

The Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
Westminster,
London SW1A 2AA

17 October 2020

Dear Prime Minister,

We write on behalf of business communities the length and breadth of the UK at this critical point in our evolving battle against the Coronavirus pandemic.

Our starting point is clear: no amount of financial support can compensate for an open, fully-functioning economy.

Yet with increasing, tiered restrictions – and with more severe ‘circuit breaker’ restrictions under consideration or underway – the situation for business grows graver by the day.

While the recent announcement of an enhanced Job Support Scheme will assist some firms, Chamber members tell us it will not be enough to stave off mass redundancies and business failures. Enhanced support must be given to those facing the indirect impacts of restrictions and closures – in supply chains, tourist destinations and town and city centres. This is particularly the case for businesses in ‘high’ / tier 2 areas, where firms are technically able to open but where demand has been hit dramatically due to government restrictions. Chambers are clear that any new restrictions must go hand-in-hand with truly commensurate financial support for wages and day-to-day running costs.

The UK needs a strategy that allows us to avoid economic paralysis and to manage the impact of the virus on our communities over the longer term. Business throughout the country have worked incredibly hard to implement Government guidance and create a Covid-secure environment for their employees, visitors and customers. The need for additional restrictions cannot be blamed on a lack of care by dedicated employees in businesses across the country. Instead, it demonstrates the failures of short-term decision-making and of Test and Trace systems, which must be urgently improved and expanded.

The British Chambers of Commerce have devised five business tests that must be met to limit the impact of new restrictions on businesses and jobs, and take a long-term approach to tackling the virus. Failure to meet these tests now will put the future of the economy and the country at risk.

1. Are the restrictions evidence-based and targeted effectively?

- There is a strong body of expert opinion that the proposals will be effective, are necessary and are targeted effectively.
- The medical and scientific material and advice which inform decisions (including options not followed) is published without delay along with those decisions.
- There are no ways in which the restrictions have a disproportionate effect on business or are counterproductive. For example, some businesses tell us that they would rather be closed by order under Tier 3, due to the design of the current support on offer, than have to close because restrictions have destroyed demand in a Tier 2 area.
- Bearing in mind the significant steps businesses have taken to become Covid-secure, they allow as many businesses as possible to remain as open and operational as possible.
- There is strong co-ordination between HM Government, Devolved Administrations, Mayoral Combined Authorities, Local Authorities and others, including businesses.

2. Are the restrictions clear and do businesses have time to prepare?

- Business communities have been consulted on the design of the restrictions.
- There is clarity on which businesses are affected, how, and when.
- The changes have been communicated clearly, so that each business can understand the implications for them and their (geographically diverse) supply chains and workforce.
- There is consistency of messaging across local and national government, and enforcement agencies are clear from the get-go about new rules and how they should be applied.
- Businesses have been given time to prepare for the change.

3. Is support for businesses commensurate with the impact on them?

- Financial support that adequately compensates businesses for the damage caused by restrictions and prevents business failures is in place. The July model of the furlough (CJRS) scheme, built up to include the many previously exempted businesses, is the starting point for this.
- Adequate support is available both for those businesses directly impacted (e.g. forced to close) and those indirectly impacted (e.g. supply chain, fall in demand).
- Cash flow support is in the form of grants or easements (e.g. reduced VAT), rather than just additional forbearance or more debt.
- Support packages are set for the longer-term period, at least 12 months, giving businesses the certainty they need to plan ahead. Ideally, businesses should be able to plan now for the entirety of 2021.

4. Will the time that the restrictions are in place be used to significantly improve the Test, Trace and Isolate system?

- Test, Trace and Isolate will be improved during the period of the restrictions for all areas, with a clear plan to meet the necessary standards to manage the disease (in terms of coverage, speed of response and effectiveness of tracing and isolation). In particular:
 - link more recognised and approved tests to the NHS test and trace system. No test is perfect, but rapid testing with follow-ups where required would help keep businesses and schools open and operating. It would also help our airports and restore key business connections around the world;
 - use the government's purchasing power to drive down testing costs for private employers. With clear standards and procurement at scale, frequent low-cost testing could be introduced in workplaces of all sizes and sectors;
 - harness private sector and university partners to rapidly increase test-processing capacity;
 - share the load. Resources and responsibilities should be devolved to local and regional level in order to increase effectiveness of the system.

5. Is there a clear process for increasing and decreasing restrictions?

- The relevant communities understand what the test will be for introducing, increasing, removing or limiting the restrictions.
- There is clarity over the metrics being applied (e.g. is the key test the R rate, hospital admissions, etc?), review points and the likely length of time restrictions will be in place.
- There is a road map for exiting the restrictions, for each area affected, agreed with local stakeholders, and a shared consensus of how it will be achieved.

Over the critical weeks ahead, these tests must be met – to avoid serious damage to business and consumer confidence, and potentially catastrophic economic consequences. We must preserve our economy in the immediacy, while also laying the foundations for future growth. Failure to support viable businesses now will undermine any broader efforts to 'level up' left-behind parts of the UK.

The Coronavirus is not going away anytime soon. Governments must waste no more time in setting out a clear strategy to keep the economy functioning, while protecting public health over the long term.

In the interests of business communities across the United Kingdom, we would ask you to respond within seven days, setting out how current and proposed restrictions will meet these tests.

Yours sincerely

Dr Adam Marshall

Director General, British Chambers of Commerce

Baroness Ruby McGregor-Smith CBE

President, British Chambers of Commerce

Russell Borthwick

Aberdeen & Grampian Chamber of Commerce

Valerie Russell

Ayrshire Chamber of Commerce and Industry

Andrew Denniff

Barnsley & Rotherham Chamber of Commerce

Justin Richardson

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Coventry & Warwickshire Chamber of Commerce

Rob Johnstone

Cumbria Chamber of Commerce & Industry

Stuart Elford

Devon and Plymouth Chamber of Commerce

Daniel Fell

Doncaster Chamber of Commerce

Ian Girling

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Alison Henderson

Dundee and Angus Chamber of Commerce

Miranda Barker

East Lancashire Chamber of Commerce

Scott Knowles

East Midlands Chamber (Derbyshire, Nottinghamshire,
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Liz McAreavey

Edinburgh Chamber of Commerce

Denise Rossiter

Essex Chambers of Commerce

Alan Mitchell

Fife Chamber of Commerce

Stuart Patrick CBE

Glasgow Chamber of Commerce

Paul Faulkner

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Brieger Leahy

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Inverness Chamber of Commerce

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London Chamber of Commerce and Industry

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Louise Wall

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Ann McGregor

Northern Ireland Chamber of Commerce & Industry

Bob Grant

Renfrewshire Chamber of Commerce

Louisa Harison-Walker & Alexis Krachai

Sheffield Chamber

Richard Sheehan

Shropshire Chamber of Commerce

Stephen Henagulph

Somerset Chamber of Commerce & Industry

Heather Myers

South and Mid Wales Chambers of Commerce

Paul Colman

South Cheshire Chamber of Commerce and Industry

Tracey Mawson

St Helens Chamber

Sara Williams

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Paul Britton

Thames Valley Chamber of Commerce Group

Sandy Needham DL

West & North Yorkshire Chamber of Commerce

Debbie Bryce

West Cheshire & North Wales Chamber of Commerce

Paula Basnett

Wirral Chamber of Commerce

cc: The Rt Hon Sir Keir Starmer MP, Leader of Her Majesty's Official Opposition
The Rt Hon Sir Ed Davey MP, Leader of the Liberal Democrats
The Rt Hon Michael Gove MP, Chancellor of the Duchy of Lancaster
The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer
The Rt Hon Matt Hancock MP, Secretary of State for Health and Social Care
The Rt Hon Alok Sharma MP, Secretary of State for Business, Energy & Industrial Strategy
The Rt Hon Robert Jenrick MP, Secretary of State for Housing, Communities and Local Government
The Rt Hon Thérèse Coffey, Secretary of State for Work and Pensions
The Rt Hon Alister Jack MP, Secretary of State for Scotland
The Rt Hon Brandon Lewis CBE MP, Secretary of State for Northern Ireland
The Rt Hon Simon Hart MP, Secretary of State for Wales