

## Media Release

**Date: 26 January 2021**

### Payroll co-funding scheme and hardship fund reinstated

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The Policy & Resources Committee today agreed to reinstate the payroll co-funding scheme to support businesses not able to trade during the second lockdown, and the hardship fund for individuals facing financial difficulties as a result of the lockdown.

The list of eligible sectors is based on that used in the early part of the first lockdown and is intended to capture sectors where trade will be heavily restricted during this period. Eligible businesses will be able to apply from the 1<sup>st</sup> February in order to claim for the period commencing 23rd January.

Going forward payroll co-funding payments will be made to eligible businesses on a monthly basis using the automated online claims process.

Eligible businesses will receive 80% of the minimum wage – which is now £8.70 per hour - for their employees, requiring them to top up the other 20% as a minimum. This is consistent with the early stages of the lockdown last year and will remain under review. The scheme will also be open to sole traders and the self-employed. Employers will be able to claim for the hours normally worked by their employees (or themselves if they are self-employed), up to a maximum of 42 hours per week.

Based on the experience of the previous lockdown, this support is likely to amount to roughly £2.5m per week.

Public finances are clearly under a lot of pressure and the Committee is keen to ensure this support is targeted to those businesses in need. Following the previous lockdown many businesses were able to quickly bounce back and enjoy a successful trading year. It is hoped that this lockdown proves as effective and allows those businesses to again return to normal trading soon, therefore businesses who have sufficient resources to cope with a short period of lockdown are asked to consider carefully if they have a genuine need for this support. Following the experience gained last year, the Committee has decided to include a clause in the support package to enable sums paid to businesses who find they ultimately make a profit this year to be recovered.

The Committee is also acutely aware that there will be individuals and families who are struggling financially but may not be eligible for standard benefit support, and so a £250,000 Hardship Fund is being re-established.

Deputy Mark Helyar, Treasury lead for the Policy & Resources Committee said

“We know how difficult this period will be for some businesses, even if many sectors have had a good trading period in the last 6 months. We’re hoping this will be a relatively short, sharp lockdown that allows us to get on top of the cases we’re seeing, bring them under control and see us quickly return to the good situation we were in last week. In the meantime we need to help many businesses cope with not being able to trade, for the sake of them and their employees and for the wider economy. At the same time we’re saying to businesses that bounced back from the previous lockdown, and expect to do so again this time, to think hard about whether they really need support through this scheme before making a claim.”

The list of eligible sectors and details for businesses wanting to apply for payroll co-funding can be found at <https://covid19.gov.gg/guidance/business>

Individuals wanting to seek support from the hardship fund should email [hardshipfund@gov.gg](mailto:hardshipfund@gov.gg) or call 01481 732516.

Ends