

Rt Hon Rishi Sunak MP Chancellor of the Exchequer HM Treasury CEU.Enquiries@hmtreasury.gov.uk

08 August 2020

Dear Chancellor

I am writing following my previous letter of 16 July to ask that you reconsider the blanket phase-out of the furlough scheme, and instead retain the scheme for those sectors hit hardest by the pandemic that either must remain closed or are unable to trade fully due to restrictions or social distancing measures.

The hair and beauty sector is one such industry in need of urgent financial aid to support those individuals and business whose future looks increasingly bleak without immediate support. Warnings from Members suggest that a failure to support businesses adequately in the aftermath of COVID-19 will result in the loss of many of these businesses. As a 7.5 billion turnover industry employing more than a quarter of a million people across more than 40,000 businesses these warnings cannot be dismissed.

Changes to the Job Retention Scheme on 1 August will already be having a huge impact on employers with greatly reduced earnings to top up wages, National Insurance and pension contributions due to social distancing measures and the implementation of close contact service guidelines. The beauty sector is currently being hugely impacted in particular as it still faces reopening restrictions, with many not yet trading.

Urgent assistance is also needed for the self-employed in the beauty industry, who currently account for 57% of the sector. Whilst some may be able to continue operating with a reduced selection of treatments and services, others (e.g. make-up artists, eyelash and eyebrow technicians) that solely operate businesses offering treatments and services that remain prohibited, are in desperate need of further financial support.

I would therefore ask that you consider a specific extension to the furlough scheme and the Self-Employment Income Support Scheme until 1 January 2021 for those businesses and self-employed individuals that cannot reopen or who can only offer greatly reduced services.

Alternatively, an immediate one off hardship grant for those employed or self-employed individuals who are prohibited from operating is essential.

The NHBF believes that the government's priority must be to preserve economic capacity, support businesses to remain open and keep people employed. As a representative for many thousands of industry professionals I would therefore appreciate the opportunity to discuss how this may best be achieved in order to save an often dismissed sector that is such a lifeline to so many. I can be reached at Victoria.Brownlie@nhbf.co.uk should you or a member of your team wish to schedule a convenient time.

Yours sincerely

Victoria Brownlie

Director of Policy and Public Affairs National Hair & Beauty Federation