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Senator K Moore
Chair, Corporate Services Scrutiny Panel
States Greffe
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7th^l March 2022

Dear Senator Moore,

Corporate Services Scrutiny Panel COVID Response & Recovery Review – Co-Funded Payroll Scheme (CFPS) Repayment Policy

Thank you for your letter dated the 2nd of March 2022 regarding the requests to repay funds to the Co-Funded Payroll Scheme.

Please find my response to the issues you have raised as set out below –

- **Disputes in comparisons used to determine average monthly income specifically in reference to ‘Gross’ and ‘Nett’ calculations**

I am aware of the issues related to the way in which some people declared their personal income, but it is not a matter of using a gross calculation or net calculation. Instead, the issue that has arisen is that some individuals have declared their business’ total income rather than their personal income. In other cases, individuals have declared other forms of income such as investment income or rental income that, for obvious reasons, were not eligible to be subsidised.

The guidance and FAQs for the Co Funded Payroll Scheme were clear about how people’s income should be calculated. We consulted with a variety of business representative groups at the start of the Scheme to refine the documents so that they could be readily understood by businesses and the Co Funded Payroll claim form requires claimants to make a formal declaration that they have read and understood those rules. Customer and Local Services (CLS) provided a helpline to support Islanders who were making claims to the Scheme and were unsure as to how they should make a claim. The Government also provided additional funding to Jersey Business, which supports SMEs, to run an advisory service, which included support for small businesses that were making claims to the Co Funded Payroll Scheme and other business support schemes. We therefore made extensive efforts to ensure that the rules of the scheme could be readily understood and applied by businesses.

Given the urgent need to get money into the economy when the pandemic commenced, the Scheme had to be designed in a way that put the onus on the applicant to ensure compliance. It is now clear that support people have not seen or have misinterpreted the Scheme guidance, which was always a risk that could not be fully mitigated if we were to operate in a way that avoided the significant time delays that would have accompanied a more conventional approach that relied on rigorous up-front control checks. Now that these

risks have been realised in some cases it remains right that Government ensures the rules are followed and money that people are not entitled to is repaid.

I should note that individuals who are required to make repayments are still able to keep the funding that they were entitled to and only a small proportion of claimants were wholly ineligible for support. As a result, the vast majority of people affected retain access to a strong subsidy that provided the self-employed with amongst the highest level of support of any other wage subsidy scheme that was implemented during the pandemic.

- **Lack of clarity in repayment correspondence and calculations**

Customer and Local Services, which administers the Scheme, has taken significant steps to ensure claimants understand what they may need to repay. All customers receive a telephone call in the first instance. If that call cannot be taken, a voicemail is left or a repeat call is made. In common with good customer service practice, officers follow a script when making calls to ensure that people are consistently provided with the information they require.

Following the phone call, claimants are provided with a confirmation email. The confirmation clearly sets out what needs to be repaid and how that amount has been calculated.

I am satisfied that the correspondence and calculations used for this purpose is clear.

- **Short timetable for repayments to be appealed**

People have 10 days after the call to contact Treasury and Exchequer prior to a debt instalment being set up by, and then 30 days from this point before the debt recovery begins. If customers provided additional information claims are reviewed and, if appropriate, the amount that is owed may be reviewed or even cancelled. It should be noted that the reason for these amendments is usually that the individual has revised the tax information that they submitted to Revenue Jersey and changes are not due to a mishandling of information by the Co Funded Payroll Scheme.

- **Hostile and accusatory communication with applicants questioning repayments.**

As set out above, Customer and Local Services has adopted a considered approach to communicating with customers who have overclaimed Co Funding Payroll Scheme subsidies. This includes a personal phone call given that the requirement to make repayments will never be easy for customers to hear. Members of the customer services team remain professional and calm at all times and a senior Manager in Customer and Local Services oversees all call activity, so I am confident that the Government is doing what it can to ensure that difficult messages are being communicated in a sensitive manner.

If you have concrete evidence that Customer and Local Service's high customer service standards have not been met, I would be grateful if this could be shared with me immediately so further investigations can be undertaken

- **Lack of reasonable timeframe under which repayments could be achieved**

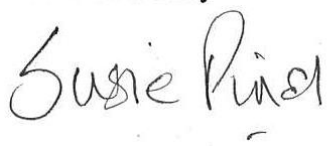
From the outset we have been mindful of the need to ensure that the requirement to repay funding that has been overclaimed does not cause financial hardship. Accordingly, individuals are able to make repayments over two years, which I consider to be a reasonable period for repayments to be made.

In considering the timeframe for repayments, I must also balance the obligation to the taxpayer to ensure that funding that people are not entitled to is able to be repaid.

- **Lack of personal support or dialogue**

As indicated above, Customer and Local Services instigates each contact personally over the telephone and customers are given the customer service advisor's names so, from that point on, they have a named contact. I am satisfied that an appropriate level of personal support and dialogue is provided.

Yours sincerely

A handwritten signature in black ink that reads "Susie Pinel". The signature is written in a cursive style with a large initial 'S'.

Deputy Susie J Pinel
Minister for Treasury and Resources

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