

Minister for
Treasury and Resources



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Senator Kristina Moore
Chair
Corporate Services Scrutiny Panel
Via e-mail

29 January 2021

Dear Senator Moore,

Corporate Services Scrutiny Panel
Quarterly Hearing Follow Up

Thank you for your letter dated the 22nd of January 2021 following the Corporate Services Quarterly Public Hearing held on the 8th of January 2021.

Please find my responses to your questions as follows;

The number of businesses applying for further deferral of the Social Security contributions?

The number of businesses that have confirmed their election to defer contributions for 'D-quarter' or the fourth quarter of 2020 is 34. The total amount of contributions deferred by these businesses is £300,000. This number is expected to increase as more businesses confirm their preferences. The volume of deferrals is currently increasing daily.

The number of companies that have taken part in the Business Loan Guarantee Scheme that have since ceased trading, and the monetary amount which had been guaranteed by the scheme for each of these?

So far, 60 businesses have accessed support under the Scheme with a total amount approved of £3.3m. I am aware that one business has subsequently ceased trading. The total amount of the loan guaranteed to that business is £28,000. At the current time, the bank concerned is pursuing the normal recovery processes for the loan as required under the terms of the Scheme, this process can take up to 18 months.

Also, during the hearing financial support for fixed costs, such as rents, utilities, supplier bills, insurance incurred, within the hospitality sector was discussed. It was stated that hotels, bars, restaurants and beauty outlets have their fixed costs

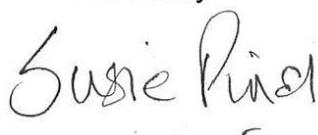
covered if they apply for government assistance, can you please provide an outline of this application process and relevant information advertising this funding?

On the 20th of January, Senator Farnham announced publicly that a Fixed Cost Support Scheme is being developed by his department that will provide additional support to businesses that have been impacted by the Winter Strategy Circuit Breaker including restaurants, bars, and beauty outlets.

This Scheme will make monthly payments of between £3,000 and £10,000 per business whilst businesses are closed and 50% of the relevant amount when businesses can re-open but remain impacted by public health measures such as the requirement to maintain 2-meter social distancing. The application process is under development and further details will be published in advance of the Scheme's intended launch on the 15th of February.

I should note in response to your letter of 22nd of January that during our discussions I did not suggest that the fixed costs for restaurants, bars and beauty outlets were currently being met from any of the Government economic support schemes. Instead, I referred to the fact that the Government had responded to the financial need of these businesses in December by increasing the support that was available to them under the Co-Funded Payroll Scheme Phase 3+. The changes to that Scheme announced in December increased the maximum subsidy to 90% of £2,000 per worker per month and changed the basis for calculating the subsidy payable from the percentage fall in income plus 10% to plus 20%.

Yours sincerely



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