

British Chambers of Commerce's Current Assessment of Government Restrictions and Support (England) – RAG Rating

Amber	Are the restrictions evidence-based and targeted effectively?
<p>The requirement for restrictions is based upon national-level data, including on the prevalence of the virus, its lethality and the relevant capacity of the NHS. The return to a regional model from the national one is based upon regional differences.</p> <p>These points are made in the Covid-19 Winter Plan, with very limited detail on and explanation of the underpinning data. Importantly, there remains no detailed economic assessment of the new tier system, or the likely impacts upon businesses, jobs or regional economies of decisions to put regions into one of the three tiers.</p> <p>The tiers are more refined than under the earlier regional structure but still place widespread restrictions on a substantial number of businesses, with a knock-on effect on their supply chains, but they are less strict than November's England-wide lock down. The decisions on which area sits within which tier are based on 5 criteria.</p> <p>Businesses do not understand how the restrictions have been designed and applied. This is a real problem, including for hospitality firms and their suppliers who together will suffer considerable damage. Much more transparency is required if business confidence is to be maintained, including over how the 5 criteria work.</p>	
Red	Are the restrictions clear and do businesses have time to prepare?
<p>There has now been multiple iterations of national and regional restrictions, Covid-secure guidance and support packages, and many businesses remain confused by the changes. Large numbers of businesses have had to furlough staff and are finding it time-consuming and difficult to keep up with the rapid changes which affect their survival directly.</p> <p>A simple communications campaign aimed at business would significantly help understanding.</p> <p>Businesses have been given some time and notice by the Government of the new system, which is a welcome change that BCC have consistently called for. The key problem here, however, is that businesses are struggling to understand the rules which apply to them and cannot prepare or plan even into the short-term with any certainty.</p>	
Amber	Is support for businesses commensurate with the impact on them?
<p>The Government has made general wage (e.g. the 'furlough' scheme) and cashflow (e.g. local grants) support available, and put in place selective easements (e.g. business rates holidays for some sectors) and government-backed loans for business. Considerably more is being spent on wage support than on cashflow and wider business support.</p> <p>Nonetheless, the furlough scheme is not operating at the most generous levels, instead requiring businesses, including closed businesses, to pay national insurance and pension contributions. This may provide an unsustainable requirement for many, causing significant job losses.</p>	

There also remain significant gaps in support, including adequate help for many self-employed people whose previous income was irregular, such as the Directors of small companies, and the ability to access loans quickly enough. Some businesses are also reporting that grant funding can be difficult to obtain at the local level.

BCC research indicates firms face continued cashflow concerns and falls in revenue as they manage overheads and operate under restrictions. These ongoing concerns are exacerbated by the impact of the decision to not pay the previously promised Job Retention Bonus in February without clarity over its replacement. The current levels of business grants remain insufficient to support many businesses who have seen their cash flow shrink once again in the face of further restrictions.

Red

Will the time that the restrictions are in place be used to significantly improve the Test, Trace and Isolate system?

The Government will have spent £22 billion on Test, Trace and Isolate by the end of this financial year.

Mass testing was trialled successfully in Liverpool during the national restrictions, helping bring community transmission down by around an estimated two thirds. 'Gold standard' PCR tests were supplemented by quicker, less invasive, lateral flow tests. The Government will work with Local Authorities to provide 6-week mass testing in Tier 3 areas. Rapid testing will also be used as a common alternative to self-isolation.

These are welcome, if tardy, commitments and businesses must now urgently see delivery. Given the time and money spent on this system, only much more widespread delivery on the ground will improve the score against this test and minimise the need for harmful restrictions on business. Rolling out vaccines to the general population will inevitably take many months, and in the meantime a truly effective Test, Trace and Isolate system remains a pre-requisite for a functioning economy.

The BCC continues to call for greater public-private partnership work to deliver mass workplace testing.

Red

Is there a clear process for increasing and decreasing restrictions?

The restrictions which apply to each tier are relatively clearly set out and the Government has described the 5 criteria it is applying to decide which region sits in which tier. The Government will review all tiering decisions fortnightly, beginning on 16 December.

Whilst the Government has set out the criteria for the allocation of tiers, it hasn't provided the specific triggers for changing tier. Businesses need more clarity over the triggers within each criterion for moving up or down the tiered restrictions, and more regular performance dashboards for each area showing progress in near real-time. Only that clarity can give businesses the confidence to plan and certainty that decisions are not being taken arbitrarily.

Businesses need to see place-based strategies setting out exactly how Test, Trace and Isolate and other actions will drive down infections, minimising restrictions upon them.