



The Impact of Coronavirus on Businesses and Workers: A Pub Landlady attends the Select Committee Hearing

18 March 2020

By Dr Liz Hind

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Labour Business is the business membership group affiliated to the Labour Party. Its members are Labour Party members in businesses – small, medium and large – up and down the country.

On Tuesday I attended the BEIS Select Committee on the impact of COVID-19 on businesses. As a pub landlady, the misinformation and rumour has been upsetting to me, my staff and my customers. A pub is not just a business, it is a community. I wanted to hear unequivocally what support measures are being suggested and cut through the rumour. I was in broad agreement with the measures suggested by witnesses invited from the FSB, the CBI and the TUC, but disappointed that direct evidence from people at the forefront of the crisis, like me, was being filtered through people who are not about to see their livelihoods crash.

On Monday night, the Prime Minister completely dodged any responsibility of making the hard choices. He called businesses like mine unsafe places to visit, but did not tell us to close, or offer us any support during these difficult times. It was the worst of all positions to take. It puts the responsibility to act on business owners, who are struggling and who are looking to still be able to support their staff.

The worst thing that could happen in this crisis is for large numbers of usually hourly paid staff to be made redundant. We need urgent action to ensure that staff stay in place. Universal Credit is a system that does not provide adequate support at the best of times. At the moment many offices are closing down. We cannot afford this. We could bail out the banks, now is the time to stand by our businesses and their staff. This avoids a massive economic hit, people being made homeless and going without funding during any forced closures. We must also plan for recovery. This is temporary and I would like to be able to welcome back the excellent staff I have grown to consider friends once I am allowed to open again.

Business advice is patchy. Advice for the self-employed is even more sparse. Many advice services require some form of membership. Many self-employed people and small business owners are not represented by a union. For the last few weeks, we have relied on rumours and unconfirmed sources. This cannot continue. Labour called for a business support agency at the last election. This crisis shows why that is a necessity. In the meantime, organisations like the FSB and the British Institute of Innkeeping must get clear information and advice from the government to pass on that advice to business owners, whether they are members or not. The rules on sick pay and pay for casual staff and the self-employed is changing on a daily basis. Small business owners will be running their own payroll. We cannot be expected to keep up with developments. We need a human being on the end of the phone to tell us how to access the support. We don't have time for bureaucracy, we can't trawl through government websites ourselves.



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There is much that we need to get quick answers on. Today there have been rumours that if the government was to force me to close then I could claim insurance. However, a statement from the Association of British Insurers read out to the Select Committee made it clear that it would be unusual for businesses to be covered even in the event of forced closure. The rumour that insurance will save us still persists. We must make sure that advice is based on fact. The Chancellor must take responsibility and ensure that every piece of advice is fact checked.

We have heard warm words on support and loans available through banks. This support is not being felt on the ground. At branch level there is confusion and off-putting bureaucracy. Many small businesses and self-employed people are nervous about loan schemes. We do not know what the impact will be of this crisis. We need income protection to ensure that we can continue to pay the rent and it must be offered in a way that fits the culture of the self-employed and small business.

Other countries such as France, Germany, Norway, Sweden and Denmark have announced measures to cover the majority of salaries so that there is not mass unemployment. The UK must keep up and announce similar measures. This needs to happen urgently. It is normal for a lot of hospitality staff to be paid on a weekly basis. Decisions about their future must be made this week.

The Chancellor's statement on Tuesday was long on promises, short on practicalities - a bigger pot of money for the headlines, but still no idea how to claim it. How can small businesses in the retail, hospitality and leisure sectors access the additional cash grant of up to £25,000 per business he promised, and when? Where will the loans he promised be available, and how will the government guarantee them? Answers came there none.

I've had an assurance that my brewery landlord won't collect the rent now, but it seems that it will have to be paid even though I have no customers. I've contacted my trade organisation, the British Institute of Innkeeping, but they seem to have less information than I do. I still have no idea if the wages of my staff will be covered as they are being in other countries. There are still no assurances for my staff who are all renting that they won't get evicted. As I write this in the evening, I'm paying a member of staff to watch an empty business.

Our hospitality industry is not just an employer. A pub is a community that offers friendship and support. On Sunday night, I had a pint with a man I noticed who was sat by himself in my pub. It was the first time he had been out since losing his wife. I noticed him, I made him laugh. With the over 70s forced into isolation, people like this will not have the support that businesses like mine provide. We are heading into a crisis for mental health support. I will do all I can through my business to keep in touch with the community, I have already delivered food to people who have self-isolated. We can't expect businesses to repurpose overnight. There are regulatory and licencing implications. If we are to offer crisis support, then we too need support and guidance on best practice.