



HOUSE OF COMMONS
LONDON SW1A 0AA

Office of Nadia Whittome MP
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Alok Sharma MP
Secretary of State for Business, Energy and Industrial Strategy
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

14 April 2020

Dear Secretary of State,

I write to highlight concerns for newly incorporated, small, and medium-sized businesses regarding the effects of the Covid-19 pandemic.

I have received a high volume of correspondence from constituents who are concerned that their businesses will be either forced into liquidation, or unable to recover in the medium and/or long term. Furthermore, whilst current business support measures are welcomed, there remain clear gaps that continue to leave many industries unsupported.

Those incorporated as limited companies, rather than self-employed, are ineligible for the income support schemes currently in place, leaving them in financial difficulty where product demand has reduced due to Covid-19. Whilst they may be eligible for a Business Continuation Loan, some report being hesitant to borrow as they are unsure that they can repay the loan during a time of unprecedented economic uncertainty. Other constituents request support for newly incorporated companies to ensure their recovery from the economic impact of the virus.

Another constituent earns just over the £50,000 threshold for the Self-Employed Income Support Scheme, but still has a mortgage and utilities to pay. Those whose earnings rely mainly on commission are also inadequately supported by current measures. Whilst they may receive a nominal salary through the Job Retention Scheme, they are unable to work and therefore unable to earn commission, causing a detrimental impact on their household budgets.

A recent survey by the Road Haulage Association, and completed by over 6000 UK businesses, shows that fifty per cent of the UK's HGV fleet is not currently operating. A haulage business in my constituency is concerned that each vehicle has its own significant standing costs and the average road haulage business will have no more than two to three weeks' operating costs available to them. They write that current financial support measures are not working, loans are not available within the timeframe required and, in any event,

financial insecurity means companies do not know if loan repayments will be possible. Companies need cash injections in the form of grants and without sector specific measures, transport businesses will collapse within weeks.

Small tour operating companies in the travel industry have also lost incomes overnight. A constituent with a 34-year old company providing holidays for children, is at risk of failure due to travel restrictions. His company faces the added difficulty of having to refund customers, without itself receiving a refund from suppliers.

The events industry has been hit hard by this pandemic, requiring cancellation of events for the remainder of 2020 and this has a huge 'knock-on' effect on suppliers and supporting businesses. Without specific support for the industry, the UK faces a huge loss in events in the arts and music industries, and in turn people will be denied the experiences that they look forward to once the pandemic is over. My constituent seeks government guidance to assist in the medium and long-term planning of his business.

Dental practices in my constituency are at risk of financial difficulty as a direct result of Covid-19. Whilst the government covers the costs of NHS contracts, many practices also operate in the private sector with many only able to take NHS patients because of the private treatment that they also provide. Income covering NHS contracts alone is insufficient to sustain the practice of one of my constituents who foresees a crisis in dentistry once this pandemic is over. Dentists are often self-employed and their average salary just over the current £50k threshold. Someone with a £60K salary may receive 80% of their earnings through the Job Retention Scheme, whilst another who is self-employed earning the same amount does not receive any support under current provision. My constituent has furloughed his staff where he can, whilst also paying them an additional 20%, but is unable to access financial support for his practice other than a loan which at the time of writing required a personal guarantee.

The examples above are indicative of a widespread problem facing businesses across all sectors. I therefore ask that you consider providing additional support to small businesses, and to work with industry leaders across different sectors to install specific measures to ensure that the UK and its industry is in the strongest possible position once these extraordinary and unprecedented circumstances are at an end.

Yours sincerely,



Nadia Whittome

Member of Parliament for Nottingham East