as by local authority location where relevant. Breakdowns are not provided by enterprise size<sup>18</sup> (number of employees), as the successful applicants were virtually all of micro size.

**Data were received from 12 of the 22 local authorities in Wales**, these being: Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Carmarthenshire; Conwy; Flintshire; Gwynedd; Merthyr Tydfil; Neath Port Talbot; Pembrokeshire; and Vale of Glamorgan. With data not being received from the 10 other local authorities in Wales, a caveat needs to be added that the analysis cannot therefore be comprehensive and should be treated with a degree of caution in respect of any conclusions drawn. Details were only given for successful grant applications, of which there were 1,093, each for a fixed £2,500. These grants totalled £2.73m in support of enterprises.

## 5.2 Employees supported under the Start-up Grants.

Successful applicants to the Start-up grants were associated with 767 full-time equivalent employee jobs during this time.

Note that this figure does not include the enterprise owner/ manager themselves.

## 5.3 Sectors benefiting under the Start-up Grants.

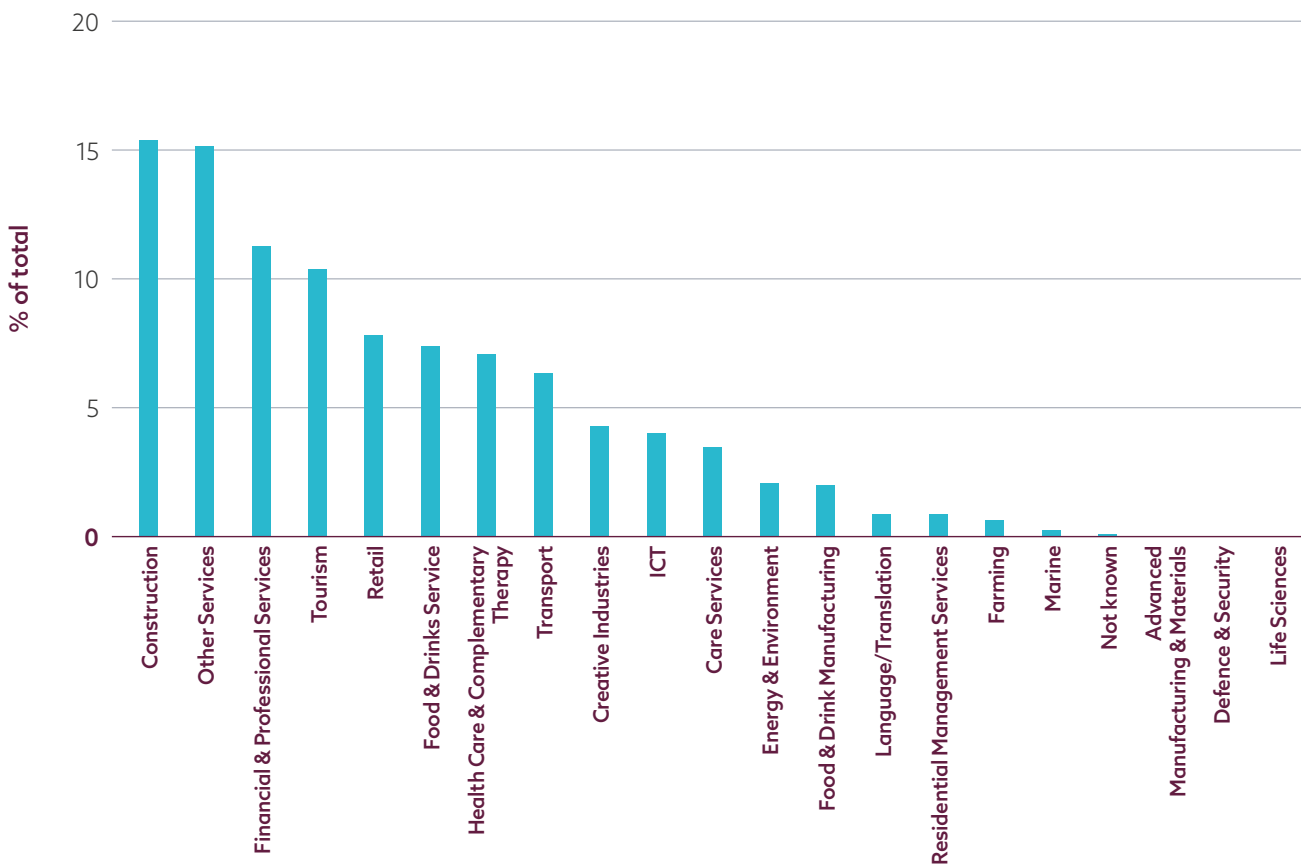
The distribution of employees supported by the Fund intervention by business sector is revealed in Figure 5.1 The largest number of employees helped were those in the Construction category. Contrastingly, the smallest number of employees supported (where at least one grant was awarded) were in the sectors of Marine, Farming and Residential Management Services. There were no Start-up Grants awarded to enterprises in the sectors of Advanced Manufacturing and Materials; Defence & Security; and Life Sciences.

Organisations in the "Other Services" sector received the most grants, with a total of 223. These grants were associated with the support of 116 FTEs employees (or 15% of the total). The Other Services sector here consists of enterprises involved in such activities as hairdressing, cleaning, and dog walking/ boarding.

<sup>18</sup> Micro businesses are defined as those employing 0 to 9 employees; Small businesses 10 to 49 employees; Medium businesses 50 to 249 employees; and large businesses 250+ employees.

**Figure 5.1**

*Sector distribution of total employees supported under the Start-up Grant Fund (% of total)*



n=1,093

## 5.4 Start-up Grants employees supported by location.

The distribution of employees supported by the Fund across the twelve local authorities of Wales that submitted data is shown in Table 5.1. The local authorities seeing the largest number of employee jobs under the Fund in Table 5.1 were Cardiff (108 FTEs), Gwynedd (98), and Carmarthenshire (84). The authorities with the least number of employee jobs supported were Vale of Glamorgan (16), Neath Port Talbot (29), and Blaenau Gwent (35).

After controlling for the different population sizes of local authorities, employees supported under the Fund is highest in Merthyr Tydfil, Gwynedd, and Pembrokeshire, while lowest in Vale of Glamorgan, Neath Port Talbot, and Caerphilly.

**Table 5.1**

Local authority distribution of employees supported under Start-Up grants



	Total FTE employees supported	Total FTE employees supported per 100k population
Blaenau Gwent	35	50.1
Bridgend	83	56.4
Caerphilly	50	27.6
Cardiff	108	29.4
Carmarthenshire	84	44.2
Conwy	49	41.8
Flintshire	60	38.4
Gwynedd	98	78.7
Merthyr Tydfil	82	135.9
Neath Port Talbot	29	20.2
Pembrokeshire	73	58.0
Vale of Glamorgan	16	12.0
<b>All</b>	<b>767</b>	<b>42.2</b>

## 5.5 Distribution of Start-up Grant Funds by sector.

Table 5.2 shows the distribution of the funding by business sector. A total amount of £2.73m was distributed in the twelve local authorities who submitted data under the Start-up Grants intervention. Beneficiaries each received £2,500

per grant. The total amount of funding accepted for the Other Services sector was £0.56m. The Construction sector received £0.45m, and Financial and Professional Services £0.30m.

**Table 5.2**

Business sector distribution of Start-up Grants



	Amount Accepted (£s)
Advanced Manufacturing & Materials	-
Care Services	117,500
Construction	447,500
Creative Industries	132,500
Defence & Security	-
Energy & Environment	52,500
Farming	12,500
Financial & Professional Services	295,000
Food & Drink Manufacturing	40,000
Food & Drink Service	102,500
Health Care & Complementary Therapy	225,000
ICT	80,000
Language/ Translation	20,000
Life Sciences	-
Marine	10,000
Other Services	557,500
Residential Management Services	20,000
Retail	202,500
Tourism	205,000
Transport	195,000
Not known	17,500
<b>All</b>	<b>2,732,500</b>

## 5.6 Start-up Grants distribution across local authority areas.

The distribution of funds across the local authority areas of Wales that responded is highlighted in Table 5.3 Organisations based in the Gwynedd local authority area received around one-in-six (16.1%) of the Start-up Grants

awarded to the twelve authorities, totalling £0.44m. Cardiff based enterprises received 161 grants (to the value of £0.40m). As noted above, the amount of funding approved per grant was £2,500.

**Table 5.3**

Distribution of Economic Resilience Fund and grants awarded by local authority



	Grants awarded	Grants awarded % of total	Amount Accepted (£s)	Amount accepted % of total
Blaenau Gwent	30	2.7	75,000	2.7
Bridgend	73	6.7	182,500	6.7
Caerphilly	79	7.2	197,500	7.2
Cardiff	161	14.7	402,500	14.7
Carmarthenshire	109	10.0	272,500	10.0
Conwy	83	7.6	207,500	7.6
Flintshire	93	8.5	232,500	8.5
Gwynedd	176	16.1	440,000	16.1
Merthyr Tydfil	86	7.9	215,000	7.9
Neath Port Talbot	32	2.9	80,000	2.9
Pembrokeshire	103	9.4	257,500	9.4
Vale of Glamorgan	68	6.2	170,000	6.2
<b>All responses</b>	<b>1,093</b>	<b>100.0</b>	<b>2,732,500</b>	<b>100.0</b>

## 5.7 Start-up Grants applicant characteristics.

Data for the applicant's gender, and whether they were in a black, Asian, or minority ethnic and/or disabled group was collected from enterprises applying for Start-up Grants. Although the specific role of the applicant (the person actually completing and submitting the grant bid) was not collected, it is reasonable in the following analysis to assume that the applicant was of high status within the enterprise, such as the sole trader, owner, managing director etc. Sample numbers for these data were relatively high, equating to over 90% of successful applicants on each measure.

In 46.7% of the businesses accepting Fund support (who provided gender data) the applicant was female. The Start-up Grant Fund administrative data revealed that 3.4% of businesses receiving support had a black, Asian, or minority ethnic applicant. Finally, around 2% of successful beneficiaries (2.2%) was a disabled person.

## 6.1 Introduction.

This section of the report focuses on the results from the Wavehill/ORS Survey of beneficiaries. Recall from Section 1 that there were 1,757 respondents to the survey. Here weighted survey findings are reported (such that actual results are weighted to represent the underlying sample frame).

Recall that this survey covers beneficiaries primarily of ERF 1, 2, CWBLS and Start-Up Grants (SUGS). Future surveys will seek to examine beneficiaries of ERF 3-7 waves of support. The results reported are grouped under a series of key themes.

## 6.2 Characteristics of the survey respondents.

The broad characteristics of the survey respondents by scheme were provided in section 1. Here some further characteristics are explored, starting with the types of organisations that were successful in applying for the Welsh Government funds. Figure 6.1 reveals that the vast majority of respondents (79%) were limited companies, and with 14% self-classifying as sole traders or owner-only enterprises. Less than 3% were classified as charities or social enterprises.

There was limited variation between the different schemes here except:

- Just 23% of Start-up Grant (SUGS) beneficiaries (and as one would expect) were limited companies, and with 73% being either sole traders or owner-only enterprises.
- Much of the support provided to charities and social enterprises was through either ERF 1 or ERF 2 grants.

**Figure 6.1**

*Type of Respondent Organisation by Scheme*

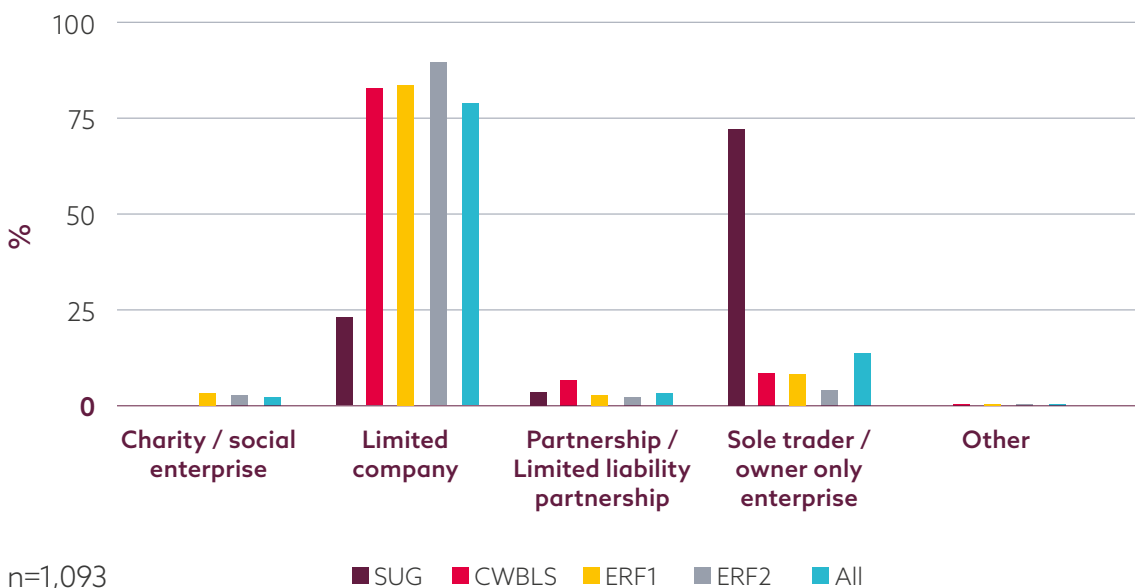
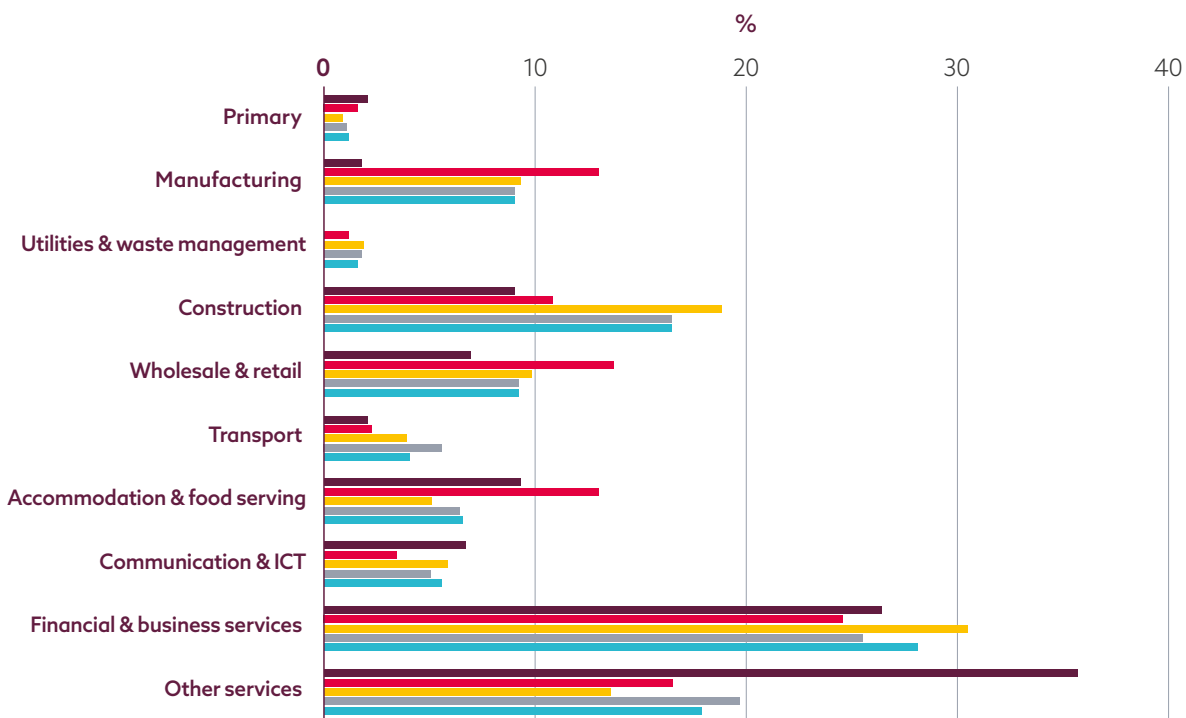


Figure 6.2 reveals how respondents were classified to broad industry groups. Overall, 46% of beneficiaries were either in financial and business services or other services. Some 16.5% were classified as construction and just over 9% classified as manufacturing. The sectoral distribution here broadly aligns with the employment distribution within the Welsh economy. That said there was some variation between the different assistance schemes.

For example:

- The Covid-19 Wales Business Loan Scheme (CWBLS) saw a slightly higher number of beneficiaries in sectors such as manufacturing, wholesale and retail, and accommodation and food serving. 40% of CWBLS beneficiaries were in these sectors, compared to 25% for the whole of the respondent base.
- The SUGs scheme saw over 62% of beneficiaries in the financial and business services, or other services sectors, compared to 46% for the respondent base overall.

**Figure 6.2**  
Main business activity of survey respondent by funding scheme (%)



n=1,752

■ SUG ■ CWBLS ■ ERF1 ■ ERF2 ■ All

The sectoral differences are not explored in detail here, as the administrative data examined in the first bespoke report in the

series covered these in more detail and should be used as a more definitive guide to sectoral distribution.



Figure 6.3 reveals information on the age of the businesses responding to the survey. A little under 15% of the respondent businesses were less than three years old, but the vast majority of these were organisations that had received SUGs i.e. around 87% of SUGs beneficiaries were under 3 years old; this compared to just 0.8% of the organisations assisted by CWBLS.

In comparison to CWBLS beneficiary organisations, ERF 1 and 2 organisations tended to be younger. For example, 19% of ERF1 and 27% of ERF2 organisation beneficiaries were 5 years old or less, compared to less than 13% of CWBLS beneficiaries. Close to two thirds of CWBLS beneficiaries had been in business for more than 10 years.

**Figure 6.3**  
*Business age of survey respondents*

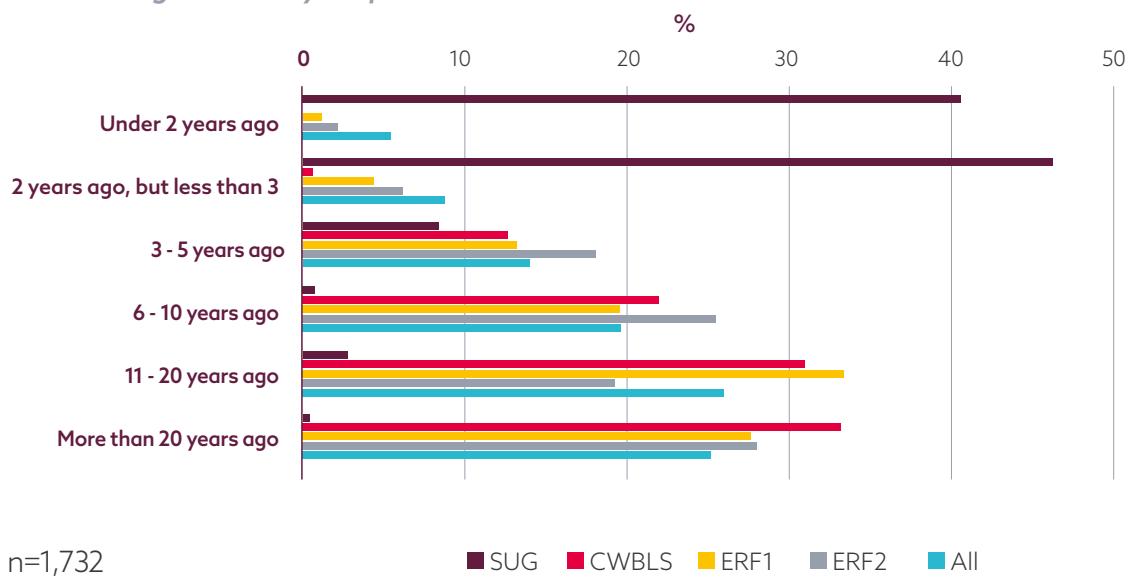
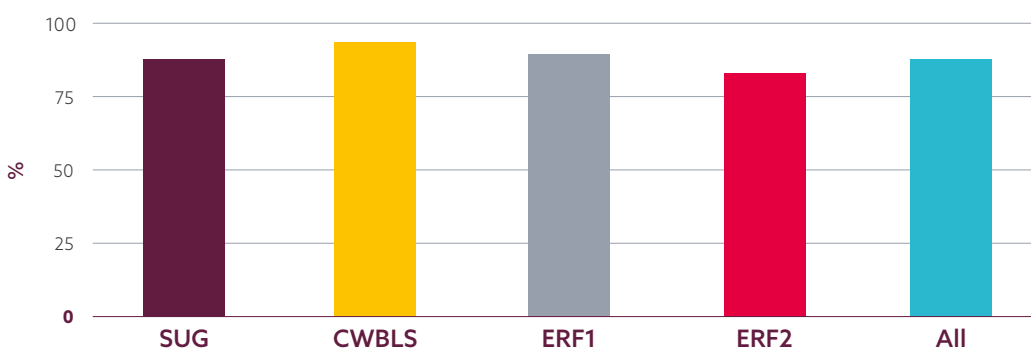


Figure 6.4 reveals responses to the survey question of whether the organisation was mainly operating or based in Wales.

Some 95% or above of businesses responded positively here, with very little variation by scheme.

**Figure 6.4**  
*Proportion of survey respondents operating or mainly based in Wales*



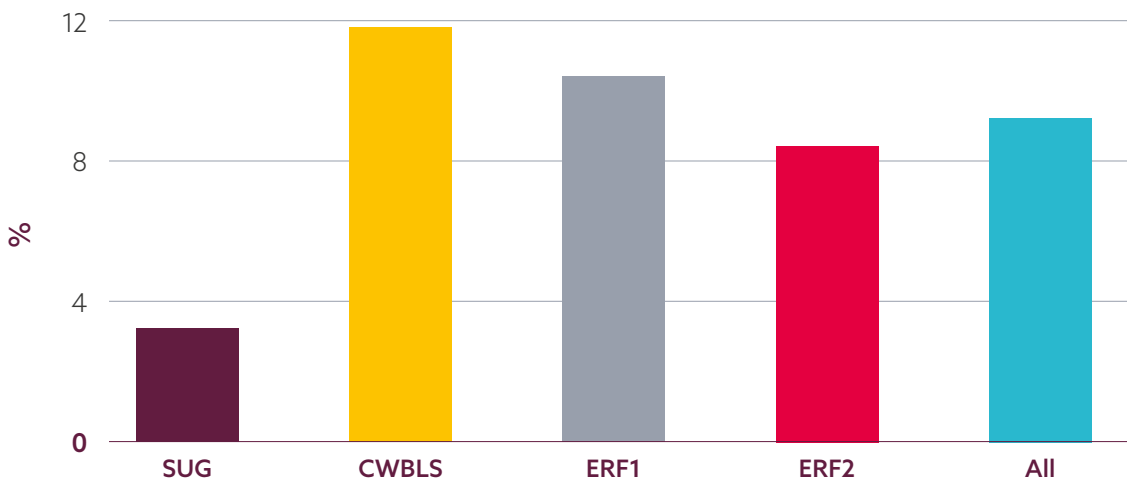
n=1,726

Finally in this sub-section there has been a great deal of interest in how far the schemes of assistance might have provided support to firms that were actively engaged in exporting goods or services overseas, and with the Covid-19 pandemic adding to pressures caused by Brexit, particularly on smaller Welsh businesses. Figure 6.5 reveals that just under 10% of responding organisations reported that they had exported goods or services in

the 12 months preceding the survey. With the expected exception of SUGs, there was little variation across the schemes here. Across the respondents, however, there was strong variation in exports by sector. For example, whereas around 10% of respondents exported in the last year, this was 30.5% in the case of manufacturing respondents, 16% in wholesale and retail and close to 17% in communication and ICT.

**Figure 6.5**

*Percentage of survey respondents which had exported in previous 12 months*



n=1,721

## 6.3 Were organisations still trading at the time of the survey?

One of the fundamentals of the different layers of the Welsh Government assistance was to help businesses survive over the early period of the Covid-19. There is an issue here that businesses that had ceased to trade, or were about to cease trading, would be much less likely to respond to the survey. Overall, over 95% of organisations reported that they were trading at the time of the survey, with 3% not trading but not closed, and just a little over 1% having ceased

trading and being permanently closed. For organisations permanently no longer trading, the most common reasons given related to lack of finance due to lockdown/loss of customers/lack of support for rebuilding after Covid-19. Other reasons related to health issues/personal circumstances and retirement. It is important to recognise that a number of those businesses ceasing trading might have had reasons not directly related to Covid-19.

**Figure 6.6**  
Percentage of respondents still trading at time of survey



Figure 6.6 reveals that there was little variation in the proportion of businesses currently trading and benefitting under the different schemes i.e. on ERF1, ERF 2 and CWBLS the proportion of businesses still trading at the time of the survey

was between 95% and 98% but with this falling to 90% in the case of SUG recipients. In total 3.5% of SUG recipients had permanently ceased trading at the time of the survey.

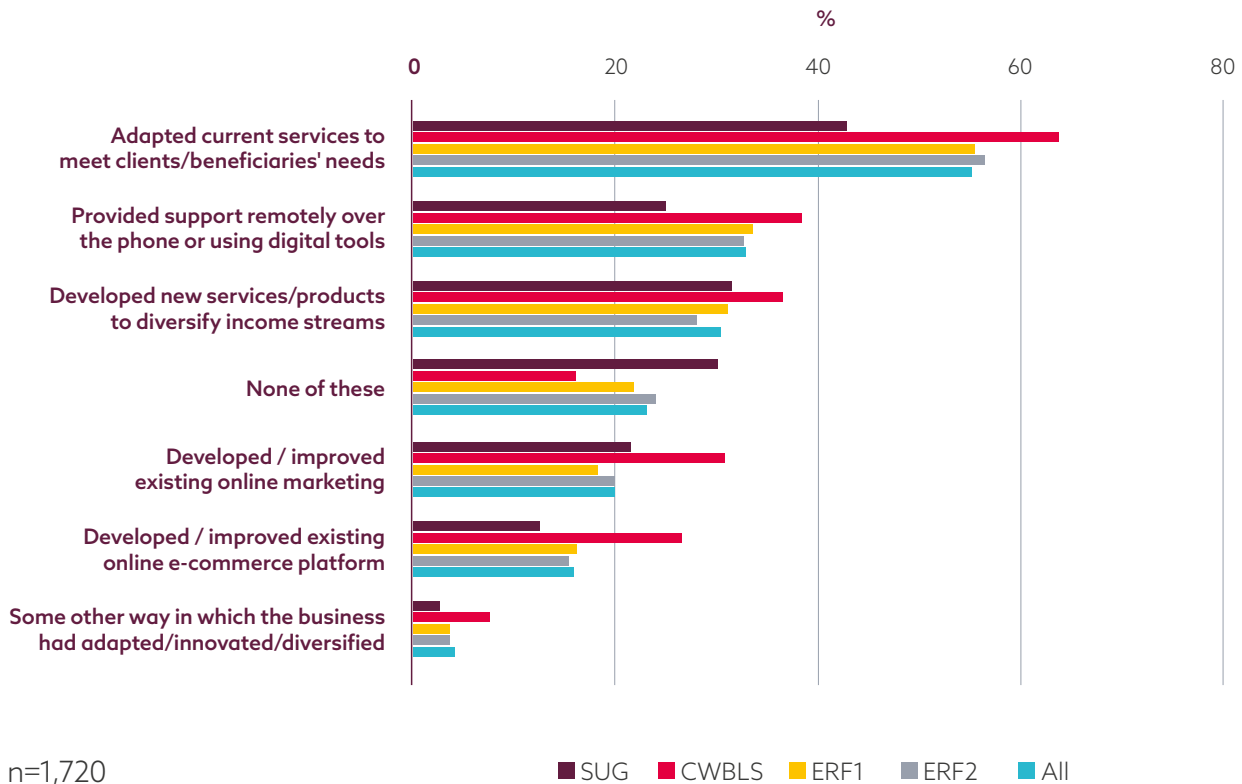
## 6.4 Business response to the pandemic and use of Welsh Government support.

Some Welsh industries were expected to be more severely impacted by the pandemic than others. Firstly, this was about government restrictions on their ability to trade – closing them down and cutting off their customer base- but also, in part, this reflects the ability of different industries to cope with shocks, and with some sectors in Wales better able to develop technological responses to the shock. The immediate business responses to Covid-19 were classified in the survey into those seeking to safeguard activity, but then also seeking responses from organisations that were able to and had taken a more proactive response, or which viewed Covid-19 as an opportunity to innovate.

Figure 6.7 shows responses in terms of how organisations believed they had responded to the pandemic and resulting lockdowns. Some 55% of respondents reported that they had adapted current services to meet client needs, with around one third of respondents having provided support remotely over the phone or through digital tools. However, there was also evidence of more proactive stances taken by beneficiaries. For example, 30% of respondents revealed that they had developed new services to diversify income streams and with 20% either developing or improving on-line marketing.

**Figure 6.7**

*Business response to the Covid-19 pandemic and lockdown measures*



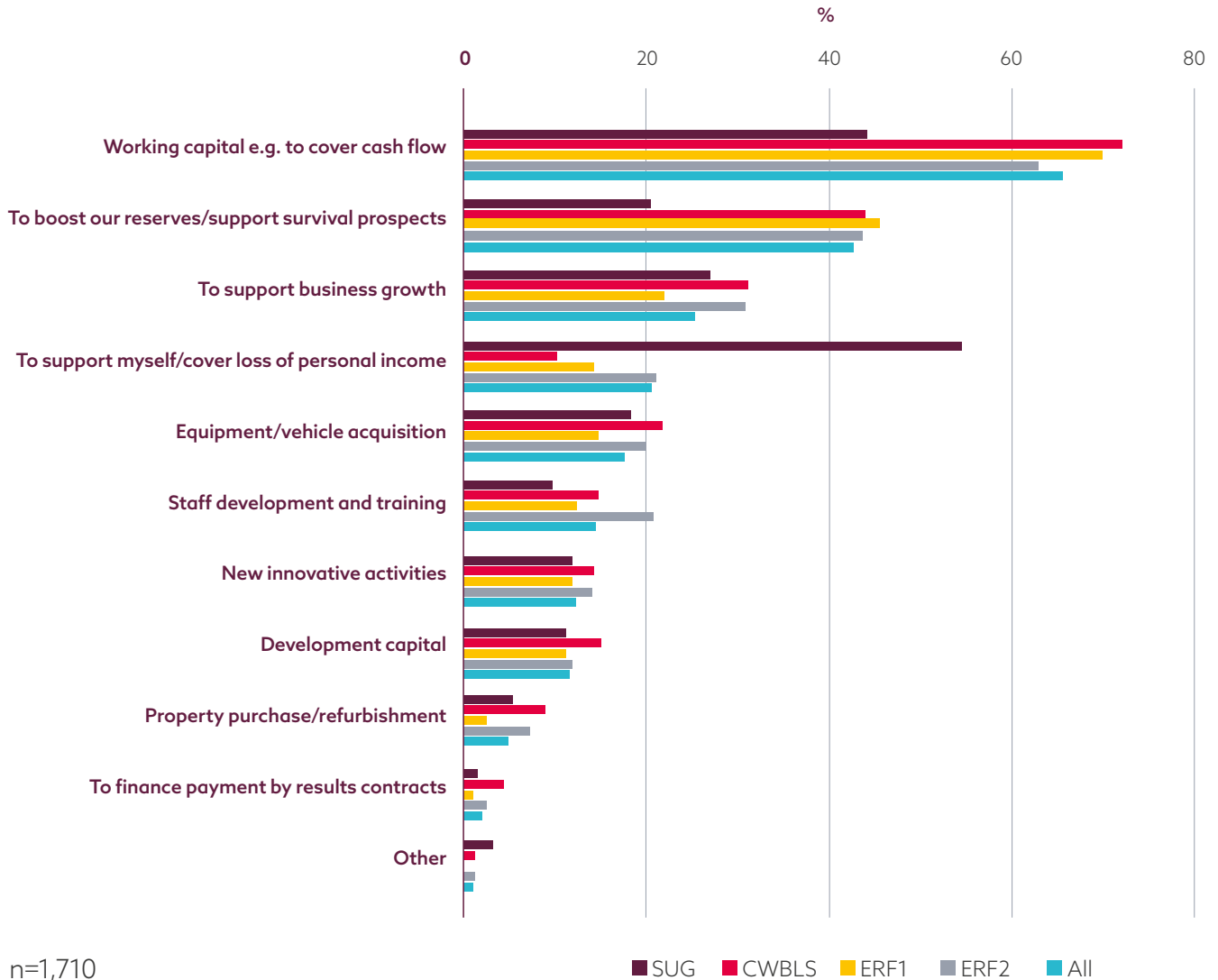
It was possible to differentiate responses by funding stream. Across the board, loan beneficiaries of the CWBLS scheme were most likely to report that they had either adapted services, provided remote/digital support or developed new income streams through new products or services. While 20% of all respondents reported developing/improving online marketing, this grew to 31% in the case of CWBLS respondents, and similarly while 16% of all respondents reported developing or improving existing e-commerce platforms, this grew to 26.5% in the case of CWBLS beneficiaries.

Clearly the nature of the beneficiary response links to the use to which grants and loans provided by Welsh Government, local authorities and the Development Bank of Wales were put. Figure 6.8 shows how organisations used

the support offered. The largest proportion of respondents (almost two-thirds) revealed that funds were used to support a working capital position which is expected considering the emergency nature of the funding. There was also evidence here of funds being employed for more proactive purposes including staff training and development (15% of respondents), new innovation (13%) and development capital (12%).

In terms of variation in use by fund whereas around 21% of all respondents reported that funds were used to support "myself/cover loss of personal income", this increased to over 50% in the case of SUG respondents. There was also some variation in terms of respondents revealing that monies had been used for staff development and training (i.e. 21% of ERF2 respondents compared to 12.5% of ERF 1 respondents).

**Figure 6.8**  
*How did organisations use Welsh Government support*



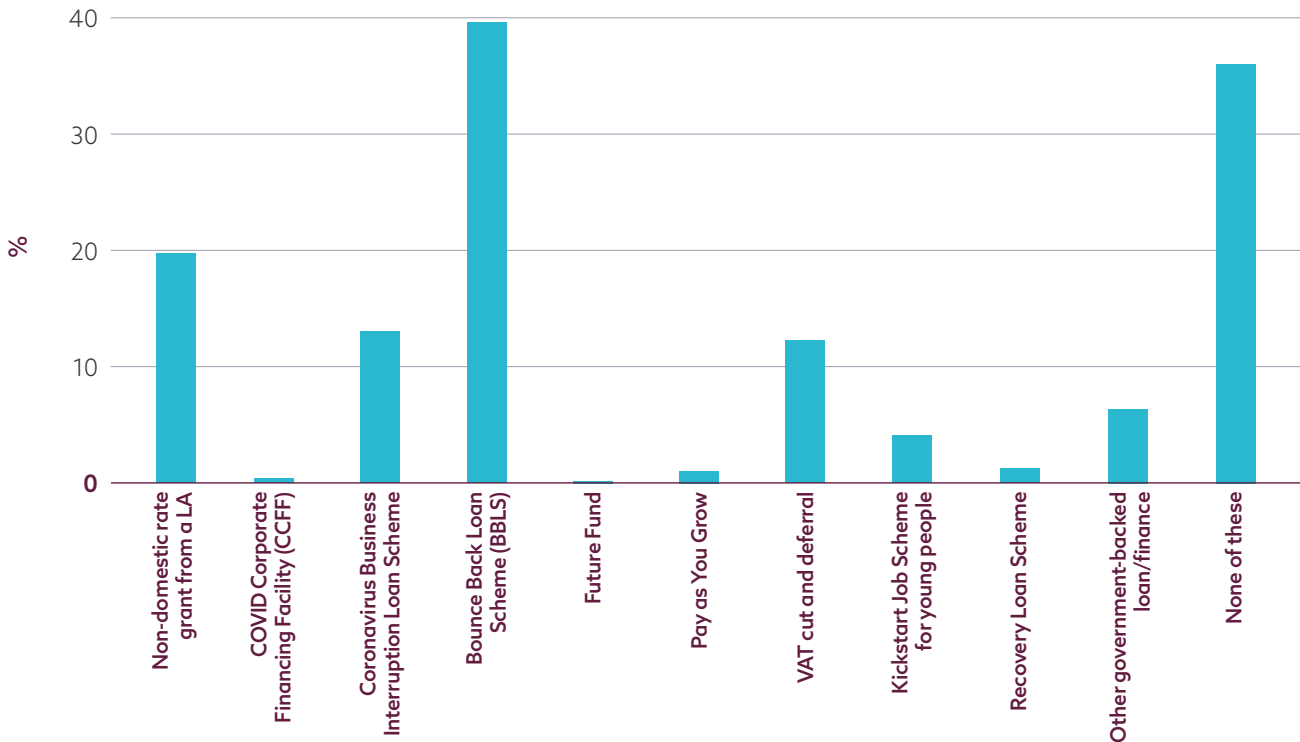
## 6.5 Beneficiary use of different types of public and private support.

Very often support offered by Welsh Government worked in conjunction with other elements of both public and private sector support for businesses. Figure 6.9 reveals the percentage of respondents that had applied for other public funding support schemes. Close to 40% of the respondents had applied for the British Business Bank’s Bounce Back Loan

Scheme (BBLs), and with a further 13% having applied for the Coronavirus Business Interruption Loan Scheme (CBILS), and then with around 20% having applied for the non-domestic rate grant from their local authority. Some 36% of respondents reported that they had not applied for any of these schemes.

**Figure 6.9**

*Percentage of survey respondents which had applied for other public funding support*



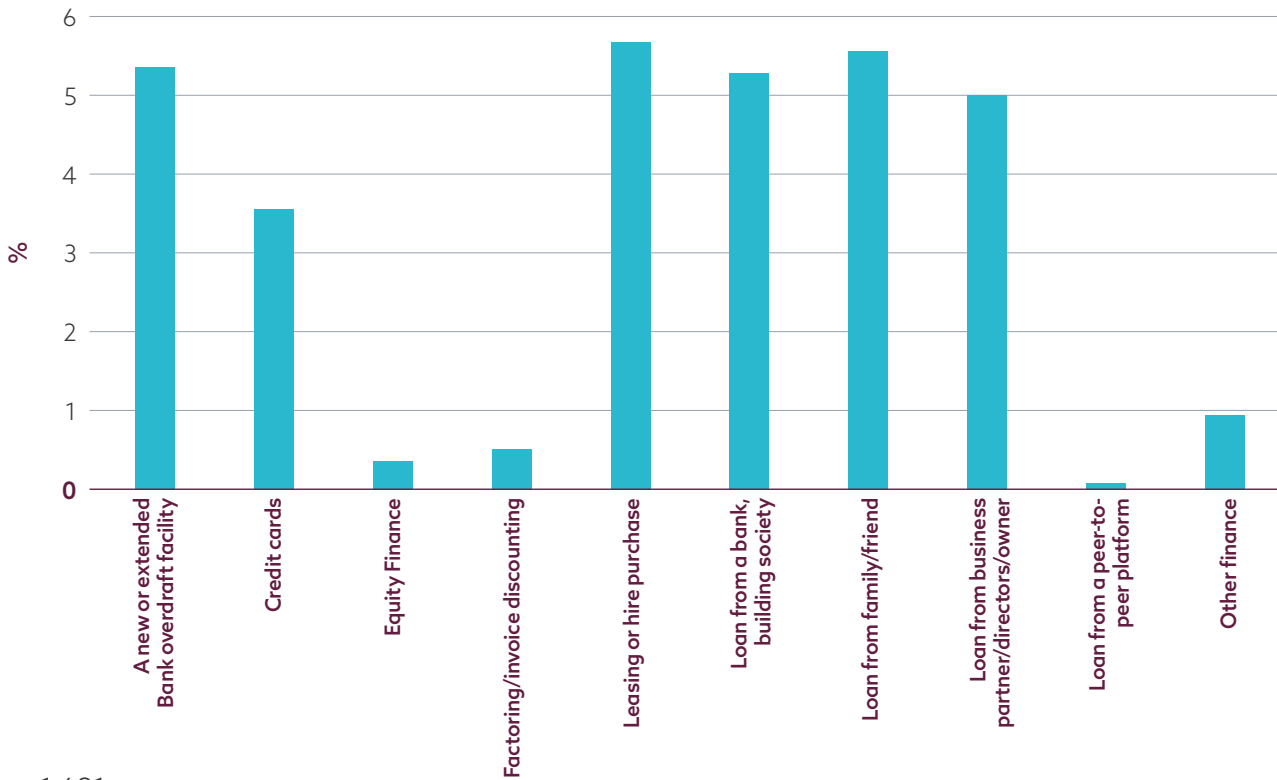
n=1,701

The success rates for the respondents tended to vary by scheme. For example, on the CBILS and BBLs schemes, over 85% of applications were successful. There were even higher success rates with the non-domestic rate grant (93%), pay as you grow (over 99%) and VAT deferral schemes (95%). Lower success rates were reported with the Future Fund (50%), Recovery Loan Scheme (45%) and Covid Corporate Financing Facility (52%).

Figure 6.10 reveals that a much lower proportion of the survey respondents had applied for private sources of funding since the beginning of the pandemic. Close to 77% of respondents had applied for no private sector sources at all (although this falls to 65% in the case of CWBLS beneficiary respondents). The Figure reveals that between just 5-6% of respondents had applied for bank overdrafts, hire purchase, bank loan or privately arranged loan with a business partner or family/friends. Further analysis revealed that success rates on overdraft applications, bank/building society loans were 72% and 76% respectively.

**Figure 6.10**

Percentage of survey respondents applying for private sector funding sources since the start of the Covid-19 pandemic



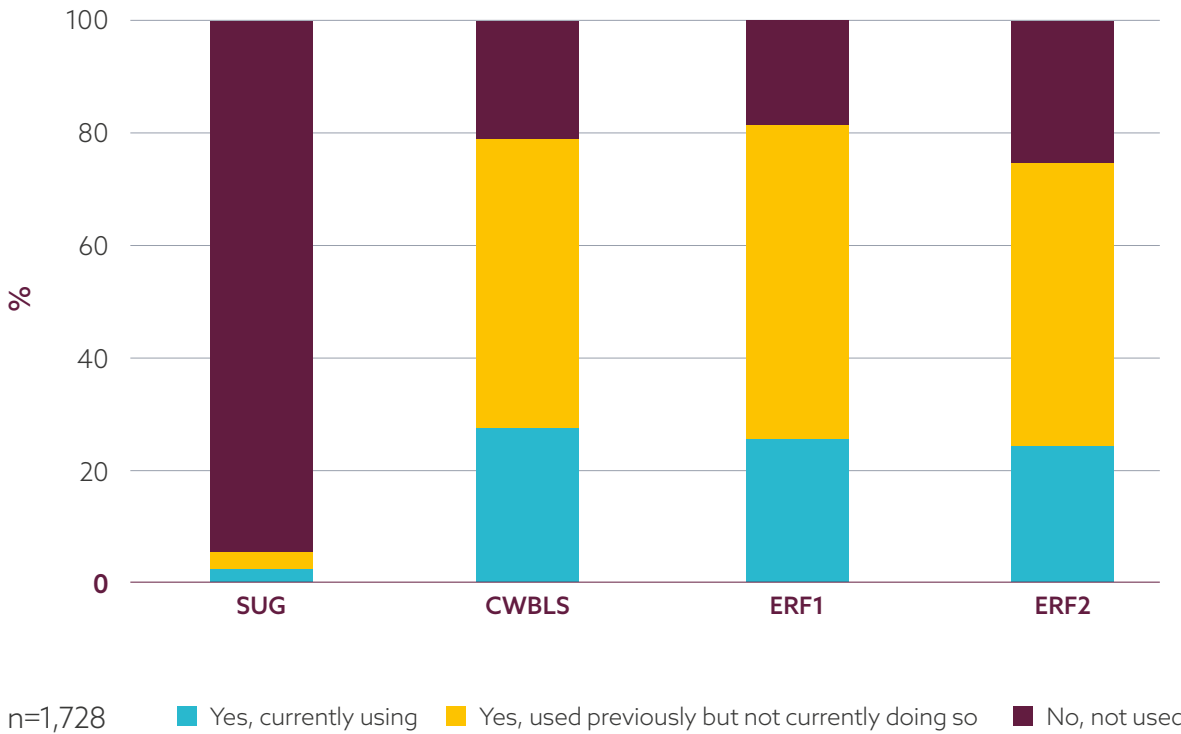
n=1,681

Clearly the information in Figure 6.10 does not include the important UK Government Job Retention Scheme. At the time of the Survey, 23% of respondents were currently benefitting from the JRS, but with 48% having benefitted from the scheme at some time during the Covid-19 pandemic. Figure 6.11 confirms the expectation that few organisations benefitting from SUGs had benefitted from the JRS.

There was also some variation between industry sector in JRS current/past use. For example, just 21% of manufacturing, and 24% of wholesale and retail respondents to the survey had not benefitted from the JRS. These proportions grew to 32% in construction, 31% of accommodation and food, 44% in communications and ICT, and 40% in financial and business services. Differences here may reflect that employment models for selected of these sectors were less affected by government lockdown restrictions than others. At the time of the survey, some 36% of manufacturing respondents were still benefitting from the scheme.

**Figure 6.11**

*Percentage of survey respondents benefitting from the UK Government Job Retention Scheme*



## 6.6 Views on the effectiveness of the Welsh Government assistance.

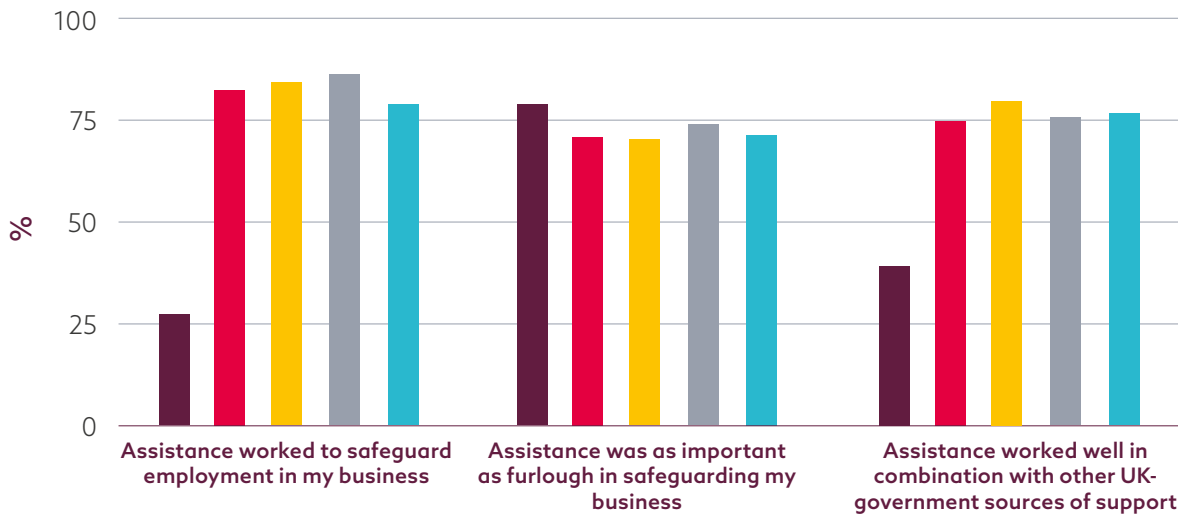
Figure 6.12 shows that across the funding streams there was a large measure of agreement in respect of assistance working to safeguard employment. A lower level of SUGs recipients agreed here but that might be expected given the logic of the grant being around assisting start-ups. However, around 86% of respondents agreed that the Welsh Government assistance received was as important as the UK Government job furlough schemes monies in safeguarding employment, and with little variation here between respondents from the different funding streams. A corollary here was respondents

signalled agreement that Welsh Government assistance had worked well with other UK Government supports and with the latter not restricted to the job furlough scheme but also including loan interventions by the British Business Bank. However, it is likely here that when respondents are signalling assistance worked well in combination, that they were primarily considering the furlough scheme. The relatively lower proportion of SUGs recipients signalling agreement here is expected to be linked to them not being beneficiaries from UK Government schemes (see above).



**Figure 6.12**

*Percentage of Survey respondents who tended/strongly agreed on safeguarding employment role of Welsh Government assistance*



n=1,699

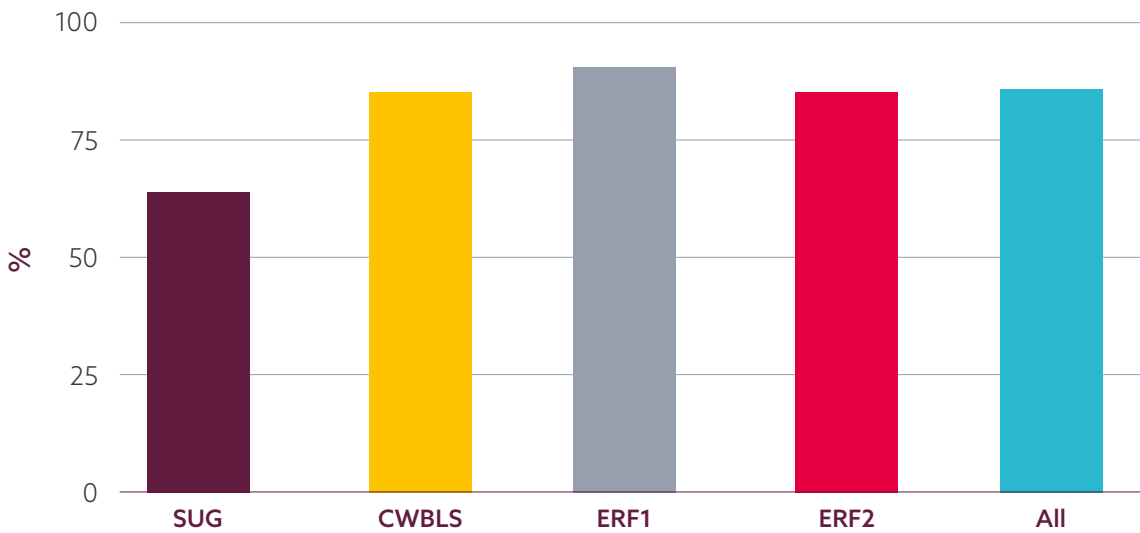
■ SUG ■ CWBLS ■ ERF1 ■ ERF2 ■ All

The survey asked respondents that had subsequently ceased trading how far the Welsh Government assistance received had made any difference to the short-term survival prospects of organisations. Of the small number of respondents (just 22) to this question, 38% (calculated by weight) argued that the support received had helped to sustain the business for a short time of less than three months. Some 22% believed it had sustained the longevity of the business for 3-6 months, and 28% believed it had sustained the business for a period of greater than six months. Just 13% believed the assistance had not made any difference to longevity. Once again here it is vital to note that there were very few responses to this question.

Finally in this sub-section it is useful to reflect on how far beneficiaries were satisfied with the application process. Care is needed here because the survey respondents were successful applicants. The application processes can take a great deal of business time. Figure 6.13 shows the proportion of respondents that were either very or fairly satisfied with the overall application process by Welsh Government scheme, with percentages varying from a low of 79% in respect of SUGs beneficiaries to 91% in the case of ERF 1 beneficiaries.

**Figure 6.13**

*Percentage of respondents who were 'Very' or 'Fairly' satisfied with the application process overall*



n=1,723

## 6.7 Current and expected employment situation in respondents.

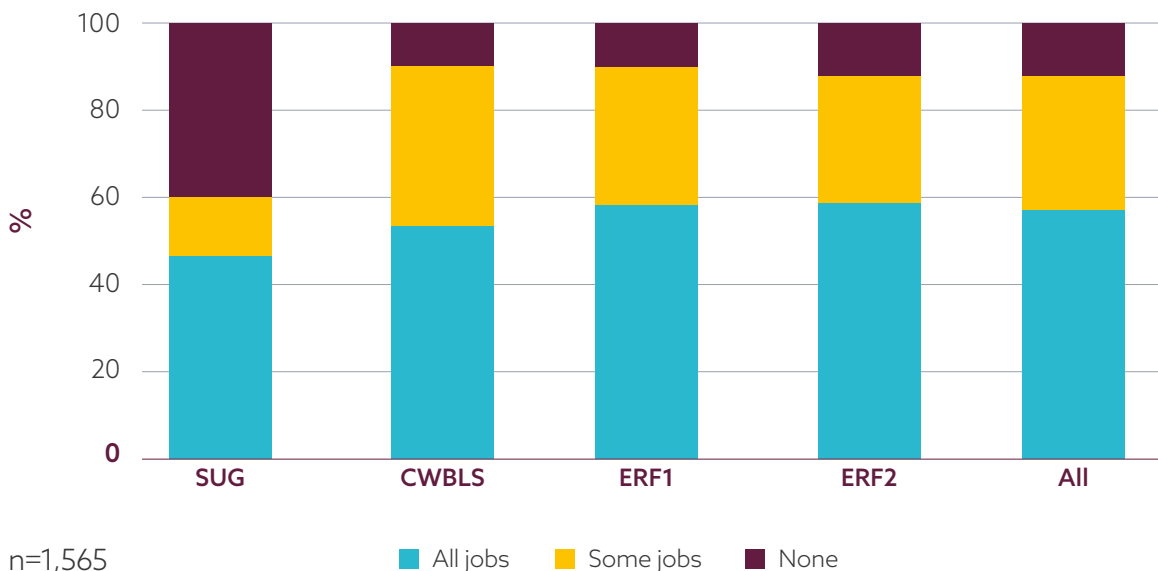
Much of the Welsh Government grant and loan assistance was targeted on short-term job protection. Figure 6.14 provides some confirmation on the scale of the need. For example, 58% of all respondents believed that all the jobs in their organisations were at risk at the time of their application for grant/loan funding, with only 12% believing that jobs were not at risk. The main variation here was again in respect of SUGs where 40% of SUGs recipients saw no threat to employment (and again with this expected to be impacted by the nature of the assistance here, and the small scale of the typical beneficiary).

The unweighted data from the survey revealed that the total number of employees reported by respondents prior to the pandemic in March 2020 was 21,629. Table 6.15 shows the distribution of employment between full-time, part-time and casual. The Table also includes an estimate of how these categories might be understood in terms of full-time equivalent employment. It is estimated that excluding casuals (as these are classified as temporary workers<sup>19</sup>), respondents accounted for 16,209 FTEs prior to the pandemic, increasing to 16,607 FTEs at the time of the Survey i.e. aggregate employment growth of around 2.5%.

<sup>19</sup> [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/aguidetolabourmarketstatistics](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/aguidetolabourmarketstatistics)

**Figure 6.14**

*Employment at risk in organisation at time of Welsh Government funding application*



**Table 6.15**

Employee numbers on payroll before the pandemic, and numbers on payroll at the time of the survey



	On payroll before the pandemic in March 2020	Currently on payroll
Full time employees based in Wales	14,285	14,422
Part time employees based in Wales	3,954	4,457
Casual employees based in Wales	3,389	2,552
Total employees	21,629	21,431
Part time employees (full time equivalents (FTEs))	1,925	2,185
Casual employees (full time equivalents (FTEs))	1,036	886
Total FTEs (not including casuals)	16,209	16,607
Total FTEs (including casuals)	17,245	17,493

The table also reveals that among the respondents while the growth of FT employees was around 1%, the growth in part-time employment was 13%. These numbers need to be seen in the context of a range of restrictions at different times through the year. There was growth in employment in Wales through 2021, and with this evidenced in skills shortages and wage inflation in some sectors of the economy becoming more noticeable.

The Survey revealed that a large number of respondents had received furlough scheme payments to support employment. For example, of the total 14,285 full-time employees and 3,954 part-time employees on the payroll of respondents in March 2020, some 74% and 77% had been furloughed respectively. Table 6.16 shows that of the enterprises in receipt of furlough payments, some 59% had received total payments to the value of £25,000. Just 17% of the respondents had received furlough payments in excess of £100,000, revealing the large number of small and micro enterprises among the survey respondents.

**Table 6.16**

Amounts of Job Retention Scheme Funds received by respondents (n=977)



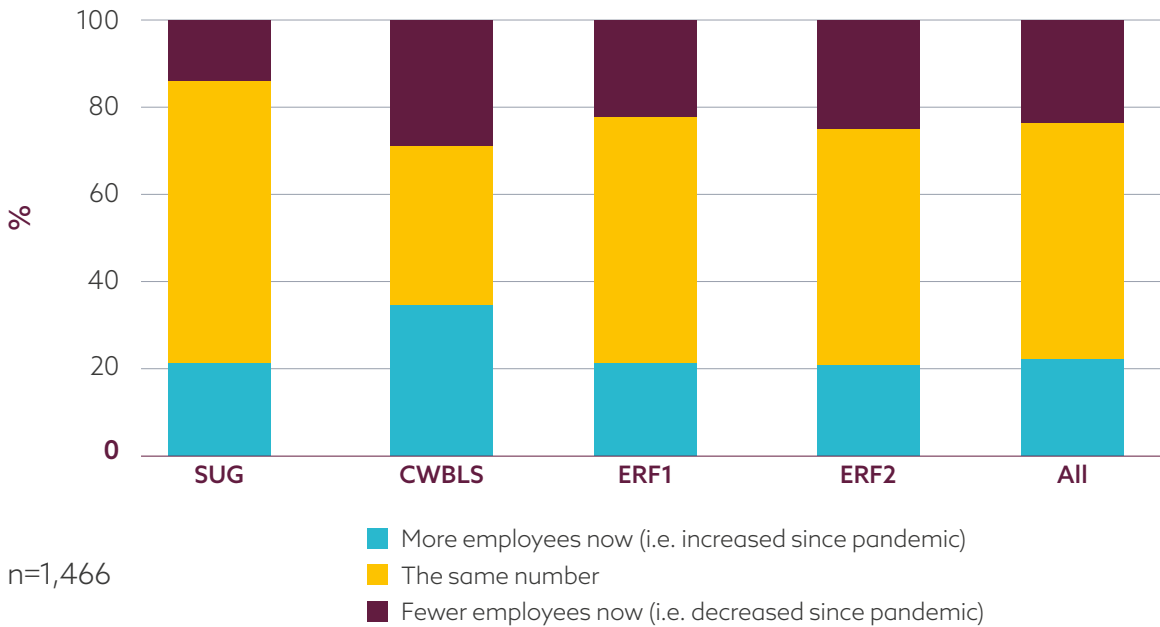
Band range (total amount of furlough received)	% of all enterprises receiving furlough
Up to £25,000	58.5
£25,001 to £50,000	13.6
£50,001 to £100,000	10.7
£100,001 to £250,000	10.5
£250,001 to £500,000	4.7
£500,001 to £1m	0.6
More than £1m	1.4

Figure 6.17 reveals the overall proportion of respondents reporting with more, less or the same number of employees between the time of the Survey and the beginning of the pandemic. While 55% of respondents reported that employee numbers were the same, encouragingly 22% reported that employee numbers had grown since the beginning of the

pandemic. Some 35% of CWBLS beneficiary respondents believed their employment had increased since the start of the pandemic, compared to around 21% of ERF 1 & 2 beneficiaries. In terms of new job creation, it is estimated that 38% was linked to ERF2, 29% ERF1, and 32% for CWBLS.

**Figure 6.17**

*Respondent employees now compared with March 2020 Start of Covid-19 (percentage of respondents)*



The Survey indicated that 23% of respondents had less employment than prior to the pandemic. However, 83% of these same enterprises revealed that some jobs were either saved or safeguarded as a result of Welsh Government assistance received. It is estimated that over 60% of the employment safeguarded/saved here was linked to ERF2, and 33% to CWBLS.

Figure 6.18 shows respondent expectations of the total number of employees they would have in the 12 months after they took the survey. Across the whole of the sample, around 35% expected higher employment and just 4.5% lower employment. The main variation here across the funding streams was in the case of CWBLS recipients where 52% expected higher employment in one years' time, and with loan finance more likely to be connected to development projects.

**Figure 6.18**

*Respondent expectations on the total number of employees that organisations will have on the payroll in 12 months' time (All and by Funding stream, % respondents)*

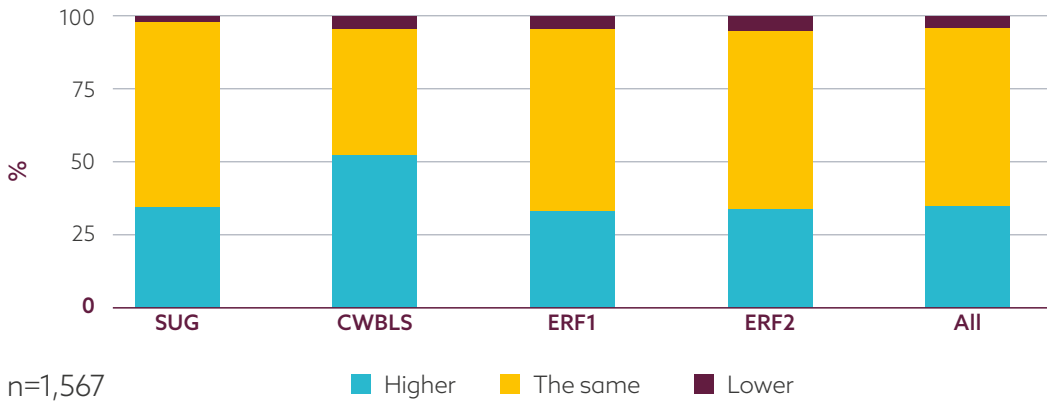
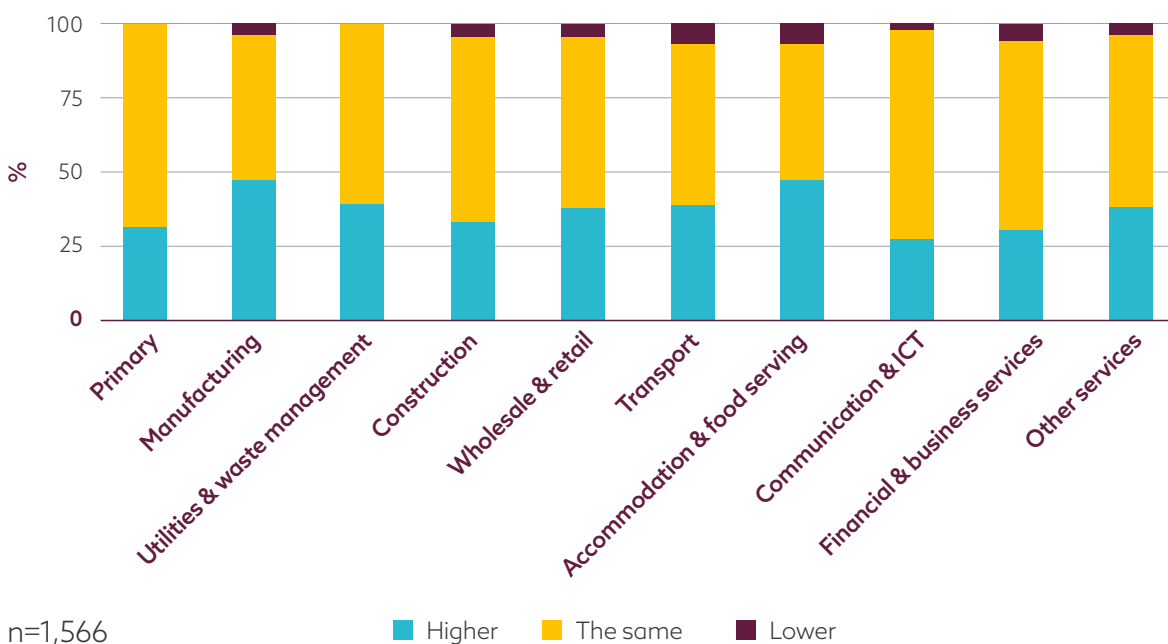


Figure 6.19 reveals the extent of variation by industry in employment expectations in 12 months' time (note numbers in respect of Figure 6.19 are unweighted and cannot be precisely compared with those in Figure 6.18). Particularly encouraging here was that the percentage of respondents expecting a reduction in employment was only in excess of 5% in transport, accommodation and food serving and

financial and business services, with the transport and tourism-facing services known to have been more badly impacted by pressures arising from the Covid-19 pandemic. The strongest optimism for higher employment numbers in 12 months' time was found in manufacturing (47.5% of manufacturing respondents) and accommodation and food serving (47% of respondents in the sector).

**Figure 6.19**

*Expectations on the total number of employees that organisations will have on the payroll in 12 months' time (% respondents by sector)*



## 6.8 Current sales/profits/exports and expectations.

One of the problems in assessing the business effects of the Covid-19 pandemic is the variety of other factors known to have impacted organisational performance. The respondents to the survey were quite unanimous in highlighting Covid-19 as having the largest impacts on sales. For example, 95% of the survey respondents reported that Covid-19 had impacted their business sales in the previous 12 months, compared to 20% who held that the end of the EU transition period had impacted business activity. When asked which factor had the largest effect on sales, 92% reported Covid-19 compared to just 8% who believed the end of EU transition has had larger effects.

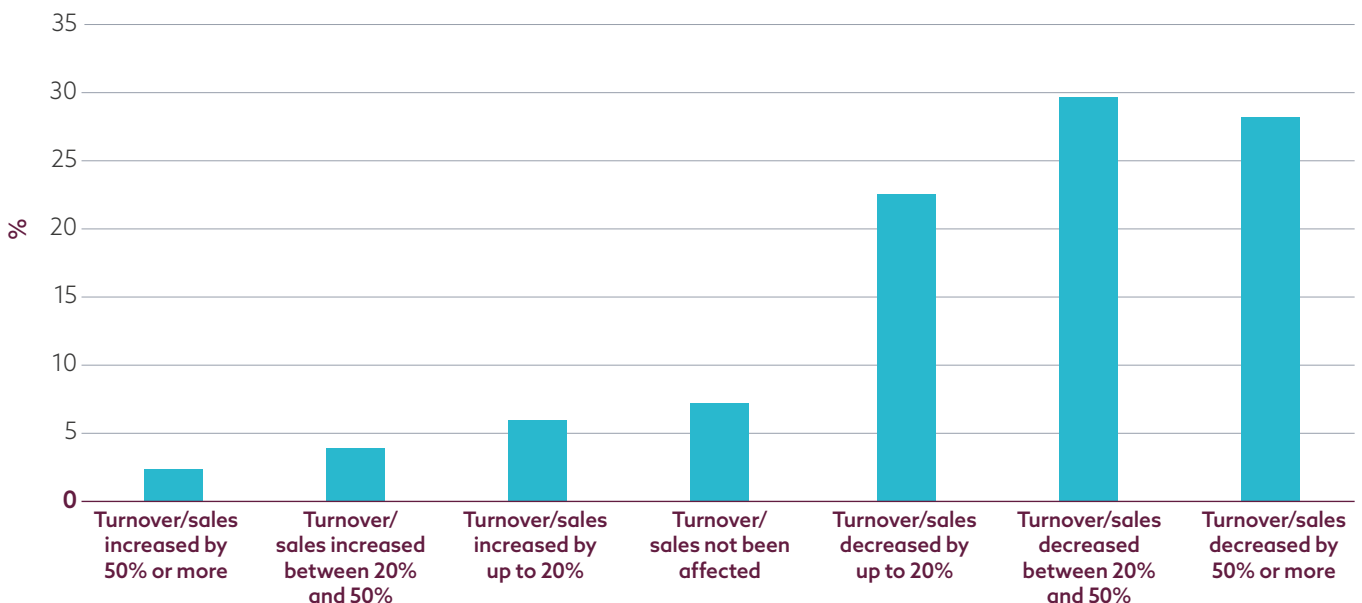
Figure 6.20 summarises respondent perceptions on how the Covid-19 pandemic had impacted sales for their most recent financial year. We note there are some difficulties here

because of financial years falling at different times. For example, at the time of the survey, respondents' latest financial years might have seen more limited impacts from Covid-19 into the first half of 2021.

This noted, the Figure reveals that some 28% of respondents believed Covid-19 had resulted in a sales fall of 50% or more and another 30% believed the Covid-19 impact was a sales decrease of between 20% and 50%. In this context the maintenance of employment in the respondents reported earlier in this section is testament to the joint effects of the furlough scheme and Welsh Government assistance in as much as employment declines did not match the severity of the decline in output. Just 12% of respondents believed that Covid-19 had resulted in an increase in sales in their latest financial year.

**Figure 6.20**

*Covid-19 impacts of financial results in last financial year (% of respondents expecting sales/turnover change)*



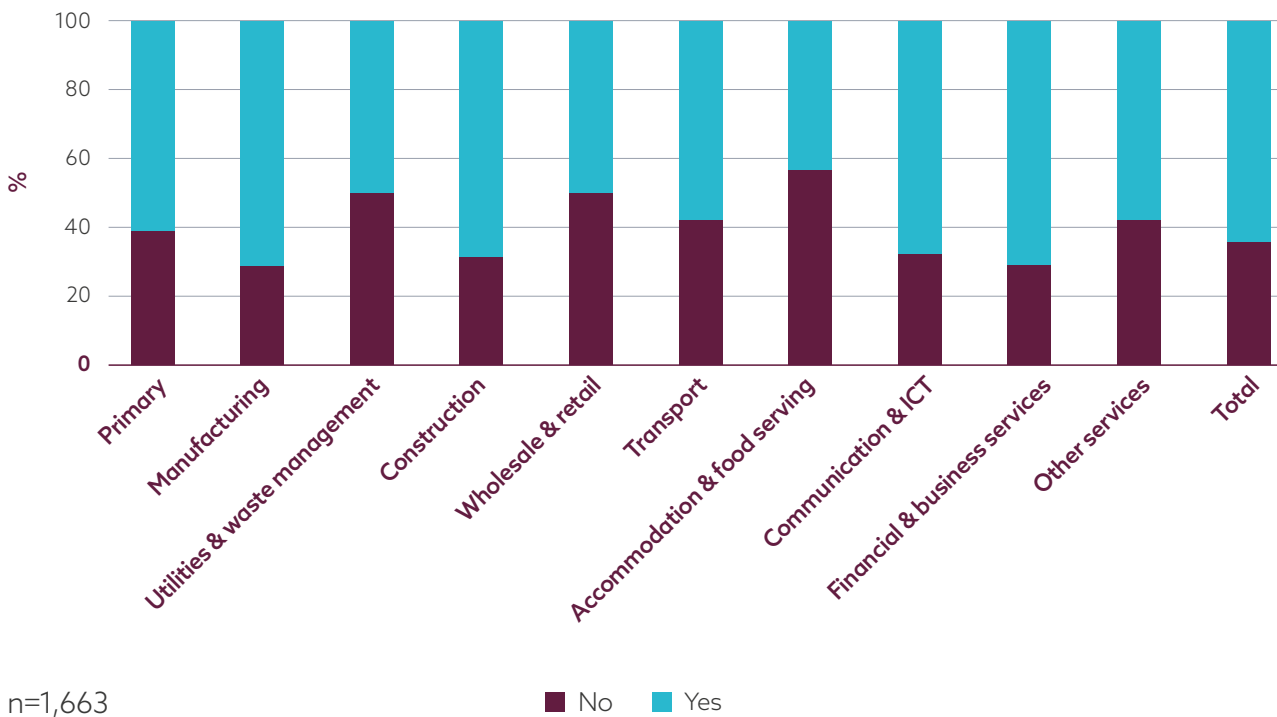
n=1,529

In term of expectations for the current financial year, one in four respondents expected a sales increase of 20% or more, and with more than half of respondents expecting sales growth in excess of 5%. Importantly, just 3.5% reported that they were very concerned about survival prospects, and with around 1 in 6 respondents expecting a sales decrease of more than 5%. 9% of respondents were still unsure about prospects for this financial year.

Respondents were asked whether they had generated a profit or surplus in their latest financial year. Around 65% confirmed that a profit or surplus had been achieved (70% in the case of CWBLS respondent beneficiaries). As expected, there was some variation across the sector of the respondents in whether a profit or surplus had been made in the last complete financial year. Figure 6.21 shows, for example, that while 71% of manufacturing respondents reported a profit, this fell to 43% in the more severely affected accommodation and food sector.

**Figure 6.21**

*Responses: taking into account all sources of income in last complete financial year, did enterprises generate a profit/surplus? (By sector, %)*





The core conclusions from the survey are highlighted below:

- The survey findings confirm that the Welsh Government assistance has been an important complement to UK Government schemes in safeguarding employment, particularly the job retention scheme. The survey provides evidence of employment being supported through the initial periods of the Covid-19 crisis.
- Particularly encouraging findings were instances of Welsh Government support being used for more proactive and innovative activity to bring beneficiaries into a stronger position in 2021-22, as well as monies employed in terms of supporting working capital. Some SMEs have seen processes and products permanently changed as a result of the Covid-19 pandemic. Some one third of beneficiaries, for example, had developed new activity to diversify their income streams.
- The survey findings provided evidence of real business need underlying applications for funding. Close to 60% of the beneficiary businesses and organisations reported that all of their employment was at risk at the time of their applications for funding.
- The survey also reveals the beginnings of sustained recovery among the beneficiaries. Over one third of those surveyed expected higher numbers to be employed over the next financial year. This was in spite of the finding that the majority of respondents had seen output falls of over 20% in the prior financial year.
- A conclusion is that the upkeep of employment in the surveyed beneficiaries and improving prospects expected in 2022 is testament to the joint impacts of the furlough scheme and Welsh Government assistance. Critically, employment declines did not match the severity of the declines in output reported by beneficiaries.

It is accepted that the survey was undertaken at a time when the Covid-19 threat to business activity was still very real and with the months following the survey seeing the rapid spread of the Omicron variant. In this respect there are some challenges in moving the research agenda forward.

- The survey has focused on successful beneficiaries of the various grant and loan schemes that were (in very large measure) still trading at the time of the survey. To better establish the additionality of Welsh Government support, there is a challenge to examine what occurred with businesses not in receipt of Welsh Government supports. This will be a difficult exercise because so many organisations in Wales were provided with some level of public assistance, particularly through the non-domestic rates grants scheme.
- In this report no attempt has been made to scale-up any of the findings, particularly in respect of the amount of employment and activity supported by the Welsh Government assistance. There are several factors to consider here. First, to do this, information would be needed on the proportion of the whole population of beneficiaries that would have created/safeguarded jobs. This requires a grossing factor to scale-up employment safeguarded/created in each responding organisation to gain an estimate of that employment which was safeguarded/created in the whole population. This requires a central assumption to be made that the experience of respondents that did not take part equate to the survey respondents. Looming across this assumption are non-response biases. For example, might it be the case that the respondents are those which were able to put assistance to good use, have seen real benefits, and are more optimistic about employment outcomes in the present and coming year?

Second, there are some more specific issues in grossing-up in that full information was unavailable on the ERF1 beneficiary population and with missing information in respect of local authority start-up grants. The corollary here is extreme care would need to be taken in grossing up in terms of employment supported and safeguarded.

- There is a further element of future research that will need to consider comparative survival and growth trends of assisted organisations. There is particular interest, in later analysis, in identifying the survival trends in businesses assisted by Welsh Government support compared to businesses who were not beneficiaries of this same support. Ideally this analysis will be undertaken within the framework of company accounts information and with the need to wait until financial records are available for the 2020-21 periods. Trends in business demography and survival are regularly reported in the Economic Intelligence Wales quarterly report series. There may also be the possibility here to examine the progress of SMEs in other regions of the UK which did not have comparable levels of support,

although we note that the job furlough scheme was universal. Establishing a counterfactual scenario through which to understand the additionality of Welsh Government supports is expected to be a difficult exercise given the very wide range of supports that were offered across the UK to SMEs.

- The survey revealed claims by beneficiaries of some of the innovative ways in which Welsh Government funds were used during the pandemic period. Clearly the survey could only investigate this in the most summary of ways, and with a challenge to develop case study material that reveals greater details on the innovative activity of beneficiaries through the pandemic.

This is the second EIW bespoke report examining Welsh Government interventions to support Welsh businesses during the Covid-19 pandemic. It is important to recognise that this is a longitudinal research programme. The third bespoke report will examine survey data in respect of ERF Phases 3-7 and will be available during the autumn of 2022.

# Appendix 1:

## Overview of Welsh Government financial support

Funding	Date Operated	Offer
Covid-19 Non-Domestic Rates (NDR) Grant Scheme	April 2020 – June 2020	A grant of £25,000 was made available for retail, leisure and hospitality businesses occupying properties with a rateable value of between £12,001 and £51,000.  A £10,000 grant was made available to all businesses eligible for small business rates relief (SBRR) in Wales with a rateable value of £12,000 or less.
ERF Phase 1	April 2020	The first phase of the Economic Resilience Fund was made up of two main elements, a £100m Covid-19 Wales Business Loan Scheme delivered by Development Bank of Wales, and a £400m emergency pot.
Covid-19 Wales Business Loan Scheme	April 2020	The £100m Covid-19 Wales Business Loan Scheme was available for companies experiencing cash flow problems as a result of the pandemic and provides loans of between £5k and £250k at favourable interest rates. The fund was fully subscribed in the first week.
Start-Up Grants	June 2020 – September 2020	The Welsh Government recognised that there was an identified need to support those who are self-employed but fall outside of the UK announced Self Employment Income Support Scheme (SEISS) because they only started trading during 2019. To address this need a £5m Start-Up Grant was launched to support up to 2,000 start-ups in Wales with a grant of £2,500 each. The scheme closed to new applications at 5pm on Friday 4th September.  The Start-Up Grant provided a potential lifeline to those who established their business after the 31 March 2019, and help them to continue trading through the Covid-19 outbreak.
ERF Phase 2	June 2020 – July 2020	<b>Micro businesses</b> were eligible for up to £10k support from phase 2 of the fund. <b>SMEs</b> were eligible for up to £100k support from phase 2 of the fund where: <ul style="list-style-type: none"> <li>• Confirmation was provided that funding from any other Welsh Government Covid-19 related non-repayable grant funding source was not being pursued</li> <li>• In excess of a 60% reduction in turnover since 1 March 2020 was experienced</li> <li>• Not eligible for business rate relief, or if business was eligible, the amount would be deducted from any allocation from this fund</li> <li>• Did not receive phase 1 ERF support</li> <li>• Operating address and employer Wales</li> <li>• A sustainable business plan existed to trade beyond the Covid-19 pandemic</li> <li>• Had explored other forms of funding before applying to the ERF</li> <li>• An undertaking provided that for as long as the Coronavirus Job Retention Scheme was in place, no future compulsory redundancies will be made.</li> </ul> <b>Large businesses</b> were eligible for up to £690k in compliance with temporary State Aid rules where.
ERF Phase 3 – Business Development Grants	October 2020 – November 2020	Phase 3 of the Economic Resilience Fund (ERF) made available almost £300m for businesses to help them deal with the economic challenges of Covid-19 and the UK's impending exit from the EU transition period.  The ERF was open to businesses of all sizes and all sectors across Wales, including social enterprises and charities, subject to eligibility criteria being met, and included: <ul style="list-style-type: none"> <li>• <b>Business Development Grants:</b> £100m to help businesses develop and secure the employment of their workforces through business development grants with some businesses required to commit some of their own resources in return.</li> <li>• <b>Tourism and Hospitality Support:</b> £20m of the £100m Business Development Grants has been ring-fenced to support tourism and hospitality businesses facing particular constraints and challenges as we enter the winter months.</li> <li>• <b>Lockdown Business Fund:</b> £199.5m to support businesses that are affected by lockdown restrictions, including a discretionary grant element (further details listed below).</li> </ul> ERF Business Development Grants opened for applications on 28th October and closed on 29th October due to the high volume of applications. The Lockdown Business Fund closed for registrations on the 20th of November.

# Appendix 1:

## Overview of Welsh Government financial support

Funding	Date Operated	Offer
ERF Phase 3 – NDR Lockdown Fund	October 2020 – November 2020	<p>The third phase of ERF also included a Lockdown Business Fund which was delivered by local authorities. The fund provided the following to eligible businesses:</p> <p>Retail, leisure and hospitality businesses forced to close (as defined by the regulations) during the firebreak lockdown period occupying a property with a rateable value between £12,001 and £51,000 were eligible for a £5,000 payment.</p> <p>Every business eligible for Small Business Rates Relief occupying a property with a rateable value of £12,000 or less were eligible for a £1,000 payment.</p> <p>A discretionary enhanced £2,000 top-up grant was made available on an application basis for those businesses with a rateable value of £12,000 or less who were forced to close by the firebreak lockdown (as defined by the regulations).</p> <p>A further discretionary enhanced £1,000 grant was made available to businesses on the same basis where they had been materially affected by local lockdown restrictions prior to the start of the firebreak lockdown period.</p>
NDR Restrictions Business Fund	December 2020 – March 2021	<p>The Restrictions Business Fund non-domestic rates (NDR) and discretionary based grants for non-essential retail, hospitality, leisure and tourism (NERHLT) sectors provided payments to cover the period between the December and end of March 2021 for businesses affected by national restrictions.</p> <p>Businesses had to be on the non-domestic rates (NDR) rating list for their local authority on 1 September 2020.</p> <p>The extension provided support to retail, leisure and tourism business properties with rateable values of between £150k and £500k p.a. This will enable support to be provided to a cohort of medium sized businesses that to date have not received support via the BRF grants schemes. These businesses will be required to register their details, as well as making a short on-line application to their respective local authority.</p> <p>To support businesses who were not registered on the NDR register and with a turnover below £50k, a further £30m phase of the Local Discretionary Fund was approved and provided a £2,000 grant via a second round application and payment.</p>
ERF Fund 4 (alternatively known as Sector Specific Fund / SSF)	January 2021 – February 2021	<p>The £180m ERF Sector Specific Support (operating costs) package was targeted at hospitality, tourism and leisure businesses or supply chain companies who are materially impacted with a greater than 60% impact of turnover as a result of the restrictions. Eligible businesses had to be employing staff via PAYE, and either VAT registered or (exempt from VAT) with turnover above £85,000, or limited companies with turnover above £50,000.</p>
ERF Fund 5 (also known as Sector Specific Fund – Phase 2) £30m	March 2021	<p>A second phase of the ERF Sector Specific Fund (SSF) provided an additional £30m support to SME and large businesses to cover the period from 25th January 2021 to 31 March 2021. This is in addition to the original allocation provided under the first phase of SSF in December.</p> <p>The ERF SSSF phase 2 (operating cost) package was targeted at hospitality, tourism and leisure (HTL) businesses and supply chain companies who are materially impacted with a greater than 60% impact of turnover since the 25th January as a result of the restrictions. It is aimed at supporting the operating costs (excluding staff) of these businesses through the restriction period (25th January to 31 March 2021).</p> <p>Businesses who accessed the first phase of SSF could also apply for this fund.</p>

# Appendix 1:

## Overview of Welsh Government financial support

Funding	Date Operated	Offer
NDR Restrictions Business Fund – extension £150m	March 2021 – (in delivery)	The Restrictions Business Fund non-domestic rates (NDR) linked grants and discretionary based grants for non-essential retail, hospitality, leisure and tourism (NERHLT) sectors was extended to provide payments to businesses affected by national restrictions.
ERF Fund 6 £66m	May-June 2021	<p>On the 11th May 2021 up to £66m of support was announced for businesses still affected by coronavirus restrictions. Through the ERF eligible businesses can apply for up to £25k to help meet ongoing costs for the period 1st May to 30th June.</p> <p>The scheme was delivered by the Welsh Government for businesses with an annual turnover of above £85k. Local authorities will deliver the scheme for businesses with an annual turnover below £85k.</p> <p>Applications opened on 24th May and the application window remained open until 14th June at 5pm for the Welsh Government element.</p>
ERF Fund 7	July-August 2021	<p>On the 30th June 2021 a further emergency package of support was announced to cover the operating costs for July and August 2021 of businesses required to remain closed and who remain severely impacted as a result of the continuation of the restrictions. Eligible businesses could apply for up to £25k in the hospitality, leisure and tourism sectors and their supply chains who continue to be severely impacted by restrictions.</p> <p>The package provided grants to businesses that remained closed or continued to be materially affected by Covid-19 alert level 2 and the transition to alert level one restrictions. The funding has supported businesses such as restaurants, cafés, pubs, nightclubs, events and conference venues, and other leisure businesses, as well as their supply chains.</p> <p>The emergency funding package was targeted at businesses including:</p> <ul style="list-style-type: none"> <li>• Nightclubs, ice rinks and late entertainment venues that remained closed.</li> <li>• Events and conference venues ineligible for the Cultural Recovery Fund (CRF) and that were significantly limited in their ability to trade.</li> <li>• Supply chain businesses who relied on affected hospitality, night-time or conference businesses for more than 60% of their revenue that were significantly materially impacted.</li> </ul> <p>The scheme was delivered by the Welsh Government for businesses with an annual turnover of above £85k. Local authorities delivered the scheme for businesses with an annual turnover below £85k.</p>
ERF Fund 8 Christmas and New Year Restrictions £120m	Dec 2021-Feb 2022	<p>Businesses in Wales impacted by the rapid spread of the Omicron virus may be eligible for emergency financial support under a new £120m Welsh Government support package.</p> <p>Under the latest package, non-essential retail, hospitality, leisure and tourism business impacted by restrictions and who pay non-domestic rates (NDR) will be entitled to a payment of up to £6,000 depending on their rateable value. In order to receive their payments businesses must register their details through a quick and easy online process.</p> <p>The application window for ERF will open the week commencing 17th January 2022, for two weeks, with payments starting to reach businesses within days.</p> <p>Local authorities will also administer a discretionary Emergency Business Fund for business and sole traders who do not pay rates. The fund will provide £500 to sole trader and freelancers and £2,000 to businesses employing people in the impacted sectors. Applications will open on local authority websites during the week commencing 17th January, and will remain open until 5pm on the 14th February.</p> <p>The £120m package is designed to support businesses impacted by the spread of Omicron through the period from 13th December to the 14th February. This timeframe is linked to the expected impact of Omicron on Welsh businesses. It is not based on the expectation that restrictions will continue into mid-February.</p>

## Appendix 2:

### Weighting of ORS-Wavehill Survey Results

A weighting was employed to make the statistics computed from the data more representative of the population. This was based on two main variables:

- The support received;
- The size of the enterprise (with size here defined by employee numbers). Size of enterprise had to be grouped into "micro", "SME" and "large", as some businesses were merely flagged as an "SME".

The variables below are those that were used for weighting, in the order they were applied (each of the support types received were a Boolean: either an enterprise did, or did not, receive each type, noting that some recipients did have more than one type of support):

- Received\_ERF3
- Received\_ERF4
- Received\_ERF1
- Received\_CWBLS
- Received\_ERF2
- Size Grouped

There were a number of factors to consider in producing the weighting and caveating how much confidence one might state in the results. The makeup of most of the ERF1 population is unknown in terms of size, region or sector (SIC code). Knowledge of the Start-Up Grant population is incomplete, with not all local authorities providing files. We also do not know the industry sectors for all of the sample, and because of this the sample was not weighted by this variable. Similarly, weighting by local authority was not attempted as region was unknown for a number of enterprises. Therefore, the survey estimates are reasonable at the overall level, but the accuracy at smaller levels e.g. local authority and SIC levels will be lower. The numbers interviewed in each local authority and sector are fairly small and therefore likely to have fairly large error margins around each estimate.



**[bancdatblygu.cymru](http://bancdatblygu.cymru)**  
**[developmentbank.wales](http://developmentbank.wales)**

Development Bank of Wales Plc (Banc Datblygu Cymru ccc) is the holding company of a Group that trades as Development Bank of Wales. The Group is made up of a number of subsidiaries which are registered with names including the initials DBW. Development Bank of Wales Plc is a development finance company wholly owned by the Welsh Ministers and it is neither authorised nor regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). The Development Bank of Wales (Banc Datblygu Cymru ccc) has three subsidiaries which are authorised and regulated by the FCA. Please note that neither the Development Bank of Wales Plc (Banc Datblygu Cymru ccc) nor any of its subsidiaries are banking institutions or operate as such. This means that none of the group entities are able to accept deposits from the public. A complete legal structure chart for Development Bank of Wales Plc can be found at [developmentbank.wales](http://developmentbank.wales).