

Quotes from Written Submissions

Covid-19 – Small Business Support

Hair and Beauty

- Unfortunately, it has not been a fair co-funding scheme, the rules are not fair as they base the figures on 2019 without checking the individual circumstances of each business. For instance, in 2019 I was working by myself, my business was a lot smaller. Now 2 years later my business grew in size and in number of staff. Last 2019 I invested nearly £100k on 3 new Hair and Beauty salons in Minden place, by June 2020 I was already working with 4 more members of staff. ¹

- The forms have been clear to use but I have enjoyed the fact the Yoti made it easier for my recent application. They are mobile device friendly which is good. The information given in the first instance didn't cover beauty as a sector but this was changed. I was then overlooked as I had the incorrect code next to my name, sadly this took 7 weeks to be processed and I had to contest the issue too many times. Eventually a social media outburst to Ian Gorst and Lyndon Farnham sorted the matter. Totally unacceptable communication but it was sorted.
- I feel the thresholds weren't realistic to jersey wages and living costs but help was there. When emailing the team responses came quickly from Dave Affraut who was a gent that I used a lot for advice was very good. Other emails took too long to be replied to so I kept going straight to Dave. The lack of other financial help to SME was a disgrace. Yes wages are covered but all other outgoings, which are high in Jersey, were over looked. This has meant immense pressure at all times since March 2020.²

- **Are the business support packages fit for purpose?**
I personally think the support packages only help employees and not business owners. Businesses are suffering and employers/business owners are bearing the brunt financially.
- **How flexible are the support schemes?**
Not very in my opinion. They don't allow for any change to the structure of a business from one year to the next. It should be based on net profit, not turnover.³

- Businesses could defer social security payments but this effectively is another debt that accrues and had to be paid, alongside mounting fixed costs and repayment of co funding. The Government may feel that SMEs have been well supported but I feel that we have received the minimum. There will be many casualties of this pandemic and right now many businesses are having to pay loans, deferred social security, payroll co funding, mounting fixed costs. They may have managed to scrape through to this point but it's not sustainable, right now it feels like there is little incentive to continue.⁴

¹ Written Submission – Anon 1

² Written Submission – Penny Feathers

³ Written Submission – Eyecandy Hair and Beauty

⁴ Written Submission – Anon 3

Pubs/Clubs

- Those businesses most affected have largely been ignored. The companies that were forced to close first and which will be the last to open such as nightclubs have had the least support. The events industry which covers everything from weddings to shows and festivals have also been hugely affected as they were not able to operate last year and most likely will not be able to operate wholly in 2021. These industries have essentially been closed since March. Whilst other areas of hospitality were able to trade well for several months of the summer and autumn, nightclubs and some events sectors were forced to remain closed.
- The Visitor Attractions and Events Scheme has not worked. The criteria make it impossible for anyone to apply. One aspect of the criteria requires that a business must show a 50% downturn in business which is reasonable. However, when determining the downturn a business must take the previous 12 months trading figures into account. For example, if you wish to claim for October you must compare figures from November 2019 to October 2020 against 2019's figures.
- Ministers first met with representatives of the events industry in July 2020 to discuss an urgent package of help. Despite delays it was eventually agreed that it would be released in September. However, this was delayed every month until finally it was released in January.⁵

- **Were you excluded from applying for a scheme? If so, which one?**
Co-funding scheme. We found out late, was advised by a friend to apply. When we did we were informed our application was late by one day and couldn't be backdated. We then applied for the following month which was successful
- **If you could make improvements to the scheme(s) what would they be?**
We are grateful for any support. But the reality is for most businesses in the hospitality sector, the support package has not been fit for purpose. The disruption to our business caused by the lock-down has been disastrous. Larger F&B concerns with larger cash reserves are just about coping, for smaller businesses like us it's been catastrophic.⁶

- A 'pub' landlord tenancy in my case, and for a lot of similar establishments, is where the brewery 'rent' the building from an owner and we, the tenant sublet.
- We are tied to paying rent on time, covering all utility bills, hiring staff, paying wages and keeping the property safe and well maintained.
- We also have to buy all wet stock from the brewery (at a higher cost than if we were a freehouse or a personal customer) and we are restricted on selling stock

⁵ Written Submission - Rojos

⁶ Written Submission – Micky Timms

- To close a business down in December, which is a critical month to earn money to pay for Jan/Feb the following year is sickening. In December, I was paying for our food/drink/utility bills from November, which was a busy month as we were open. **This cost me approx 8-10K from my own savings in Dec alone.** The 'fixed cost' support is unbelievably 'capped' at £3,000 which does not even cover 50% of fixed costs of a building of this size.
- For the claim form to come out in February 2021, nearly two months after were closed, and then to **NOT EVEN INCLUDE DECEMBER** as an option to claim for is so unjust and I would ask that this is something that could be amended. PLEASE!
- Doing takeaway costs more money to run. You are paying fuel for drivers, packaging and loosing approx 10% commission from every single sale (7% to food.je) and the rest to Paypal/CC Charges.
- The Fixed Cost should NOT be capped and should include December.
- **How did you find the application process? Were you provided with any information on the scheme?**

Easy application form and instructions, but the costs should NOT have been capped at 3K for tenants.⁷

- I think the support has been good and the co-funding scheme supported us throughout the last year. I thought the application was easy to use and simple. I don't have any improvements to suggest. I think it has been good and run well during a difficult time.⁸

- **If you could make improvements to the scheme(s) what would they be?**

We had a detriment issue in June whereby we didn't meet the criteria by some 3%. That was hugely costly to us as we had lost so much turnover in April for which we never recovered anything close to the cost of keeping employees on our payroll. This latest round of co-funding appears more equitable with a lower detriment level being set for claimants. To put a number on this we have been paying out between £12,000 and £15,000 per month to keep staff on for whom we had no work. If we can't access any co-funding for just one month the cost to our business is massive.⁹

⁷ Written Submission - Anon 9

⁸ Written Submission – Anon 8

⁹ Written Submission – Coopers Coffee

Gyms/Fitness Sector

- To cut the long story short, no we have not been happy at all with the support packages in place for us. From the outside looking in it seems the government are helping our industry, when if you look at the finer detail this is not the case.
- We were not given any support for December as a business. In addition, none of our 5 staff got any furlough for December as it was going to cost the business so much money paying staff contributions just to receive it. We have probably lost around £50,000-£70,000, probably up to £100,000 when we open. And at the minute we have not received £1 of support (we have just applied for January). Luckily about 10-20% of our members have been contributing some funds in exchange for us lending them equipment, without this we would probably be shut down.
- I cannot really go into too much detail as its our financial figures but when we claimed for December we were using an average of the last 3 months to reflect our income. Due to the way we operate our business, we feel that using 1st of december to the 31st of december does not reflect our detriment.
- The government does not realise the overheads it takes to keep a business afloat when they shut like this. A tiny £3000 is not really gonna cut it. I am still getting billed my social contributions which feels like a joke considering. Deferalls means nothing, its just accumulation of more debt that will need to be paid back later. We have our mortgages on freeze which is building, and our business rent is piling up to be paid back.¹⁰

- **Have you accessed a support scheme and if so, which one?**

Payroll co-funding and deferral of GST and Employer Social Security Contributions (also FCSS)

- How did you find the application process? Were you provided with any information on the scheme?

All information came from the Support Self Employed / Small Business Support re COVID-19 social media groups set up by Beverly Le Cuirot, our bookkeeper, emails from Jersey Business and then following up on Gov.je website.

The application process for all schemes was straightforward. (Application for FCSS is more confusing and I'm waiting for clarification on certain points).

It would be useful if all applications were done in the same way e.g. via a central portal. You could click on which scheme(s) you wanted to apply for all in the one place. It would also be very useful if the application took you through a process of advising which schemes you are applicable for through a series of Q and As, though I appreciate this would be a lot of work to put together.¹¹

¹⁰ Written Submission – Crossfit Gym

¹¹ Written Submission - Healthhaus

- Because of distancing restrictions, we had significantly less space and therefore less people attending per class THEREFORE it taking LONGER for people to use up their existing passes, therefore every which way you look at it, in what we do, during this crisis there is always going to be less money coming in until we can get back to servicing a full capacity class. No new money coming in as people were using up existing passes.
- Frankly if we had to employ a cleaner, we would be out of business. As self employed we do all the extra sanitizing ourselves when we are open and it is burdensome time/energy wise.
- There is also the extra PPE costs to be considered.
- **Have you accessed a support scheme and if so, which one?**
Co funding for myself; whilst partner is part employed by the business in the first lock down he got extra work from his other employer to make up the difference of his not being employed in our business so we did not apply for co funding for him. In this second closure he has not obtained extra hours.
- **Did you feel supported through the process?**

Last year only felt true support via the 'FB small business support group' set up by Beverley Le Cuirot (not a gov't department), this group provides a feel of 'human' connection something that you will never get from a gov't page. Trawling the gov.je website was a pain (to say the least; I feel I have lost years of my life trawling it) I ultimately found the most useful information about the scheme through the 'FB small business group'. Gov.je should bear in mind that vast majority of small business owners are not States/Office employees and they seriously need to improve their 'speak' when communicating with us plebs and try to be more user friendly and at the same time try not to 'talk down' to us; a hard balance to achieve I know

- **Were you excluded from applying for a scheme? If so, which one?**

At the moment and trying to see how far I get in this new FCSS application. I have already been marked 'unable to apply for FCSS' by virtue of the 'type of activity' I have put down (the same type I used for my co-funding applications) I am awaiting to hear back from gov.je.

- **If you could make improvements to the scheme(s) what would they be?**

EVERYTHING IS TOO SLOW. Gov't reactions to the crisis for businesses and their solutions; all way too slow.

- **Deferral of GST and Employer Social Security Contributions as a solution?**
Would the CM like to acquire himself some lovely extralong term debt! Yes I get that SS must be paid but surely the point of SS is times like right now? Waiving SS for forcibly closed businesses might have actually been a cheap solution to aiding employees/employers

- **Also, Govt should also be speaking with banks;** whilst our bank was accommodating ‘pausing’ our capital repayments for our business loan/mortgage (they call it a capital repayment ‘holiday’), we still have to make the interest payments. ¹²

Events

- I feel when applying via the different support phases that a comparison month on month with 2019 or the previous year isn't always a true reflection of earnings lost due to restrictions. Average turnover by month would be more applicable in my case.
- The majority of my income comes from weddings and events. Of which the main income is earned from April/ May through to September/October. The other months tick over but are very much subsidised from the more lucrative months. I could not apply for help in November because I earned a similar amount to the previous November. Yet the income was only about £1000. ¹³

- Businesses exclusively working within the events industry have been effectively closed since March 2020 and will remain unable to return to reasonable levels of work (and income) until social distancing restrictions are lifted (likely to be no earlier than end of summer 2021). The industry will then have a long period of re-building the businesses back up (running an events business is not like opening a shop door and allowing the customers to walk in again)
- In July during a meeting with ministers and subsequent meetings Government has promised a package of support for the industry but took until January 2021 to announce a package, which is unfit for purpose and has ridiculous qualifying criteria. Almost all businesses are unable to apply for the scheme due to the criteria.
- I believe that the VAES scheme is essentially not fit for purpose and that the officers who designed this scheme had not educated themselves on the specific needs of the industry, or how the industry works, or how the industry is critical to the public, to tourism, education, business, GoJ, SoJ and directly support every single industry and sector of Jersey life. ¹⁴

- On the 29th July 2020 myself, Rob Ritchie from Stage 2 Productions and Beverly le Queriot were invited to a meeting with Senator Lyndon Farnham and Deputy Richard Renouf as well as representatives for Treasury, Dr. Ivan Muscat and representatives from Jersey Business. The purpose of the meeting was to allow us as representatives of the Event Industry to explain to Government how the pandemic had impacted specifically on our industry and for Government to explain their rationale behind decisions being made with regards to restrictions on numbers at gatherings.
- The conclusion of the meeting was the unanimous agreement that the Events and nightclub industry urgently needed financial help (supplementary to the co-funding payroll scheme) to see it through the enforced closure of business. We left the meeting feeling

¹² Written Submission – Anon 5

¹³ Written Submission – Wright Photos

¹⁴ Written Submission – Anon 2

very positive that our message had got through to Government and extremely relieved that a financial package of support would be formulated. We worked closely with Jersey Business to provide all the relevant information requested by Government to formulate a support package. And then we heard nothing.

- Numerous emails, calls and requests for interventions and updates via Jersey Business yielded no progress. I was told by Senator Farnham that there was an internal “disagreement” between the Government Officers and him as to the level of support the Government were prepared to offer.
- It was not until three months later in October 2020 that we learnt that an unprecedented Ministerial Order had been signed by Senator Farnham to force through the allocation of funds for a support package, the contents of which were eagerly awaited.
- This (VEAS) scheme was eventually released nearly three months later on the 5th January. The onerous criteria required to qualify for support meant that 90%+ (based on a JHA survey) of our industry were not eligible to apply for the support package. Devastating.
- When the “Hospitality Circuit Breaker” was announced in December a new support package (Fixed Cost Support Scheme) for the hospitality sector was announced within days. (One must question the speed in which this Hospitality directed package was rolled out versus the Event directed VAES scheme took to produce).
- We were given advance details of the content of scheme and could not quite believe the omissions and deductions that it contained, specifically that the new scheme would not be backdated to September / October as per the first VEAS scheme and that depreciation of equipment had also been removed. We requested an urgent meeting with Lyndon Farnham and the `treasury department to explain the rational behind the scheme. We met via a Teams meeting on Thursday 4th February.
- Unlike the hospitality sector we cannot simply ‘open up our doors’ when permitted and expect to instantly trade again. Events are planned sometimes years in advance and to date I have unfortunately had numerous weddings and corporate events cancel for this year already as there is just too much uncertainty over travel restrictions, numbers allowed to attend events and the rollout of vaccinations to the younger generation. This lost business cannot be replaced at short notice so we are facing a very, very bleak year yet again. ¹⁵

- I am somebody who works 100% full time within the Jersey Events & Nightclub industry.
- In March 2020, the realisation of the covid pandemic was brought swiftly into focus, with the Nightclubs in Jersey being the first casualty of being forced to close due to restrictions imposed by the government relating to covid. We are all deeply frustrated on how officers in Government have simply not recognised the catastrophic impact that has been put upon us. Whilst other industries operated at normal levels feeling no impact at all, and some industries operated through 2020 to levels where they felt an impact but not at 100%. ours simply did not have that benefit. ¹⁶

¹⁵ Written Submission – Jersey Kitchen

¹⁶ Written Submission – Warren Le Sueur

- I would like to highlight the disparity between the support schemes available and the apparent lack of suitable and adequate financial support for the Events & Attractions Industry. The criteria of £300k minimum turnover and GST registration have resulted in more than 95% of the events industry not qualifying for the VAES Scheme. These criteria are not a requirement of the VASS or FCSS. In addition, the Events Industry is not eligible to defer social security contributions. Please find the attached correspondence. Meaningful support needs to be in place until the gathering restrictions have been lifted and there is no requirement to physically distance.¹⁷

¹⁷ Written Submission – Tim Bartlett Live HQ