

PRODUCTIVITY SUPPORT SCHEME 2022

SCHEME GUIDANCE NOTES

Introduction

A Productivity Support Scheme (PSS) was first proposed in the Government Plan 2020-2023, under GP20 CSP3-2-06, and was targeted to be implemented from 2021, as follows:

“It is envisaged that the scheme will provide discretionary grants or other forms of funding to organisations whose business plans / proposals demonstrate potential for material productivity gains and which are aimed at addressing at least one of the five key drivers of productivity growth: investment, infrastructure, innovation and enterprise, skills, competition.”

Since that Government Plan was published, the Covid-19 pandemic has had a significant impact on Jersey’s economy, the effects of which will continue for some time. The pandemic has shone a light on business resilience in Jersey and has accelerated many of the challenges that businesses in Jersey face around productive growth.

The PSS now has an even more vital role to play as part of Jersey’s Respond, Recover and Renew Strategy and is one of a range of projects being funded to support economic recovery and is committed to in the revised 2022-2025 Government Plan.

The PSS ran as a pilot in 2021 which trialled the assessment process and types of productivity projects Jersey businesses needed support with. The second round of the PSS has been developed with this in mind and the process is set out below. The scheme is funded each year by the Department for the Economy and has been committed to continue until at least 2025.

Productivity is a measure of the outputs created compared to the inputs required. In Jersey this is most commonly defined as value added (total salaries and profits) per full-time equivalent employee. The term used is generally Gross Value Added (GVA) per Full Time Equivalent (FTE).

Principles of the Scheme

The primary aim of this scheme is to enable firms in Jersey to make productivity gains that would not otherwise be likely to be achieved without support and in doing so, work towards achieving the Common Strategic Policy of a sustainable, vibrant and inclusive economy.

The 2022 scheme launched in April and applications for funding are open now and will roll between each subsequent scheme year. Applications for 2022 funding will be accepted until 16 October 2022. Applications received after this will be considered in the subsequent year.

The scheme will match fund projects (on a 50/50 basis) that can sufficiently meet the 5 assessment areas:

- **Project Plan and Management** - clear project plan, management and allocation of business resources to complete the project alongside a comprehensive risk assessment.
- **Project Justification** - clear explanation of why the business and this project needs Government funding. This should be considered against the counter-factual and any relevant examples from similar projects.
- **Project Measurables** - a positive impact on value areas such as input cost base, output and revenue, or process efficiency.
- **GVA per FTE** - projects will ultimately lead to an increase in productivity of at least 5% over a pre-agreed period (of no more than 3 years).
- **Wages** - applications will assess all current wages and committed increases to wages as a result of the project. This should be considered against any seasonal employment trends, the minimum wage and the Living Wage.

Although not anticipated, the finite funding envelope may not cater to all approved applications. In this instance, any additional information provided as part of the application form may be used to decide between funding projects. This includes contracting Jersey-based third parties where possible and appropriate and aligning to Jersey's [Performance Framework Outcomes](#).

Projects are likely to fall within one of the following categories:

- Technology applications
- Process improvement (e.g. equipment)
- People performance (excluding skills development)
- Introduce new or improved products/services
- Introduce new markets or increase market share

Scope of the Scheme

The scheme is open to applications from any Jersey business which meets the essential qualifying criteria (see below) and has a productivity project that meets the PSS assessment criteria.

Support provided by the Scheme

The scheme is looking to match fund (on a 50/50 basis) projects for businesses that can adequately meet the 5 assessment criteria.

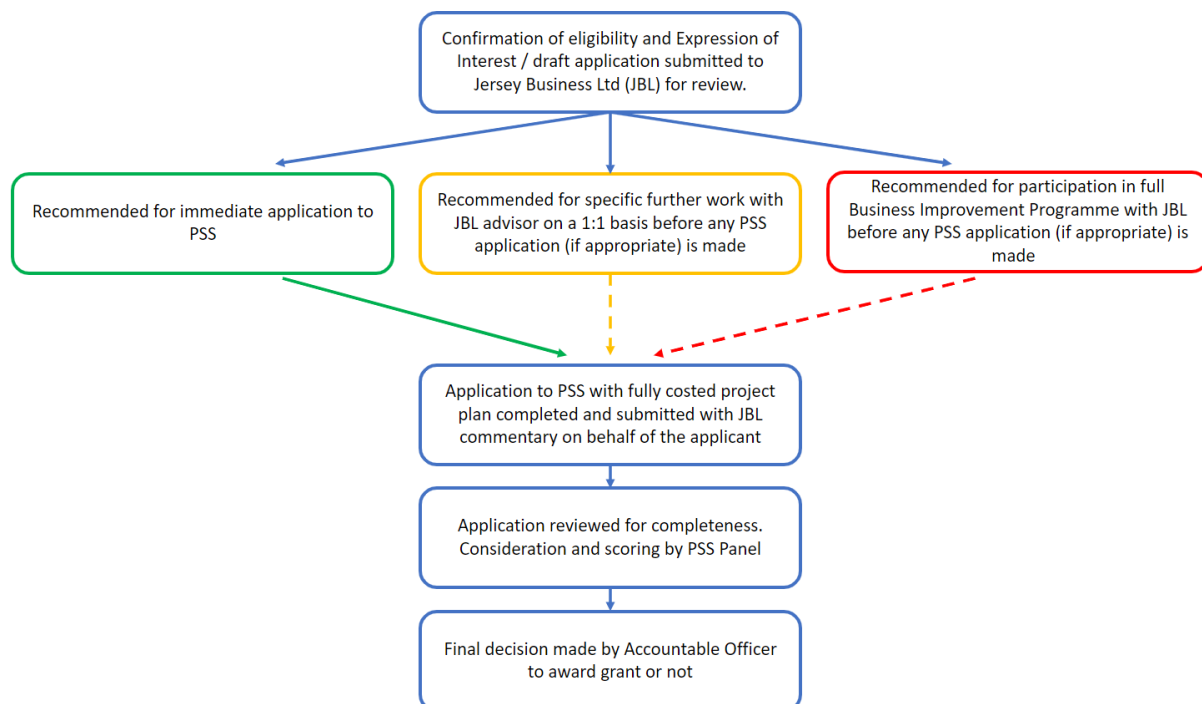
Match-funding is available for projects with estimated total costs over £5,000 and under £100,000 (match funding will be a minimum of £2,500 and a maximum of £50,000)

Projects which fall outside of these parameters will be considered on an exceptional basis subject to a recommendation from Jersey Business Ltd.

Grant funding for productivity improvements forms part of a wider package of support available for businesses through Jersey Business Ltd, including 1:1 business advisory and mentoring work and a Business Improvement Programme.

Scheme essential criteria

Entry to the PSS (for eligible businesses) will be through Jersey Business Ltd as the gateway to the scheme. Potential applicants must complete a productivity-led business health check before being eligible to make an application to the scheme. The process for entry is outlined in the following diagram;



To qualify for the scheme, businesses will need to satisfy the following essential criteria:

- The Applicant company must have been operating for at least 18 months.
- The Applicant company must be registered and controlled in Jersey.
- The Applicant company must hold a business licence under the Control of Housing and Work (Jersey) Law 2012.
- Single employee businesses will be considered by exception noting the scheme is not for funding growth in employee number and any increase would require relative productivity improvements.
- Where an applicant company has been in receipt of government funding for productivity support in the previous 3 years, for example via the Rural Initiative Scheme, they must demonstrate that the project being proposed for new PSS funding support is materially different from any other productivity improvement project(s) undertaken and will not duplicate all, or any part of, previous or ongoing government-funded projects.

- Applicant companies must not already be in the process of applying for government funding for productivity support through a separate scheme (with the exception of specific Covid-related assistance).

The following entities / projects are excluded from the scheme:

- Government departments, States-Owned Entities, Arms-Length Organisations, charities and not for profit organisations
- Upskilling and skills development projects where support is available through Skills Jersey or other Government of Jersey-funded initiatives.
- Redundancy costs
- Projects entirely managed and provided by external consultants
- Companies that have already made a successful application to the PSS in 2022

Application documentation

Jersey Business will support applicants by confirming they have met the essential criteria and collated all the appropriate documentation for applying. This includes:

- Application Form
- Declaration (for all applications)
- Board Resolution (for Limited Company applications only)
- Annual accounts and recent internal management accounts
- Project Plan (Gantt chart with costs or similar)
- GVA per FTE table (Jersey Business can provide)
- Bank details on letter-headed paper

Additional conditions

The following conditions also apply to the scheme:

- Successful applicants will receive an initial payment of 25% of the estimated project costs (as outlined in the Offer Letter).
- The second half of the grant will only be paid on receipt of supporting invoices for expenditure on the whole project, to a maximum of 25% of the estimated project costs.
- If the final project costs are below the original estimated costs, the second half of the grant will be adjusted down accordingly so that the full grant in total is no more than 50% of the actual project costs.
- If the project costs overrun, they must be met by the grantee, the grant will only be paid to a maximum of 50% of the estimated project costs.
- Signed accounts for the financial period(s) covered by the project (when available) must be provided on request.
- Applicants must make legally binding declarations as part of the application process to access the Scheme:
 - For corporate applicants an extract of a minute of a board meeting of the company evidencing that the company has considered and agreed to the rules of Scheme and has duly delegated authority to a director or other individual to make the declarations required under the Scheme on behalf of the company will be required.
 - For non-incorporated businesses a personal declaration by the registered business owner that they have considered the rules of the Scheme, agreeing to

procure that the business will comply with the rules of the Scheme will be required. The business owner will make the additional declarations required under the rules of Scheme.

- Failure to comply with the rules of the Scheme will result in all monies paid under the Scheme becoming immediately repayable and any further access to the Scheme will be denied.
- The applicant business must declare that it is a going concern and not in immediate danger of insolvency, winding up or ceasing to trade on a permanent basis
- In order to support businesses via this Productivity Support Scheme the processing of personal data received in connection with an application to the Scheme will be processed in accordance with Schedule 2, Part 1, Paragraph 4 of the Data Protection (Jersey) Law 2018, which permits the processing of personal data by public authorities, when performing public functions.
- The applicant business agrees to be audited to verify eligibility and compliance with the rules of Scheme, and to open its financial data to government auditors and officials connected with the scheme for that purpose.
- Successful applicants will be required to provide quarterly milestone reports over the lifetime of the project and a detailed annual report for every four quarters the project continues. This requirement ceases as soon as the final project report is submitted which measures and forecasts key performance indicators and should also describe any other benefits and feedback on the scheme. There is a further update required 12 months after the final report to compare expected and realised benefits.