



18th December 2021

RE: Urgent Supports needed to safeguard Irish hotel & guesthouse livelihoods

Dear Minister,

We thank you for the recent additional EWSS supports for hotel, guesthouse and wider hospitality & tourism livelihoods. Many of our members have already told us that the enhanced subsidy has made a huge difference to their ability to safeguard their teams' livelihoods. We thank you also for the local authority rates waiver in quarter one of 2022. The reduction of this additional financial burden has given much needed comfort to our members in what is going to be a very difficult start to 2022.

Prior to yesterday's announcement, we had estimated that €250m in events led cancellations had been recorded. This does not include the normal leisure activity that never materialised given the backdrop of public health advice and decisions not to make bookings for the festive period and beyond. This has ricocheted into a 2.3m shortfall in rooms sold from December 2021 to February 2022 when compared to the equivalent period in 2019/2020. Our outlook is at crisis point with an all-time low of 13% room occupancy on the books for January & February 2022. This means that only 1 in every 10 hotel rooms are sold during these months. Yesterday's announcement has already started to exacerbate the downward spiral in our sector. It is also worth noting that December trade normally sustains the first few months of any given year, but that comfort is now well gone given the significant increase in restrictions announced in recent weeks and yesterday.

Given the dismal circumstances that we find ourselves in, we are appealing to the Government to put the following supports in place to safeguard the 270,000 tourism and hospitality livelihoods which represents 1 in 10 of all Irish jobs and with 70% of those jobs outside of Dublin. Our two asks are as follows:

1. EWSS is to be amended to allow businesses fulfilling the 30% reduction in turnover in January to April 2022 to be allowed the opportunity to opt back into the scheme based on a rolling monthly comparison of turnover with the average monthly turnover for the full year 2019. The current scheme is completely retrospective and does not capture the seasonality of our trade nor the dreadful reality of how our trade will be affected as a result of the ongoing and additional restrictions.

In essence what we are asking for is that the December EWSS pre-qualification cliff-edge is removed. This was designed as part of Budget 2022 which was based on the premise of a full reopening, a reopening that never materialised, and we now find ourselves three sets of restrictions later. It does not reflect the scale of the new reality of restrictions that we now face.

Provision also must be made for businesses whose operation commenced in 2019. (i.e after 1 January 2019), in which case no comparable 2019 turnover exists for comparison purposes. In this scenario comparison should be based on projections prepared as if the pandemic had not occurred e.g. for banking/grant application purposes.

The Government has committed on a number of occasions to 'not leaving anyone behind' and 'that there will be no cliff edge' but this is the harsh reality that 18% of our members now face which represents 11,000 important livelihoods. Most of these businesses are family owned and located in rural communities where often they are the biggest/only employer in the area. We estimate that allowing our members to opt back into EWSS in 2022 on the basis of fulfilling the 30% reduction in monthly turnover will cost the state a maximum of €7.5m in January 2022. This is a short-term employment investment that will result in a longer-term employment gain whilst concurrently pivoting tourism better towards recovery. Important also to consider that investment in employment as opposed to PUP is a more favourable option for all in our shared quest of 'leaving no one behind'.

Our teams live in constant fear of their livelihoods being lost. We were the first to fall, the hardest hit and we will be the last to recover. This latest set of restrictions have really taken their toll on the morale of our colleagues and ourselves. We are in a very difficult place and trying to support our teams as best we can in the most trying of circumstances.

2. CRSS to be enabled for our members who record a 30% reduction in turnover. Similar to the EWSS, it would be based on a rolling monthly comparison of turnover with the average monthly turnover for the full year 2019. To recognise the scale of our businesses and our financial commitments, this needs to have a cap of €15,000 per week subject to meeting the qualifying criteria. The duration of the scheme should be until at least April 2022 or as long as there are restrictions again subject to meeting the qualifying criteria.

In addition, if a business that commenced trading during 2019 or a business that substantially increased capacity prior to March 2020 can demonstrate a turnover reduction of 30% between projections as if the pandemic had not occurred, it qualifies for CRSS up until 30 April 2022 or as long as they are restrictions in place.

The Government has gone the distance throughout this very trying pandemic in terms of supporting livelihoods and businesses to enable recovery. Failing to put the measures outlined above in place will undo so much of this great work and have a direct impact on the livelihoods we are trying to restore in our 270,000 tourism and hospitality community. We do not want to see this happen and these measures are critical in enabling the same. We fully acknowledge the desire to end supports and specifically around the EWSS and look forward to the day when we can trade unencumbered and independently which is our overriding goal after protecting public health and safeguarding our teams' livelihoods.

We thank you for your consideration. We are available to discuss any of the above at your convenience.

Yours sincerely,



Elaina Fitzgerald Kane
President of the Irish Hotels Federation

Email: president@ihf.ie | Mob: 087 8374968