

2020.04.21

11 Senator K.L. Moore of the Minister for Economic Development, Tourism, Sport and Culture regarding the operation of the business support scheme during the Coronavirus crisis: (OQ.97/2020)

Will the Minister consider revising the business support schemes as time progresses during the coronavirus crisis to ensure the needs of local businesses are met?

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

The Council of Ministers recognise that this is a fast moving situation and, as Members will have seen, we have evolved the levels of business support from what was initially announced. The aim from the outset has been to protect as many Islanders' jobs as possible and to help Jersey businesses survive the challenges that the COVID-19 pandemic is providing. We will, of course, monitor the support measures put in place and will be taking feedback from businesses and other stakeholders in the days, weeks and months ahead and we will work closely to ensure that we make any further changes as necessary.

3.11.1 Senator K.L. Moore:

Given that only 25 per cent has been taken up of phase 1 of the payroll support scheme, notwithstanding that phase 2 is, of course, much anticipated by businesses in the Island, is the Minister looking to other ideas that have been implemented in other countries, such as tailored packages for small businesses and large businesses that will better suit their needs?

Senator L.J. Farnham:

The level of all the measures currently put in place provide significant fiscal support for businesses of all sizes and we are especially keen to help the small to medium sized enterprises. But as we move into this and we start to work towards the recovery stages, which is what we have been looking at now, we need to be as politically agile as we possibly can. We will consider all or any measures that are going to help our businesses and especially the jobs and livelihoods they provide to get through this pandemic. So the message to Islanders and to businesses is that the Government will be as agile as possible as we learn day by day of the increased challenges that are being put upon businesses and will look to act accordingly.

[11:30]

3.11.2 Deputy I. Gardiner:

Would the Minister advise if he is considering to introduce a furlough status or similar in the Jersey employment law to support businesses?

Senator L.J. Farnham:

No, there are no plans to introduce a furlough type situation as they have done in the U.K. Having said that, I would say that our phase 2 scheme is better than furlough. It is far more flexible for employers and employees. I can say that following a week of consideration and meetings over the weekend, culminating in the Council of Ministers meeting last night, the Council of Ministers have agreed in principle to make some refinements to the phase 2 scheme that will lead to, I believe, even more jobs being protected during the period. We are just waiting for the final details of that to be put together and signed off by the Minister for Treasury and Resources and hope to make an announcement soon.

The Bailiff:

I am sorry, I have reached the point now, I am afraid, where I cannot allow any supplementaries to the questions. We have a number of people still to ask on this and at least another 5 or 6 questions to go and we simply will run out of time if people ask supplementaries.

3.11.3 Deputy K.F. Morel:

With regard to developing and refining business support packages, and also with regard to the economic recovery process and the strategy that the Minister will surely want to develop, will the Minister commit to engaging with business groups and businesses themselves, as well as think tanks and other interested bodies, in order to ensure that the packages he offers and the strategies he offers are the best that they can possibly be?

Senator L.J. Farnham:

I will absolutely commit to continue to doing that as best I can. I can also undertake to work closely with colleagues, Ministers, Assistant Ministers and indeed all States Members. I think it is important we work closely together and share information as much as we possibly can. I cannot stress enough the importance of listening to the daily feedback from businesses and Islanders so we can learn from it and provide the appropriate levels of support.

3.11.4 Senator S.C. Ferguson:

Has the Minister thought of taking steps like Guernsey where for the first 12 months there are going to be interest only loans for small businesses and they are also providing an initial grant as well to get the small businesses back going again? Has the Minister not thought of this?

Senator L.J. Farnham:

We have thought of very many ideas and possible solutions for additional support and that is part of the ongoing economic recovery programme that we are looking at. I undertake to keep Members updated of that as we develop the ideas.

3.11.5 Deputy J.M. Maçon:

With regards to business support packages, we have seen places such as Denmark, for example, banning companies that are registered in tax havens from accessing the funds. Has the Minister considered putting similar strings on in Jersey where, for example, companies that do not pay any tax here will not be prioritised in receiving Government support and, if not, why not?

Senator L.J. Farnham:

We have not considered that as far as I am aware, unless something has been discussed in the Treasury but I am not aware it has. But I want to also emphasise that our aim here is to help protect jobs. I think that answers the question.

3.11.6 Deputy R.J. Ward:

Would the Minister envisage any change to the issuing of business licences at the end of this situation?

Senator L.J. Farnham:

I think it is difficult to rule anything in or out at the moment. We have to be open minded and we also have to look forward through these really severe difficulties and challenges we have now to embrace and take advantage of any opportunities we do have to improve our systems.

3.11.7 Deputy J.H. Perchard:

In answer to my Written Question 142 regarding the business support schemes, it stated that an external group was established to assess the impact of the package of measures that was developed. Is this group still constituted, who leads it and how can businesses actively engage with it in order for their feedback to get back to the Minister on the visions needed to respond to business needs?

Senator L.J. Farnham:

I think events have overtaken that and we have as recently as yesterday, in fact, had preliminary discussions on economic recovery and the propositions do suggest a new political structure to address the situation. Again, I undertake to share with Members further details of that once it has gone to the next stage, but it is sort of a hybrid of what we have had and it is aimed at making sure that we have the appropriate political officer and, if necessary, outside individual expert advice to help us rebuild our economy.

3.11.8 Senator K.L. Moore:

What reassurance can the Minister give to businesses who are concerned about their future in the Island?

Senator L.J. Farnham:

I think over and above the support we have put in place now to help businesses deal with the challenges in the height of the crisis, we are developing support packages to take businesses through the immediate recovery phase and, as I alluded to in Deputy Perchard's question, we are putting in place a strong framework to deal with the economic planning for our longer term future. I would like again to stress to all Members and businesses and employees that as our economy recovers we will need to work very closely together to replenish our reserves in the coming years and we will work with businesses to make sure this is done in a sensible way and in a way that is fair and affordable for us all.