



Supporting the hair, beauty
and barbering industries

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
Via email

23 December 2021

Dear Chancellor,

GOVERNMENT BUSINESS SUPPORT FOR PERSONAL CARE SERVICES

The National Hair & Beauty Federation is the trade body for over 6,500 hair salons, beauty salons and barbershops across the UK. The sector overall contributes £8 billion to the UK economy every year and employs 288,000 workers, most women and young people, across the UK nations and regions. Pre-Covid, the sector was in the top three fastest growing parts of the retail sector.

As you know, the recovery in the hair and beauty sector has been finely balanced. Although the respondents to our State of the Industry survey in September reported signs of a growing recovery, two thirds were still either partially or completely reliant on government support and one third unsure of their survival to the end of the tax year in March 2022.

The situation changed suddenly last week with the growing concerns about the Omicron variant building on the additional restrictions announced in in all four countries of the UK. This was particularly worrying for the hair & beauty sector: December is normally one of the busiest times of year, and cash generated is essential to see businesses through the quieter months of January and February.

We ran a snap poll last week (4,000+ responses) which found that 73% of respondents had experienced cancellations with 56% reporting a reduction in advance bookings and more than half saying that the fall-away was seriously affecting their business. We followed this up with a further poll (3,200) to gauge the situation over the past weekend (17-19 December), which found that 30% of booked appointments had been cancelled and the walk-in trade had fallen to 19% of what would have been expected. Around 50% of respondents estimated they had lost between 21-50% of their expected revenue over the weekend and around 20% lost between 50 and 100%.

In the light of this, I wanted to thank you on behalf of the sector for your swift response this week. We are grateful for the further support to businesses in England through the top-up of over £100m in Additional Restrictions Grants (ARG) and a reintroduction of the Statutory Sick Pay Rebate scheme for Covid-related absences, as well as the additional funding provided to the devolved administrations through the Barnett formula.

You will appreciate that many salon and barbershop owners and employers remain in a state of tension and uncertainty, because the past two years have drained the reserves they may once have had to fall back on. I would therefore ask that you to keep the situation under review and respond with further, more targeted support if it is needed.

I would also ask you to consider again the case we have made previously for extra help for the larger, VAT-registered businesses in the sector, who, as we have demonstrated previously, have been hit disproportionately harder during the pandemic and anecdotally are finding it more difficult to recover. These businesses provide significant employment within the sector and are also essential to training the workforce of the future through apprenticeships. Their costs are such that the grants available make relatively little impression for their business.

I look forward to your response.

Yours sincerely,

A handwritten signature in black ink that reads "Richard A. Lambert". The signature is written in a cursive style with a prominent initial 'R' and a stylized 'L'.

Richard Lambert
NHBF chief executive