

Ken Skates AM,
Minister for Economy and Transport,
Welsh Government,
5th Floor,
Tŷ Hywel,
Cardiff Bay.
CF99 1NA

23rd April 2020

Dear Minister,

I am writing to you to ask you to address an anomaly in the support you have provided to charity shops in Wales. We are concerned that charity shops with a rateable value of £12,000 or lower are excluded from Welsh Government Business Grants. I understand the Charity Retail Association have also written to the Welsh Government on this matter.

Charity shops provide a significant income for the voluntary sector in Wales. Charities are likely to have a lower income in Wales than elsewhere in the UK; 53% of charities here are classed as “micro” charities, and charity income per head is half of that in England. Consequently, many have a significant reliance on retail income. Compared to other parts of the UK, it is also likely that a higher proportion of charity shops in Wales will have a rateable value of £12,000 or lower.

Byddem wrth ein boddau o glywed gennych yn Gymraeg neu'n Saesneg. Ymatebwn bob amser yn eich dewis iaith a chewch yr un gwasanaeth gennym ni waeth a ydych yn cysylltu yn Gymraeg neu'n Saesneg.

We'd love to hear from you in Welsh or English. We'll always respond to you in your preferred language and you'll get the same service from us whether you contact us in Welsh or English.



It is also important to note that charity shops will also support the economic and social recovery following the current COVID-19 outbreak. Charity shops increase footfall in town centres and high streets. They support well-being of volunteers, many of whom volunteer to improve their own well-being by reducing levels of loneliness and isolation they may be vulnerable to experiencing. Finally, the funds generated support organisations which the Welsh Government has, rightly, prioritised as part of the recovery effort.

WCVA estimates that the charitable sector in Wales will lose £200-230 million over a 12-week halt in fundraising activity. Charity retail is expected to be one of the first parts of this public fundraising to be able to re-start again, meaning it will provide the first streams of income for organisations who are struggling to maintain services. As a result, the financial viability of charity retail will be crucial in supporting charities to continue operating.

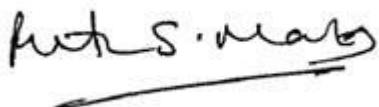
Businesses with a rateable value of £12,000 or lower and that are eligible for Small Business Rates Relief (SBRR) can access a grant of £10,000. However, the eligibility criteria for the business grants are linked to SBRR with Welsh Government guidance stating that properties occupied by charities are not eligible to receive SBRR. This is not the case in either England or Scotland, where charity retailers can access these funds.

It is also worth noting that charity retailers with a rateable value of above £12,000 are eligible for the relevant Welsh Government Business Grants.

WCVA believes that amending the scheme to allow charity retailers to access this support would be preferable to allowing them to use the Economic Resilience Fund as it will be simpler and provide support to charities with more than one property in any Local Authority area.

I would ask you to consider changing the guidance for this scheme to allow charity retailers to be treated equitably with traders. I am happy to work with you or your officials further on this matter.

Yours sincerely,



Ruth Marks
Chief Executive
Wales Council for Voluntary Action

CC Jane Hutt AM, Deputy Minister and Chief Whip
 Robin Osterley, CEO, Charity Retail Association