

Media Release

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Policy & Resources agree to continue financial support measures for worst hit sectors

The payroll co-funding scheme and other financial support measures will continue beyond June 30th to support sectors that are expected to face significant ongoing pressures due to the COVID-19 pandemic.

The payroll co-funding scheme is being continued until at least the end of September for businesses that are still experiencing a significant downturn in the following sectors. They can continue to apply for either 80% or 100% of the minimum wage for employees depending on the extent to which the business is impacted. The expectation is that businesses within these sectors that are more reliant on tourist trade will be hardest hit and far more likely to require support over this extended period.

- Retail outlets
- Restaurants and other food and drink businesses (excluding takeaways)
- Event companies such as those working in corporate events or weddings
- Travel agents & tour operators
- Arts, entertainment and recreation which act as tourist activities

While the Committee has tried to consider the right kind of support sector by sector, it recognises that some businesses do not neatly fall within a particular 'sector' and so the need to provide support for such businesses will be assessed on a case-by-case basis.

Deputy Lyndon Trott, Vice-President of the Policy & Resources Committee, who leads on the financial support measures, said:

“The support we’ve been able to provide so far has gone a long way to keeping many businesses viable during this terrible time, and it’s very encouraging to see them beginning to trade again. Some are even reporting an exceptionally busy post-lockdown period. As we move to phase 5, we unlock even more of our domestic economy and expect even more businesses to see things pick up.

But things aren't quite as they were before the pandemic and we always expected to continue providing support to those businesses still materially impacted. What we're doing now is taking a more targeted approach at where the support is really needed, particularly those businesses impacted by the continued lack of visitors."

The Policy & Resources Committee is looking in more detail at how best to tailor support for hotels and other accommodation providers, in discussion with industry representatives. The aim is to ensure any continued support package for this area is well-targeted, effective and takes account of the diverse nature of businesses within the sector.

Deputy Trott added:

"Accommodation providers are one part of the visitor economy that really is seeing a big impact, potentially having to miss out on virtually all visitors for most or all of their main season. We're working with that sector to make sure the right package of support is there for them."

Outside of these areas, other steps are being taken to support the business community. More time is being given for businesses to pay deferred TRP and the employer's social security contribution.

And the States will waive, rather than defer, the rent owed by its commercial tenants who have not been able to open for business during 'lockdown', for the period where they were closed which in most cases is from mid-March to late May/early June. It is also hoped that where possible, this is something that could be replicated by other landlords.

Ends