

1st May 2020

The Rt Hon Boris Johnson MP
Prime Minister
By Email

Dear Prime Minister,

The coronavirus pandemic has been a seismic shock to the UK and global economy. It is an unprecedented situation in both scale and impact. What we now understand is that we will not be going back to “business as usual” any time soon. First, we will have to learn to live and work in a ‘new normal’ as restrictions ease but the threat of the virus remains. While it may take more time than initially imagined to fully re-open our society and economy, we must meet this challenge with ingenuity and resilience.

In my short time as President of the British Chambers of Commerce, I have been struck by the imaginative and selfless way that Chamber businesses have come together with the public and third sectors to support their communities, the NHS and each other. From switching production from beer to hand sanitiser, to sourcing and donating personal protective equipment (PPE) to local NHS Trusts, businesses have gone out of their way to contribute to the national effort to combat this virus.

Equally impressive have been the staff and volunteer directors of our Chambers of Commerce across the UK. As the ‘first responders’ of the business world, they have been working relentlessly to support businesses of all sizes and sectors within their communities and providing invaluable advice to local government and others.

In the coming days, your Government will begin to share plans to ease restrictions and move the UK out of the initial lockdown phase. The fight against the virus must remain the top priority, but the planning and communication of a carefully phased approach to lifting lockdown must begin immediately if we are to harness the public health and economic benefits, both now and in the future.

We appreciate that the Government has acted quickly to provide support to businesses through these difficult times. Beginning with the Chancellor’s budget in March, Her Majesty’s Government has acted at speed and scale to deliver cash to firms on the ground through loans, grants and the Job Retention Scheme. Government must ensure these schemes continue to evolve to support a phased restart of the economy, enabling businesses to survive through this crisis and thrive in the future. In addition, steps taken during the crisis that have helpfully simplified regulation, bureaucracy and procurement processes should be maintained.

This is a time to be bold. Government should not shy away from sustaining high levels of public spending in order to restart and renew our communities and the economy in the short and medium-term, while not tying the hands of future generations. An expansionary fiscal policy, including a commitment to transformative infrastructure investment, will be needed in order to generate the returns that will help to pay down the national debt in the longer-term.

We see the journey ahead as having three phases:

- Restart: a phased reopening of the economy
- Rebuild: building resilience for firms and households
- Renew: returning to prosperity and growth

The ideas we will present draw on the experience of Chamber business communities throughout the UK and around the world – including those in countries that are easing their lockdowns and have supported members through other, major natural disasters.

We plan to share some principles for each of these three phases over the coming weeks, beginning today with “Restart”. We commit to working with you and your colleagues across Government on exploring these phases in detail as we plan our path forward. We owe nothing less to our businesses, and the communities and people they support, who have been battered by this storm.

Fundamental prerequisites to beginning this journey include mass testing and contact tracing; clear decisions and guidance on what PPE is needed in workplaces; and proactive steps to ensure adequate supply of PPE to both the health service and to businesses where necessary.

And it is essential that the leaders across the United Kingdom come together with a coordinated approach – including consistent guidance across all regions and nations - and pay close attention to the interdependencies between private and public sector, and within supply chains. For example, economic impact must be a consideration when deciding how to phase the reopening of schools.

The UK is an open economy. Global perceptions of our restart strategy - and our ability to reopen transport and trade links - are critical. Our strategy must be clearly communicated to international partners and give them confidence to resume cross-border travel and commerce.

These are challenging times, but Chamber businesses stand ready to work with your government – and support our communities – through the journey ahead.

Yours sincerely



Baroness Ruby McGregor-Smith CBE
President

RESTART: a phased reopening of the economy

Public health must be at the heart of plans to reopen the economy, with decisions driven by the latest medical and scientific evidence on how to keep people safe as we learn to live and work under the ongoing threat of coronavirus. We understand that the relationship between public health, personal well-being and livelihoods is complex. Our network draws on the experience of Chambers across the globe. Some of our business communities have direct experience of the lifting of COVID-19 restrictions. Others have past exposure to major natural disasters from which they have had to recover.

Re-opening the economy in phases must account for the links between firms and the services they need to operate. Transport, schools, childcare and many more. As the scope of permitted activities increases, so will the complexity of the rules. Contact tracing and quarantines, though essential pre-requisites to any restart programme, may add further uncertainty into business resource planning.

Firms will act in the best interests of their people and their customers. But to do this, they will need absolute clarity on their responsibilities and liabilities for this period and an understanding of plans for the reopening of schools and safe use of public transport. Any divergence in guidance between nations or regions of the United Kingdom will confuse businesses and their employees, disadvantage some, and must be minimised. Businesses need reassurance from government about the safety of public spaces and public transport. None will want to put their employees, customers or suppliers at risk. Asking firms themselves to judge what is 'safe' will not result in a speedy or successful restart of the economy.

To meet social distancing requirements, some commercial and industrial spaces will operate below capacity and customers may not return immediately for fear of contracting the virus or due to reduced income. Businesses welcome the government's cash support for wages and jobs, and the refreshed loan schemes. But to safeguard livelihoods, these schemes must extend and adapt through this period. Steps must be taken to incentivise consumer behaviour. And monetary and fiscal policy must remain supportive for the foreseeable future.

Safely re-open public spaces and restore services (including schools and public transport)

- Interim measures to ensure appropriate social distancing and personal protections in all public spaces and on public transport
- Consider the economic impact of each option for phased reopening of schools
- Communicate capacity constraints on public transport as early as possible to allow firms to plan and adapt working patterns
- Run a public information campaign to ensure public understand safety steps being taken in businesses and elsewhere to build confidence among employees and consumers
- Ensure police forces UK-wide apply enforcement powers in line with latest guidance

Safely re-open workplaces and commercial spaces

- Ensure quick and comprehensive regime of testing and contact tracing to minimise risk of second wave of infections and give employees and customers confidence to emerge from lockdown
- Publish official guidance for all UK businesses on bringing staff back to work and reopening premises, including:
 - Which types of firms can re-open, when, why and under what conditions?
 - When different groups of employees can return to the workplace
 - Availability and prioritisation of testing
 - Employer liability in event of coronavirus-related illness or death
 - Insurance cover for firms which restart
 - When deferred tax payments, such as VAT, will be due
- Coordinate with devolved administrations to ensure consistent guidance across the regions and nations of the United Kingdom
- Extend regulatory forbearance during the 'transition to a new normal', and maintain simplified versions of compliance and procurement rules
- Clarity of PPE requirements in different settings and proactive efforts to ensure adequate supply where necessary
- Coordination across regions and nations to ensure consistent guidance

Minimise job losses and business failures

- Extend and adapt loan, grant, business rates holiday and job retention schemes aligned to the phasing of the restart – e.g. ensure support available for longer for firms that remain shut or have restricted capacity to deliver their products or services.
- Support and incentivise investment in adaptations to workplaces, including support for increasing productivity of remote working
- Initiate a UK Business Recovery Fund for support providers ensuring 'on the ground' support to help businesses navigate uncertainty and change
- Maintain capacity and flexibility in the FE sector to enable people to continue training, and quickly upskill and reskill for new roles
- Maintain supportive monetary policy framework from the Bank of England, including historically low interest rates

Rebuild supply chains and customer bases

- State-backed trade credit reinsurance scheme to protect supply chains and help firms trade effectively both at home and abroad. Expansion of UKEF capabilities to help maintain access to working capital, insurance and reduce payment risk
- Postponed VAT accounting for all imports beginning now, not after the end of the Brexit transition

Enable an effective reopening of the UK economy

- A two-year moratorium on all policy measures that increase business costs (excluding evidence-based changes to National Living Wage)
- Two-year extension to the £1 million annual investment allowance
- A tax credit to support the activity firms need to undertake to restart
- Follow through and accelerate planned infrastructure projects – including in Superfast Broadband and 5G