

## Written evidence submitted by NHBF - National Hair and Beauty Federation

### Inquiry remit

The operation or effectiveness of the Kickstart scheme and the value for money it represents.

### Background

The National Hair & Beauty Federation (NHBF) has over 6,500 Members and is the UK's largest trade body for the hair, beauty and barbering industries. The NHBF focuses on helping members to run successful and profitable hair and beauty businesses by providing advice, specialist support and tailored services to meet the unique challenges of running a salon or barbershop.

### Overall approach

The Kickstart scheme, part of the Government's Plan for Jobs and offering job placements for 16-24 year olds, is a positive initiative. Our perspective is primarily from the point of view of the accessibility of the scheme for small and micro businesses in the hair & beauty sector. We know from recent [government statistics](#) that 1600 jobs have been offered under the scheme in the sector and 800 taken up.

### Current context

The hair, beauty and barbering sector is made up of nearly 45,000 businesses, mostly small and micro businesses operating in some of the most deprived parts of the UK. It employs 287,000 people and 7000 apprentices (in England alone) particularly women and young people, and generates £8 billion of value to the UK economy each year. Pre-COVID, barbers, beauty and nail bars showed the highest growth in the [top three retailers categories](#) and a NHBF/Pragmatix report '[An industry at the sharp end](#)' demonstrates a high rate of business survival after the first year.

### Accessibility for small and micro businesses

When the Kickstart scheme was initially launched, the Department for Work and Pensions (DWP) approached the NHBF to act as an intermediary organisation and facilitate young people into hair and beauty salons across the UK. Unfortunately, for a number of reasons we were not in a position to offer recruitment services to our members in that way.

One challenge with the roll out of the scheme has been the difficulty in making the scheme accessible to small and micro businesses in the sector and particularly those with fewer than ten staff that make up the majority of the hair and beauty sector. The scheme was originally designed with larger businesses or franchises in mind that could guarantee at least a cohort of 30 learners given the minimum contract value involved. However, we do recognise the important value that local authorities, Local Enterprise Partnerships (LEPs), Chambers of Commerce and other organisations have added in acting as facilitating or gateway organisations and helping small businesses to access the scheme.

### **Regional variations**

Another aspect of sector feedback on the scheme is around regional variation in the opportunities for businesses to access the scheme. Access has relied on the effectiveness of particular local authorities, LEPs and other organisations engaging with the scheme and creating a framework for small and micro businesses to engage. Feedback we received from businesses was that access and implementation was patchy across the UK. It was not possible for individual small or micro businesses to manage the administration of the scheme and manage payments as this was too onerous in terms of time and use of resources.

### **Scheme drop off**

Some businesses in the sector report an issue with candidate drop off. We would be interested in seeing further data from the government around the numbers of apprentices that have applied then actually stayed in the programme. Some businesses report young staff leaving before the qualifying period has been reached so a business has invested time and resources in training but doesn't then receive any Kickstart payments or support from the Government. There should be more effective ways of finding the right candidates for the sector and managing expectations to reduce the potential for drop off.

### **Concluding comments**

The last year has been a very challenging one for the sector. Recruitment is currently challenging to the hair and beauty sector after a year or more of Covid lockdowns and restrictions so support for traineeships to fill skills shortages is very important.

As COVID restrictions have eased over the summer and we move into the autumn, our latest [State of the Industry survey](#) from September demonstrates that businesses are operating in a difficult environment, but showing growing evidence of resilience and getting back on their feet:

- 43% are breaking even, with another 43% making either a small or good profit, up from the previous survey in June.
- Around 40% of respondents raised their prices over the last three months; a further 40% will do so over the next three months.
- Two thirds (66%) of businesses remain either partially or entirely reliant on Government support, slightly down from June when this was the case for 80%.
- In the next three months, 27% will definitely or are likely to take on new staff, up from 16% in June
- Business confidence in the sector is firming up, with nearly two thirds (63%) confident of their survival and over 40% say that they intend to grow their business.

As the Kickstart scheme ends in December 2021, we welcome further initiatives from the Government in helping businesses to take on apprentices and more young people into the future, particularly as take up of apprenticeships in the sector is declining in England and as other support in the form of Furlough and support for the self-employed ends.

## **November 2021**