

Witness Name: Alex Veitch

Statement no.1

Exhibits: AV/01, AV/02, AV/03, AV/04, AV/05

AV/06, AV/07, AV/08, AV/09, AV/10, AV/11

AV/12

Dated: 24th April 2024

UK COVID-19 INQUIRY

WITNESS STATEMENT OF ALEX VEITCH ON BEHALF OF THE BRITISH CHAMBERS OF COMMERCE

In relation to the Rule 9 request dated 14th February 2025, I, **ALEX VEITCH**, will say as follows:

Personal Details

1. My name is Alex Veitch, I have been Director of Policy and Insights at the British Chambers of Commerce (BCC) since March 2022. When I joined the organisation the economy and wider society had been through the worst of the Covid-19 pandemic but was still recovering. and many of the policies designed to support the business community were still in place.
2. My evidence provides a summary of how the BCC responded to the pandemic, including the evidence we gathered, the engagement we had with the government, and how we supported Chamber members across the UK. I conclude with views on outcomes, and what lessons can be learned. I hope this is useful to the inquiry.

BCC's Response to the Covid-19 pandemic

3. In response to the Covid-19 pandemic from March 2020 through to mid-2022 the British Chambers of Commerce sought to act as a vital intermediary between the UK business community and the Government, leveraging its national and international network to gather business intelligence, advocate for economic support measures, and deliver practical assistance to enterprises across sectors and regions impacted by the Covid-19 crisis. Key areas of intervention included:
 - The creation and publication of the Coronavirus Business Impact Tracker, a leading real-time data resource of business conditions and sentiment.

- Persistent and structured advocacy for economic relief measures including, but not limited to, the Coronavirus Job Retention Scheme (CJRS), business rate reliefs, and government-backed loans.
- Direct support to businesses through communication, events, webinars, and trade facilitation.

Introduction to the British Chambers of Commerce

4. Across the UK, the 51 Accredited Chambers that make up our network are trusted champions of businesses, places, and global trade. Together, we represent tens of thousands of businesses of all shapes and sizes, which employ almost six million people across the UK. Our growing Global Business Network also connects exporters with over 75 markets around the world.
5. The Chamber Network includes businesses of all sizes, from sole traders to multinational corporations, across every sector and UK region. The BCC represents over 60,000 member businesses, collectively employing more than six million people, or approximately 25% of the UK's private sector workforce.
6. The BCC's core functions include:
 - Policy advocacy and engagement with UK Government, devolved administrations, and local authorities.
 - Provision of trade and export services, including customs and certification.
 - Business advice and resilience-building.
 - Network facilitation and peer engagement.

Context and Overview of the Covid-19 Crisis

7. In March 2020, the United Kingdom entered a national lockdown in response to the emerging threat posed by SARS-CoV-2. This led to immediate and widespread economic disruption, with many businesses forced cease activity or transition operations rapidly. Supply chains, cash flow, and consumer demand were severely impacted.

8. For the UK's business community, the pandemic was not only a health emergency but also a severe economic shock. The urgent requirement for data, rapid support, and informed policy responses became the key priority for the BCC. As such, the BCC sought to fulfil three core roles:
 - Intelligence gathering
 - Policy advocacy
 - Delivery of practical support for businesses

Intelligence Gathering: The Coronavirus Business Impact Tracker

9. The BCC has a well-established a rigorous programme of research going back years [AV/01 - INQ000613416]. This comprises of three main strands:
 - The Quarterly Economic Survey, a business sentiment survey established in 1989 that seeks to assess the percentage of firms reporting a change in various indicators (such as sales, exports, investment, and recruitment). It typically receives around 5,000 responses from businesses each quarter, with more than 9 in 10 respondents SMEs.
 - A programme of thematic business surveys which receive around 1,500 responses and which focus on specific
 - The Quarterly Economic Forecast [AV/02- INQ000613417], a macroeconomic forecast of the UK setting out expectations for indicators such as GDP growth, inflation, and the labour market.
10. On 16 March 2020, within one week of the Prime Minister's initial address on the pandemic, the BCC launched the Coronavirus Business Impact Tracker. This tool was designed to capture timely insights into how businesses were being affected, particularly around cashflow, staffing, supply chains, and access to government support schemes. The survey was distributed weekly (later fortnightly) and received hundreds of responses per edition from businesses. Its rapid deployment sought to help both the BCC and policy-makers gain a better picture of the immediate business impact and with evidence of real-world experience from firms.

Key Findings and Reporting

11. Across the survey data gathered by the BCC between March 2020 and July 2021, key data headlines included the following:

- **Start of pandemic:** The BCC's Coronavirus Business Impact Tracker revealed that a majority of firms faced severe cash flow crises, with many unable to access government loan and grant schemes. Around 37% of firms reported plans to furlough between 75-100% of their workforce, reflecting significant reliance on the furlough scheme as it went live [AV/03- INQ000474841].
- **Middle of pandemic:** The COVID-19 Impact Survey showed that business conditions remained very poor, with cash flow remaining a critical issue for many firms. However, there was a slight boost in business confidence due to the government's roadmap for reopening [AV/04- INQ000613419].
- **End of Pandemic:** BCC data showed a surge in business confidence at lockdown restrictions unwound. Social distancing and hand sanitizing were among the most common COVID-19 measures expected to remain in place over the next year. However, four in five firms (78%) had no plans to implement vaccine certification for customers, suppliers, or employees. Only a small percentage of businesses had already implemented such measures or were considering doing so - 5% said they had already implemented such measures, 6% said they were likely to do so in the future and 11% said they needed more information [AV/05- INQ000613420].

12. All data were made publicly available, shared with government departments (including HM Treasury and BEIS), and cited extensively in press briefings, select committee evidence sessions, and parliamentary debates. The BCC held online briefing sessions with stakeholders across the UK Government and Bank of England to outline the headlines and take questions.

Policy advocacy and government engagement

13. Between 12 and 19 March 2020, the BCC presented an initial package of policy asks to Government ministers, including:
- Introduction of a 100% government-backed employee wage subsidy (precursor to CJRS).
 - VAT payment deferrals.
 - Business rates relief for retail, hospitality, and leisure.
 - Emergency small business grants.
 - Government-backed interruption loans.

14. On 17 March 2020, Chancellor Rishi Sunak announced a substantial economic support package that incorporated several of these measures. This included £330 billion in government-backed loans, business rates holidays, and cash grants for small businesses [AV/06- INQ000613421].
15. Throughout 2020 and into 2021, the BCC participated in weekly calls with officials from the Cabinet Office, HM Treasury, and BEIS. Issues raised through the Tracker and Chamber feedback, such as difficulty accessing CBILS loans, confusion over furlough eligibility, or inadequate support for company directors, were escalated. For example:
- The Self-Employment Income Support Scheme (SEISS) was introduced in March 2020 in part due to consistent advocacy of for sole trader protections that had been overlooked in previous support packages [AV/07- INQ000613422].
 - Modifications to the Job Retention Scheme to allow for part-time (flexible) furlough arrangements were made in July 2020, following direct BCC advocacy [AV/08- INQ000613423].
16. The BCC also collaborated with devolved administrations and local authorities, especially in Scotland, Wales, and Northern Ireland, to advocate for regional adaptations of business support policies.
17. The BCC provided formal evidence to the BEIS Select Committee (April 2020), the Treasury Committee (May 2020), and the Public Accounts Committee (October 2021), focusing on:
- The efficacy of government schemes.
 - Communication challenges around eligibility.
 - The disproportionate impact on small and medium-sized enterprises (SMEs).
 - Sector-specific concerns, such as for hospitality and manufacturing.

Direct Support to UK Businesses

18. The fast-paced nature of policy updates required a trusted intermediary to interpret and communicate new rules to businesses. The BCC and its network provided:
- Daily email bulletins.

- Live webinars with ministerial and departmental representatives.
- Legal and HR toolkits in partnership with professional services firms.
- Specialised content for export businesses, including updates on international trade regulations and customs changes.

19. The value of this support was particularly noted by businesses with limited internal compliance capacity, such as SMEs and sole traders. Local Chambers played a critical role in providing targeted support and guidance for sectors most affected by lockdowns and restrictions.

Collaboration with other stakeholders

20. The BCC worked with other business groups, including the Confederation of British Industry (CBI), Federation of Small Businesses (FSB), and Institute of Directors (IoD), to form a collective business response. Joint letters to the Chancellor and coordinated media briefings ensured consistency of message.

21. The Government utilised the BCC network to distribute communications on:

- Lockdown announcements and reopening phases.
- Health and safety compliance (e.g. Covid Secure guidelines).
- Travel and quarantine changes.

22. The BCC ensured that guidance was interpreted for business audiences, often before departmental guidance had been fully published online.

Assessing the longer-term impacts of lockdowns

23. The British Chambers of Commerce (BCC) actively monitored and assessed the longer-term impacts of the COVID-19 pandemic on UK businesses. These studies have highlighted insights on inflation trends, workforce dynamics, and skills shortages.

24. The BCC was among the first organisations to highlight rising inflation expectations among UK businesses in the wake of the COVID-19 lockdowns. As early as mid-2020, BCC surveys began recording a notable uptick in the number of firms anticipating price rises, fuelled by global supply chain disruptions, shifting consumer demand, and early signs of labour market tightening. In the Quarterly Economic

Survey for Q2 2021, 40% of respondents said inflation was more of a concern to them, compared with 30% in the previous year [AV/09- INQ000613424].

25. These concerns escalated rapidly over the following two years. By mid-2022, a record 84% of firms cited inflation as a concern. Much of this was attributed by acute supply shortages, e.g. shipping containers and raw materials, following the re-opening of supply chains after global lockdowns. The energy price crisis of 2022 significantly compounded this.

26. In the immediate aftermath of the re-opening, businesses reported acute skills shortages. This was driven in large part by workers moving into 'economic inactivity' status as well as foreign workers leaving the UK during the pandemic, with further exits following the introduction of the Trade and Cooperation Agreement. As of early 2025, 79% of firms reported difficulties in filling vacancies, particularly in construction, manufacturing, and logistics [AV/10- INQ000613425]. These shortages have led to increased workloads for existing staff and have hampered business growth.

27. The BCC's 2024 Business Barometer [AV/11- INQ000613426], conducted in partnership with the Open University, revealed that 62% of organisations faced skills shortages, a slight improvement from 73% in 2023. However, only 19% had implemented a written skills plan for 2024, indicating a lack of strategic workforce planning. This lack of forward planning among many SMEs can also be attributed to the shorter time horizons prompted by multiple economic crises, and the decreasing cash and capacity to invest ahead.

28. During the pandemic, remote working became a prevalent practice. A 2021 BCC survey of over 900 UK firms found that 66% offered remote working options. However, adoption varied by sector: 80% of B2B services firms could offer remote work, compared to 54% of B2C services firms. Additionally, 72% of businesses anticipated having at least one staff member working remotely over the next 12 months, with an average of 53% of the workforce operating remotely to some extent [AV/12- INQ000613427].

Assessment of Outcomes and Long-Term Lessons

29. Key Outcomes

- The BCC's real-time data sought to inform government policy making.

- Small businesses gained rapid access to trusted information and support.
- Sectoral and regional needs were more accurately represented to Government.

30. Lessons for Future Resilience

1. The importance of decentralised yet coordinated networks – Local Chambers provided agility, while national coordination ensured strategic clarity.
2. The necessity of business data – Real-time economic data informed responsive policymaking.
3. The value of trusted intermediaries – Business groups with existing relationships and credibility can accelerate communication and implementation.
4. The need for clear and consistent policy making. The BCC consistently found that businesses were confused about the roll out of policies and particularly in the volume of changes.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed _____

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Dated __24th April 2025_____