

11.05.2020

Sent by email to avoid an unnecessary contact and or travel.

Dear Chief Executive

Covid-19 Scottish Business Support Packages

I write to you today to seek your help in resolving the current situation that has arisen as a result of either misinterpretation of guidelines produced by the Scottish Government, relevant to the payment of support grants under the **Small Business Rural Rate Relief Scheme & the Retail Hospitality and Leisure Grant**, or a general misunderstanding of what constitutes a modern retail automotive business. Either way, as a direct result of the current stance being taken by your council. I am acutely aware of retail automotive businesses within your area of responsibility that are, at best, facing extreme challenges for the immediate and longer-term future of their businesses and the employment they support, and, at worst quite frankly, many of them will quite simply not survive!

The structure of payments appear in both cases to depend on two tests, I am sure you will be familiar with the first which is really just to work out which of the payment levels are applicable, the second however is somewhat vague given the guidance notes **Local Government Finance Circular No. 05/2020**. In the case of the £10,000 grant as contained within list one in the circular there are multiple versions of garages (27 in total), showrooms, car hire depots, car washes and workshops, so basically every shape, fashion and form that you would consider to be the type of building where cars and vans would be sold, repaired or serviced etc.

List two highlights those premises or business types that do not qualify for support.

The problem appears to be when we get to list three, which is the one produced for the £25,000 grant, this for some reason totally excludes garages, all 27 versions of them, and as is often the case if the rates assessment lists the facility as a workshop it is on the list, then there is the retail question which again is laced with ambiguity!

1. Do we operate in the retail sector?

Yes! As you will be aware the Scottish Governments own statement from 23rd March 2020 regarding businesses which must close at that date listed as "All retail with notable exceptions"

<https://www.gov.scot/publications/coronavirus-covid-19-business-and-physical-distancing-guidance/pages/businesses-and-premises-which-must-close/>

Car garages and MOT services are listed as "notable exceptions" but nonetheless listed under the retail business section!

Yes! As a retail business most of the transactions our members do are with the general public, they are protected by the Consumers Right Act of 2015 which does not apply to Business to Business type transactions, so once again the answer to the RETAIL issue is affirmative!

2. Are "Garages" on the guidance listing?

No, they are not! The key point here is that every other type of business within our sector have been carried over to the listing from list number 1 which covers those applying for the £10,000 grant, how can it be that those applying for the £25,000 grant simply get cut off? If there was any logic to apply you would at least expect the grant provision to be capped at £10,000 but to be missed out completely when the economic impact on a larger site will be more catastrophic makes no sense at all, unless it is as I would suggest, human error!

The Scottish Government told all our members to close, they told them they would be "looked after" and they then issued guidelines for their representatives the Local Authorities to administer the provisions of funds, there is also the provision for a LA to request additional evidence to determine entitlement.

Your Local Authority is not alone in taking this course of action, however there are also cases that we have access to evidence of, whereby other Local Authorities have made grants available and paid out to garage operators who do not have sales facilities or do anything different from the services that our many of our members provide.

There is an argument that has been put forward elsewhere that garages sell labour and parts to customers, therefore it is a "service sector business"! I would question that thinking, after all is that any different from a hairdresser, or a chef? Both indeed take products or produce and apply their labour and skills to produce an outcome that their client / customer pays for the service, they are all classified as being due the funds without question.

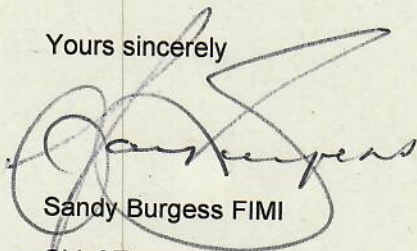
You will also be aware that if these businesses are not "on the list" and thereby in receipt of funds they also face the double hit of having to pay their rates in full for the next twelve months whilst other businesses including those who sell and repair cars do not.

Indeed for many there is a third and final blow dealt to them by the UK Government, if they operate a MOT Testing facility, then they have witnessed a spectacular 85% drop of in their business revenues as a direct result of the rolling six month holiday that has been given to all light vehicle owners at this time. This policy is ill thought out and I have personally communicated this to the Minister for Transport and the Secretary for State for Scotland and I am hopeful that they will take some heed.

At this time our industry is on its knees, the irony of the situation is not lost on me that the general public is now being told to "avoid public transport" and thereby use other means of transportation (which for many means private cars) all of which depend on an infrastructure of local points for repair and maintenance, and yet here we are being failed by the UK Government, The Scottish Government and Local Government all because of the lack of a level playing field. It's not fair and more importantly it's not right!

I look forward to receipt of your response to this request for urgent assistance for our sector.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Sandy Burgess", is written over a circular stamp. The signature is fluid and somewhat stylized.

Sandy Burgess FIMI

Chief Executive