



Support for your business

For help and support enquiries please email:

business.support@gov.gg

The States of Guernsey has been advising all Bailiwick businesses to put in place contingency plans in relation to COVID-19. We fully understand that for many businesses, continuing to provide goods and services in line with the fast-moving public health advice is very difficult and we appreciate the hard work that that businesses are doing to comply with any necessary changes to 'business as usual' in the interests of public safety. As the situation develops, we are aware that many businesses have seen their trade severely curtailed or are now unable to trade and will need support to help them through the coming weeks.

The States of Guernsey has therefore put in place a range of financial assistance and easements aimed at supporting all businesses in the coming months.

This range of financial easements are aimed at ensuring that your business is able to retain its staff and as much working capital as possible. To help with that some of the larger outgoings which relate to your commitments to the States of Guernsey are able to be deferred for the next few months (Quarter 1 and Quarter 2). For example, some of the easements relate to deferrals on Social Insurance payments, commercial Tax on Real Property ('TRP'), and reliefs on rents on States owned property.

We have also made available important support measures for the self-employed, small businesses and businesses with employees.

What are the support measures?

Support to help you retain your staff – The Coronavirus Payroll Co-funding Scheme

We recognise that your staff are a critical part of your business and that you will want to do all you can to retain your team. Retaining your staff will enable you to recommence your business once the current crisis is over.

In order to help you achieve this, the States of Guernsey will provide the following support:

- We will help you to pay your employees an amount equivalent to Guernsey's minimum wage. The reference to minimum wage ensures a level playing field. This is currently set at £8.50 per hour (£8.05 for 16- and 17-year olds). For a 35-hour week this figure would equate to a gross figure of £298. The States of Guernsey will meet 80% of this figure (i.e. £238 per week based on a 35 hour week). Employers must





make up the remaining 20% (equivalent to £60 per week). Employers are encouraged to 'top-up' these amounts further if they are able to do so.

- The **Coronavirus Payroll Co-funding Scheme** will be available to all employers (regardless of number of employees) in the sectors affected by loss of business income due to Coronavirus. Initially, these are expected to be the following sectors:
 - hospitality and tourism;
 - passenger transport and travel;
 - rental and leasing of cars and recreational goods;
 - recreation and entertainment;
 - event management and event services;
 - personal service activities such as hairdressers, beauticians and animal boarding;
 - commercial fishing;
 - private extra-curricular education such as dance and riding schools;
 - non-food and non-pharmacy retail;
 - advertising and marketing;
 - construction; and
 - manufacturing
- However, consideration may be needed to widen these sectors as more information becomes available.
- To be eligible for support, your business must have been trading for at least 6 months (that is since 1st September 2019).
- Support will be calculated based on the normal hours worked by your employee(s). Employees must be permanent employees.
- The support is available for an initial period of up to three months (13 weeks). This will cover the period to late June.
- There is a need to continue to collect employee obligations to both ETI and States Insurance (SI) but the Employer contributions to SI would be deferred (see measure below).

Grant to small businesses and the self employed

A further measure is the award of a grant to businesses and the self-employed. This is aimed at smaller businesses and those who are self-employed as a means to help their business and be utilised in whichever way you deem appropriate. Although similar to the Payroll Co-Funding scheme it is intended to last 3 months. The details of the support are:

- The amount payable will be a flat sum of £3,000.





- As with the Payroll Co-Funding Scheme, eligibility criteria on sector and minimum age of the business would apply (see above). The one key difference is that it would be restricted to businesses with 10 employees or less.
- We will also consider requests from business in other sectors of the economy where the business can demonstrate hardship as a result of the Coronavirus. If required, the scheme may be extended to other sectors.
- The grant will be available to self-employed persons (single operators) and to self-employed persons that employ up to 10 persons (including themselves). If you employ staff, you are also able to claim support under the Coronavirus Payroll Co-funding Scheme (see above).
- To be eligible for support, your business must have been trading for at least 6 months (that is since 1st September 2019).

NB: If a self-employed person claims Income Support, the value of the grant may be taken into account. This will depend upon when the grant was paid and when Income Support becomes payable. For Income Support purposes only, the grant will be valued at £230 per week for a maximum period of 13 weeks.

You can also request deferral or staggered payment of your Social Insurance contributions for both Quarter 1 and Quarter 2. If you have already paid your Social Insurance contributions for Quarter 1 you can request a refund. If you have a tax debt, you can contact us to agree a payment plan.

Email financial.support@gov.gg with the title “refund” or “deferral” and someone will contact you as soon as possible.

Is the States of Guernsey your landlord?

If you operate your business from or within a States of Guernsey land, or property then we will be considering deferring rents due for Quarter 1, and Quarter 2 of 2020.

This easement covers business rents only and not residential property.

Moorings fees for Commercial Fishermen.

We know that things are going to be difficult for all business sectors but we know that Guernsey fishermen are already seeing the hard impacts to their business. To assist, we have taken the decision to suspend fees for Commercial fishermen who moor their vessels in St Peter Port and St Sampson harbours.





This measure is applied as an extension of the rent relief, will only be applicable to registered and licensed commercial fishermen, and will apply for all mooring fees due for all of 2020.

Tax on Real Property ('TRP')

We know that Tax on Real Property ('TRP') is a significant financial obligation for many businesses and therefore we want to ease this financial burden on you and provide a means for applying for the deferment of TRP until July 2020. We know that some businesses pay this by direct debit and although this provides the opportunity to spread the cost over 10 months, we appreciate that there may be a requirement to apply for relief. Please contact financial.support@gov.gg should you wish to apply giving reasons for your request.

However, not all businesses are eligible for relief on TRP as not all businesses are impacted by the COVID-19 virus in the same way. We have taken the decision for the time being to exclude professional services and regulated finance businesses.

We do understand that in some cases your landlord will pay the TRP for the property that you operate your business from, and those landlords should be encouraged to pass the temporary relief onto your business.

Social Insurance Employer Contributions

We know that Social Insurance Employer contributions are due in mid-April and therefore we want to take this into consideration and to defer payments for both Quarter 1, and Quarter 2 (due mid-July), with the intention to review this easement again during Quarter 2.

Please note that you will still be required to submit your quarterly employer schedule/ETI returns by 15th April and 15th July. You will still need to pay the ETI liability and Employee Social Insurance contributions, as that is tax paid on behalf of your employees not the business.

Email financial.support@gov.gg with the title "deferral" giving reasons for your request, if you would like to discuss making a deferral or staggered payments.

Again, this deferment will not apply to professional services (for example advocates, accountants) and regulated finance.

The easement will also apply to self-employed individuals which, given the higher rates applicable, will hopefully some significant financial support at a time when it is most needed.





Hardship Fund

This will be administered via Social Security to support those in greatest need who may not otherwise qualify for Income Support or Sickness Benefit.

This will help the tourism, hospitality and construction sectors for example by enabling workers who have been laid off to secure short-term financial support so that they do not leave the future labour market.

Social Security Team on **732516** or email hardshipfund@gov.gg. Our Social Security Team speak Portuguese, French and German.

Further information on the support measures - who do I contact?

We are here to help!

We know it's a worrying time, but we are here to help and there is a small team of Business Officers ready to take your calls and work through the solutions with you. We can offer advice and guidance and will assist where we can when problems occur.

Please contact firstly by email at business.support@gov.gg.

We will then call you back and do our best to link you up with the relevant States services.

Please note that due to members of the team needing to work from home, if you do not receive a reply through the helpline number **743808, please send us an email with your contact number and a member of the team will call you back as soon as we can.**

I have already paid my Rent/TRP/Social Insurance or would like to request a deferral

If you have already paid your rent, TRP or Social Insurance and want to be considered for financial relief then please email financial.support@gov.gg with the title "refund". Your query will be passed on to the relevant teams to process as a priority. If you urgently require a refund to be processed please phone **740202** if the request relates to social insurance or **717315** if the request relates to TRP.

If you would like to discuss deferral or staggered payments, please email financial.support@gov.gg with the title "deferral" and the relevant team will be in contact with you as soon as they can.

Hardship Fund for individuals

As highlighted above, the Hardship fund is aimed at individuals more than businesses. The fund will be dealt with by our Social Security Team on **732516** or email hardshipfund@gov.gg. Our Social Security Team speak Portuguese, French and German





To assist you, and ensure that you are considering the right easements for your business, we have prepared the following advice and guidance on how we can work together to ensure that the financial impacts to your business are managed as best as possible in the coming months.

Advice on adapting your business - what do I need to do next?

Take a 'Deep Breath', we are in this together!

As a first step – 'Take a breath' and do not make any immediate decisions, but plan and think carefully about what is going to work best for you and your business in the coming weeks and months.

Please do not take any immediate action in relation to staff until you have reached a final conclusion and spoken to a Member of our Business Support Team from Business and Innovation and Skills. Please email business.support@gov.gg and we will call you back

How long should I financially plan for?

When business planning, you should be thinking about timescales. At the current time it is incredibly difficult to forecast future developments and as they are subject to change. However, at this point in time, we think it is better to plan, and think about timescales, in months more than weeks. Ideally, you should be financially planning for the first two quarters of 2020 whilst considering impacts until the end of 2020 and beyond.

Can my business adapt or work differently?

You will need to consider how you can scale or adapt your business. Are you already seeing a decline in sales or in demand for services that you provide? Can your business adapt to the changes, are there any untapped opportunities that can be capitalised on locally? If this is not possible, then don't worry, you need to consider some of the other practical advice below.

Stop, Go or Pause?

Is your business the type of business that can be 'paused'? This does not mean closed, this means can you advise your customers that for a temporary period due to the current circumstances you are pausing the sales or services you offer and will, when appropriate be back in business. Again, this sounds worrying but every other Guernsey based business is in the same situation so scaling back or pausing could be a good option.

Have an open discussion with your landlord – they will understand!

We know it might be a difficult conversation, but please speak to your landlord who will hopefully understand the situation. Find out whether if rents can be deferred. **It is important to note that the States of Guernsey are setting the example in this area.**





Have an open discussion with your banks Commercial Team, they will understand too!

Guernsey benefits from having some very high quality retail and commercial banking services – book an appointment to speak to your bank's Commercial Business Manager.

Your Bank does understand that we are in this together and they are working on developing solutions such as flexible borrowing which may be an option to see you through. Flexible borrowing solutions maybe available in relation to domestic mortgages, too, so find out more about those if that would assist.

We know that borrowing money maybe the only option and we recognise that this could be complex and problematic to achieve in such a short space of time. Therefore we are working on a scheme with local clearing banks to provide some support to eligible businesses and once this has been formalised, further details will be released soon.

Is the States of Guernsey one of your customers?

We know and understand how important cash flow is for you. If we are one of your customers, we have taken extra measures to ensure that money owing for any services or goods you provide is paid as soon as possible, once the invoice has been processed instead of following our normal 30 day payment terms.

Utilities Bills

Waste, Water and Electricity.

The States of Guernsey owned and operated utility companies, Guernsey Electricity and Guernsey Water's priority is to maintain the essential supplies to our customers at all times. We understand at times such as these, some of their customers are likely to experience financial difficulties potentially impacting their ability to pay bills. Every customers' circumstances will be different and these utilities will consider allowing customers to make agreed alternative payment arrangements without fear of late payment charges or interest or being cut off until these difficult times pass.

For help and support please email: business.support@gov.gg

