



The Business Services Association
130 Fleet Street,
London.
EC4A 2BH

Rt. Hon. Rishi Sunak M.P.,
Chancellor of the Exchequer,
HM Treasury,
1 Horse Guards Road,
London.
SW1A 2HQ

19th October, 2020

Dear Chancellor,

I am writing on behalf of the Business Services Association - BSA - following the Government's recent announcements on further support measures looking at job retention, retraining, and upskilling.

As set out in our recent [submission](#) ahead of the Comprehensive Spending Review, BSA members are fully engaged with the Government's approach for navigating the current crisis and in supporting the shift towards the new economy as we look to Build Back Better. Members recognise that there is a difficult transitional period ahead and continue to welcome the Government's efforts to support business and VCSE organisations during these challenging times.

Business services are vital to our economic recovery and the transition towards the new normal because they provide essential support to other industrial sectors as well as for the public sector. We deliver administrative services, facilities management, infrastructure, and IT so that our business clients can focus on what they do best enabling and encouraging businesses to invest in themselves and their workforce.

Working in partnership with the public sector brings new thinking and investment. 70 per cent of business services are provided business-to-business and 30 per cent for the public sector. The sector employs c.3.3 million people across the UK, accounting for around 1 in 10 jobs. I have attached a list of our members - including large and small businesses, charities and social enterprises.

We believe that our industry has a vital role to play in ensuring that investment is spent as efficiently as possible, thereby driving our economic recovery, supporting jobs and local businesses across the country, and delivering services and infrastructure of the highest quality to the British public. The points below are made with this in mind and concern job retention, upskilling and retraining, supplier relief, and leasing of office space.

I would welcome the opportunity to discuss in greater detail how the business services sector and our members can help the Government in driving our economic recovery, delivering world-class public services, levelling up the whole country, and unleashing Britain's potential.

Yours sincerely,

Mark Fox
Chief Executive,
BSA - The Business Services Association

W: www.bsa-org.com @THEBSASSOC



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Supplementary submission to the Chancellor

October 2020

Job retention and Upskilling

The Prime Minister's recent announcement on increasing flexibility in support of the skills agenda was an important and positive step towards tackling the twin issues of skills shortages and unemployment. Members welcome this move and believe that further flexibility is required to help people enter or re-enter the workforce, or progress within work. The BSA's [proposal](#) on allowing employers to access levy funded short courses is a prime example of the positive impact further flexibility would offer employers as they look to support the upskilling and reskilling of those currently outside the workforce as well as those in work.

The Kickstart scheme is a welcome initiative to bolster support for those young people furthest from the workforce. Members would however like to offer their suggestions on how this approach can be adapted in order to increase the positive outcomes it was designed to create including by highlighting some of the initial barriers to wider participation in the scheme from an employer perspective. In particular, members have raised their concerns over a range of issues including the 30 placement minimum and difficulties in establishing practical arrangements to share this; the funding allocation covering only 25 hours a week; the commitment to provide on-boarding and training in the context of increase financial pressures due to Covid-19; the level of personnel and administrative commitment required; the subjective eligibility definition of 'at risk of long term unemployment'; and the current lack of support for recent graduates, many of whom will no longer be able to access graduate placement schemes.

The Winter Economy Plan provided an important update to business and VCSE organisation on the next package of government support as we continue to feel the effects of the coronavirus outbreak. That being said, there remain some key areas in which employers require further clarity from the Government as they prepare for the months ahead. As we approach the 31 October deadline, many larger organisations remain unclear as to whether they will be eligible for government support under the current 'adversely affected' definition. It is key to the good operation of business that organisations are able to set in place timely preparations and this lack of clarity is of increasing concern for members. We therefore urge the Government to publish the full guidance on the Job Support Scheme as soon as possible.

Finally, many organisations are mindful of the relatively short application period to claim the job retention bonus in 2021 and the current lack of clarity over when employers will receive payment. The current guidance suggests that details of how to claim the bonus will be updated by the end of January 2021 before the application window opens between 15 February 2021 and 31 March 2021. This limited time period will not only make it harder for organisations to prepare their claims but is also likely to place additional pressures on colleagues within HMRC as they look to process claims within this allotted timeframe. In addition to this, it remains unclear how long businesses will have to wait before they receive payment under the scheme - will it, for example, be paid within six days of application as per the original Job Retention Scheme? We would therefore recommend producing the guidance ahead of the currently planned 'end of January' deadline and extending the claimant period to cover the entirety of February and March.



Supplier Relief

Whilst Members remain grateful for the supplier relief covered under PPN 02/20 and PPN 04/20, there remains a degree of concern and uncertainty ahead of the end of October when the guidance comes to an end. Under the current guidelines, frameworks are set to be agreed for transitioning to the future, which are flexible enough to withstand further restrictions. However, there are varying degrees of compliance amongst contracting authorities with the relevant section (paragraph 8 on page 2). In some cases, there has not been substantive engagement even where the use of the facilities in question have changed substantially in light of COVID. Further guidance in this respect as we approach the end of October as well as clarity as to the departments the PPN relates to would be helpful.

There also remains a lack of clarity as to whether authorities incurring additional costs as a result of transitional arrangements after October can apply to HMT for financial support to alleviate the increased financial pressure here. We would welcome any update on this and the points raised above.

Office leases

Finally, it is increasingly clear that home based working is here to stay even beyond the COVID crisis with research indicating that more employees will work from home at least 2 days a week and employers supporting this approach. One of the challenges that employers face is the long term commitment of fixed costs through its office leases. Many firms will be committed to a long term lease obligation with legal restrictions on exit. Options normally include reassignment of leases (at landlord consent) which in current climate will be difficult; nobody will be taking expensive office leases. BSA Members have seen many high street food brands enter into CVA's to exit certain shop lease obligations or renegotiate whilst office rental commitments pose a threat to employers with no potential exit strategy. We therefore request that government introduce legislative measures to allow the release/renegotiation of office rents - thus aligning to the current change in home based working environment.



List of BSA Members, October 2020

3C3 Ltd	IBM
3SC	Incentive FM
Accenture	Ingeus
AECOM	Interserve
Amey Plc	ISS UK Ltd
Aramark	KBR
Atkins	KPMG
Atos	Kier Group Plc
Baachu	Maximus UK Ltd
Balfour Beatty Plc	Mears Group
BAE Systems	Mitie
Barclays Corporate	MTC
Bellrock Ltd	NatWest
Bevan Brittan LLP	NCG
Bouygues Energies and Services	OCS Group UK Ltd
Bright Network	P3
Browne Jacobson LLP	Pinsent Masons LLP
BT Group Plc	Polar Insight
Capita Plc	Purpose Led Performance
Catch 22	PricewaterhouseCoopers UK
CBRE Ltd	Robertson FM
CGI	Salisbury Group
CH & Co Group	Seetec Group Ltd
Chillblast	Serco Group Plc
Clyde & Co LLP	Sharpe Pritchard LLP
CMS Cameron McKenna Nabarro Olswang LLP	Shaw Trust
Community Models	Sodexo Ltd
Compass Group Plc	Sopra Steria Ltd
Connect Assist	Space Solutions
Corndel Ltd	Spend Network
CSG	Strictly Education
Deloitte	TerraQuest Solutions Ltd
DWF LLP	The Gap Partnership
Elior UK Ltd	The Grichan Partnership
ENGIE UK & Ireland	The Palladium Group
Eric Wright FM	The Sustainability Group
Fujitsu UK	Trowers & Hamlins LLP
G3 Systems Ltd	Veolia
G4S Plc	VINCI Facilities
GoodPeople	VPS Group
Hinduja Global Solutions	Wand Consulting
HP	Wates Group
	Willmott Dixon