

PIVOT POINT

INDEPENDENT BUSINESS: A SECTOR IN CRISIS

The Covid-19 pandemic and the intermittent restrictions on customer-facing businesses have had a major effect on business, reducing footfall at key times such as the run-up to Christmas and the post-New Year sales period. Independent businesses have been particularly badly hit, as they do not have the advertising or e-commerce resources, or the cash reserves, of major operators. They need support and certainty.

Independent businesses not asking for a bail-out or a free ride: but there are measures the government (both national and local) could introduce to take some of the immediate pressure off the sector and allow it to return to profitability through its own strength. All we are asking for is the space to make our businesses work, to generate turnover and provide employment. At the moment we are in the ICU, and a full return to health can only follow after emergency treatment.

We note that **more than £2 billion in government assistance to the retail sector has already been returned** by companies who have, commendably, come to the conclusion that they do not require such help. This money has gone back to the Treasury for general expenditure but could be deployed in a more targeted way to assist smaller independent businesses, keeping the whole ecosystem able to survive. We therefore propose a five-point plan:

- **Targeted financial assistance:** the money returned to the government by larger retailers (already more than £2 billion) should be placed in an Independents' Assistance Fund which can be deployed quickly and in focused ways to help independent businesses weather the storm of the pandemic.
- **Immediate review and reduction of rates:** business rates have been a long-standing point of dispute but the Covid-19 pandemic has thrown the problem into stark relief. Many businesses, from independents to chains, are simply unable to sustain current levels of rates and deploying some of the Independents' Assistance Fund to mitigate rates would provide an instant boost for struggling businesses.
- **Helping with rent arrears:** one of the most effective weapons government has to combat financial stricture is its ability to support short- and medium-term debt. We are not asking for anything for free. But if there were a government scheme which could pay rent to landlords immediately while deferring collection from tenants, this would relieve severe cashflow pressure while maintaining cash in the economy.
- **Future-proofing premises and grants:** instead of providing small parcels of money on a one-size-fits-all basis, the government should operate a scheme whereby businesses can apply for grants to put in place measures to make their premises Covid-safe. This would allow them to remain open and trading where possible, and would also provide insurance against future restrictions.

- **Improved consultation between independent businesses and government:** too often we feel that decisions affecting local businesses, such as on city centre pedestrianisation, are taken without consultation and in ignorance of the rich data which businesses can provide. There should be local forums in which representatives of business, local government, central government and other interested parties can discuss and review new policies, and local authorities must have a statutory duty to participate and reflect the outcomes.

We, as representatives of the independent sector, wholeheartedly support these proposals and urge the government to implement them quickly. Our designated spokespersons are ready to engage with the government at any time and provide any advice and guidance necessary.

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(See attached sheet for signatories.)

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