

Media Release

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Financial support measures expanded to help businesses through coronavirus pandemic

A package of financial support measures, introduced in March, is being expanded to provide greater levels of assistance to businesses.

This package which includes a number of support mechanisms, was brought in to support businesses impacted by the coronavirus pandemic and the essential restrictions introduced to protect the health and lives of Islanders.

Vice-President of the Policy & Resources Committee, Deputy Lyndon Trott said:

“We brought in a package of measures that has already paid out more than £7m and deferred around £10m more that would ordinarily be paid to the States in taxes and charges. But we know it isn’t working for everyone. For example some sectors are unable to trade at all, and that means they are struggling to pay even 20% of the minimum wage to their staff in order to secure the 80% available through the Payroll co-funding scheme. We’re doing something about that. We want as many businesses to make it through this, with as few job losses, as possible. That is in all our interests. Every business has a role in supporting our economy, and if we can help keep them going, we will see a faster, stronger economic recovery.

We’re making these changes now to make sure more businesses and more people can benefit, and to help ensure these funds really are going to where they are needed. As the exit strategy is developed, more businesses will be able to resume full or partial operation. That means we can focus support on those sectors and businesses where it is most needed, so I’m sure this isn’t the last change we’ll make to the financial support package. Every economy in the world is reeling from this coronavirus crisis and we’re no different. But we are different in how we have truly come together to get through it. That will help us immensely as we prepare to bounce back and develop a recovery strategy for the economy that is built on confidence, ambition, entrepreneurialism and investment.”

The Policy & Resources Committee has agreed that from Monday 4th May:

- Businesses that see turnover reduce to below 40% of normal levels will be able to apply for up to 100% of minimum wage for employees through the Payroll Co-funding Scheme. This upper threshold will be extended to 50% for those businesses most in need and able to demonstrate that support is still necessary.

-Businesses with turnover in excess of 40% and up to at least 70% of normal levels will continue to be able to apply for up to 80% of minimum wage for employees. Again, this upper threshold will be extended to 80% of normal turnover for those businesses most in need. Businesses that see their turnover improve to above 70% (or 80% in some cases), will continue to be able to continue receiving this support for two further weeks after turnover reaches that level. These businesses will still need to contribute the remaining 20% to their employees' wages.

- This scheme, which began on the 16th March is being extended beyond the original 13 week period, to the 30th June.

Businesses that do not meet the requirements of the scheme but are still facing difficulties should still contact the States of Guernsey to discuss what options for support may be available.

Ahead of these changes to the scheme, it was anticipated that the Payroll Co-funding Scheme would see at least £36m paid out to employees and this figure will rise as a result of the changes, though the extent of that increase is dependent on a wide range of factors.

It is also the intention to begin publishing information on businesses receiving support through the scheme including the name of the business, the number of employees and the amount of support received.

Alongside the changes to the Payroll Co-funding Scheme, the Policy & Resources Committee is extending another of the financial support measures, the Business Disruption Loan Guarantee Scheme, to more business sectors. Legal activity, advocates and intellectual property management, as well as head offices and franchise management will now be able to access this scheme.

Ends