Greater Birmingham Chambers of Commerce

Mind The GAP

Analysis of Coronavirus related business support & the gaps that need to be addressed

Stakeholder Toolkit

REVISED 4th JUNE 2020

Manage a smooth return to the workplace through clear, concise & honest communication with employers & additional support for SMEs facing significant costs becoming “COVID-19 Secure”

Implement an ambitious programme to prevent lasting economic damage through transitional and long term measures as lockdown and key Coronavirus schemes end and the new economic reality becomes apparent

Negotiate an EU-UK trade deal that delivers for businesses and keep an open mind to requesting an extension to the Brexit transition period if a deal cannot be delivered in the current timeframe

Develop support for directors of limited companies payed through dividends

Take steps to significantly increase the funding available through the “discretionary” grants scheme and give local areas control over devolved funding to support those businesses and charities still falling through the gaps in existing support mechanisms

Help the hardest hit sectors & their employees by providing sector or needs tested business support programmes, reviewing Government policy on quarantining international arrivals and using the West Midlands as a test-bed for piloting fully unlocking the hospitality sector safely

Ensure that the Coronavirus Business Interruption Loans and Bounce Back Loans are reaching the businesses that need them and learn lessons from the challenges encountered in their roll out

Give charities delivering much needed community services the support they need to continue their work in an incredibly challenging fundraising environment

Assist landlords and tenants in dispute through further guidance and encouraging greater dialogue and communication

Prevent significant redundancies by maintaining the highest level of awareness of the impact of changes to the furlough scheme over the coming months, pivoting where necessary to reflect the economic reality

The Greater Birmingham Chambers of Commerce exists to Connect, Support and Grow local businesses. Throughout this challenging period we have been working continuously to keep businesses informed of the latest developments, support and how to access it as well as offering a range of digital services from our member marketplace to our legal helpline. Our greatest strength is the same today as it was when we were first founded in 1813; our genuine connection to the local business community – we are in business, for business.

The support that has been made available to help businesses and charities survive and rebound from the Coronavirus pandemic is unprecedented. However, while we welcome its ambition the Greater Birmingham Chambers of Commerce will continue to lobby the Government to fill the gaps in existing support on behalf of our members.

At the heart of it, this crisis has been a crisis of cash as many organisations attempted to wait out the lockdown period. We are now seeing the tentative beginning of a new phase of re-start and recovery where a careful balance must be struck to adapt support to meet the economic and pandemic realities. Our research suggests many firms are ready to get back to work, however a number feel hampered by the lack of clarity and detail on offer from Government, particularly those businesses that operate in the retail and aviation sectors. As we emerge from this crisis, it’s clear we need the Government to engage in clear and honest dialogue with businesses to ensure they can facilitate a smooth and safe return to work for their staff.

Paul Faulkner, CEO, Greater Birmingham Chambers of Commerce

Introduction
### An assessment of the availability of key COVID-19 business support schemes

<table>
<thead>
<tr>
<th>Summary of Support Programme</th>
<th>Availability</th>
<th>Issues Encountered</th>
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<tbody>
<tr>
<td><strong>Coronavirus Large Business Interruption Loan Scheme</strong>: loans ranging from £50m to £200m (depending on turnover), 80% guaranteed by government</td>
<td>Available now through accredited lenders</td>
<td>Little feedback has been received since the scheme was extended to cover all viable firms with a turnover of more than £45m — firms will be able to apply for the larger loans from 26.05.20</td>
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<tr>
<td><strong>Coronavirus Future Fund</strong>: will provide government loans to UK-based companies ranging from £125,000 to £5 million, subject to at least equal match funding from private investors</td>
<td>Available now via the British Business Bank</td>
<td>Little feedback has been received since he scheme opened on 20.5.20</td>
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<tr>
<td><strong>Statutory Sick Pay Refund</strong>: refunds on up to 14 days statutory sick pay per employee off sick or self-isolating from day 1</td>
<td>Available now</td>
<td>Little feedback has been received since he scheme opened on 26.5.20</td>
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<tr>
<td><strong>Bounce Back Loans</strong>: simplified application process and 100% government guarantee on loans for SMEs of between £2,000 and £50,000 with no fees, interest or repayments to pay for the first 12 months</td>
<td>Available now through accredited lenders</td>
<td>After initial poor feedback on overwhelmed bank websites/slow response times, we are now receiving positive feedback from businesses on the speed, consistency and simplicity of the scheme</td>
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<tr>
<td><strong>Coronavirus Job Retention Scheme</strong>: grants worth 80% of furloughed workers’ salaries (up to £2,500 per month) available 1st March-31st July for workers on company payroll by 19th March – with employer contributions to the scheme scaling up from August to the end of the scheme 31st October 2020 as part of a phased end to the scheme</td>
<td>Open now and payments being issued</td>
<td>No access for employees not on payroll pre-19th March, Concerns over the cut off point for new entrants being 10th June, Concerns at from industries that are still locked down/unable to restart fully &amp; will struggle to contribute to the scheme for all furloughed staff</td>
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<tr>
<td><strong>Small Business Grants</strong>: grants worth £10,000 for business rate payers in the retail, leisure or hospitality sector receiving Small Business Rates Relief or Rural Rates Relief or £25,000 for retail, leisure or hospitality sector businesses with a rateable value between £15,001 and £51,000</td>
<td>Payments being issued now</td>
<td>Local authorities lack payment details of all applicable businesses, Lack of clarity on whether payment is automatic or businesses need to contact their local authority, Payments issued to rate payers, not business owners, leaves many renters excluded</td>
</tr>
<tr>
<td><strong>Coronavirus Business Interruption Loan Scheme</strong>: loans of up to £5m, 80% guaranteed by government, no interest repayments or fees payable by the business for the first 12 months</td>
<td>Available now through accredited lenders</td>
<td>Significant delays in decisions or responses from overwhelmed lenders reported by businesses, Numerous reports of previously viable businesses being denied loans</td>
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<tr>
<td><strong>Self-Employed Income Support Scheme</strong>: a taxable grant worth 80% of average monthly profits over the last 2 years (up to £2500 a month), paid in a single instalment covering 3 months</td>
<td>HMRC has contacted qualifying individuals and is now receiving applications</td>
<td>Currently only covering March-May with no certainty on extension, Reports received of self-employed individuals concerned about their ability to pay multiple months of bills and remaining business costs while awaiting payment</td>
</tr>
<tr>
<td><strong>Small &amp; Mid-Sized Charity Grants</strong>: £370m funding for small and mid-sized charities in England and which will be distributed through organisations including the National Lottery Community Fund</td>
<td>No information on application process available</td>
<td>No clarity on when or how charities will be able to apply for funding available through gov.uk</td>
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<tr>
<td><strong>Discretionary Grants</strong>: a 5% uplift in Coronavirus Small Business Grant funding worth £125m nationally, aimed at businesses with under 50 employees and fixed premises and with discretion for local authorities on award criteria</td>
<td>Available now in some but not all Local Authority areas</td>
<td>The overall funding envelope is far to small to meet need for it and is not new money in practice and will be too small to meet businesses’ needs, currently open &amp; close dates for applications depend on local authority</td>
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The above focuses on the primary grant and finance based schemes announced by government at the time of writing [04/06/20]. A significant number of other measures to support businesses have also been announced with further detail available through gov.uk.
Businesses need:

- **A structured approach to communication from Government**, ensuring that detailed guidance is available to coincide with, or immediately follow, major announcements. The delay between the Prime Minister’s message on returning to the workplace on Sunday 10th May and guidance on working safely being released on the evening of the 11th May caused concern and uncertainty for employers and employees.

- **Specific detail for the hospitality sector**, on the phases by which their sector will “unlock” and the COVID-19 and the COVID-secure measures they will need to implement. Learn from the concerns raised about the ways in which retail reopening was communicated to improve the experience for the remaining locked-down sectors.

- **The Government to understand the costs involved for businesses becoming “COVID-19 secure” and provide additional funding or support for small businesses in the most impacted sectors.** Measures such as installing screens, signage, adapting the workplace and limiting the number of rooms that can be open, employees and/or customers on site at any one time will represent an upfront cost to comply and a reduction in productivity/number of customers serviced for a significant number of businesses – particularly those in the hospitality, retail and manufacturing sectors.

“Just two weeks before some of these businesses [were] permitted to reopen we [were] still in the dark as to exactly which stores or types of store [would] be allowed to open in that first phase from June 1. The further guidance promised by the Government detailing this critical part of the plan failed to materialise and we [wee] getting increasingly frustrated.

“Shopping centres across the country [were] hurriedly executing their mobilisation plans for 1 June without knowing if they [would] be able to open or not. This is [put] huge pressure on suppliers of barriers, PPE and signage to fulfil orders immediately so that everybody [was] ready and Covid-safe because they [couldn’t] find themselves in a position where they are unable to allow their occupiers a platform to trade at the earliest opportunity.”

**General Manager, Large Shopping Centre**

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<th>86%</th>
<th>29%</th>
<th>86%</th>
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<tbody>
<tr>
<td>Of businesses were aware of the official guidance released by Government in relation to working safely during Coronavirus</td>
<td>Of businesses felt the information within the guidance was very clear</td>
<td>Of businesses felt they would be able to implement the guidance and restart operations</td>
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British Chambers of Commerce Coronavirus Business Impact Tracker: West Midlands Region Results (survey period 13th – 15th May)
Businesses need:

- **The Government to bring forward interim measures to avoid businesses hitting a cliff edge in support as lockdown measures are lifted**
- **The Government to use this challenging situation as a catalyst for fundamentally reforming key policy areas** including a radical review of the Business Rates system, reform and simplification of taxation, reinvigorating export support with an export tax credit and investment in international trade advisors and incentivising business investment in skills and lifelong learning
- **The Government to incentivise business investment in challenging economic conditions** by extending the duration and scope of the £1m Annual Investment Allowance, protecting tax schemes that incentivise investment such as SEIS and EIS and reversing the 2017 reduction of the dividend allowance
- **The Government to offer regulatory flexibility in order to promote innovation and investment in technology** as we emerge from the crisis – we are already witnessing regulatory flexibility and rapid adaption of technology in an attempt to tackle, and keep business moving through, COVID-19; it is vital this trend continues as lockdown measures are eased
- **The Government to commit to stimulating the economy through maintaining investment in major infrastructure projects** including all phases of HS2
- **Local Authorities, the Combined Authorities and other regional stakeholders to put businesses at the heart of local recovery strategies, driving local procurement, trade and regeneration**, grasping the opportunities presented by key developments such as HS2 & Birmingham 2022 Commonwealth Games

“**The current crisis has brought to the fore many issues that were already holding back the UK economy. As we emerge into the post-lockdown world there is a once in a generation chance to rethink the way that the Government supports, taxes and regulates businesses as well as its investment in national infrastructure.**

**By the end of this crisis the Government could end up providing direct support to almost every business in the country through the furlough scheme, CBILS, grants and more. A clear plan is needed to determine how businesses will be eased off this support in a way that avoids a cliff-edge shock to the economy (and the resultant potential impact on jobs losses and GDP) while being efficient in terms of cost to the public purse.”**

*Paul Faulkner, CEO, GBCC*

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£240bn  
the amount that would have been added to private sector capital stock if business investment had continued at pre-recession levels

9,000  
jobs already supported by HS2, expected to rise to 30,000 as construction peaks

£92bn  
expected total benefit that HS2 will bring to the UK economy

*Sir John Cunliffe, Deputy Governor of the Bank of England speech February 2017 & HS2, Our Story & Key Facts, August 2019*
Businesses need:

- **The Government to avoid two periods of significant disruption within 12 months** by delivering an EU-UK trade deal that delivers for businesses or negotiating an extension to the Brexit transition period (currently scheduled to end on the 31st December 2020)
- **The Government to provide clarity** on what future trading relationship UK businesses can expect to have with the EU
- **The Government to prioritise the interests of British businesses** in their negotiations to provide them, and their employees, with a period of stability and recovery

“There are now just under 8 months to go until the UK’s transition period with the EU is set to end. Due to the Coronavirus pandemic, there has been little recent media scrutiny of how negotiations are going to date. There is no clarity for businesses on what to expect from the new EU-UK trading relationship.

**Brexit represents the biggest fundamental change to the UK and EU’s trading relationship for a generation.** 46% of exports from the West Midlands go to the EU, 62% of imports into the region come from it (HMRC RTS 2019). 40% of businesses employ EU nationals, nearly half (47%) buy goods from the EU and 40% sell goods to the EU (Brexit: How are businesses responding? GBCC report, December 2019).

The impact of a significant change in the UK-EU relationship on businesses that are already facing severely depleted resources (and therefore reduced ability to invest in planning and preparation) could be catastrophic for the economy. Many of the industries hardest hit by Coronavirus such as retail and the automotive sector are also most exposed to the risks of a no-deal Brexit due to their international supply chains and EU citizens in their workforces. A second shock within 12 months must be avoided and, if a deal cannot be agreed, the transition period extended to give businesses time to rebuild their resilience before this next wave of change.”

*Henrietta Brealey, Director of Policy & Strategic Relationships, GBCC*

56% of businesses reported being “somewhat prepared” for Brexit with 11% feeling “not at all prepared”

22% % reported feeling “very prepared” and 7% “completely prepared” indicating relatively low levels of preparedness just ahead of the major 31st October Brexit deadline

**Brexit: How are businesses responding?** November 2019, Greater Birmingham Chambers of Commerce
Develop support for directors of limited companies payed through dividends

Businesses need:
- **Equivalent support for those directors of limited companies who pay themselves through dividends** and as such are unable to fully access furlough support at their existing salary levels or the self-employed income support scheme

“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*

96% of enterprises employ between 0 and 9 employees account for one third of jobs and one fifth of turnover across the private sector

c.2million individuals run their own company
Take steps to significantly increase the funding available through the “discretionary” grants scheme and give local areas control over devolved funding to support those businesses and charities still falling through the gaps in existing support mechanisms

Businesses need:

- **The Government to significantly increase the value of the “discretionary grants”:** just 5% of the existing grant programmes will only meaningfully support a fraction of the charities & small businesses missing out on the current grant schemes due to the nature of their premises or rental agreements.

- **The Government to issue the “discretionary” grants as “new money” in addition to the existing grant schemes** and enable local authorities to pool any unclaimed funding from the business rates linked grants to create a bigger discretionary grant fund for local business support.

- **The Government to back the WMCA, BCC and GBCC’s calls for regional funding,** by: 1) significantly increasing the level of discretionary grant funding available, 2) allowing local authorities further discretion in how they allocate the funding, including being able to use it to fund small and micro businesses investing in making their workplaces Covid-secure and 3) enabling local authorities regionally to pool any unallocated funding from the existing business rates linked scheme to improve consistency and boost the number of businesses able to access support.

- **Local Government to ensure that, once live, grant programmes are issuing cash to businesses promptly** as cash flow remains a major challenge for businesses, ensuring funds reach businesses bank accounts quickly is a priority.

“I run a highly successful swim school which operates through a letting agreement with a local high school. Our business ceased trading when the decision to close the schools was implemented. We have been established for 18 years and employ 15 members of staff.

While small businesses that pay rates are able to obtain a £10,000 grant I do not have my own business premises so therefore do not qualify for this help. I have been unable to get a response to obtaining the business interruption loan - I applied on 13th March for an overdraft that was declined.

Our business turnover this year was projected at £120,000 and my staff wages are paid weekly at a cost between £1,250 - £1,500 collective. I have letting costs to meet as per contracts and supplies such as goggles, hats, towels, shoe covers, badges, certificates, resources, updated training costs – all still ongoing.

I have NO cash flow at this time. It's a mess! I have written emails to Boris Johnson and Rishi Sunak pleading for them to adapt the £10,000 grant to our sector to those with higher turnover to cover the costs & keep the business alive. I don’t know where else to turn.”

*Owner, Small Leisure Sector Business*

**British Chambers of Commerce Coronavirus Business Impact Tracker: West Midlands Region Results** (survey period 13th May – 15th May)

- 90% of respondents employed fewer than 50 employees
- 28% of businesses had experienced a significant decrease in cash reserves compared to the previous week.
Help the hardest hit sectors & their employees by providing sector or needs tested business support programmes, reviewing Government policy on quarantining international arrivals and using the West Midlands as a test-bed for piloting fully unlocking the hospitality sector safely

Businesses need:

- **Enhanced support for the worst impacted sectors** – while many industries are taking tentative steps to returning to the workplace, some such as hotels, hospitality and aspects or retail (and by consequence, their supply chains) cannot. Enhanced support is likely to be required for these sectors in order to prevent mass redundancies and business closures. This could include; exempting the worst affected businesses from needing to make contributions under the tapering down of the furlough scheme and extending business rates holidays (in full or at a percentage discount) for a further 12 months.

- **The Government to back calls for the West Midlands region to be the site of an early pilot of reopening the hospitality sector**, allowing visitor attractions and events to restart safely & secure the sector’s future

- **The Government to hold and evidence based review of the 2m social distancing rule in hospitality venues** which currently risk businesses finding it financially unviable to reopen. A number of European nations have opted for a 1m distancing policy and the relative efficacy in reducing the spread of the virus needs to be understood.

- **The Government to review its policy around introducing quarantining measures at Airports which could add considerable pressure to the unprecedented challenges Airports and Airlines are currently facing** - in particular, adopting the use of thermal technology to check passenger temperatures and the use of ‘Air Bridges’ would negate the need to impose draconian measures related to quarantining

“As a business, which in normal circumstances is fit and healthy, always has a positive bank balance and does not have any loans, not even an overdraft, we are not finding much support from the government, apart from the furlough scheme, which we have put 3 of the 5 of us on.

Most of our business, over 90%, comes from international audience business to business conferences and events. As such we are suffering from the same problems as the leisure and hospitality industry (our last event was in February and our next one is scheduled for November but I suspect that will be cancelled) but as we are not classed as part of that industry the same grants are not available to us.

The other issue that a lot of our industry is suffering from is that we tend to have larger premises than most other industries with our staff numbers, due to the amount of equipment we have, therefore we have a rateable value of over £15,000 and therefore can not apply for the small business grant. Industry press is saying that the industry may take up to 2 years to recover so any help we can get now will help us to survive ready for recovery.”

*Director, Video & Events Production Business*

76% of businesses had experienced a decline turnover and profitability since January 2020

46% are unable to secure additional funding leading to significant cash flow pressure

50% will require additional funding to continue operating over next 6-12 months
Businesses need:

- **The Government to increase the number of accredited lenders for the CBILS and Bounce Back Loans Scheme** to give SMEs as much chance as possible to shop around (particularly if they are facing delays in hearing back from the lenders) and secure the funds.
- **The Government to recognise that loans alone are not a solution**, a number of firms are reticent in applying for loans due to pre-existing cash flow issues and the difficulties they might encounter in paying back the loans. The Government will need to show flexibility in extending their grant programmes to ensure this liquidity crisis does not evolve into an insolvency crisis.
- **The Government to keep the Bounce Back Loan scheme under review**, ensuring that it is having the intended impact and reaching the small businesses that need it.
- **The Government to keep CBILS under review**, encouraging greater consistency in criteria and treatment of applications between providers.
- **CBILS lenders to offer attractive interest rates beyond the initial 12 month period**, with providers bringing forwards a cap on the interest rate to encourage greater uptake of the scheme moving forward and to help businesses that are still likely to be facing difficult challenges twelve months from now.

“The bounce-back loan from has been a great help to me. In a world where the banks are often criticized for lack of compassion and profiteering I would like to say the whole process of applying for the loan to it appearing in my account was a seamless one. A series of simple tick-box questions online, through the bank’s website and my company was award at £50k loan. This will help my business recover financially over the coming months and I would recommend all eligible businesses to consider it.”

*Managing Director, Small Manufacturer*

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**29%**

Of businesses had applied for a Bounce Back Loan, 52% of those had been successful in securing the funding.

**16%**

Of businesses that had not applied for the Bounce Back Loan Scheme were concerned about their ability to repay it.
Give charities delivering much needed community services the support they need to continue their work in an incredibly challenging fundraising environment

Charities need

- **The Government to keep support for the charitable sector under review** – and provide enhanced funding schemes in line with the emerging economic situation
- **The Small & Midsized Charity Grants Scheme** to reach the small charities on the frontline of delivering vital support and services to communities at this time

“There can be few citizens of this country that have not either experienced or seen the positive impact that this country’s charities are having on their communities.

They are supporting vulnerable people, helping house, feed and clothe families in poverty, providing legal advice, counselling and services for key workers. They are giving people hope and help in a time of unprecedented challenges.

While demand for support has no doubt increased for many charities, their ability to fundraise has been hit hard as charity shops close, fundraisers are cancelled and hard-hit businesses cut back on CSR activity and donations.

The support announced by the Government on grants for charities delivering vital services at this time is welcome. But it urgently needs to reach charities, including small community organisations, before it is too late.

There is also the question of how charities that are not delivering COVID-19 related services but are still great cultural and community assets are supported through this period – in particular arts organisations and historic attractions.”  

Paul Faulkner, CEO, GBCC

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c.900,000

the estimated number of people formally employed by the charity sector in the UK

£4bn

The estimated shortfall in finances UK charities will face this quarter due to closed retail, hospitality & visitor sites and a fall in traditional fundraising sources
Businesses need:

- **Landlords and tenants to engage in constructive dialogue, compromise and consider the long term implications of actions** – many businesses are experiencing hardship due to COVID-19 and landlords are businesses with financial obligations too; where possible, landlords and tenants need to work constructively to seek compromises and solutions that avoid potential future costly debt recovery proceedings

- **The Government to issue guidance on commercial property loans to banks and financiers** to encourage more equal treatment of interest repayments across different providers

“Our serviced apartments are owned by a number of different landlords. Since lockdown we have been unable to generate any income at all and the apartments are empty so we have been trying to renegotiate rent commitments, asking for an initial three month rent holiday.

Some of our landlords have been really supportive and have agreed to this or made other constructive proposals - others have been less helpful. We appreciate that our failure to pay rents means a real loss of income to them and in many cases they will need to cover mortgage or other costs. It’s a connected chain, and everyone is being forced to pass the buck to someone else. The government has suddenly stopped the wheels of the economy spinning, and like musical chairs, someone is left with the bill.

It would be very useful if there could be further government action to address this. The aim with the economic lockdown measures seems to be to try and put the economy (or parts of it) into temporary ‘hibernation’. It might be sensible to extend this principle to commercial contracts, so that perhaps a new legal framework is introduced to allow the renegotiation of agreements to cover this period where the main purpose of the contract is frustrated or interrupted. Or the government could go even further and agree to cover a percentage of such contracts which have effectively been frustrated by the lockdown measures?”

*Director, Hospitality Sector Business*

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Knight Frank, COVID-19: what we know, what we expect, what we question (April 2020):

- c.33% of retailers only met their quarterly rent obligations in full in Q1 and Knight Frank predict that June’s quarterly rent day will be an even greater pinch point than March’s
“We run a small bar. After lockdown measures were announced, we contacted our landlord to let them know that our monthly rent payment would be a few weeks late as we were waiting for our small business grant to come through from the local authority. He issued us with a letter threatening winding up orders if we did not pay immediately (as he knew he was unable to evict us under the Coronavirus Act) and proposed incredibly unreasonable terms for what we would need to do if we did miss our rent day to stop him proceeding.

“We are a member of the Greater Birmingham Chambers of Commerce and contacted them to ask what we should do. They provided us with a free legal advice helpline who informed us that the landlord could not issue winding up proceedings until the rent was at least 21 days overdue. This gave us some relief that we were safe in short term but the fact that he could issue winding up orders in future does show that there are some big gaps in the legislation that unscrupulous landlords could exploit. We want to pay our rent and still be in business after all of this comes to an end, we just wish our landlord would stop making threats and take the time to understand our situation (we have no income at all coming in) and meet us in the middle.” Bar Owner

“We have an extensive portfolio of commercial and residential properties across the UK and on quarter day our rent collection was just 10% of what was due; we have since recovered the position but are still having to work with our tenants and wait for payment in many cases. Like all businesses, we have a wage bill, operational overheads and suppliers requiring payment. We also have debt with interest charges which need to be satisfied. If banks and lenders are not supportive we are not in a position to pass any respite onto our tenants.

We are all in this together and really want to help our tenants, we have nothing but sympathy for business owners facing real hardship due to lockdown measures. We want our tenants to be able to continue trading so that we don’t have multiple voids when we emerge the other side but we are also a business with creditors and costs and we are also in survival mode.

Our tenants can broadly be split into independent businesses, national chains and publically listed companies. For the independents we understand that there is genuine hardship and have been able to offer support and agree temporary new terms such as monthly rather than quarterly payments or rent deferrals.

However the national chains and publically listed companies have been exploiting the situation. Some companies are in a position to pay and are simply hiding behind the current pandemic. We had a national takeaway chain that is both receiving Government furlough support for some staff and clearly doing good business through this period write to tell us they had decided to take a multi-month rent holiday and would simply not be paying. We had another national company that posted multimillion pound pre-tax profits last year, is sitting on significant reserves and has no debt against the business tell us they would only be paying 50% of their rents for the next 6 months. What we cannot do is simply allow tenants to default on their legal obligations with no dialogue between the parties.

In some circumstances the only recourse left has been to threaten legal action and being able to do so has meant that those large companies have now paid what is due. It is regrettable that it comes down to this, but we do need those remedies to remain available so that we still have some leverage to ensure that those who can do pay. So far the threat of legal action has been enough to force payment which has proved that these parties do have the money and that they simply don’t want to satisfy their creditors.” Commercial Property Landlord
Businesses need:

- A flexible approach to ongoing support, keeping options open on further extensions to the scheme to reflect the economic reality and status of the pandemic from the autumn onwards
- A zero tolerance approach to intentional fraud, but a supportive approach to unintentional errors – for those businesses that make accidental miscalculations in their applications for, or application of, furlough
- Support for employees that missed the cut off date and were not registered on payroll before the 19th March 2020
- Clarity on how the scheme will incentivise temporary staff to return to work without losing out on their existing payments
- The Government to ensure that the scheme remains simple to understand and access, as additional cut off dates and criteria are introduced during the final phases of the scheme

“As things stand, c250 of my organisation’s casual staff (event-linked operatives) have been able to claim furlough payments to cover them since all their work with us ceased in March. They receive monthly payments based on work carried out over the past 12 months.

It is unlikely that my organisation, a concert hall, will be able to offer anything remotely approaching “regular” work this side of Christmas since there will be very few concerts. This presents these individuals, and my company, with a dilemma.

We are scheduled to host a four day event at the start of October for which a large number of these staff will be needed. However for them to commit to these four days of work means that they will have to forego their furlough payment for that month (which in most cases is likely to be a larger amount of money).

This means we will be unable to attract any of our casual staff to work for this event since it will be more lucrative for them to decline.

“We believe that any discussions calling for “part-time furloughing/unfurloughing” need to incorporate casual staff as well as permanent staff to ensure that it is in all parties’ interests for individuals to start working again.

Chief Operating Officer, Concert Venue

15% of businesses have reduced their headcount compared to the previous week

29% of businesses have experienced a fall in the number of hours worked by their staff in comparison to the previous week

89% of businesses have received payments for furloughed employees via the Job Retention Scheme
About the Greater Birmingham Chambers of Commerce

The Greater Birmingham Chambers of Commerce (GBCC) is a membership-led, business support organisation that has acted as the voice of local businesses since 1813. Today, we continue to connect, support and grow local businesses.

We are one of the largest Chambers in the country with more than 3,200 member companies covering six geographic areas across the region (Birmingham, Burton, Chase, Lichfield and Tamworth, Solihull and Sutton Coldfield) and four themed divisions (Asian Business Chamber of Commerce, Future Faces, Commonwealth Chamber of Commerce and the Transatlantic Chamber of Commerce).

We employ c.100 staff, delivering practical support for businesses. In 2019 we organised over 250 events for over 13,000 delegates, issued 33,000 export documents to businesses trading internationally and brought the latest news to over 14,000 subscribers and 90,000 social media followers five days a week.

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