



Supporting the hair, beauty  
and barbering industries



26 March 2021

Dear Cllr

### **Re: ARG eligibility criteria**

We are writing to you as the four leading hair, beauty and wellness bodies in the UK to ask for your help regarding the allocation of Additional Restrictions Grants (ARG) in your area.

Whilst the Personal Care sector has been fortunate to be included in the Step 2 of the reopening roadmap with the provisional date set for 12 April, independent data<sup>1</sup> shows that many businesses within our sector are quite literally on the brink of closure right now and without an immediate cash injection, will not make it to the point of reopening. These micro-business and self-employed practitioners cannot afford to restart their businesses. They will need to purchase the appropriate tools to operate safely, with PPE and up to date insurance in place.

### **ARGs – the issue**

As you will know, Additional Restrictions Grants are allocated from local authorities such as yourselves, however guidance from central government to date has meant that businesses within personal care have often been rejected out of hand under the eligibility criteria set by Councils.

We have worked with government to give more focus within the guidance to those who have been ineligible for previous support or other grants. The Department for BEIS has also been communicating to Local Authorities that businesses in most need should be able to get access to ARG funding.

We would therefore like to take this opportunity to outline the additional challenges our sector has faced during the pandemic in order to encourage you to extend AR grants to personal care businesses that may apply.

### **Challenges facing the sector on the road to recovery**

The pandemic has hit the sector hard. As premises and service based businesses, our industry has not had the option to transition to ecommerce like many other sectors. They also operate with lower margins than other essential and non-essential retail businesses and suffered from lost earnings and delayed recovery. This has been largely due to staggered and prolonged delays in reopening and a loss of consumer confidence due to the terminology used to describe close contact services (high risk etc.). Furthermore, government advice to 'work from home' has caused a significant reduction in footfall with business down for 75 per cent of salons and barbershops<sup>2</sup>.

As a sector representing an 88 per cent female workforce, with 82 per cent of business owners as women, this is particularly concerning for a section of society already known to be one of the most negatively impacted by COVID.

Most notably:

- More than 10 per cent our sector has already closed its doors for good since the start of the pandemic.
- 60 per cent of businesses have entered 2021 with no cash reserves (up from 27 per cent in 2019).

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<sup>1</sup>Hair, beauty and the pandemic: An industry at the sharp end' Pragmatix Advisory February 2021

<sup>2</sup> NHBF State of Trade Survey August 2020

- 1 in 8 business owners have already made redundancies as a result of the pandemic and more than half have been forced to cut staff hours in order to save costs.
- 1 in 7 business in the sector are acutely vulnerable to failure.
- The average business has lost 45 per cent of 2019 turnover (up to 59 per cent in some areas).
- Even when open, social distancing restrictions mean salon capacity is down to 70 per cent of what it was, losing on average two hours of appointment time per stylist per day.

With a higher number of businesses in deprived areas than any other sector, it is also important to note that any further cuts to staff hours, redundancies or permanent closures affects those people in your communities that are already struggling.

Whilst we are grateful for the support measures that have been available for closed businesses, our data<sup>3</sup> has shown them to be inadequate in terms of covering the fixed monthly operational costs of running a business that continue regardless of whether the business is operational or not. The limit on earnings due to restrictions has also meant that many businesses (38 per cent) continued to accrue debt even during periods of being able to open.

### Conclusion

You will also know first-hand how many salons, barbershops and other personal care businesses in and around your communities have been devastated by the pandemic. Across the country, ten per cent of businesses had already been forced to permanently close by the end of December<sup>4</sup> with more closing each week. Your support for the sector will really be the difference between survival or failure and we would therefore implore you to give fair consideration to our sector when issuing AR grants.

Yours sincerely



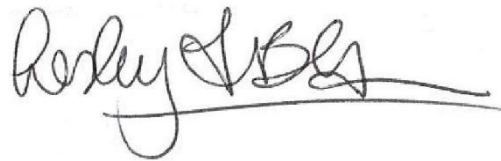
Victoria Brownlie  
On behalf of the National Hair and Beauty Federation



Millie Kendall MBE  
On behalf of British Beauty Council



Helena Grzesk  
behalf of British Beauty Council &  
UK Spa Association



Lesley Blair  
On behalf of British Association of Beauty Therapy &  
Cosmetology

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<sup>3</sup> COVID Coalition Profit & Loss Data January 2021

<sup>4</sup> Local Data Company December 2020