

# Support for small and medium-sized enterprises in the hair and beauty during local lockdowns

Y Pwyllgor Deisebau | 17 Tachwedd 2020  
Petitions Committee | 17 November 2020

Reference: RS20/14409-3

**Petition Number:** P-05-1042

**Petition title:** Support SMEs in hair and beauty industry during local lockdowns

**Text of petition:** We SMEs are heavily impacted by local lockdowns.

By preventing clients from entering a contained and sanitary space (covid compliant as per Welsh Gov guidelines) you are hindering our client bases from visiting.

This has a detrimental effect on our businesses which if continued will be catastrophic.

We in the hair and beauty industry are safe

We check temperatures.

We adhere to full PPE.

We ensure a one in one out appointment system.

Despite this local lockdowns are reducing our client bases up to 80%.

We still have full utilities, salaries and rents to pay.

We are allowed to enter a clients home in a lockdown area which is not safe according to PHW but they are not allowed to enter our salons.

We need the Welsh Government to recognise us as a safe and regulated industry.



We have as an industry worked hard to ensure our salons are safe, compliant, sanitary and safe for the public to enter.

## 1. Background

During the local lockdowns, the Welsh Government allowed hair and beauty salons to remain open, although customers were advised to only attend them within their local authority area. As an example of this, the [Frequently Asked Questions](#) document for the Caerphilly local authority stated that:

**Are hairdressers, beauty salons and other close contact services still allowed to be open?**

Yes, although you should only attend these within the area. You will need to wear a face covering.

Subsequently, hair and beauty businesses were among those required to close during the firebreak lockdown under [The Health Protection \(Coronavirus Restrictions\) \(No. 3\) \(Wales\) Regulations 2020](#).

From 9 November they will be able to reopen, and this is the case for both salons and mobile hairdressers and beauticians. As with previous reopening, this will be subject to businesses taking [all reasonable measures](#) to minimise the risk of exposure to coronavirus. Also as previously, there is strong public health advice against undertaking some form of treatments due to close facial contact, and the Welsh Government advises that they should not take place unless appropriate training has been undertaken and suitable protective equipment can be worn.

The National Hair and Beauty Federation (NHBF), which is the trade body for the hair and beauty sector, [wrote to](#) the Minister for Economy, Transport and North Wales on 30 September. In the letter the NHBF set out the issues facing the sector in Wales as a result of the pandemic:

- Almost three in four salons and barbershops report business as down compared to the same period last year (73%).

- Two thirds expect business to remain slow based on their forthcoming bookings for the next three months with 29% genuinely worried about how little business they have coming up.
- Over a third do not know if their business will survive until Christmas (36%).
- Whilst not many have yet made redundancies, almost one in four expect to cut staff in the next three months with 43% unable to guarantee job security.
- Staff hours have had to be reduced to mitigate current business levels (39% across hair and beauty rising to almost half (46%) of beauty businesses).

## 2. Welsh Government action

The Minister for Economy, Transport and North Wales wrote to the Committee on 26 October regarding the petition. In his letter he highlights the £300 million funding made available by the Welsh Government, of which £200 million was to support businesses affected by the firebreak lockdown and previous local lockdown measures, and £100 million for business development grants.

The Welsh Government established the **Lockdown Business Fund** for businesses affected by local lockdowns and the firebreak lockdown. This provides support to a range of businesses, including those from the hair and beauty sector.

The **Lockdown Non Domestic Rate Grant** consists of two grants that are payable to businesses with premises for which they are liable for business rates.

- **Retail, hospitality and leisure businesses with a rateable value of £12,001 to £51,000** who were **legally required** to close for the firebreak lockdown are eligible for a grant of £5,000.
- **Businesses who are eligible for Small Business Rate Relief, charitable relief or Community Amateur Sports Club relief with a rateable value of up to £12,000** will be eligible for a grant of £1,000. They will also be entitled to a further grant of £1,000 if they were subject to local lockdown restrictions for 3 or more weeks prior to 23 October, and have seen a reduction in turnover of this period of at least 50%. In addition, these businesses will be eligible for a grant of £2,000 if they were legally required to close for the firebreak lockdown under the coronavirus regulations.

The **Lockdown Discretionary Grant** has two separate elements, and is for businesses with fewer than 50 employees that do not qualify for the grants provided to businesses who are liable for business rates. People who receive this grant cannot receive the one for businesses who are liable for business rates, and vice versa.

- Businesses who have **either been legally required to close for the firebreak lockdown under the coronavirus regulations or can demonstrate that the firebreak lockdown will reduce their turnover by at least 80% over this period** can apply for a grant of £1,500.
- **Businesses who meet the above criteria, and have also been subject to local lockdown restrictions for 3 or more weeks prior to 23 October and seen a reduction in turnover over this period of at least 50%**, will be able to apply for a grant of £2,000.

In addition, the Welsh Government provided £100 million for **business development grants to support firms to transition to the future economy**, although access to these grants is currently suspended while the Welsh Government processes applications received.

- **Micro businesses (employing between 1 and 9 people) were able to apply for up to £10,000. Tourism and hospitality businesses, and those in sectors legally required to close during the firebreak lockdown (such as hair and beauty) were able to receive 100% grant funding.** Businesses in other sectors need to match grant funding received with their own investment of at least 10%.
- **SMEs (employing between 10 and 249 people) were able to apply for up to £150,000. Tourism and hospitality businesses, and those in sectors legally required to close during the firebreak lockdown (such as hair and beauty) were able to receive 100% grant funding.** Businesses in other sectors need to match grant funding received with their own investment of at least 10% for small businesses (1 to 49 staff) and 20% for medium sized (50 to 249) businesses.
- **Large businesses (employing 250+ people) were able to apply for up to £200,000 on the condition they match this with their own investment of at least 50%.**

The Minister's letter to the Committee also refers to the UK Government's support measures. Since then, the Coronavirus Job Retention Scheme (furlough) has been extended until 31 March 2021, and the amount of support available through the Self-Employment Income Support Scheme has increased.

### 3. Welsh Parliament action

The Senedd's Economy, Infrastructure and Skills Committee took oral evidence from the NHBF on 7 October, as part of its inquiry into economic recovery from the coronavirus pandemic. In a written submission and oral evidence the NHBF called for the Welsh Government to introduce a number of additional measures to support the hair and beauty sector, including:

- Extending the 100% **business rate relief** available for many businesses in the retail, leisure and hospitality sectors;
- Provide one-off **hardship grants** to sectors that have been heavily affected by the pandemic;
- Create a dedicated **reskilling and retraining fund** for the hair and beauty sector, and increased funding for **apprenticeships**;
- Greater **support for businesses that have missed out on existing schemes**; and
- A **voucher scheme** to support businesses in sectors located on high streets.

During an evidence session of the Committee for the Scrutiny of the First Minister on 22 October, **the First Minister was questioned about the need for additional financial support for foundational economic sectors such as hair and beauty, tourism and hospitality**. The First Minister responded that:

We've invested over £90 million already in the foundational aspects of our economy, whether that is in tourism, hospitality or sectors like beauty and hairdressing and so on. Those firms and companies will be, in many, many cases directly eligible for the non-discretionary part, the automatic grants that will come as part of our plan. But the discretionary part—the discretionary £2,000 top-up grants, for example—will be able to be calibrated to respond to any gaps in funding that emerge over not just the firebreak period, but as we go further into the winter as well.

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