

**ECONOMY, ENERGY AND FAIR WORK COMMITTEE****COVID-19 – impact on Scotland’s businesses, workers and economy****SUBMISSION FROM****Bookspeed**

I write as a director of a company, established in 1986, that is a key supplier of books to the Retail Visitor market in Scotland and the rest of the UK., we sell only to trade customers, retailers, and not direct to the public. I and my co-directors are grateful to both UK and Scots governments for the assistance already offered to businesses at this time through the Employment Retention Scheme. There appears to be an inconsistency of approach, however, in considering the effects on the whole supply chain of the enforced, and necessary, closure of businesses in the Hotel, Leisure and Retail sector, with regard to Rates relief and grant and loan availability.

**On Rates Relief**

If my understanding is correct, retail businesses in the Visitor and Tourist sector will receive 100% relief from rate payments for the year 20/21 and a grant of £25,000 for those in properties within a relevant rateable value. As wholesale distributors, we are as significantly impacted by the necessary closure of retail outlets as the retailers themselves; orders to us stopped on 23<sup>rd</sup> March and we closed our business that night, furloughing approx. 50 employees.

Bookspeed at present has two warehouses (one of which falls into the current rateable value category for the grant, one does not) full of stock ready to supply seasonal orders to Visitor outlets and High St retailers. We cannot pay our suppliers for that stock nor return it to them as our staff are furloughed. The vast majority of our retail customers cannot pay us. We therefore had to close as soon as non-essential retailers were instructed to close. We’re keeping in close contact with our suppliers and customers and planning carefully for a phased return to work when the situation allows.

I see that on Wednesday 1<sup>st</sup> April the Scottish government extended the £25,000 grant to self-catering businesses whose income is primarily (defined as a third or greater) from letting to the visitor sector. Over 50% of Bookspeed’s turnover in Scotland is directly to Visitor and Leisure outlets whilst the remaining turnover is to retailers who in turn benefit from the high number of visitors to the country, for example to the EIF, Fringe and Book Festivals. Over 25% of our turnover in the rest of the UK is to this sector, and is growing as our innovative approach to range provision for the Visitor market, developed in Scotland over the past 34 years, is recognised as industry-leading in the rest of the UK. the remainder to general retailers, The remainder of rest-UK turnover is to general retailers. We are not eligible however, as far as I understand, either to receive 100% rates relief for 2020/21 or to apply for the £25k grant as we are not retail traders. The purpose of our submission to the EEFW Committee is to request that the whole supply chain to the Scottish visitor market is supported through this period by rates relief and grants, not only retail traders.

*To be included in the rates moratorium for 20/21 and to receive the £25,000 grant would help protect the jobs of our staff and preserve our position to support and supply our retail customers once restrictions are lifted.*

**On Furlough Flexibility and Preparation for Recovery:**

Almost all our staff are furloughed and government criteria make it clear that staff must not be working whilst on furlough. Whilst understanding the need to protect this support from abuse, we at Bookspeed, and I know other companies who've been forced to close, are being hampered in preparation for recovery by these rules. We have staff who wish to work whilst at home for their own mental health and social needs (albeit remotely) and to help the company survive this crisis. There is work such as product selection and cash collection which a few colleagues could be doing that whilst not resulting in any trading revenue would speed up a return to trading when the company does reopen. If a company is trading and has significant revenue for sales made after the date of closure or when staff were furloughed then there would be a clear case of abuse of the scheme to pay 80% of wages. Evidence for this could be clearly submitted via declared sales invoice information or independent auditor verification.

I hope your committee will consider the points above for increased support to all Scottish businesses through this crisis.

Our MD, Lewis Dawson, would be pleased to speak to these issues and provide further information to yourself, colleagues or committees.

Thank you for reading this and I look forward to hearing from the Committee's discussions and findings.

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**Annie Rhodes**