



Supporting the hair, beauty
and barbering industries



Annual Report 2020



2020 - A year like no other

2020 began much as expected. Membership renewals were a little better than usual. The new website went live and work began to develop an NHBF app. NHBF Rewards, a new service offering discounts on a wide range of shopping and services, launched in January. Plans for a programme of events, including the new *salonfocus* events in London and Birmingham, were already in train. The new director of policy and public affairs began a programme of political engagement following the December 2019 General Election, seeking to build contacts amongst Ministers in the new Government and backbench MPs.

Three months later, everything had changed, and the NHBF, along with everyone else, was in uncharted territory.

Communication

Official advice on the closure of salons and barbershops was confusing in the weeks running up to the first lockdown announcement. We worked hard to gain clarity from the relevant government offices. It quickly became apparent that joined up messaging was required across all communications channels - Membership Helpline, social media, website and press enquiries - so we created a COVID Crisis Team with our external PR agency.

And then lockdown was implemented. Amidst all the noise, we decided not to speculate, only to report and advise on fact. Understanding that people would be feeling the pressure of worrying about losing their businesses, we recognised that it was imperative that we ensured that information was published and made widely available as quickly as possible, without compromising accuracy for speed. This proved to be one of the most important factors in our response. Where other organisations went public with information that subsequently had to be amended, we often held back until we had clarified any ambiguities through our increasingly close contacts within the UK government and the devolved nations.

Social media

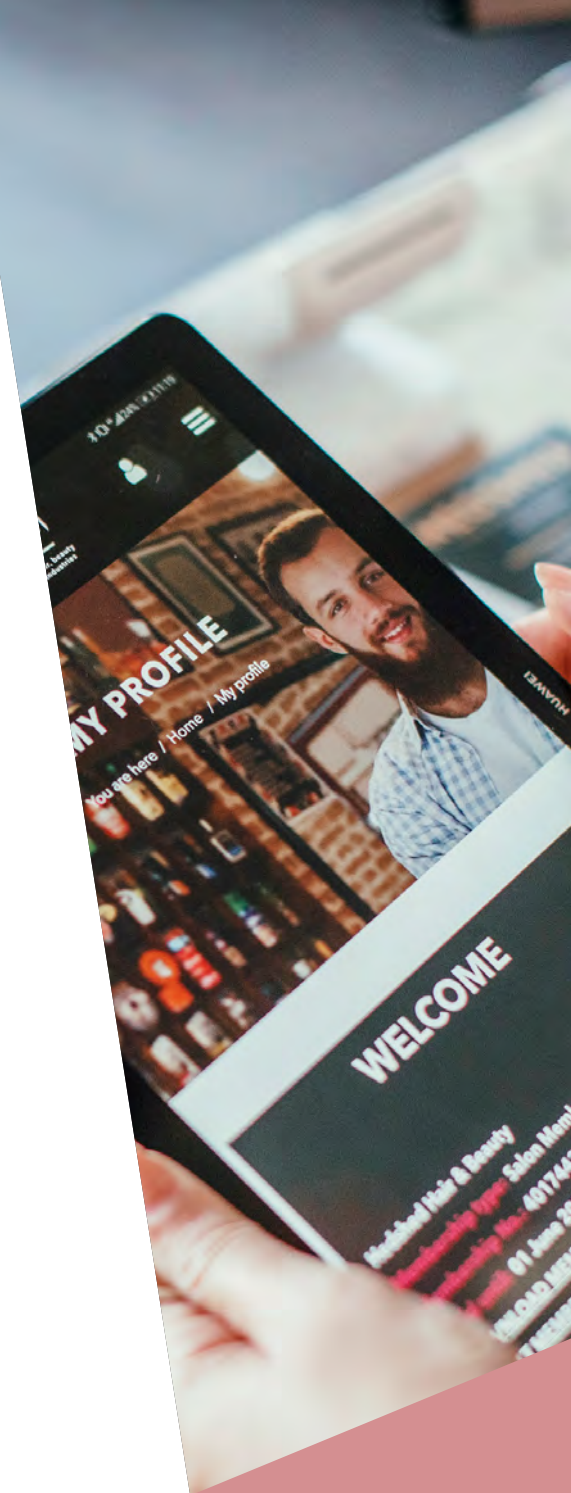
Every government announcement affecting the hair and beauty sector, from financial support to the nation’s well-being, resulted in a flurry of Member, non-member and media enquiries. Social media became inundated by questions, too many to answer individually, so we created dedicated FAQs on our website with relevant links to financial support applications and government guidelines. Indeed, during the year, our social channels proved to be the most important media for delivering information to both our Members and the wider industry. Posts were carefully written to be unambiguous and designed to be eye-catching. The result was an explosion in the number of followers and growth in our presence and profile which drew more new recruits towards us. By the summer, social media was our main channel of communication and route to membership.

NHBF social media followers:

	DEC 2019	DEC 2020
Twitter	12,001	13,192
Facebook	14,638	90,208
Instagram	5,014	79,485
LinkedIn	745	990

Website traffic, much of it driven by social media, also increased dramatically:

	TRAFFIC		
	DEC 2019	DEC 2020	+/-%
Sessions	14,222	59,961	+321.61%
Users	11,371	46,799	+311.56%
Pageviews	36,370	143,346	+294.13%
Avg. Visit	00:02:07	00:01:34	-25.87%
Duration			
New Visits	83.2%	75.5%	-7.7%



Government relations

It quickly became clear that the Government had very little understanding of the hair and beauty sector, whether in terms of how it worked, the number of people employed or its value to the economy. In the early stages of lockdown, this meant that the guidance offered to the sector was often unclear. There was concern throughout that the financial support offered was not adequate and that those such as the recently self-employed or who paid themselves through dividends as directors were not eligible.

Perhaps the most egregious example was the decision to re-open the beauty sector a month later than hair salons and barbershops. To add insult to this injury, when this was raised with the Prime Minister in Parliament, it prompted the series of inappropriate bantering exchanges, which sparked the [#nolaughingmatter](#) social media campaign.

STRENGTHENING CONTACTS

Chief executive Hilary Hall, director of policy & public affairs Victoria Brownlie and director of qualifications & standards Caroline Larissey together worked to rectify this by strengthening the NHBF's contacts within the Department for Business, Energy and Industrial Strategy (BEIS), as well as their equivalents in each of the devolved administrations in Scotland, Wales and Northern Ireland.

The relationships with the devolved administrations became all the more important as each country within the UK began to take its own path towards easing and then re-imposing restrictions.

The improved relationships enabled the NHBF to ensure that the governments were better informed and understood the implications of their decisions or the recommendations in their guidance. This influenced the guidelines for safe re-opening and the later decisions not to split hair and beauty when re-opening after the later lockdowns. As we proved ourselves a trustworthy and reliable partner, we were able to gain improved access to a wider range of government departments.

We took every opportunity we could to make our case and build our influence, whether through submissions to the Treasury's fundamental review of business rates, written evidence to the House of Commons Communities and Local Government select committee on supporting the high street through COVID or Victoria giving oral evidence to the Women and Equalities Committee's inquiry into the gendered economic impact of coronavirus.





RESEARCH

Our lobbying was strengthened by the evidence drawn from research. We augmented our regular industry statistics report with a quarterly state of the industry survey from August, intended to provide a more up to date picture of the impact of the lockdowns and the Government response on the sector. Towards the end of the year, we commissioned a detailed economic analysis to support the case for a reduction in the rate of VAT.

CROSS-SECTOR ALLIANCES

The NHBF worked more and more closely with the British Beauty Council, the British Association of Beauty Therapy and Cosmetology and the UK Spa Association as an informal coalition, presenting a united voice to represent the sector. Similarly, the Beauty Industry Group (BIG), chaired by Caroline Larissey, brought together all the main beauty organisations and co-ordinated a “Key Industry Asks to Government” document. We also worked with the Independent Retail Consortium.

The All-Party Parliamentary Group on Beauty Aesthetics and Wellbeing also proved an effective ally, with the co-chairs, Carolyn Harris MP and Judith Cummins MP, taking an active role in highlighting the sector’s issues in Parliament and with Government.

EDUCATION AND SKILLS

Caroline worked closely to support the COVID-19 task group formed by the Education and Skills Funding Agency (ESFA), Institute for Apprenticeships and Technical Education (IfATE) and Ofqual. We took part in both IfATE and Department for Education (DfE) research projects looking at COVID-19 challenges.

We also provided technical advice to both Ofqual and the Scottish Qualifications Authority (SQA) regarding the adaptations and mitigations needed to maintain End-Point Assessments for National and Scottish Vocational Qualifications. A joint statement was agreed between all the industry organisations, outlining the need to maintain competency “job ready” levels within qualifications and to ensure that any changes made by the awarding organisations were open and transparent.

Events

All physical events for 2020 were either cancelled or postponed to 2021. President Ian Egerton hosted the NHBF Community Awards as an Instagram Live on 6 May.



Membership

2020 was an extraordinary year for recruitment, which ended with an overall gain of 1,432 members against an original target of 100. During the months of May, June and July, there was an unprecedented spike in recruitment, with 1,624 Members joining in these three months alone. This followed the loss of 214 Members in May, most of whom cancelled their direct debits. Many subsequently re-joined. We ended the year with 6,828 Members.

The number of solo members (salon owners with no employees or self-employed chair or space renters) more than doubled from 423 to 1,029.

The Board agreed to a two-month payment holiday covering April and May, which eventually cost £164,000 in foregone subscriptions. It also agreed to a freeze in subscription rates for 2021.

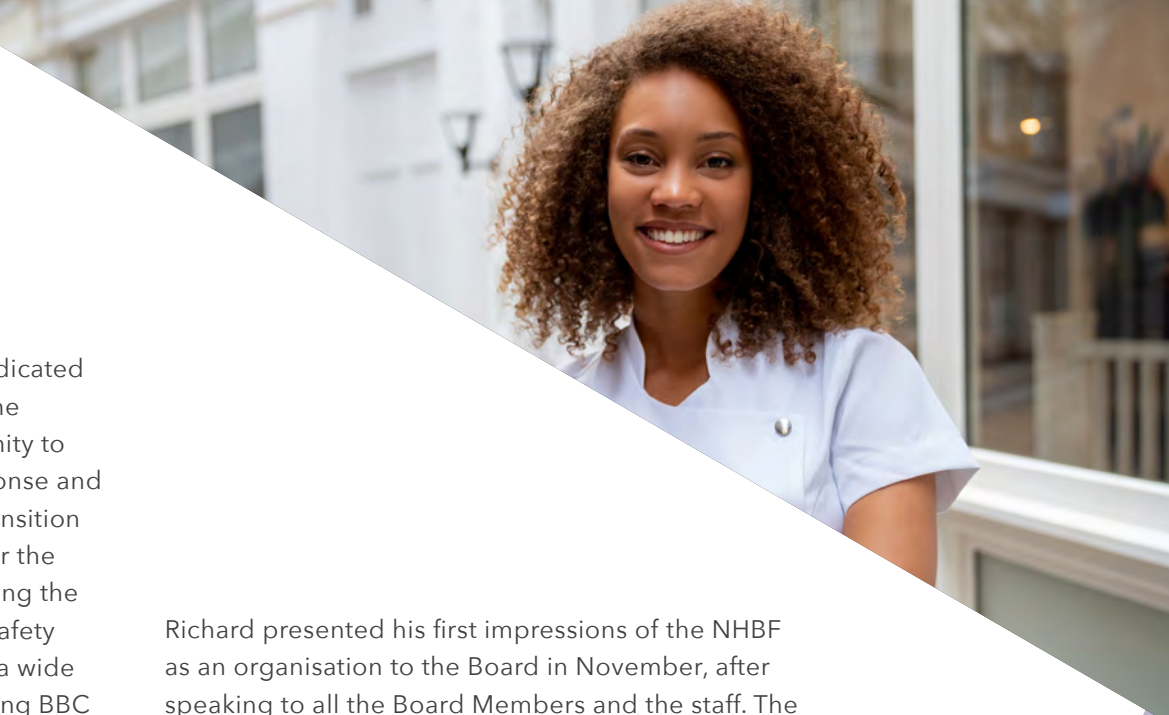
Staff

The challenge of responding to our Members' need for accurate, up to date information and practical guidance demanded that the NHBF team respond with greater speed and agility than had been required before, while adapting the changed working methods and individual pressures came with remote working. Each member of the team received a bonus of £500 in recognition of their work over this time.

STAFF CHANGES

- Fiona Clements, office administrator, left in August.
- Lucy Watson-Smith joined as interim director of marketing in December to cover Tori Priestley's maternity leave in 2021.
- Vivian Lau joined as digital marketing executive in October, bringing much needed digital skills to support our growing social media activity.





Chief executive

At the beginning of the year, Hilary Hall had indicated that she wished to retire by the end of 2020. The COVID crisis meant that she had little opportunity to scale back as she oversaw the immediate response and held the team together through the difficult transition to working remotely. Hilary was more than ever the public face of the NHBF through the year, making the case for re-opening, public confidence in the safety of the sector and vital financial support across a wide range of national and broadcast media, including BBC Breakfast, ITV News, Sky News, Radio 5Live and Talk Radio, as well as the trade press. She also undertook an extraordinary number of online presentations for the main trade press, industry suppliers and other organisations, as well as our own Members.

Hilary was able to step down at the end of September, following the appointment of Richard Lambert as her successor. The Board was keen to find a candidate who would build on the progress the NHBF had made under Hilary's leadership and who could realise the potential that had been shown in response to COVID. Richard combines considerable experience as a chief executive of membership organisations, having previously managed the British Woodworking Federation and the National Landlords Association, with a track record of influencing government and public policy decisions.

Richard presented his first impressions of the NHBF as an organisation to the Board in November, after speaking to all the Board Members and the staff. The main findings were that the NHBF needed to:

- Undertake a fundamental review of its strategic positioning, based on an understanding of how the sector would evolve in the next 3-5 years.
- Review how it communicated to Members, acknowledging that many in the industry were neurodiverse and communications needed to be appropriate to the Members.
- Rethink the approach to events, which consistently lost money and would continue to be affected by COVID restrictions.
- Consider how to create a stronger sense of community amongst the Members.
- Develop the staff team and ensure better internal communication.
- Conduct a governance review.



THE NHBF BOARD (FROM SEPTEMBER 2020)

Ian Egerton
NHBF president

Mandy Lodge-Stewart
NHBF vice president

Adrian Ball
South west region

Lisa Cathcart
North west region

Mark Coray
Wales

Joe Cownley
Central England region

Kevin Huggins
Eastern counties region

Susan Hall
North east region

Marc McCune
Scotland

Tom Robinson
East Midlands region

Carolyn Sweeney
Southern region

Stephanie Stevenson
Co-opted

Steven Scarr stepped down from his position as Vice-President and from the Board. Immediate past president Agnes Leonard and Eileen Clough retired after completing their terms.

Ring out the old, ring in the new?

The year ended with the country plunged back into its third lockdown and the sector, having been closed for at least 140 days in 2020 (more in some areas), shut down once again, this time with no sense of when it might re-open. Many feared that the cumulative effect of the past year would mean they never would. The NHBF began a desperate lobbying campaign for additional financial support, highlighting the challenge of meeting the cost of simply keeping the premises in place in the hope of being able to return.

There was one small ray of light in that dark moment. The Fellowship for Creative Hairdressing presented the NHBF with its first ever President's Award, instituted "to celebrate individuals who are making a difference in real ways". The NHBF was nominated "for its communication in these unsettling times ... they kept us in the loop and feeling secure". Announcing the award, the Fellowship's Chancellor Ashleigh Hodges said, "I can't think of a more deserving winner".



Financials 1

National Hair & Beauty Federation Limited **Summarised Income and Expenditure Account** for the year ended 31 December 2020

	2020	2019		2020	2019
Income	£	£		£	£
Members fees	1,364,963	1,343,107	Operating surplus for the year	158,368	88,688
Commissions	111,395	105,006	Realised (losses) on listed investments	(99,794)	738
Sales to members	27,412	25,409	Corporation tax	-	-
Competition and event income	2,752	34,017	Total recognised gains relating to the year	-	738
Magazine advertising and sponsorship income	27,472	41,841	Re-analysis of unpaid share capital from previous years	-	5,387
Investment income and interest receivable	72,219	90,553	Unrealised gains on listed investments	127,968	347,647
Other income	32,035	28,501	Net movement in funds	186,542	442,460
Total income	1,638,248	1,668,434	Issue of shares	1,432	9
Expenditure			Balance brought forward at 1 January 2020	3,839,971	3,397,502
Direct membership services	295,081	240,417	Balance carried forward at 31 December 2020	4,027,945	3,839,971
Meeting costs	11,168	56,729			
Affiliation fees and subscriptions	12,878	12,017			
Competition and event costs	24,994	120,790			
Publicity and promotional costs	225,753	305,242			
Honoraria	8,787	8,615			
Staff costs	651,875	567,847			
Premises and office equipment costs	120,685	132,754			
Administration costs	106,185	124,668			
Irrecoverable VAT	22,474	10,667			
Insurance premium tax	-	-			
Total expenditure	1,479,880	1,579,746			
Surplus for the year before exceptional items	158,368	88,688			

The Income and Expenditure Account and Balance Sheet have been extracted from the audited financial statements for the year ended 31 December 2020, which will be presented to the AGM for approval on 14 November 2021. For a copy of the full Financial Statements please visit www.nhbf.co.uk or contact us on **01234 831965**.

Financials 2

National Hair & Beauty Federation Limited **Summarised Financial Position** for the year ended 31 December 2020

	2020 £	2019 £
Fixed assets		
Intangible assets	23,213	7,845
Tangible assets	339,241	331,739
Investments	3,678,794	3,397,838
	4,041,248	3,737,422
Current assets		
Debtors	122,558	117,342
Short term bank deposits and cash at bank	450,310	344,877
	572,868	462,219
Creditors		
Amounts falling due within one year	(586,171)	(359,670)
Net current assets	(13,303)	102,549
Total net assets	4,027,945	3,839,971
Represented by: Capital, funds and reserves		
Capital, funds and reserves		
Share capital	6,828	5,396
Income & expenditure account	2,914,192	2,822,171
Designated funds		
Revaluation fund	744,471	672,820
Tangible and intangible fixed assets fund	362,454	339,584
Regions and networking groups fund	-	-
Total capital, funds & reserves	4,027,945	3,839,971

Report of the Auditor

The auditor's report on the full accounts for the year ended 31 December 2020 was unqualified.

Streets Auditors LLP
Statutory Auditor, Chartered Accountants
Wyboston, Bedfordshire

Date: 18 March 2021



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