

Media Release

Date: 25 September 2020

Visitor accommodation firms to be offered options for future COVID-19 business support

The Policy & Resources Committee will now offer those visitor accommodation businesses who have recently submitted claims for financial support from October 2020 onwards, a choice in how that support is provided.

Businesses will be asked if they wish to continue receiving support through a form of payroll co-funding, or if they prefer to be supported through a grant scheme which will begin in October. Businesses will be able to choose one or the other, once final details are released, but by providing both options the Committee believes it is offering those businesses more flexibility in how they manage through the winter months.

The decision comes as a result of a thorough examination of all the claims submitted together with early feedback from the previously announced independent review of the business support measures to the visitor accommodation sector. The local firm, Offshore Group, was appointed to carry out this review, and has provided an initial update to the Committee. However, it has been agreed that more time is necessary to undertake further analysis to complete the review, which will be made public once finalised.

The Committee is also acutely aware that there is little time left to provide the sector with some certainty on what will happen from 1 October 2020. Following further analysis and the receipt of initial feedback from the independent review, the Committee is making the decision now that both forms of support will be provided as options for visitor accommodation businesses going forward. When the review and additional analysis is completed, it will help inform the specific terms of the support options, and therefore some more time is needed before all of the details can be finalised. This may impact when the first payments under the new grant and payroll schemes, starting from 1st October, can be paid out to businesses, but the Committee is confident this will still happen before the end of October, although in the case of payroll support this would be paid in arrears as is currently the case i.e. October payroll support submission to be paid in early November.

The initial analysis carried out by the States of Guernsey in June, based on as much data as could be gathered at short notice, informed the estimated level of support for this sector that would be required to cover the July 2020 to March 2021. The benefit of a holistic picture provided by the full set of claims and supporting financial information now received,

and the decision to extend the scheme to cover two options will mean that the original cost estimate will be exceeded. The revised cost is subject to the review being completed and the details of the scheme being finalised. In addition, as previously intimated, the ongoing analysis will also inform the appropriate grant levels available for properties with different star ratings.

Businesses in this sector have already made their applications for support for October onwards, and there are 52 eligible businesses who will continue to receive financial support. The States of Guernsey will write to each of them shortly to confirm their eligibility for support and reiterate the changes being made which necessitates the need for a little more time before finalising the exact value of support.

The Committee would like to take the opportunity to thank visitor accommodation businesses for the provision of the financial information which accompanied their claims, which is vital in determining the appropriate level of support, and would like to reassure them that commercial confidentiality is being preserved.

Deputy Lyndon Trott, Vice-President of the Policy & Resources Committee who leads on the COVID-19 financial support measures said

“Our hotels and accommodation providers aren’t just another sector of the economy, they are part of what makes Guernsey such a special place, both to visit and to live. I told the industry we would listen and work with them to deliver a solution that meets their needs at this incredibly difficult time. I hope the decision to give a choice on how they receive support shows that we have done that, and reassures any that had concerns over how they would cope over the coming months.

So far the States has provided more than £40m in support to businesses across a wide range of sectors since the beginning of the pandemic which is an enormous sum that would have been unimaginable even a year ago. That has been the right thing to do and provided a lifeline to many local businesses. But we must also be mindful at all times that all of that support comes from the taxpayer and is intended to help ensure viable businesses can get back to trading at close to their normal levels as soon as the current travel restrictions are lifted.”

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Notes to Media

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