



Greater Birmingham
Chambers
of Commerce



Keep Business Moving: A GBCC Action Plan

How COVID-19 & Brexit are impacting Greater Birmingham's Businesses & what can be done about it

6th November 2020

Connect. Support. Grow.



Message From The GBCC:



Paul Faulkner
Chief Executive
Greater Birmingham
Chambers of Commerce

A new national lockdown (in all but name), rising COVID-19 cases and the fast-approaching end of the Brexit transition period. These truly are worrying and troubling times for many businesses.

While there are significant parts of the business community finding success and growth during these turbulent times, the challenges for businesses in the hardest hit sectors (and by extension, the people they employ and households that rely on them) are substantial. The calculations facing the government and local stakeholders on how best to drive COVID-19 cases down while supporting the economy through this short-term massive disruption - all while maintaining an eye on the long-term implications - are incredibly complex. But at the heart of it there are some simple truths that must be recognised and acted on; businesses need to see a clear forward plan, consistent – evidence backed – interventions and meaningful collaboration between the local and national, cross-party and cross-sector.

Too often in recent weeks, the Government has put off taking action until the cries for help are too desperate to ignore – despite clear, early warnings of what's coming from the business community. They must take a longer term view and get ahead of the issues before irrevocable damage is done. A clear roadmap of support is needed alongside a clear framework for COVID-

19 measures and the thresholds at which they will be implemented and lifted. Steps must be taken to support those businesses and individuals still falling through the gaps in support. The same is true of Brexit where, despite the short time frames, there are still too many unanswered questions facing businesses.

In this document we set out a clear proposal for the primary areas that businesses have told us need urgent, and longer term, action. We recognise and greatly value the unprecedented support offered so far but it is essential that it continues to keep pace with the needs of businesses. We know how quickly the situation can evolve and change and would encourage our members to continue to share their experiences and needs with us so we can keep accurately representing them.

In addition to our research and advocacy activity we continue to offer direct support to help keep business moving through these challenging times. The GBCC employs almost 100 members of staff and throughout this period we have worked hard to connect businesses to the latest support and information as well as continuing to provide a platform for them to grow their networks and find new customers locally and internationally.

Despite the challenges there are still many positives that make me proud to call this region home. The resilience and innovation of the business community has been inspiring, particularly among those most impacted. A number of key sectors continue to grow. With major investments such as HS2 and Birmingham 2022 Commonwealth Games already making an impact there is much to be excited about. We must all continue to work together to support the most impacted businesses and ensure that the region comes through this stronger than ever.

About the Greater Birmingham Chambers of Commerce

We have been in business, for business since 1813. Today's GBCC exists to connect, support and grow local businesses. We offer an array of services and initiatives to businesses across six geographical regions and four themed divisions. From our wide range of events, international trade services, policy and marketing campaigns, to networking opportunities and media exposure, the Chamber has something for business of all sizes and from all sectors.



How COVID-19 is impacting Greater Birmingham's Businesses:

As we enter this second phase of rising COVID-19 cases and escalating Government measures a number of issues are becoming clear:

- The hospitality, tourism, live events, automotive, non-food retail and their wider supply chains are among the most severely impacted sectors
- Business resilience is still depleted with high levels of debt, significant redundancies expected and weak business confidence
- The end of the Brexit transition period is a further economic shock still to come

Across the West Midlands:

As of August 2020:



78% of eligible accommodation & food services employments had been furloughed (127,100 employments)



68% of eligible arts, entertainment, recreation and other services employments had been furloughed (35,600 employments)



52% of eligible manufacturing employments had been furloughed (155,300 employments)



43% of eligible wholesale, retail & repair of motor vehicle employments had been furloughed (176,700 employments)

£3.46bn

of Government backed Bounce Back Loan and Coronavirus Business Interruption Loan Facilities issued to over **88,500** companies in the West Midlands

Nationally: 31% of all CBILS facilities and 27% of all BBLS facilities worth £13.1bn were issued to businesses in the accommodation & food services, arts, entertainment, recreation and other services and wholesale, retail & repair of motor vehicle sectors



90% fall in Birmingham city centre footfall compared to pre-COVID levels in April 2020. This improved to a 48% reduction in August compared to pre-COVID-19 levels (Centre for Cities)



80% West Midlands tourism sector companies are concerned that they may not survive the next 12 months, 30% may not survive the next 6 months (WMGC tourism survey, October 2020)



40.2% decrease in UK car production January-August 2020 compared to the same period in 2019 (SMMT)



69% increase in Birmingham's unemployment claimant count between February and September 2020

40%

of Greater Birmingham based businesses expect their turnover and profitability to worsen over the next 12 months as of Q3 2020. 59% are operating at below capacity. 47% report a worsening cash flow position and 46% report a fall in domestic demand (GBCC Quarterly Business Report, Q3 2020)

12.2%

of West Midlands GDP is at risk because of negative trade-related consequences of a no-deal Brexit (GBCC & City-REDI, Birmingham Economic Review 2020)

Action Plan for the UK Government:

Urgent action is needed to save businesses, jobs and the financial stability, health and wellbeing of the many hundreds of thousands of households facing hardship as a result of COVID-19 measures.

Reducing the spread of the disease remains the priority. The context has changed sharply from easing restrictions and reducing support to catalyse recovery, to clear sector specific hardship as cases and measures rise. The GBCC are calling for urgent action to save the hospitality, tourism, accommodation, live events, non-essential retail, automotive & aerospace sectors and their supply chains (among others).

As the Prime Minister said himself recently; “a stitch in time saves nine” and saving previously viable businesses & jobs through this short term dramatic disruption will result a stronger economic and social outlook (and associated higher tax returns and lower defaults on Government backed loans) for many years to come.

Business Survival:

Test & Trace Underpins Everything: an effective Test & Trace system providing live, granular data on cases and transmission is essential for meaningful, targeted interventions and enabling the safe reopening of the economy

Follow The Evidence: apply the British Chambers of Commerce 5 business tests and review existing measures on a regular basis to ensure that they continue to reflect the latest evidence:

The British Chambers of Commerce 5 Business Tests:

1. EVIDENCE: Are the restrictions evidence-based and targeted effectively?
2. CLARITY: Are the restrictions clear and do businesses have time to prepare?
3. SUPPORT: Is support for businesses commensurate with the impact on them?
4. TESTING: How will the time be used to fix the Test, Trace and Isolate system?
5. EXIT STRATEGY: Is there a clear process for increasing and decreasing restrictions?

Adapt To The New Environment:

- **Devolve Further Funding Packages:** for grants to wider range of impacted businesses, interest free loans and local business support, targeting interventions where they are most needed, alongside adapting existing national and EU schemes to support businesses in accessing professional advice, innovating & pivoting to secure their futures
- **Mind The Gap:**
 1. Provide enhanced support for industries (such as live events & supply chains) that expect to be operating under significant government restrictions even after the national “lockdown” is lifted & for whom the enhanced JSS still will not be viable
 2. Provide equivalent support to directors of limited companies, the recently employed & self employed unable to access existing support
- **Ease Pressures:**
 1. Bring forward further interest free deferral of VAT payments
 2. Extend existing VAT relief measures for the hospitality sector through to end of Q3 2021
 3. Expand VAT reliefs measures to include cold food consumed onsite and alcoholic beverages
 4. Extend business rates relief measures for the most impacted sectors through to 2021/22
 5. Introduce tax credits to incentivise landlords to offer rent waivers to businesses in difficulty
 6. Bring forward short-term payment capital payment holidays for landlords
 7. Allow businesses for whom remaining open is unviable under COVID-19 restrictions (whether under “lockdown” or the tiers system) to “opt in” to closing & accessing further support
- **Provide Clarity:** review time scales on all existing schemes (including CBILS & BBLS applications & repayments, Stamp Duty, VAT reliefs and more) and ensure they align and reflect the fact that the UK may face a further 6 months or more of COVID restrictions, with business feeling the impact on finances and customer demand well into next year

Action Plan for the UK Government:

Economic Revival:

- **Get Brexit Done Well:** Deliver a comprehensive trade deal with the EU, provide clarity on unanswered business questions on Brexit* and bring forward targeted support packages for the most disrupted industries including the automotive sector & supply chain
- **Prepare For a Cautious Return:** Bring forward a live events sector-specific, Government-backed insurance scheme & establish Government endorsed track & trace programmes for both venues & airports - giving these sectors (and their customers and suppliers) the confidence to plan effectively for reopening in a changeable environment
- **Build Back Better:** Back all phases of HS2, work with regional stakeholders to target infrastructure spend most effectively & prioritise local supply chain engagement & delivery of social value to maximise impact
- **Power Up Innovation:** level up investment in R&D across UK nations and regions through regional devolution of innovation funding and the creation of new science and technology institutions, bring forward new tax incentives for investment in cleaner, greener technologies and commercialisation of innovation aimed at SMEs
- **Support Life Long Learning:** Fund access to training courses for upskilling and reskilling quickly & devolve unspent apprenticeship levy funds for the creation of locally tailored employment & skills programmes
- **Make Business Rates Fit For The C21st:** bring forward urgent reform of this outdated tax on bricks & mortar

*click [here](#) for the Brexit "key questions" dashboard



Steve Allen
President
Greater Birmingham
Chambers of Commerce

As we enter this second lockdown, my thoughts are with those who have friends or relatives in hospital battling severe COVID symptoms. Saving the NHS has always been at the heart of the government's response to the pandemic and it is difficult to argue with the projected increase in numbers shared by the Prime Minister in announcing additional measures on 31 October.

However, for the many businesses across the West Midlands who have shown remarkable stamina to date and have worked hard to make their environments as COVID safe as possible, the latest developments are a bitter blow. Whilst it was a relief that the government have excluded manufacturing from the latest measures, which is so vital to the automotive sector and its supply chain, those sectors such as the service industry are once again at the centre of the drama. Hospitality, retail, entertainment and conference venues and also charities are all likely to be adversely impacted by the latest measures. All of these industries are embedded in our city region and are looking for immediate help from the government and a plan for the future.

I'm not going to criticise the government for trying to operate a regional tiered system to help stem the increase in COVID cases. They had a difficult balancing act in acting to protect public health whilst endeavouring to minimise the serious repercussions for our economy that a full lockdown would entail. Now we are here however, the government must provide all the necessary support that it can for those businesses worst affected. It was certainly a relief to see the furlough scheme extended but more sustained help to employers, the self-employed and others is needed urgently.

At the same time it is essential that businesses understand that there is an exit strategy and what principles apply in order to allow that to happen. This is essential for business planning particularly those retail businesses hoping to take advantage of Christmas trade.

The timing of the end of the BREXIT transition period could not be worse given the current circumstances however, there is now some cautious optimism that a deal may be forthcoming. Here at the Chamber we will continue to support our members by providing superfast help and advice on government policy as it is announced, lobbying our national and local politicians on your behalf and crucially keeping vital communications going through our daily digital networking events, member to member offers and digital peer learning sessions.

We will continue to work hard to help our members through these difficult times in order that when the pandemic is finally under control businesses are best placed to move forward and look to the future with confidence.

Action Plan for Local Stakeholders:

Collectively, the region is home to significant opportunities, resource and expertise. It must be effectively coordinated and targeted to maximise every opportunity to support local businesses and jobs.

The challenges facing businesses, citizens and the region on COVID-19 and Brexit are huge. Many regional stakeholders are managing through their own challenges on tackling the spread of the virus, managing the impact of costs on delayed projects and disrupted service delivery. But it has never been more essential to look outwards and be united in our approaches to tackling this crisis.

Through meaningful collaboration and an unrelenting focus on making a positive difference we can harness the collective resources of the region, make the most of huge opportunities such as HS2 and Birmingham 2022 Commonwealth Games and improve outcomes for businesses & citizens.

Business Survival:

- **Put Aside Party Politics:** the GBCC is fiercely apolitical. Along with many local citizens and businesses we want and need to see local stakeholders coming together and taking a collective approach to championing their needs and tackling the issues they face
- **Find Solutions:** work with businesses to overcome challenges to proposals such as outdoor dining, innovative COVID-19 secure activities and creative solutions to supporting jobs and the economy
- **Collaborate:** where there is the potential for activity to significantly benefit local businesses but your organisation lacks the resources to deliver it, reach out to regional partners including business organisations such as the Chamber, to try and find a way forward collaboratively
- **Target Resource:** 1) ensure local discretionary grant schemes are available directly to business owners (rather than rate payers alone) & delivered with absolute minimal bureaucracy to get cash out quickly 2) review programmes, staff and resource allocation and (while continuing to work on key areas of long term benefit) refocus where appropriate on urgent needs around COVID-19 and Brexit
- **Local Procurement:** maximise the impact of every penny spent by prioritising 1) breaking down contracts (where viable) in the units more suitable for SMEs, 2) meaningfully utilising social value criteria to encourage procurement from firms making a local employment and social impact and to ensure larger contractors work with local businesses, social enterprises and charities in their supply chains 3) improving transparency of opportunities by requiring significant contractors to advertise supply chain opportunities locally, 4) working with partners on supply chain development activity such as meet the buyer events and SME training, 5) meaningfully engaging local SMEs to understand barriers to accessing procurement opportunities and taking steps to overcome them

Economic Revival:

- **Enable the Future of Highstreets & Centres:** work with BIDs, Chambers & others to understand emerging impacts alongside wider trends & build longer term plans for restoring growth to urban centres
- **Support & Maximise The Impact of HS2:** this is the largest investment in infrastructure for a generation and the region is set to benefit from 2 stations; 1) continue to support calls for the continued delivery of all phases of the projects, 2) maximise opportunities for local businesses around supply chain opportunities and local people on employment and skills development and 3) support projects delivering further social and economic benefit using HS2 as a catalyst for delivering further social, economic and environmental benefits
- **Maximise the benefits from B2022:** follow the recommendations set out in the GBCC's *A Game Changer for Businesses? Birmingham 2022 Commonwealth Games Business Legacy Manifesto**
- **Back Regionally Transformative Infrastructure Investments:** including championing the investment case for key projects such as the Arden Cross development, Midlands Rail Hub and a potential electric vehicle battery gigafactory
- **Provide A Springboard For Innovation:** build on the success of securing the 5G testbeds, growing investment in electric vehicle technology & health innovation and exceptional university base to support knowledge transfer, pivoting business models and incentivise the commercialisation of R&D to ensure the region remains competitive for the future

*Click here for the GBCC's B2022 Business Legacy Manifesto

Message From The GBCC:



Henrietta Brealey
Director of Policy &
Strategic Relationships
Greater Birmingham
Chambers of Commerce

The Greater Birmingham Chambers of Commerce was founded in 1813. It came about due to the frustrations local businesses were feeling with the policies of the government of the day and the desire to come together as a collective to do something about it.

That spirit of collective endeavor, of being stronger – and louder – together than we are alone is what we continue to embody to this day.

Through our most recent lobbying efforts, on a local level, together with Birmingham City Council, we have been able to pull together cross party and cross sector stakeholders in shared calls for action. We have been able to proactively work with local authorities on local schemes (resulting in over 50 successful appeals or automatic reviews). Through the British Chambers of Commerce, we, together with our fellow business organisations, have successfully lobbied for reform to the Job Support Scheme and grants for businesses in tier 2 areas. But there is still so much more to do - especially now, given tougher national measures.

Our role is not simply to call for change and action. Throughout the pandemic we have worked tirelessly to connect businesses to the support they need and to translate (often complex) government measures into clear advice for businesses.

We bring businesses the latest news every weekday through ChamberLink Daily newsletter. Our Asian Business Chamber of Commerce division, supported by the West Midlands Combined Authority and Birmingham City Council is offering a support and pro-bono advice service in English, Punjabi, Urdu and Bengali (available on 0121 274 3280). We offer an email advice and intelligence gathering service where businesses, as well as having their queries answered, can also share their experiences of falling through the gaps in government support to inform our stakeholder engagement activity (available at KBM@Birmingham-Chamber.com)

Our international trade documentation team, supported by the WMCA, are delivering a free end of Brexit transition trade & customs advice helpline to support businesses in preparing for the next major change coming our way in just a few months' time (available on 0121 468 0831).

We also continue to connect our members to each other to share expert advice via our webinar series, peer learning through private digital roundtables and business opportunities through introductions, intelligence and our member marketplace. Myself and the Chamber team could not be prouder to serve and support the Greater Birmingham business community. We know the situation is likely to become more challenging before it gets better and will be at our members' side to support however we can every step of the way.

The Greater Birmingham Chambers of Commerce is here to help Connect, Support and Grow local business and will continue to work hard to #KeepBusinessMoving throughout this unprecedented time.

We are committed to keeping the business community informed about the latest developments, helping them access support and lobbying on their behalf.

Between March & August 2020 the GBCC team undertook:

- *Almost 11,000 engagement & support calls with local businesses delivering over 1,400 hours of phone based support*
- *Triaged queries from almost 300 businesses through our dedicated KBM@Birmingham-Chamber.com inbox*
- *Delivered 80 webinars for almost 3,000 delegates*
- *Published over 100 articles on the latest news & support and what it all means for businesses*

Find out more at www.greaterbirminghamchambers.com/coronavirus

Messages From Our Members:

"Solutions2 design & build for exhibitions and events. Government restrictions imposed on our industry mean we have been unable to work for six months and now face a further six months of being unable to legitimately generate income from exhibitions and events.

"We have already made redundancies and if urgent action is not taken further job losses will be inevitable and ultimately an entire industry will fall over." **Marija Erzen, co-founder of Solutions2 and a board member of the Event Supplier & Services Association**

"We're one of the largest Music Education Hubs in the UK - normally teaching 34,000 children a week in Birmingham and providing expert training and consultancy to school leaders. We also work with disadvantaged communities - most badly hit by the pandemic – usually funded by trusts and foundations who have been forced to re-prioritise as part of their Covid-19 response.

"This is not 'nice-to-do-work' – it's essential to ensure the long-term education and well-being of young people and our communities.

"A COVID community trust fund, backed by government, could unlock support. The long-term cost to society and business if we collectively do nothing will be far greater than if we get backing now." **Sharon Bell, Chief Executive, Services For Education**

"We have clear evidence that there are far more incidents of covid originating in supermarkets than in hospitality. By nature, we exist to look after our guests and have almost universally across the sector invested in increased measures to keep our guests safe, we actively manage proper social distancing within our venues. The latest announcement is a real blow to hospitality when most other sectors are now able to trade. The period up to Christmas is vital for the long, much harder January - March winter period when everyone naturally sees a big decline in revenues. We have suffered almost 12 months of constructive destruction of our businesses.

Furlough helps the staff and we are pleased for that but the current assistance levels offered to business owners don't even cover the rent, and as we are not been blessed with a sympathetic landlord, have paid the same level of rent despite not being able to operate. At this rate, without targeted assistance at realistic levels, there won't be a hospitality industry for staff to return to next year.

What we need Government to do now is this; provide assistance at realistic levels for hospitality venues which actually covers the standing costs or, support landlords to enable rent relief for business, provide a programme of "Spring-back" - assistance and programmes that can realistically support events to celebrate the return of trading in the Spring 2021 and, provide the VAT reductions for drinks as well as food-led businesses to level the playing field. Other European countries recognise and celebrate the key role that hospitality plays in society and the economy, let's get back to backing Britain and our vibrant, vital industry" **Anne-Marie Simpson, Owner, Simpsons Gin Bar**

"I think this will not come as a surprise to the vast majority of people , I don't believe I am in a position to challenge the methodology of the tiers or the rationale behind the measures I do feel I am however in apposition to challenge the basis for the support measures in place.

"The reality is that the £3,000 support is simply 15 per cent of what is required to maintain a venue like ours when its closed with central overheads alongside national insurance and pension that's required under the CJRS scheme it simply doesn't go far enough.

"The local and combined authority are going to have to ensure that any funds issued to them for support of the hospitality sector is channelled correctly with the view of supporting maintaining employment, a grant issued against full time equivalent staff is the key basis of how discretionary support should be targeted.

"This was the method used in Liverpool city region and it has had the right effect as it isn't linked to business rates which is not a methodology which has really got to the heart of what is needed to support employment which will help the city come back from this significant challenge." **Sam Morgan, group chief executive of We Are Craft Limited**

"We are devastated that we are unable to open our doors to leisure guests next week. We cannot make sense of how two people staying in a hotel room is less safe than two people going shopping.

We are carrying losses from the last two lockdowns and Tier three for the hotel sector is lockdown 3.0 albeit in name. December traditionally is our highest performing month. Furlough is a help but the rest of our cost base remains static, especially rent (our highest expense after staffing).

"The grant system of £3k per month barely covers the cost of our utility bills let alone rent and other fixed overheads. In the Summer we secured a CBILS loan which is going to put significant strain on the business for years to come. Further continuing losses will be unsustainable.

"We ask the government to address the precarious position small businesses like ours in the hospitality sector find themselves in (high outgoings and low or zero revenue), whether by way of partial loan write-offs, rent grants or turnover based grants (as in Germany). Protection for employees will be useless if their employers are no longer there at the end of this." **Tracey Stephenson, co-founder and joint managing director of serviced apartment operator Staying Cool**

"We provide PR and video support to regular clients and for one-off jobs. All of our upcoming video production work has been cancelled due to businesses shutting down and self-isolating and our PR clients have also either temporarily shut down or have decided not to say anything publicly as a result of the current fast-moving crisis.

Hopefully as the picture becomes clearer they will be able to plan for the future again but in the meantime, our income has totally disappeared and we are terribly worried about the future. I am self-employed full-time working on the business and my wife works part-time for the business.

Although we have previously operated as a partnership, in January 2019 one of the NHS organisations we worked for advised us that we would have to become a limited company to be given a new three-month contract.

We followed their instructions but now find ourselves excluded from Government support as a result, which we feel is grossly unfair. We became a limited company at the insistence of a Government employer to retain a contract - not to take advantage of any tax arrangements as has been suggested for some businesses.

We are desperately seeking a level of support similar to that offered to full-time and self employed workers by the Chancellor. Universal credit alone will not stop us from going out of business." **Self-Employed Media Business Owner**

"My husband is self employed as a chef. The qualification for support was that he needed to have earned more than half his income as SE in the tax year two years ago.

As we were building a new business he also worked full time in a PAYE job and therefore earned £3k more in PAYE so did not qualify. The tax year after he had given up his PAYE role and committed completely to the new business and has since paid another HMRC tax bill for the SE for that year.

However the SE scheme is still using the same criteria to qualify for the claims and therefore for nearly 8 months has had zero income from his self employment as we try to build another business after each knockback imposed by the lockdowns.

As we enter another lockdown and our restaurant is closed again with even more restrictions on the sales we can make for off sales and losses will be even greater this time in waste alcohol we would like to air our situation as the self employed that got nothing last time because of criteria should be allowed to use the most updated information at HMRC to make a claim and prevent yet another business going under.

Yes we have claimed UC but as I have received £3k in self employment support as I only worked the new business this has not been sufficient to keep our heads above water.

In addition as a SE sole trader he did not have a business bank account and was advised he needed one to apply for bounce back loans, we saw this as Government support he could access that May tide us over. This he did and was then advised that the account was created after the deadline and therefore they would not offer a BBL.

Just no support for the work he has done for the last two years.” **Micro Hospitality Sector Business**

We will be continually updated the digital version of this document to reflect the latest developments and additional messages from our members. Find out more at: www.greaterbirminghamchambers.com/Coronavirus

In Detail: Action Plan for the UK Government

Issue	Evidence	Proposal	Intended Outcome
Businesses are being detrimentally impacted by frequent, short term changes to COVID-19 regulations and support. They are deeply concerned that they are being implemented without a clear “exit strategy” for how and when they’ll be lifted and how the period they are enforced will be used to reduce the risk of future measures	On the 18 th October CEOs of 52 accredited Chambers of Commerce representing 75,000 firms of all sizes and sectors across the UK employing nearly six million people joined the British Chambers of Commerce in writing to the Government to call for the application of 5 simple business tests when deciding COVID-19 measures	Apply the British Chambers of Commerce “5 Business Tests” to proposals for further COVID-19 measures and retrospectively on existing measures – such as the 10pm curfew. The tests are: <ul style="list-style-type: none">• Are the restrictions evidence-based and targeted effectively?• Are the restrictions clear and do businesses have time to prepare?• Is support for businesses commensurate with the impact on them?• Will the time that the restrictions are in place be used to significantly improve the Test, Trace and Isolate system?• Is there a clear process for increasing and decreasing restrictions?	Improved targeting of, understanding of and compliance with COVID-19 regulations

Issue	Evidence	Proposal	Intended Outcome
Previously viable businesses are experiencing critical, short-term cash flow issues. This has arisen from a combination of plummeting customer demand, investing in COVID-secure premises and restricted capacity due to Government policy aimed at stopping the spread of COVID-19. Loans alone are not viable due to high levels of debt already accruing in the business community. Action must be taken to get cash to businesses in need to prevent a wave of business failures in the most impacted sectors and, by consequence, yet further increases in unemployment.	<p>47% of Greater Birmingham businesses reported that their cash flow position had worsened between Q2 and Q3 2020 (GBCC QBR)</p> <p>42% of respondents took on debt during the crisis, with more than 1 in 4 businesses saying they may need to scale down operations to repay and 1 in 10 saying they might have to cease trading (British Chambers of Commerce & TSB national survey of businesses, August 2020)</p> <p>Redundancies increased in June to August 2020 by 113,000 on the year, and a record 114,000 on the quarter, to 227,000 (ONS)</p> <p>There was a 70% increase in the number of company dissolutions in March 2020 compared to March 2019 (Enterprise Research Centre)</p> <p>As of 18th October, £61.93bn in Government backed Bounce Back, Coronavirus Business Interruption & Coronavirus Large Business Interruption loans had been issued (HMT)</p>	<p>Devolve £35m in unspent COVID-19 business grants to West Midland local authorities</p> <p>Enhance the tier 2 grant scheme, extending the sectors its calculated on to include non-essential retail, travel & tourism (including taxi firms), events industry – increase the 5% discretionary top-up fund to ensure support can reach associated supply chains</p> <p>Bring forward a significant “lockdown” business support package, funding local areas to invest in additional grant, match funding and interest free loan support for the most impacted businesses, particularly those with high fixed overheads such as rent for whom £3,000 a month cannot cover the bills (<i>nb: discretionary funding for business support worth c.£20 per head of the population was announced 2.11.20. We await further details before confirming if this will go far enough to fill the gaps in support</i>)</p> <p>Issue government guidance on both tier 2 and “lockdown” grants immediately to allow local authorities to start issuing the funding to businesses in needs</p> <p>Repurpose further existing ERDF funds to support additional rounds of schemes such as SME Restart and GBS LEP’s Pivot & Prosper (or identify alternative funding where ERDF is not possible)</p> <p>Deliver urgent clarity on the funding streams that will replace ERDF for business support after the end of the Brexit transition period</p>	Lower rates of business failures and lower levels of unsustainable debt leading to a quicker economic recovery, fewer unemployed requiring government support and lower defaults on Government backed loans

Issue	Evidence	Proposal	Intended Outcome
<p>Businesses and individuals are falling through the gaps between existing Government support schemes, namely: The recently self-employed Directors of limited companies</p>	<p>To be eligible for the Self-Employment Income Support Scheme, individuals must have traded in both the tax year 2018 to 2019 and 2019 to 2020. The same criteria apply to the Self-Employment Income Support Scheme Grant Extension, excluding those who became self-employed more recently.</p> <p>The Self-Employment Income support scheme does not cover the 1.8m who are owner-managers of their companies, paying themselves mostly through dividends. Owner-directors typically structure their accounts so they receive around £800 per month via pay-as-you-earn (PAYE) but take the majority of their income as taxable dividends (FSB)</p>	<p>Ensure that the value to the Self-Employment Income Support Scheme grant remains in line with support for employees for the duration of enhanced COVID-19 measures</p> <p>Provide equivalent support for directors of small limited companies paid primarily through dividends</p> <p>Extend the Self-Employment Income Support Scheme to individuals who have been self-employed for less than one year</p>	<p>Significantly reducing hardship, and, as such, demand for public services, among these groups and ensuring they are positioned to capitalise on and contribute to economic recovery after measures are lifted</p>

Issue	Evidence	Proposal	Intended Outcome
<p>Key sectors such as the hospitality, tourism & travel industry, live events are facing specific issues that require sector specific interventions in order to ensure that they, and their supply chains, are able to survive this period</p>	<p>The UK events industry is worth £70bn and provides jobs for 700,000 people (The UK Events Report). Business events for over 30 delegates have been banned since March resulting in many conference venues and the thousands of businesses that supply into the events industry generating little to no income in over half a year.</p> <p>Pre-pandemic, the NEC Group had an annual turnover of £160m, employed 829 full-time equivalent (FTE) and 1,500 permanent staff, as well as supporting 29,000 (FTE) roles in the supply chain and delivered over 750 events welcoming over 7 million visitors every year. Due to COVID-19 revenues from events have fallen to almost nothing and it is currently proposing to make 55% of its permanent workforce redundant.</p> <p>There was a 90% fall in Birmingham city centre footfall compared to pre-COVID levels in April 2020. This improved to a 48% reduction in August compared to pre- COVID-19 levels (Centre for Cities)</p> <p>80% of West Midlands tourism sector companies are concerned that they may not survive the next 12 months, 30% may not survive the next 6 months (WMGC tourism survey, October 2020)</p> <p>Birmingham Airport indirectly employs 6,000 people in the West Midlands and</p>	<p>Allow firms that can demonstrate an unsustainable fall in income due to COVID-19 measures to “opt in” to temporarily closing and access the higher levels of support available for businesses required to close</p> <p>Allow the most impacted businesses to continue to access the Coronavirus Job Retention Scheme (furlough) beyond the extension currently proposed is COVID-19 measures remain in place</p> <p>Provide additional support for large conferencing venues (that have generally not benefitted from the Culture Recovery Fund) and UK airports</p> <p>Bring forward a national airport-based testing system to minimise quarantine demands on inbound visitors</p> <p>Bring forward a Government-endorsed, proven testing/track and trace programme that allows venues to offer enhanced safety and speed up their reopening</p> <p>Introduce a Creation of a live events sector-specific, Government-backed insurance scheme - giving the sector (and their customers and suppliers) the confidence to plan effectively for reopening in a changeable environment</p> <p><i>This is in addition to the wider grant support noted above aimed at supporting hard hit suppliers to these industries (and others impacted by COVID-19) as well as the industries themselves.</i></p>	<p>Saving these hard hit sectors and their suppliers, ensuring they are well placed to bounce back once COVID-19 measures are lifted, reduce the risk of significant long term unemployment among individuals made redundant in these sectors and support wider positive economic outcomes over the mid to long term</p>

	<p>contributes £1.5bn in GVA to the regional economy. It faces a 90% reduction of business this year.</p> <p>23% of British Beer & Pub Association, UK Hospitality and the British Institute of Inn Keeping members think their businesses will fail by the end of the year without further Government support (September 2020)</p>		
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Issue	Evidence	Proposal	Intended Outcome
Businesses expect to be feeling the impact of COVID-19 well in to 2021/22 and need a framework within which to plan for the longer term while managing short-term cash flow pressures	<p>At the 7th June, 113,500 VAT payments worth £28.2bn had been deferred under the VAT Payments Deferral Scheme – 32% of all payments eligible for deferral (HMRC)</p> <p>40% of Greater Birmingham based businesses expect their turnover and profitability to worsen over the next 12 months as of Q3 2020</p>	<p>Bring forward further interest free deferral of VAT payments</p> <p>Extend existing VAT relief measures for the hospitality sector through to at least the end of Q3 2021</p> <p>Expand VAT reliefs to include cold food consumed onsite and alcoholic beverages</p> <p>Extend business rates relief measures for the most impacted sectors through to 2021/22</p>	Achieve lower rates of business failures and lower levels of unsustainable debt leading to a quicker economic recovery, fewer unemployed requiring government support and lower defaults on Government backed loans.

Issue	Evidence	Proposal	Intended Outcome
Protections from eviction for commercial tenants have been a lifeline to many. However, it is resulting in high levels of rental debt building up in the business community and, with many impacted businesses likely to face further challenges over the winter, action is needed to address the unpaid rents time bomb and support businesses and landlords.	UK businesses owe an estimated in £2.7bn in commercial rents (British Property Federation)	<p>Introduce tax credits to incentivise landlords to offer rent waivers or reductions to businesses in genuine difficulty</p> <p>Bring forward short-term payment holidays for domestic mortgages and capital payment holidays for landlords</p>	Avoid a cliff-edge effect when protections end and reduce pressures on business owners and landlords while they are in place, resulting in fewer evictions and business failures due to rent debt

Issue	Evidence	Proposal	Intended Outcome
Due to a combination of additional schemes being introduced over time and government policy of seeking to wind down aspects of support as many measures were lifted over the summer, businesses are now facing a confusing and incoherent range of cut of points and end dates for support making planning ahead difficult.	<p>The current end dates for various schemes are:</p> <p>VAT Deferral: Closed 30th June 2020</p> <p>Trade Credit Insurance Guarantee: ends 31st December 2020</p> <p>Protection from eviction for commercial tenants: ends 31st December 2020</p> <p>CBILS & BBLS: applications close 31st January</p> <p>CJRS Extension: ends 31st March 2021</p> <p>Reduced Stamp Duty: 31st March 2021</p> <p>Temporary VAT reductions: end 31st March 2021</p> <p>Business Rates Holidays: effectively end 31st March 2021</p> <p>Domestic Mortgage Holiday: extended to up to 31st April 2021</p> <p>Self-Employed Income Support Scheme: Expected to end April 2021</p>	<p>Undertake a comprehensive review of business support schemes and revise all end dates to reflect the likelihood that a) significant COVID-19 measures will remain in place for the next 6 months and b) businesses do not expect to see significant recovery (even with lifted measures) until well into next year at the earliest</p> <p>This includes extending the interest free & repayment periods for Bounce Back Loans & Coronavirus Business Interruption Loans to reflect delayed recovery for the most impacted sectors</p>	<p>Improved understanding of and access to support schemes. Lower rates of business failures and lower levels of unsustainable debt leading to a quicker economic recovery, fewer unemployed requiring government support and lower defaults on Government backed loans.</p> <p>Ensure that firms avoid a 'cash crunch' at the end of the financial year as a result of having to pay a collection of bills in a compressed time period whilst operating in adverse circumstances.</p>

Issue	Evidence	Proposal	Intended Outcome
<p>The Brexit transition period with the EU will end on the 31st December 2020. The Government's own analysis shows that a no-deal Brexit will have a negative economic impact. There are still significant unanswered questions facing businesses trying to prepare on key areas such as Rules of Origin and trade with Northern Ireland. COVID-19 has significantly reduced businesses' capacity to prepare for Brexit. The automotive sector & supply chain is particularly at risk, having been impacted by falls in demand for new vehicles during COVID-19 & relying on EU wide supply chains</p>	<p>33% of Greater Birmingham businesses believe the COVID-19 pandemic has had a negative impact on their capacity to prepare for the end of the Brexit transition period - 43% of manufacturers compared to 31% of service firms (GBCC survey, Q3 2020)</p> <p>There was a 40.2% decrease in UK car production January-August 2020 compared to the same period in 2019 (SMMT)</p> <p>12.2% of West Midlands GDP is at risk because of negative trade-related consequences of a no-deal Brexit (GBCC & City-REDI, Birmingham Economic Review 2020)</p> <p>On the 24th September, research from the British Chambers of Commerce showed that there were only partial or no answers to 26 of the 35 of the most commonly asked business questions on Brexit</p>	<p>Deliver a comprehensive trade deal with the EU</p> <p>Deliver urgent clarity on unanswered business questions on Brexit</p> <p>In the event of a no-deal (or limited deal) Brexit, urgently bring forward a comprehensive range of interim unilateral and bi-lateral (with the EU) measures and temporary easements to avoid a cliff-edge while businesses are also battling through the COVID-19 pandemic</p> <p>Bring forwards targeted support packages for the most disrupted industries including the automotive sector & supply chain</p>	<p>Avoiding dramatic economic consequences of a cliff-edge no-deal Brexit on top of the existing unprecedented economic consequences of COVID-19</p>

Issue	Evidence	Proposal	Intended Outcome
Ensuring all parts of the country and SME businesses and charities benefit from existing, and proposed increases in, investment in infrastructure to kick-start the economy	<p>The UK Government spends £284 billion a year on buying goods and services from external suppliers. This amounts to around a third of all public expenditure (Institute for Government)</p> <p>In June, the Government announced that they will invest £5bn to accelerate infrastructure projects as part of a plan to “build, build, build”</p>	<p>Back completion of all phases of HS2</p> <p>Work with regional stakeholders to target infrastructure spend most effectively, including supporting key recommendations of the WMCA’s <i>Recharge The West Midlands: Kickstarting the West Midlands Economy: Our investment case to government</i></p> <p>Prioritise local supply chain engagement & delivery of social value to maximise local economic impact of spend. Build on the Government’s <i>Open for Business</i> programme by re-imagining procurement criteria and processes to support SME bids and using social value criteria to ensure main contractors work with local businesses charities and social enterprises</p>	Saving jobs and businesses by better using existing limited resources to maximise local economic impact and find mutually beneficial ways of supporting local businesses and charities

Issue	Evidence	Proposal	Intended Outcome
There is significant underspend of government & UKRI R&D spend in the West Midlands. Innovation and R&D can help reinvigorate economic growth. The global impact of emissions on climate change remains a significant area of concern.	<p>According to ONS, while the West Midlands attracts 12% of business R&D expenditure (as a proportion of English gross domestic expenditure on R&D) it only receives 3% of government and UKRI R&D spend</p> <p>The UK Government has passed a net zero emissions law, aimed at the UK to bringing all greenhouse gas emissions to net zero by 2050</p>	<p>Follow the recommendations set out in nesta’s <i>The Missing £4 Billion: Making R&D work for the whole UK</i> including regional devolution of innovation funding and the creation of new science and technology institutions</p> <p>Bring forward new tax incentives for investment in cleaner, greener technologies and commercialisation of innovation aimed at SMEs</p>	Retain and enhance the UK’s position as a global leader in R&D, support business survival and return to strong economic growth through investment in innovating, pivoting and commercialising R&D – while also contributing to green growth by incentivising investment in cleaner technologies

Issue	Evidence	Proposal	Intended Outcome
Significant redundancies are already being made and, regardless of the support made available, there will be fewer job opportunities in certain industries for a significant period as the country recovers from the impact of COVID-19. Meanwhile, other industries continue to grow and experience skills shortages. Individuals need support to retrain and reskill to enter new industries	<p>Redundancies increased in June to August 2020 by 113,000 on the year, and a record 114,000 on the quarter, to 227,000 (ONS)</p> <p>32% of Greater Birmingham businesses attempted to recruit during Q3 2020 (GBCC QBR Q3 2020)</p> <p>Accounting/financial, blue collar (drivers/warehouse), engineering, digital marketing, IT developer, carer, administration, customer service, sales and security skills have been identified as areas where employers encountered skill shortages in September 2020 (KPMG & REC, UK Report on Jobs: Midlands, September 2020)</p>	<p>Fund access to training courses for upskilling and reskilling as part of a clear strategy for life-long-learning</p> <p>Devolve unspent apprenticeship levy funds for the creation of locally tailored employment & skills programmes</p>	Reducing long-term unemployment by ensuring individuals are able to up-skill and re-skill in areas where there are significant job opportunities

Issue	Evidence	Proposal	Intended Outcome
The Business Rates system continues to exacerbate issues facing high street businesses & manufacturers by placing a significant input tax on brick and mortar businesses, penalising those in higher value areas (such as high streets) over digital businesses. COVID-19 has further accelerated the need for reform of this outdated tax.	<p>According to research from the CBI & Avison Young:</p> <p>Business rates make up a significant proportion of fixed costs for businesses, at around 6%</p> <p>The UBR (or tax rate) has increased 44% over a thirty-year period.</p>	<p>Urgently undertake significant reform of the business rates system, following the recommendations put forward in the CBI & Avison Young report <i>Over-rated: making the case for business rates reform</i>.</p> <p>As called for by the British Chambers of Commerce, abolish annual uprating and remove its ability to pre-determine revenue to create a fairer system for businesses to operate in and reflect the broader economic conditions they are facing.</p>	Free up businesses to invest in their premises & machinery, reduce burdens of business overheads and remove a disincentive to take on high street and urban centre premises at a time when many high streets are struggling

Keep Business Moving: A GBCC Action Plan is latest in series of GBCC publications on the impact of COVID-19 on the local businesses community & recommendations for stakeholders to address this. Previous publications include:

- *Unprecedented Times* (July 2020, click [here](#))
- *Mind The Gap* (six versions issued between April and June 2020, click [here](#))



For more information contact:

Henrietta Brealey
Director of Policy & Strategic Relationships
Greater Birmingham Chambers of Commerce
H.Brealey@Birmingham-Chamber.com