

Rt Hon Rishi Sunak MP Chancellor of the Exchequer HM Treasury 1 Horse Guards Rd Westminster SW1A 2HQ

21 May 2020

Dear Chancellor,

Beauty, Aesthetics and Wellbeing - Urgent Support for the Sector

We are writing to you having received representations from the beauty, aesthetics and wellbeing industry on the devastating impact that the coronavirus pandemic has had on their sector and what Government support is needed as businesses reopen and to protect the long-term health of the industry.

The APPG on Beauty, Aesthetics and Wellbeing, which we Co-Chair, has held various meetings with leading trade associations, including the National Hair and Beauty Federation (NHF), the British Association of Beauty Therapy & Cosmetology (BABTAC), the British Beauty Council (BBC), the UK Spa Association, and with salon owners themselves.

We have since issued a **5-point 'Call to Action'** for Government to support the industry which we would be keen to discuss with you. Our calls to action are to:

- 1. Provide clear instructions and advance warning on when beauty and wellness business can reopen and what treatments they can offer, including for services within hospitality businesses such as hotels, and what grades of PPE must be used.
- 2. Ensure industry access to affordable PPE, being crucial to protect staff and customers.
- 3. Provide clarification on the future of the Job Retention Scheme and how the Government will continue to support both small and large businesses in the industry as restrictions are eased.
- 4. Crack down on the emergence of the black market of rogue operators continuing to sell services behind closed doors risking public health, and how to report non-compliance.
- 5. Better protect against risks of modern slavery as businesses reopen.

In particular, we would like to raise with you the **need for the Government to continue to provide** financial support both small and large businesses in the industry as lockdown restrictions are eased and businesses begin to reopen.

Last year a report on the <u>Economic Impact of the Hair and Beauty Sector</u> revealed that the hair and beauty treatment industry alone contributes £6.6bn to the UK economy, which equates to at least 8% of the value generated by the retail sector. It also employs up to 337,687 people across 49,371 businesses in the UK and provides over 16,500 apprenticeships.



While we supported the rapid closure of businesses in the industry to protect public health, the lockdown has not only resulted in a loss in economic revenue for the industry but will have much wider ramifications. Hair, beauty, spa and wellness businesses are the cornerstone of our high streets in towns and cities up and down the country, and play a crucial role in supporting both local economies and the mental and physical wellbeing of the communities they serve.

We know that many in the industry have welcomed and drawn support from the coronavirus financial support measures the Government has made available thus far. However, we are concerned by reports that some in the industry that have fallen through the cracks. Despite having had to close their doors completely, some salon chains are not eligible for the Coronavirus Business Interruption Loan Scheme (CBILS). Equally, other salon owners and limited companies are not eligible for the Job Retention Scheme despite not being able to work. Without urgent support, these businesses may not be able to survive.

For those that have been able to benefit from financial support, it is vital that these support measures remain in place as the lockdown measures are eased. As the sector is mostly made up of small and micro- businesses with limited cash flow, there will be financial difficulty across the sector until trading returns to normal. The many self-employed that operate in the beauty and wellness industry are particularly at risk as they struggle to access the Government's support packages. Even once hair, beauty, spa and wellness services are allowed to reopen, they will have to bear significant extra costs from the need implement increased safety and hygiene procedures, supply staff with PPE, and offer more limited treatment menus.

Industry members have told us that there may not be a return to business as usual until 2022. The industry, which is a significant player in the economy and jobs market, is now an industry in crisis.

The extended Job Retention Scheme must be adequately flexible to support the industry through its reopening, and grant scheme for the self-employed also be extended. Crucially, reductions to levels of support and grants must be gradual and there must be no cliff edge to the funding streams available as the industry gets back on its feet.

We would welcome the opportunity to discuss this with you at your convenience and look forward to hearing from you.

Best regards,

Carolyn Harris MP and Judith Cummins MP

Co-Chairs of the All-Party Parliamentary Group on Beauty, Aesthetics and Wellbeing