

UK Spa Association
2 Beverley Court,
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TW11 8ST

Date: 8th May 2020

Dear Chancellor,

As Chair of the UK Spa Association and a small business owner I am writing to you today to voice firstly our appreciation for the financial assistance given to business so far during the current pandemic which as you will appreciate has had a devastating effect on our industry which relies so much on face to face contact with our customers. Without this help our members and the wider spa and wellness industry would be facing ruin.

We recognise that spa and wellness services are vital to our local communities and will be key post the Covid-19 pandemic to support the physical, emotional and mental health of our nation. However, we are concerned that in some respects our industry is in danger of being sidelined in terms of this recognition, and yet we will be more essential than ever in our contribution to the country's recovery from the effects of Covid-19.

Indeed, the focus for spa and wellness businesses is to educate and lead in terms of better lifestyles, alleviating physical ailments, promoting better nutrition, coping with stress etc. We welcome the enlightenment being shown by the wider health service in raising awareness of our services as alternatives to traditional medical interventions. In this respect we feel we are developing a partnership with the NHS in terms of preventative healthcare by promoting responsible self-care.

For all these reasons we cannot allow the wellness facilities at the heart of so many of our communities to disappear as is likely without further financial support and clarity from government on the timetable to and conditions around the post-lockdown environment.

As part of the wider UK hair and beauty sector, our contribution to the UK economy is estimated to be £6.6 billion and we provide employment to well over 337,000 people which equates to at least 8% of the total value generated by the retail sector, (EIA Report, commissioned by the Hair & Barber Council in conjunction with BABTAC (British Association of Beauty Therapy and Cosmetology 2019).

You will be aware that our industry has and will continue to provide a well-trodden path into self-employment and business start-up for many, many people. Tackling wellbeing and supporting mental health, our spas provide a safe haven for our communities, employment for our skilled expert workforce and pathways into more meaningful work and lifestyles for those who seek this particularly in more deprived communities.

Yesterday, 7th May, we presented to the Beauty, Aesthetics and Wellbeing All Party-Parliamentary Group, our latest industry survey that 92.4% of participants state a severe or significant impact on their business, with almost a third anticipating the need to make redundancies once re-opened without the correct financial support measures in place.

78.2% of participants believe that facemasks should be worn when they re-open, but with the sector having donated the majority of their PPE equipment to the NHS over the last

month, 56.9 % are concerned about the cost and sourcing of additional PPE should it now be required.

If spa and wellness facilities are not supported to survive through this crisis in what are already challenging times, the impact could be catastrophic, resulting in extreme hardship and probable closure of many small and medium size enterprises within the industry. It will be difficult to restore this vital health and wellbeing infrastructure once the crisis is over if we do not provide the necessary financial support and guidance now.

The actions we would welcome from government in financial support of our industry are:

- Extension of the Coronavirus job retention scheme until October, and for as long as necessary, to ensure businesses have continued support as social distancing measures progress.
- Allow at least 45 days notice before the coronavirus job retention scheme closes to allow business to make staffing decisions with confidence and protect our skilled workforce.
- Agreement of a partial furlough job retention salary support scheme for the spa and wellness sector while social distancing rules apply, providing up to 50% cover for salaries, up to a maximum of £1250 per month.
- Reduced VAT on beauty and spa services to 10%
- Rental rate relief up to the resumption of business
- Improve the CBIL access to protect businesses “falling through the cracks”
- Review of self employment grant scheme to safeguard those “falling through the cracks”
- Provision of financial resource to local authorities to support their spa and wellness business through to the reopening of facilities and services allowing local authority support – interest free loans or grants to struggling operators

In closing we would reiterate our industry’s thanks for the government and your office’s support so far and we look forward to contributing to our nation’s recovery from the pandemic. But to be able to do this we need to survive now in order to help the country thrive in the future. Please help us to be there to do this.

Yours faithfully,

Adam Chatterley
Chair, UK Spa Association