

17 August 2020

The Rt Hon Boris Johnson MP

Prime Minister
10 Downing Street
London
SW1A 2AA

Dear Prime Minister,

In May I wrote to you setting out some clear recommendations for the steps needed to safely restart the economy. Almost four months later I write again to share the British Chambers of Commerce review of progress to date and to urge you to quickly take further action to support firms throughout the UK as the restart continues.

Without doubt, the Government has made some powerful and substantial interventions to protect jobs and livelihoods since the start of the crisis.

However, businesses throughout the United Kingdom continue to face the most difficult trading conditions in our post-war history. What began as an unparalleled public health crisis has now become an economic and social challenge of immense complexity. While public health must come first, the time has come for a far sharper focus on the successful restart of our economy.

Research by the Chamber Network shows that many firms, where they can open, are operating at about half of their pre-Covid capacity. One in three firms plan to make employees redundant over the next three months. And some firms still cannot open or have been forced to close again as a result of local lockdowns. Without further interventions, more good businesses will fail, and many more jobs will be lost.

Our recommendations include:

- **Test and Trace** must be immediately improved so that it is quickly available to all who need it, results are returned quickly, and positive results tracked. It is not yet giving businesses or consumers confidence that the disease can be properly managed without further crippling lockdowns.
- A far more **ambitious fiscal general stimulus** - despite the Chancellor's recent summer statement, business and consumer confidence remain weak, and there are real difficulties with reopening the supply-side of the economy. The path to October and beyond appears very challenging, as the Job Retention Scheme and CBILS and BBILS schemes close. Rapid further action is required.

- **A support package that will help locked down areas must be rolled out.** Fear of future lockdowns, whether local or national, is the single largest blockage to reopening, whilst local restrictions could create a two-tier recovery and break key supply chains. To give businesses confidence and minimise risk, support for businesses shuttered by local lockdowns in the form of grants and wage support, not additional debt, is needed.
- **Support packages for the hardest hit sectors** - many leisure providers, for example, either cannot restart properly and/or face dire financial circumstances. If they fold then the country will be significantly less healthy.
- A single, clear, **comprehensive roadmap for the remaining stages** should be published, helping businesses to plan, prepare, and, ultimately, survive.
- **Create a Grand Committee to minimise distinctions between the four nations of the United Kingdom and communicate the reasons for variations in a way that maintains confidence.** The current model is undermining business and consumer confidence and distorting business unhelpfully.

Prime Minister, a successful restart of the economy demands bolder and more ambitious action. We face a difficult winter ahead – even without a resurgence of the virus itself. If the Government wishes to avoid mass unemployment, significant levels of business failure, and long-term economic scarring in our communities, we urge you and your colleagues to act now.

As a Chamber Network, uniquely embedded and invested in our local communities, we stand ready to assist you in that.

Yours Sincerely,



Baroness Ruby McGregor-Smith CBE
President