

Our manifesto for business recovery.

By Saffron Walden BID

At the upcoming Budget, we would like the Chancellor to:

- 1. Provide us with immediate stability by extending the VAT cut at 5% by another year and to more sectors; and extending the business rates holiday by another year.**
- 2. Protect hundreds of jobs in our town centre through a flexi-furlough scheme until we are well out of lockdown.**
- 3. Help our beautiful market town and its businesses survive by reforming business rates and introducing a fair sales tax.**
- 4. Help lift the burden off our tenants by providing assistance for part of our rent through landlords.**
- 5. Directly invest in our community through our BID. Through a modest grant, we could, for example, help our hospitality sector by creating a clean and safe outdoor dining area which would be available for all local restaurants to use. We estimate that the planning and delivery of an outdoor dining trial to cost in the region of £25,000. We work well with our local authority and other partners, and we can deliver quickly and without bureaucracy.**

Representing Saffron Walden.

We are Saffron Walden Business Improvement District (BID) and we represent some 270 businesses in our town centre. Two thirds of them are independent businesses.

We are one of about 329 Business Improvement Districts (BIDs) across the country, made up of 131,739 businesses of all sizes – from our local pubs, hairdressers, cafes, lawyers and accountants, to the big pharmacies, supermarkets, retailers and banks.

We are led by businesses and funded by businesses. Saffron Walden BID reinvests thousands of pounds every year back into our town centre – making it cleaner, safer and more attractive for shoppers and visitors.

The Chancellor's upcoming Budget will be very important for us in the aftermath of the Covid pandemic – the right measures will help our businesses recover, and importantly preserve our beautiful market town.

So we hosted a virtual summit with a cross section of local retail and office businesses covering many sectors including: Blue Clothing; Burtons Butchers; Angela Reed Furniture, The Market House Bar and Saffron Building Society. The BID's Shara Vickers and Julie Redfern led this piece of work and they too run their own businesses – Tela and Beauty Box. Between just our seven companies, we employ hundreds of local people.

This manifesto for recovery is what came out of our business summit.

The picture on the ground.

The pandemic over the past year has been very tough for many of Saffron Walden's businesses, but we are a resilient town. We need to work collectively, and we need the right government support in place, if we are to recover and thrive once again.

The mood amongst our businesses is a mixed one. This lockdown has been tougher than previous ones due to it being the middle of winter, the dark evenings, and general lockdown fatigue.

Many businesses have taken their goods and services online and successfully embraced e-commerce. Angela Reed relaunched its website in the first lockdown. Some retailers such as Burtons Butchers have been lucky enough to remain open with trade remaining buoyant. However, while the shop has continued trading, the wholesale side of their business has been severely impacted with most of its staff on furlough.

Julie Redfern employs beauticians at Beauty Box who can wait out this pandemic on furlough, however lots of people in the beauty industry are self-employed and are getting little support. Unlike retailers, there is very little that they can offer online.

The finance industry has managed to keep trading throughout the pandemic. However, Saffron Building Society reports that its customers are finding it difficult navigating through their personal and business challenges. The Building Society has concerns on the long term impact of the pandemic on local businesses, how they will recover and bounce back, and whether there will be a spike in unemployment. Similarly there are concerns over people's financial resilience - those who were fortunate have managed to save some money, but many have been badly impacted.

The most difficult thing we are navigating is the uncertainty. Many retailers such as Angela Reed and Blue would be looking to buy stock such as furniture and clothing at this time of year for the next season. They need to place orders in advance and commit to them - difficult to do when there is no indication yet on when things will open, and what trading and cashflow will be like.

Some of the recurring fears are that business rates will return too soon; VAT will go back up too quickly; and furlough will stop prematurely.

Inject stability for our businesses.

We understand that the cost of and the response to this pandemic has been unprecedented. However, we cannot be faced with a cliff-edge situation. We are yearning for stability as we look to turn a corner from Covid and begin recovery.

The government can inject some stability in the immediate future by: extending the business rates holiday by another year; extending the VAT reduction to 5% by another year; and extending furlough until we are well out of lockdown.

VAT is a significant outgoing.

VAT is a huge outgoing for many of our businesses, and the recent cut to 5 per cent helped those of us in hospitality greatly. We think it should be extended to other sectors for the coming year. For Blue, its clothes are seasonal and during lockdown the shop had to sell at a massively reduced rate so they could clear stock, pay the bills, and keep cashflow moving. As owner Hayley Attridge puts it: 'Paying 20 per cent of something, when you're not getting much in the first place is not sustainable.'

Whether it's on a £25 manicure or a £3 cup of coffee, a reduced VAT rate would help businesses keep some more of their sales as they recover. We would like to see the VAT cut at 5 per cent extended by another year, and extended to more sectors.

Clicks versus bricks.

Business rates is another huge outgoing especially for the bigger shops on our high street who narrowly miss out on small business rates relief. We would like to see the rates holiday extended by another year.

The world has changed a lot in the last year, indeed we've seen many years of change take place in a matter of a few months. Unfortunately our tax system has not moved much for decades. Going forward the rates system needs to be replaced with a sales levy. A straightforward tax, linked with how much you sell, would make it fairer for all businesses whether physical or digital. Levelling out this playing field between will help towns like Saffron Walden survive. A sales-based tax would also be much harder for larger online businesses to avoid.

Protect local jobs through flexi-furlough.

We would like local jobs protected through furlough lasting until we are well out of lockdown. A flexi-furlough scheme, tapering furlough off rather than suddenly stopping it, would help protect hundreds of jobs in our town centre. The Market House employs 45 staff across its venues, Angela Reed employs a similar amount - and flexi-furlough would keep them in employment and paying taxes.

Support for tenants through landlords.

Rent for our premises is another significant overhead. On top of rates and VAT we are paying on average £2,300 a month for our premises in the town centre. We need this burden eased over the next year while we recover. We would like the government to investigate a form of support for landlords, whereby the compensation is then directly passed onto their tenants. Having a third off our rent for the next twelve months would give us some breathing space to get back on our feet.

Direct investment into our community.

We would like to see more funding being made available specifically for BIDs like ours, so we can directly help our communities recover. We are well placed on the ground to directly help some of our hardest hit industries and encourage people back to the high street when it is safe to do so.

Through a modest grant, we could, for example, help our hospitality sector by creating a clean and safe outdoor dining area this year, which would be available for all local restaurants to use. We estimate that the planning and delivery of an outdoor dining trial to cost in the region of £25,000 and that includes: designing the plans; conducting the traffic surveys and public consultation; advertising and marketing; employing waiting staff; and the physical goods including gazebos, tables, chairs, patio heaters and cleaning products.

This will encourage people into our town to enjoy our excellent food and drink offering, and hopefully spend more time and money within our existing shops. It will help us in our efforts to introduce a 'café culture' in Saffron Walden - plans which we are currently working up.

We work well with our local authority and other partners, and we can deliver quickly and without bureaucracy.

Hybrid-working presents an opportunity for our market town.

As we look past Covid, our immediate priority is for some stability so we can reopen and restart trading. We also need to encourage people to come back into our town centre, and they need the confidence that it is safe enough to do so.

We expect many local people to work partly from home and partly from the office during their working week. Saffron Building Society is just one example - it anticipates that much of its 170-strong team will spend their week 'hybrid working'.

This gives us a huge opportunity. We have a beautiful town centre with an array of amazing businesses and services on offer. Two thirds of the shops on our high street are independent and we need to celebrate and cherish that.

The measures outlined in this manifesto will help our local businesses recover and capitalise on the growth of people staying and spending local rather than commuting to London or Cambridge.

If we don't get these measures, businesses will fail. Unemployment will go up. People won't have any money to spend in our local economy. We will lose independent shops and small businesses - the very thing that makes Saffron Walden so unique. And that will change the face of our town for good.