

The Rt Hon Rishi Sunak MP
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By email rishi.sunak.mp@parliament.uk

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Dear Rishi,

National Lockdown Business Support

We are appalled that as Leaders of District Councils, responsible for delivering financial support to the more than 15,000 businesses, we were not informed or consulted about the national lockdown. Whilst we support the introduction of a new period of 'lockdown', it will have a great impact on our local economy and particularly those businesses who were ineligible for the previous suite of business support packages.

It is incredibly frustrating that the national lockdown was announced with no forewarning or outline of the accompanying support for businesses who do not pay business rates. The councils have already been contacted by concerned businesses who believe they will have no income from today. It is unacceptable to us that we do not have the answers for them. Businesses in the leisure, allied health, arts and events sectors, as well as those home-based, limited company freelancers, and the newly self-employed are most concerned about the impact of the new period of national lockdown. The lack of initial information about financial support has only compounded their stress and anxiety levels.

We welcome the announcement that the Coronavirus Job Retention Scheme and the Self-Employment Income Support Scheme Grant have been extended, in addition to the Local Restrictions Support Grants and Additional Restrictions Grants. The initial guidance on the Additional Restrictions Grants appears to give councils very real discretion to support local businesses who were excluded in previous Covid-19 business grant schemes. Oxfordshire is one of three County areas which are net contributors to the UK exchequer, contributing £23bn Gross Value Added (GVA) to the UK exchequer in 2017. It is also rapidly growing at an average of 3.9 per cent growth year-on-year since 2006. This great contribution to

UKPLC cannot be sustained if key sections of the economic ecosystem continue to be excluded from government support packages.

Since April 2020 the councils have provided business intelligence and feedback about the business support packages to BEIS via OxLEP. We do hope that the feedback would have informed any business support for this second lockdown. In case the feedback is yet to be passed to the BEIS policy team, or has been misunderstood at all, we have outlined the key points below.

A recent survey of local businesses outlined that in the short and medium-term, respondents believed that financial support and help finding new customers would make the biggest difference to their business. The need for further financial assistance may be attributed to 44% of responding businesses operating in areas that have experienced severe disruption during the pandemic, including retail, food, accommodation, health, fitness and leisure. The lack of support for the leisure, events and arts sectors has caused a great deal of hardship for local businesses. Especially those who are not wholly or mainly used for the sale of goods to visiting members of the public, which meant they were ineligible for a business rates freeze or a Retail, Hospitality and Leisure grant and had to rely on discretionary support.

The biggest challenges that businesses currently face as a result of the pandemic is lower consumer demand and managing cash flow. We appreciate the Reopening the High Street Fund aims to increase consumer demand for high street businesses, but there remains a gap in support for leisure, events, arts, limited company freelancers, the newly self-employed and home-based businesses. We do hope that the Additional Restrictions Grant does allow us to provide the much-needed support for these businesses.

The survey demonstrated a notable degree of anger from business owners who were ineligible for previous business support schemes. Many believed that their plight has been ignored by government. Just under 30% of respondents, when asked is there anything else you'd like to tell us, raised this as an issue. Examples of some of the comments include:

I am very angry. I have paid corporation and other taxes since I established the business in 1995. As I work onsite with clients or from home, I have no business rated premises or business rent. I have to be a Ltd Co for insurance purposes. Consequently, I get NO central or local government grant and NO 80% of earnings like the employed or self-employed. It's a (sic) disgrace.

My business has been excluded from all support, including discretionary grants, due to being home based and having no employees. I was also excluded from the self-employment grant as I started in January 2019 but earned more in my previous employment in 2018. Support should be available for us who have fallen through the gaps.

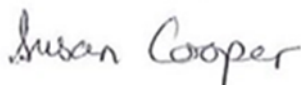
I am one of those start-up businesses that was not eligible for any national or local Covid-19 funding schemes, so I feel I have been completely alone in facing this crisis. Luckily, I am doing ok-ish, but it's been very lonely out there.

These three comments perfectly summarise the feedback received about the business support schemes during the first lockdown. We are pleased that the Additional Restrictions Grant Scheme may allow the councils to support the recent start-ups, the home-based, the limited companies, and those in the events, leisure and arts sectors. It is also hoped that a mental health campaign is produced to support those businesses owners who, once again, will struggle to pay their bills, pay their employees, and feed their children. During the first lockdown the council received numerous calls from despairing business owners who needed urgent mental health support.

Continuing with the poor communication from central government, we are yet to receive detailed information, including FAQs, about the Additional Restrictions Grant. Based on the limited information made available, it seems that the one-off payment covers the period 2020/21 and 2021/22. Furthermore, if there are future national lockdowns or the districts enter Tiers 2 and 3 restrictions, no further funding will be provided for discretionary payments. Of concern is the government's confidence that local authorities have the ability to predict future national lockdowns/increased restrictions and how much discretionary funding will be required for the next 18 months. While the possibility of genuine discretion is welcomed, this is a significant delivery challenge for local authorities and ongoing financial uncertainty for our businesses. If our forecasting of future restrictions and lockdowns is wrong, we will be unable to provide the ongoing support to local businesses ineligible for future support schemes. Namely, those who are not business rate payers, the home based, start up, limited company freelancers and the newly self-employed.

We appreciate that in July 2020, UK public sector net debt was £2,004.0 billion (100.5% of GDP) and that the government cannot provide support to every business in the UK. However, given the economic recovery of the nation will rely on the innovation, productivity and growth of the Oxfordshire economic ecosystem, we urge you to consider providing support to all businesses in the districts. The ecosystem is complex and interrelated. If even one sector does not survive pandemic, the implications will be felt across the district, county, and in due course, the nation.

Yours sincerely,



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