

## **Covid-19 Response - Support for Businesses**

I'm writing on behalf of the Economic and International Affairs Scrutiny Panel which is currently undertaking a review on support for businesses following the Covid-19 pandemic. The Panel will be looking at the following schemes in particular:

- Co-Funded Payroll Scheme
- Business Disruption Loan Guarantee Scheme
  - Visitor Accommodation Scheme
  - Events and Attraction scheme
- Grant Support Scheme
- Deferral of GST and Employer Social Security Contributions

By way of background, the Panel presented a report last year on the Government's response to Covid-19 and received a number of concerns from various businesses regarding the support made available. Since that report was published, the support packages have been updated and expanded in some areas. The main purpose of the review is to ensure the schemes are effective and fit for purpose. In that regard, the Panel hopes to answer the following questions during its review:

- Are the business support packages fit for purpose? I PERSONALLY THINK THE SUPPORT PACKAGES ONLY HELP EMPLOYEES AND NOT BUSINESS OWNERS. BUSINESSES ARE SUFFERING AND EMPLOYERS / BUSINESS OWNERS ARE BEARING THE BRUNT FINANCIALLY
- Have any businesses (including employers/employees) been inadvertently excluded from receiving support? YES WE HAD TO TAKE ON 2 PART-TIME HELPERS TO ASSIST US ON SOME OF THE BUSIER DAYS INCLUDING SATURDAYS TO MINIMISE CONGESTION IN RECEPTION AND HELP WITH EXTRA CLEANING ETC, AND I'VE BEEN UNABLE TO CLAIM FOR THEM.
- How rigid is the eligibility criteria for access to support? VERY RIGID, HOWEVER AFTER MULTIPLE EMAILS I FINALLY MANAGED TO GET A MEMBER OF STAFF WHO IS FULL TIME, AND HAS BEEN EMPLOYED AT THE SALON FOR 5 YEARS BACK ON THE SCHEDULE FOR DEC & JAN (SHE WAS OFF ISLAND MARCH 2020 AND ON THE ITIS SCHEDULE AS ZERO EARNINGS)
- How flexible are the support schemes? NOT VERY IN MY OPINION, THEY DON'T ALLOW FOR ANY CHANGE TO THE STRUCTURE OF A BUSINESS FROM ONE YEAR TO THE NEXT, IT SHOULD BE BASED ON NET PROFIT NOT TURNOVER. I ALSO FEEL THAT BUSINESSES THAT WERE FORCED TO CLOSE SHOULDN'T HAVE ONLY RECEIVED 90% OF THE FUNDING FOR STAFF WAGES, IT SHOULD HAVE BEEN 100%. THE £1,000 (WHICH WAS THE 10% NOT REFUNDED) CAME OUT OF MY WAGES :(
- The extent of the support schemes and whether additional support is likely to be required beyond April 2021

## LETS HOPE NOT

The Panel appreciates that this has been an extremely challenging time and that a number of businesses may already have been contacted by scrutiny seeking views on a number of areas. In order to provide constructive feedback to the Government, however, the Panel need to be aware of any issues with the schemes.

As a business within the Hair and Beauty industry, the Panel would particularly like to hear the challenges, if any, your business has had to endure in obtaining access to support. The Panel has noted from recent media stories that some businesses within the industry are struggling to access support and are struggling financially. The Panel would really like to receive your feedback and would be grateful if you could answer the following questions:

- Have you accessed a support scheme and if so, which one? GOV PAYROLL SUPPORT & BUSINESS GRANT
- How did you find the application process? Were you provided with any information on the scheme? PAINFUL AND TEDIOUS, ESPECIALLY IN THE BEGINNING WHEN NO INFO WAS AVAILABLE. BUT SINCE THEN ITS EXCLUDED CERTAIN STAFF MEMBERS. ITS BASED ON TURNOVER AND SHOULD BE BASED ON NET PROFIT. BUSINESS OWNERS DON'T REALLY RECEIVE ANYTHING AS WE'VE HAD TO KEEP FUNDING OUR BUSINESS OVERHEADS.
- Did you feel supported through the process? BARELY
- Were you excluded from applying for a scheme? If so, which one? I HAD TO RE-PAY OUR FUNDING WE RECEIVED IN AUG (WHICH WAS PAINFUL AFTER SUFFERING SUCH A LOSS THROUGHOUT THE PREVIOUS MONTHS)
- If you could make improvements to the scheme(s) what would they be? ALL OF THE ABOVE...

Any other comments on issues related to the review that you would like to bring to the Panel's attention would also be very welcome.

- I FEEL THERE SHOULD BE MORE HELP FOR EMPLOYERS IN TERMS OF SOCIAL SECURITY PAYMENTS - A DEFERRAL IS NOT HELPING US. THERE SHOULD BE A REDUCTION IN SS CONTRIBUTIONS PAID BY EMPLOYERS. THERE SHOULD BE A GRANT FOR DEC CLOSURE, WE LOST A WEEK OF WORK THAT WAS A MUCH NEEDED LUCRATIVE WEEK USUALLY. ANY REPAYMENTS MADE FOR NOT MEETING THE DEFICIT REQUIREMENTS FOR THE PAYROLL CO-FUNDING SHOULD HAVE ONLY BEEN REPAYED IN PROPORTION TO THE DEFICIT SHORTFALL AND NOT THE WHOLE AMOUNT. (I HAD A SHORTFALL OF 17% AND THE I NEEDED 30% BUT WE HAD SUFFERED ALL YEAR AND THE BUSINESS REALLY NEEDED THAT MONEY, I RE-PAID OVER £10,000 BACK AT A TIME WHEN I REALLY COULDN'T AFFORD TO). ITS JUST REALLY DEMORALISING WHEN WE TAKE THE RISK TO SET UP A BUSINESS AND PROVIDE JOBS FOR SO MANY PEOPLE TO BE IN THE SITUATION WE'RE NOW IN. STAFF RECEIVE MORE SUPPORT THAN WE DO. THERE REALLY SHOULD BE MORE OFFERED IN TERMS OF A GRANT SUPPORT SCHEME

FOR THE MONTHS OF CLOSURE LAST YEAR WHEN WE HAD TO PAY OUR RENT AND OTHER OVERHEADS.