

P-05-1061 Give financial support to Pet Boarding businesses, Correspondence – Petitioner to Committee, 17.11.20

To the committee,

Please find my response to the points raised by the Minister for Finance and Trefnydd Rebecca Evans.

She first points to Phase 3 of the Economic Resilience Fund (ERF 3). The problems with this fund lie, both in the criteria for gaining access to the fund and the restrictions of what the fund can be used for. Businesses MUST be VAT registered and have a member of staff paid through PAYE. As an industry many of our businesses are family run and so either do not employ staff or employ people on a self-employed basis. Others, such as medium sized kennels or cattery's have turnovers below the VAT threshold. This rules out the vast majority of our industry from accessing this help. Those few businesses that do meet all the criteria still find the ERF 3 unhelpful as it can only be used for business development and can not be used to pay regular bills. Pet boarding facilities are unable to move there businesses online and the only way to develop is to add more capacity which is counter productive when there are not enough customers to fill existing spaces.

The other two options mentioned by Rebecca Evans are the Discretionary Assistance Fund (DAF) and the Lockdown Business Fund (LBF). The DAF is only of assistance to individuals and does not help businesses survive. The LBF was a very welcome boost but at £1000 it was only designed to assist with surviving the two-week firebreak lockdown. It is a long way short of constituting adequate support for businesses who have had 9 months of close to zero trade and will continue to be severely affected until national and international travel returns to normal.

As an Industry we face similar problems to those faced by hotels, camp sites and other Leisure & Tourism businesses but are classed as a Service Sector industry. With travel severely restricted and people's confidence in travelling severely knocked our income has been and continues to be reduced to nearly zero.

As an industry we have kept our doors open to help key workers, those requiring a stay in hospital and those self-isolating even though doing so has, in most cases, cost more in heating, lighting etc than is earned through housing one or two pets at a time in a facility designed to hold 30.

We are calling on the Senedd to take Three steps to protect the pet boarding industry from collapse. Firstly we need an adequate support package to help businesses pay the bills so that we, as owners, can focus on protecting Jobs of those we employ and protecting our homes that are tied into our businesses. The second measure we would like to see is for all councils to be mandated to cancel licence fees for 2021. This would ease pressure on businesses already over stretched finances. Finally, we ask that our industry be recognised as a integral part of the Leisure and Tourism sector.

I have included 3 case studies below to assist in your consideration of this matter.

Case Study 1

County: *Cardiff*

Animals Boarded: *Cats*

No. Of animals licenced for: 48

Since the start of the pandemic I have received support from the Self-Employed Income Support Scheme, the first payment was £915 and the second payment was £801. I received such low payments because it was calculated on average profits over a 3 year period, I had reinvested in the business for 2 out of the 3 years therefore bringing profits down. I feel like I have been punished for trying to improve my business.

My turnover for period 1st April 2019 to 31st March 2020 was £39,000, for the current year to date its down to £6,000 (for same period last year I was on £29,000). My turnover in October last year was £3,000, this year it is only £52.50.

The council License fee is £287.00 for 2021, at my current level of trade it will take over 5 months to earn that amount. I am hoping for increased trade over the Christmas period, however, usually by this time of year I am fully booked for Christmas. This year I have 3 bookings, all of whom booked last January and are probably hoping they may still be able to go so have not cancelled yet.

In March I had a flood victims' cats which were brought in during the early hours on a Sunday morning (this was just before Covid 19 lockdown). I had them until they could find temporary accommodation and did not charge her, I told her to pay it forward and help someone else in need. I had no customers at all from the start of the pandemic until mid-July, of the customers I have had since July, a large proportion of them have been key workers who had worked all the way through the lockdown and needed a well-earned break.

I have applied for all stages of the ERF but have not been eligible as I do not pay anyone on PAYE. I was not eligible for the Business Rates Grant because, despite my asking, my council had not been out to rate me and said they could not backdate it. I have not avoided paying rates as the rateable value of my premises would be below the threshold and would fall into the small business exemption. I have just applied for the discretionary grant, however, this will be scant consolation to being left out of all other support.

Covid 19 will have a long-lasting effect on our industry and will not fully recover until people can freely travel, both in the UK and abroad. In previous years, a large proportion of my customers have been traveling abroad. This year I found that bookings have been for shorter periods and nobody has had the traditional 2 week holiday, it has been long weekends or a week at most. This has led to lower earnings and more work disinfecting between customers. I have unsuccessfully applied for over 20 temporary jobs in the last month and i am looking at work options. I could do that and still be able to accept customers at the current low levels, this will keep the business going for when things hopefully pick up.

Case Study 2

County: Vale of Glamorgan

Animals Boarded: Cats

No. Of animals licenced for: 12

I received the £10,000 Welsh Government Business Support grant that helped for the first 6 months with me reducing all my outgoings (mortgage holiday, reduced franchise fee etc).

My normal turnover is about £22,000, I have only been trading for two years and I was just starting to build up the business. Currently I have no customers and haven't since local lockdowns were

introduced. This month I have had £145 in deposits for future bookings, but my business expenses have eaten that up and left me in the red. In comparison, last October my incomings were £1986.50 despite being closed for three weeks as it was my 50th and my whole family went away.

My council licence fee is £211 and at current trading levels I will not earn enough this year to pay it.

One of my regular customers was extremely ill with Covid and I went to her house to collect her cats to look after. I dropped them off months later when she had recovered and provided her with emotional support, she is from Pakistan and working in the country, she has no family here.

I have attempted to claim The Self Employment Income Support scheme, however I am not eligible for this as I have only been trading for two years and my tax returns are not in profit yet. The ERF does not help either as my business does not have a high enough turnover and does not have any PAYE employees. I tried to access the loans that have been made available but have been told I am not eligible because I am not able to prove I can afford to repay.

I was not on the VOA register for business rates when Covid hit because I was told I did not need to be by the council when I set up my business. In order to be eligible for the business grant you needed to be on the register. It was nigh on impossible to do this as you just couldn't get through to the VOA at that time (their phones were off and they were not responding to emails). Fortunately, I am part of a franchise and the founder has a contact in the VOA and was able to get me on the register retrospectively with two days to spare. The months in between this were horrendous. I sought help from my local councillors, my MP, business wales, the local council (economic development, the leader, the staff processing applications and the Vale tourism team). Whilst everyone agreed that I should have been on the register and was eligible, the council refused to approve my application, they were obstructive and unhelpful despite intervention by my MP. I was extremely fortunate to know someone who knows someone; I know that other people, including other catteries in this area, were not so lucky.

Case Study 3

County: *Pembrokeshire*

Animals Boarded: *Dogs*

No. Of animals licenced for: *30*

Up to now the only support we have received is the Business Rates Relief Grant of £10,000. This has helped us get through the initial lockdown but is about to run out. It has lasted longer than it has for most businesses as I have been lucky enough to receive help from my retired parents and the bank allowing me a 12 month capital repayment holiday. Despite the holiday granted by the bank the interest payments remain high due to the fact that I took out the loan to buy the business 12 months ago so have only paid back a small amount of the capital. We have made use of the furlough scheme and are pleased to see it extended as the Job Support Scheme would have cost us too much to retain our staff. I, personally, have been claiming Universal Credit, however this is set to end on the 15th November unless the Government decide to extend it further.

The business had been running for 15 year prior to my purchase of it, it has generally turned over £70,000 to £75,000 per annum. Last October we has an income of £5008.50 compared to this year where it was £994.50 with our current turnover for 20/21 at £8776.50. Our interest payments alone on the business loan have amounted to nearly £7000.

Our council licence for 2021 has been increased to £643.50. Pembrokeshire were the highest charges in Wales before the latest increase which has only seen the disparity to other areas worsen.

During the pandemic we had a number of dogs in while their owners attended funerals and hospital appointments/emergencies. We have also had one dog come to us once a month for a holiday as her owner is self-isolating, we also took the dog for regular vet appointments for an ongoing condition to save the elderly owner, who was isolating, for having to attend herself. Continuing to operate with only one or two dogs in at any one time over the winter period will see the cost of keeping that dog increase to more than we make due to increased heating and lighting bills.

We looked at getting the ERF however we are not eligible due to not being VAT registered as we are below the turnover to be required to do so. Had we been eligible it would have been of little help as we would not be allowed to use that money to pay the bills and retain staff as it is only for business development. It is not possible to move our business online and while we could have added a cattery or extra kennels this would only lead to more empty spaces and increased costs such as maintenance and insurance.

I was unable to get any help from the Self-Employment income support scheme despite the business having a 15 year record of trading as I had only owned the business for a few months.