

22.03.01

5 Deputy S.M. Ahier of St. Helier of the Minister for Economic Development, Tourism, Sport and Culture regarding repayment of monies from Co-funded Payroll Scheme (OQ.41/2022)

Will the Minister advise whether there is any evidence to indicate that pursuing small businesses for the repayment of monies from the co-funded payroll scheme is adversely affecting economic development in Jersey?

Senator L.J. Farnham (The Minister for Economic Development, Tourism, Sport and Culture):

Can I start by saying that the payroll scheme has had a most positive effect on the economy, economic development and the safeguarding of livelihoods and jobs throughout the pandemic? The economic impact of repayments is not yet clear. But we do have a duty to ensure taxpayers' money is used appropriately and that is why there are audits being carried out to ensure that that is the case. What I would say is that where mistakes have been made and money is asked to be repaid it has to be done in a way that enables the business or the individual, who might be finding themselves in a position where they have to repay, ample time - and I mean ample time - to repay without putting their business or livelihood at risk if that is at all possible.

3.5.1 Deputy S.M. Ahier:

Did the Minister for Economic Development, Tourism, Sport and Culture give enough support to small businesses who were forced to close due to the pandemic lockdowns?

Senator L.J. Farnham:

It was not a sole effort, I have to say, it was the Government of Jersey, the Council of Ministers, that ultimately made the decisions on this and of course those decisions were made possible by the fact that the Assembly supported significant sums of money to allow the Government to do just that. One could say that we could have given more, some critics say we gave too much in certain areas. But I think with the benefit of hindsight we got it about right. Looking back at what we have learnt, if the same thing were to happen again - and I hope it will not and I am touching everything wooden - lessons will have been learnt and we would be able to refine what we have done in the past. But overall I think that the answer to the question is broadly, yes, we gave appropriate support.

3.5.2 Senator K.L. Moore:

Notwithstanding the Senator's comments that of course it is right to ensure that public money has been used wisely, would the Senator accept that when consistent errors are discovered in the workings out of officials who are reviewing these requests for repayment, then it would be more sensible to not waste the time of officials in going after hundreds of people for what is in the scheme of it a small amount of money and instead to spend that time in reviewing the internal process and, therefore, correcting the wrong requests that are being sent out to members of our community?

Senator L.J. Farnham:

I think I can agree with certain aspects of the Senator's question, it would certainly be appropriate that if officials have made mistakes that needs to be addressed. If businesses have been incorrectly asked to repay monies then that needs to be addressed and resolved. Out of approximately 4,000 businesses that received support, 579 have been asked to make repayments and that total is approximately £6 million and approximately 420, if I remember right, of those businesses have

already made or started to make repayments and £4.5 million has been returned. But, in essence, if there have been mistakes by the Government or officials they need to be addressed quickly.

3.5.3 Senator K.L. Moore:

I thank the Senator for his answer, which is most welcome. If we could refer back to one of his previous answers, the Senator referred to ample time being given for people to repay their debts. Sir, as a judge, you will be aware of the necessity to offer appropriate timing and repayment plans to those people.

[10:45]

No matter the extension by the Minister for Treasury and Resources of an additional year for these repayment plans, would the Minister commit to reviewing that time period once again to ensure that an adequate timeframe and appropriate limits for repayments are being set by the department in those cases where it is appropriate for a repayment to be made?

Senator L.J. Farnham:

I would certainly commit to asking the Minister for Treasury and Resources and relevant Ministers to reconsider that. I think every business, every case is, potentially, different. Some businesses might be able to afford to repay it sooner. I think many businesses, given the shock to their business that they have suffered, will need a lot longer than one or 2 years. I am sure the Minister for Treasury and Resources and the Assistant Minister are alive to that fact, and I very much hope the Treasury will provide the leeway that is required to ensure that after working so hard and providing so much taxpayer support to get these businesses through the challenges, we are not going to let any fall at the final hurdle.

3.5.4 The Connétable of St. Brelade:

Would the Minister acknowledge that some businesses have fallen through the net when it comes to support from Governments, and I mention particularly language schools where business fell away completely virtually overnight due to the inability for foreign students to come to the Island?

Senator L.J. Farnham:

I am trying to recall the circumstances surrounding language schools and I did think we had found solutions to most of those businesses and individuals that had fallen through the net or being subject or excluded from the scheme for one reason or another. But I would have to admit that possibly, yes, some have been but I am not aware. I am trying to recall the actual reasons why it happened with language schools but, yes, as I have said, we did not quite get everything perfect. I believe we helped the vast, vast majority of those businesses and individuals that needed help.

3.5.5 The Connétable of St. Brelade:

Given that the response from the department in these cases has been extremely dilatory, could the Minister confirm that he will try and speed up reactions, should responses be required?

Senator L.J. Farnham:

I will need to understand, I think, the circumstances around the cases that have received dilatory responses but, yes, of course we undertake to be as responsive as possible, to reply as quickly as possible, and to find solutions as quickly as possible for all these businesses. But if the Constable has had any particular cases in mind perhaps that he could forward them to me and we can chase them up accordingly.

3.5.6 Deputy R.J. Ward:

Can I ask the Minister if he can explain briefly, obviously within one minute and 30 seconds, his understanding of the mechanism that led to these overpayments?

Senator L.J. Farnham:

When the schemes were being put together, and if Members will remember the scheme went through a number of iterations earlier on as the situation developed and we realised very quickly that the economic impact was going to be far greater than originally anticipated; the schemes kept changing. I am not sure what the answer to the ... could the Deputy just repeat the essence of the question?

The Bailiff:

I do not think we have time for lots of repetitions, Senator Farnham, we are running up a little bit against the clock.

Senator L.J. Farnham:

Okay, Sir. We do get to the final iteration of the payroll scheme, there was a lot of detail and a lot of qualification criteria to the scheme, there was something like 30 pages. With hindsight I wish we could have simplified that and made that simpler. It is not at all surprising that some businesses did inadvertently make claims that might not have been entitled to. But, again, that is the one of the lessons we have to learn.

3.5.7 Deputy R.J. Ward:

Can the Minister confirm it was really a Government procedural issue that led to this, rather than individuals themselves creating this problem, in a way analogous so the way that Social Security makes errors and puts people in debt for years and years and years?

Senator L.J. Farnham:

I am not going to readily accept the fault of the Government because the Government acted, I think, extremely quickly, given the circumstances. The schemes were put together quickly and they provided support and payment very, very quickly. The public sector has a duty, has a legal responsibility, to look after public funds. It is audited by the Comptroller and Auditor General and that is always in the mind of officials when they are putting schemes together and that could, arguably, lead to perhaps red tape where we do not need a lot more detail where perhaps we do not need it. I think the very best endeavours were made by the Government to get this right. But most importantly when payments were needed they were made very quickly at the time of need.

3.5.8 Deputy M.R. Higgins:

I must commend the Government for bringing forward the scheme and for saying, as the Deputy has asked, that they will be very sensitive in dealing with the repayments if there has been inadvertent overpayment. However, there are some allegations that some people have fraudulently tried to obtain funds through this way and can the Minister assure us that they will be prosecuted if found out?

Senator L.J. Farnham:

I can assure the Assembly that audits will be thorough and that any cases of fraud will be investigated. What I cannot do is guarantee there will be a prosecution. That is not up to me or any Member, it is up to the relevant department and the relevant authorities to take that forward. But I can reassure Members that the process for checking this is very thorough, perhaps is - we have heard - too thorough but we are trying to find the right balance.

3.5.9 Deputy S.M. Ahier:

Is the Minister having conversations with the Minister for Treasury and Resources and the Minister for Social Security to ensure that business owners who are no longer trading are not being pursued for monies claimed from the co-funded payroll scheme?

Senator L.J. Farnham:

I have to say I have not had conversations with the Minister for Treasury and Resources on that issue and I am sure the Minister for Treasury and Resources is aware of that. But I am certainly happy to touch base with her or the Assistant Minister to find out exactly what the situation is.