

Media Release

Date: 2 July 2020

Grant scheme introduction moved to October to allow tourism businesses more time to prepare for new support mechanism

The introduction of a two-tier grant scheme to provide ongoing support for tourist visitor accommodation businesses is being moved back to the 1 October 2020.

The decision to delay the introduction of the scheme follows further discussions with members of the industry. Some have expressed concern that they had not had sufficient time to prepare for the move away from a payroll co-funding scheme to a new support mechanism and that the new grant scheme brought more uncertainty over the value of support levels at a vital time for the sector.

Therefore the Policy & Resources Committee has agreed that **the payroll co-funding scheme will continue to be made available for visitor accommodation businesses until 30 September**. After this date, those businesses will no longer be able to apply for the payroll co-funding scheme, and instead, they will be able to apply for support through the new two-tier grant scheme.

The overall cost of supporting this sector was estimated to be £6.5m under the plans for introducing the grant scheme from now until the end of Q1 2021. As the payroll co-funding scheme will continue for a further three months before the grant scheme is introduced, the Policy & Resources Committee believes the overall cost to the taxpayer should not increase as a result. This means **the precise levels of grants will need to be revisited** ahead of their introduction in October. The work to implement the grant scheme will commence as planned in order that the level of grants that will be awarded will be known in advance of the 1 October start date.

To be clear on the background to this decision, the Policy & Resources Committee had said on the 19 June that the payroll co-funding scheme would only continue beyond June for specific sectors including retail, restaurants and other food and drink businesses (excluding takeaways), travel agents and event organisers; and that details on the support scheme accommodation providers were still being finalised due to the complexities and ongoing discussions with that sector (see the full media release [here](#)). On 26 June it confirmed how support would continue – in the form of the grant scheme – for accommodation providers (see the full media release [here](#)).

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

“Finding the right kind of support for this particular sector within the tourism industry has been a real challenge. We’ve consulted heavily with business owners and had very mixed responses in terms of what kind of support would work best for them. The sector is incredibly varied. We’re committing in the region of £6.5m to this sector because we know it’s having a very tough time and we genuinely value it. We want these businesses to still be here at the beginning of next year’s season when we hope they will be able to welcome tourists again in the way they normally would. But this is a considerable amount of hardworking taxpayers’ money, especially given the millions already paid out in business support and given we are still supporting other industries, including other parts of the tourism sector. So we need to be realistic about what our aims are - this is purely about helping viable businesses be in a position to operate next year.

Once it comes in on 1 October, the grant scheme will be under continuous review and we’ll keep speaking with the industry to ensure it’s working effectively. If the industry is able to work out a better, fairer way of providing this £6.5m, of course we’ll be happy to discuss it. But we’ve already had a lot of discussion with businesses and so far there is no single preferred model, everyone has their own ideas of what they’d like.

Throughout this pandemic, we’ve had to make big decisions in a short timeframe, and we’ve had to ask businesses to respond quickly too. In this crisis, there simply hasn’t been the time available for the kind of long-term planning and back-and-forth discussion in the way we might in normal times. But we do want to work with businesses in the spirit of Guernsey Together, which has got us this far. Business owners have asked for more time to prepare for how they’ll apply to the new scheme and to work out what it will mean for them, so we’ve agreed to do that.”

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Notes to Media

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