

William Wragg
Chair
Public Administration and Constitutional Affairs Committee

Dear Mr Wragg,

Public Administration and Constitutional Affairs Select Committee Evidence Session

On the 16th December I was a witness at a select committee meeting as part of the inquiry into data transparency and accountability: Covid19.

During the session I referred to research into the impact of lockdowns on the independent retail sector, and I was asked to submit the report in full. I would also like to use this opportunity to draw your attention to the key facts from the report.

Earlier this year we (Bira) wanted to assess the impact caused by the first lockdown. We commissioned a report from the Local Data Company (LDC, www.localdatacompany.com) as they are experts in research in the retail sector. LDC have a national network of people who visit the high streets throughout the UK to measure the opening and closure of retail outlets. They look at the whole retail sector from national chains to independent businesses. They also have a broad definition of retail with the outlets ranging from book sellers to café bars. By covering so many types of business, LDC are able to provide real insight into trends and changes on the high street.

The report was completed in August 2020 after most of the high street had re-opened. The report highlights the following:

1. The number of independent shops was already declining with a net loss of 2,100 between 2017 and 2019 (net loss is the different between closures and new openings)
2. Independents were however doing better than national chains. In the same time period, the net loss for national chains was 11,200
3. Within the retail sector, hairdressing, health and beauty shops were the main success with significant growth between 2017 and 2019. Restaurants had also shown growth. Given the various lockdowns and Tier 3 restrictions, it is likely that these areas will have also seen a decline due to Covid19

4. **COVID Reopening Rates are only 76%.** This is an analysis from the businesses that have been field researched since the start of lockdown, the proportion of businesses that have re-opened since being permitted to do so (dependant on their business category). Greater London had the highest rate at 83.1% and Wales had the lowest at 64%. (Scotland is discounted due the later re-opening dates)
5. Even some non-essential categories saw losses of businesses, likely due to staff suffering from Covid19 or the safety protocols prohibiting re-opening.
6. There was a 23% increase year-on-year in the number of independents closing. This figure does not include business that are yet to reopen who may never reopen, hence the low numbers in Scotland.

We can see that Covid19 has had significant impact on the high street. Anyone visiting a high street will have noticed the number of vacant units increasing, and obviously we have read about the recent demise of Arcadia and Debenhams.

The most recent lock down for non-essential shops was for the month of November. Even though it is shorter than the first lockdown, because of the importance of November in the retail business calendar, there is likely to be even greater impact on independent retailers. We will not see the true impact until January/ February 2021 which is always the most difficult period for retail due to pressures on cash flow.

The frustration for our members is that they have all made their shops Covid secure by implementing the recommended safety protocols. Customers and staff must now wear face coverings. We are not presented with much actual scientific evidence, but SAGE has repeatedly said that closing non-essential shops would make very little difference to the spread of the virus. Despite all the measures in place and the scientific evidence, so called non-essential shops will be closed when the number of cases reaches a certain level. The very recent announcement in Wales (closing all non-essential after Xmas Eve) supports our view that the need to protect lives and the NHS overrides any scientific evidence supporting the safety of retail.

I would like to thank you for the opportunity to discuss thee important issues with the Select Committee yesterday. I hope you find the report useful.

Kind regards

Andrew Goodacre
CEO
British Independent Retailers Association