

Media Release

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Independent review of financial support for visitor accommodation

The Policy & Resources Committee is to commission an independent review of the government support being provided to businesses in the visitor accommodation sector.

Businesses in this sector have been identified as needing ongoing support until the end of March 2021 because of the major impact the pandemic and resulting lack of visitors is having on their operations.

For this reason, the Committee has already agreed that until the end of September eligible businesses in this sector will continue to be supported through the payroll co-funding scheme; and from 1 October, that support will be replaced with a new grant scheme. The total amount of support to be provided to this sector between the payroll co-funding scheme for the July-September period and through the grant scheme for October-March is expected to be some £6.5m.

However, conversations with business owners and managers have continued and the Committee is aware that there are fears this will not be enough. To be confident the proposed grant scheme remains fit-for-purpose in the coming weeks and months, the Committee has decided to commission a short, independent review, with liaison taking place with industry representatives to ensure that the terms are set appropriately.

Deputy Lyndon Trott, Vice-President of the Policy & Resources Committee and lead for the financial support measures, said

“We know some of our visitor accommodation providers are worried that the amounts of public money we’ve already committed to them won’t be enough to see them through this year. While we are very conscious of the need to avoid spending any more public money than is genuinely needed, we also recognise there’s a great deal of uncertainty as no-one has ever faced a situation like this before. There’s no blueprint, no template, no precedent.

While some businesses are no doubt struggling very badly, for some the impact is offset to a degree through staycations, which are proving incredibly popular and a very good trade on food and drink, which is possible because the Bailiwick continues to be COVID-free.

We are fully aware that this does not compensate for the loss of bed night business, but overall it does have an impact on how much support is needed by the industry. Given the importance of this support package, we're seeking independent assurance that it will achieve its aim, or how it can be improved. The review will be fast, low-cost and carried out by an on-island firm. We also want the industry and the public to have access to the findings of this review so they can also be confident that any support scheme provided is the right one, set at the right level."

The direct contribution of the hostelry–accommodation sector to GVA is approximately 0.9% of the overall economy. The total estimated financial support to the sector between March 2020 and March 2021 is estimated to be in the region of £9m, or 19% of the overall forecast of £48 for business support measures over the period.

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Notes to Media

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