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Sent by e-mail

8th March 2022

Dear Constable Shenton-Stone

PAC COVID-19 Response Review

Public Accounts Committee (PAC) – COVID-19 Response Review

Thank you for your letter dated 25th February. We would respond to the questions raised as follows:

You will be aware that as part of that review, the PAC recently held a Public Hearing at which members of the agriculture industry provided evidence of their experience of the Government's response to COVID-19. As a result of that evidence, the PAC has a number of questions in relation to the financial support provided to island businesses.

- 1. Please could you detail how the Government of Jersey determined where economic support would be offered and how decisions were made about which industries and businesses would be provided with support.**
- 2. Please provide the criteria that were used by decision-makers to determine the distribution of support to ensure that it was consistently applied?**

The objectives of all economic support schemes implemented in response to Covid-19 were centred on the specific challenges they were intended to address, but they were generally framed around the following aims:

- Protecting employment
- Safeguarding livelihoods
- Avoiding business failures
- Positioning the Island for a robust economic recovery

It was recognised from the outset that the economic consequences of Covid-19 were going to be extensive and severe. Accordingly, it was acknowledged that Government would not have the means to mitigate the full economic impact and would need target support to the sectors where the impact on businesses, jobs and livelihoods was likely to be the most significant.

To identify the sectors that should be eligible for the support, officials estimated the sectors that were likely to be most acutely impacted by public health restrictions, in particular the Stay-at-Home Order. As agriculture was designated as an essential industry that was able to continue trading even where the Stay-at-Home Order was in place, it was not considered to be amongst those mostly significantly impacted.

Initial analysis of the likely impact of public health restrictions was complemented by extensive engagement with industry and business representative groups. This engagement continued throughout the pandemic and allowed the Government to evolve business support measures to meet prevailing economic conditions. This resulted in, for example, the introduction of targeted fixed cost support schemes for sectors that were the most significantly impacted by the requirement to close during the Winter Circuit Breaker 2020/21.

3. How were the criteria provided to applicants and was guidance provided on how they would be applied?

The sectoral scope of business support schemes was published on gov.je alongside details of how applications could be made. Detailed guidance accompanied all business support schemes that set out all eligibility criteria.

From the onset of the pandemic Government's direct messaging to business was supplemented by strong recommendation that businesses engage with Jersey Business, an arm's length organisation that provides dedicated support for small to medium enterprises in the Island. Government also liaised regularly with Chamber of Commerce and trade bodies to promote awareness of the prevailing schemes, for example, through joint webinars.

4. Have any industries been excluded from receiving financial support and what are the grounds for that exclusion?

As business support schemes were targeted towards those sectors most significantly impacted by public health measures, a number of sectors were not eligible for financial support. These were sectors that were considered to be less severely impacted by public health restrictions. The sectors eligible for support evolved over time as public health measures changed and the constraints they placed on the economy reduced. Sectors that were not eligible for support at any time included those deemed as essential and those that could effectively adapt business models - such as by employing working from home - and were unlikely to see a fall in demand as significant as that experienced by businesses required to close their operations.

Spending on business support schemes was primarily oriented to those best suited to the protection of livelihoods. A key part of the rationale for this approach was that it would serve to maintain household spending power and that all businesses in Jersey would benefit either direct or indirectly from the resultant preservation of aggregate demand in the economy.

5. What process was and is in place for appealing the decisions made?

There was no appeal process for business support schemes. Schemes were kept under constant review to ensure they remained well targeted towards sectors that were most severely impacted by prevailing public health measures. This involved frequent engagement with business representative organisations and consideration of representations made by the business community. On a number of occasions, this led to iterations of business support schemes including changes to the sectoral scope.

Yours sincerely



Ian Burns, Director General, Customer and Local Services

A handwritten signature in black ink, appearing to read 'R Corrigan', with a stylized, cursive script.

Richard Corrigan, Director General, Economy