

## Media Release

**Date: 14 October 2020**

### Policy & Resources Committee finalises support package for Visitor Accommodation providers

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The final details of the financial support measures for visitor accommodation businesses have been agreed by the Policy & Resources Committee.

As previously announced, the cost of providing support to this sector will increase beyond the previous estimates as a result of the reassessment of grant levels, the introduction of star rating awards and the offer of two options for businesses to choose their means of support. This will see the overall estimated cost of providing support to this sector, for the 9 months of July 2020 to March 2021, rise from £6.5m to £8.0m. This together with payroll support paid in the March – June 2020 period amounts to total support of £11.8m which accounts for around 23% of the overall business support measures covering all sectors across the Bailiwick. This support is estimated to cover between 55% - 60% of the overall proportion of the sector's losses during this period.

The Committee is also publishing the independent report carried out by Offshore Group which has informed the final support measures it is providing to visitor accommodation businesses, which can be found [here](#). The report concludes that, while much of the preparation and analysis undertaken to date has been valid, there are aspects that can be improved. The findings have been taken on board and are reflected in the support measures announced today

The main features of the revised scheme are:

- Visitor accommodation businesses will have the option to receive support either through a payroll scheme or through the new grant scheme.
- The grant scheme gives visitor accommodation businesses a level of support per room / per unit, depending on the type of accommodation they provide.
- Grants will now be awarded according to star rating categories in recognition of the differing cost challenges faced by different businesses within the overall sector.
- Grant levels have been enhanced in a number of areas for each of the sectors (Hotels, Self-catering and Guest Accommodation) with only a very small number of

Two Star Hotels seeing a decrease in the original grant levels announced, which is a reflection of the further analysis undertaken, and sub-sector needs.

- The level of funding for payroll co-funding will be set at 80% of minimum wage as the standard package and 100% at the enhanced level for eligible businesses that have demonstrated a clear need. Existing qualifying turnover thresholds will not apply in this case and access to the scheme will be automatic if selected over the grant scheme.

Full details of the revised scheme can be found [here](#).

Deputy Lyndon Trott, Vice-President of the Policy & Resources Committee and lead for the COVID-19 financial support measures, said

“While it has taken longer than expected to finalise and communicate the final support package, we felt it important to wait until the final report from Offshore had been received and taken into account in amending the final package. We’ve worked hard to finalise the support for visitor accommodation businesses and I hope the availability of options and the increased levels of funding we’re providing will give them confidence for the coming months. We recognise that further challenging months may lie ahead beyond this period and we will continue to monitor the situation, liaise with the industry and take any appropriate further steps to respond to the changing picture.

I would like to thank those businesses for their patience and forbearance whilst we have been finalising the scheme’s details. I would also like to thank Offshore Group for their work in undertaking a review in such challenging timescales. We always knew it was simply not possible to design a perfect support package given the competing challenges and sheer diversity of the sector and sub-sectors, but we have been prepared to listen to feedback and respond appropriately.

We had previously made it clear that it was simply not feasible to expect the taxpayer to fund all the industry losses but this enhanced package, together with any exceptional cases to be looked at individually, is fully expected to achieve the primary aim of all viable businesses being able to resume trading in reasonable shape upon the onset of the 2021 season. It is taxpayers’ money that we are using to help these businesses, and we must use it carefully and proportionately. But we also know how important these businesses are to the tourism industry and to other industries more widely, as well as to our quality of life in Guernsey, such that Islanders will no doubt support a reasonable level of funding for them.”

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## Notes to Media

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