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Hospitality reacts to furlough scheme extension

Rishi Sunak revealed that 'no changes whatsoever' will be made to the current scheme until the end of July



by **LEWIS CATCHPOLE** — Wednesday, 13 May 2020, 10:31 in **Coronavirus** 2 min read



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The **hospitality industry** has reacted to the chancellor's announcement yesterday that he was to extend the government's furlough scheme to the end of October calling it a "sensible and timely" move that has "prevented thousands of redundancies".

Yesterday (12 May) **Rishi Sunak** revealed that "no changes whatsoever" will be made to the current scheme until the end of July. However he noted that from August to October the scheme will continue, for all sectors and regions of the UK, but with greater flexibility to support the transition back to work.

Employers currently using the scheme will be able to bring furloughed employees back part-time. He added that further information on the changes will come at the end of the month.

Commenting on the news Lex Butler, chair of **HBAA**, said that the extension has “prevented thousands of redundancies in this industry at the end of June”.

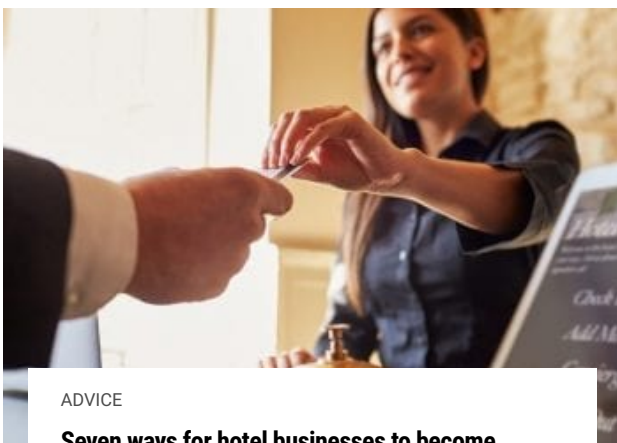
She said: “The extension of the job retention scheme to the end of October, without change until the end of July, will save thousands of jobs in the events, hospitality and travel industry as many staff would have been made redundant at the end of June. The industry would have been decimated.”

Meanwhile Jane Pendlebury, the CEO of **HOSPA**, said the extension is “hugely welcome” but added that the issues that have forced many hospitality closures still haven’t gone away. And as such the industry is in further need of “sustained support from the **Government** if there’s to be a viable hospitality industry once the pandemic has finally passed”.

In addition, **UKHospitality** chief executive, **Kate Nicholls**, said: “An extension of the scheme is a sensible, positive and timely move. The scheme has been a crucial lifeline for many businesses and employees. It has helped hospitality overcome the initial crisis, saved businesses and kept jobs open.

“We will now be actively engaging with the Government about how the scheme will operate beyond July. The full 80% may need to be extended past July for some businesses in sectors like hospitality that will still operate at much reduced levels of trade, or not yet be able to open. Our businesses will need as much warning as possible if they are to be expected to plan ahead for eventual venue re-openings.”

She added: “Increased flexibility for hospitality will be equally vital. Hospitality businesses are not able to go from standstill to full capacity overnight. The additional flexibility being introduced to the scheme will allow our workers to return to work in a safer, graduated way – that is crucial to help the Government to safeguard public health, jobs and businesses.”



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BY **ALESSANDRO CARRARA**

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