

Cross-Party Group on Women in Enterprise: Cost-of-living Crisis

Wednesday 1st March 2023

Held via Zoom

Minute

Present:

Carolyn Currie, WES; Bronwen Thomas, WES; Sophie Rooney, WES; Lynne Cadenhead, WES; Erica Moore, Eteaket; Julia Latif, Our House of Spice; Jackie Brierton, Growbiz; Jennifer Robertson, SPEY; Carolyn Jones, Anatomical Concepts UK Ltd; Bayile Adeoti, Dechomai; Dora Handrea, Edinburgh Innovations; Shona Blakely, Women's Fund Scotland; Claudia Duffy, Innovare IP; Jennifer McDonald-Nethercott, Strath Communications Ltd; Ayse Cinar, TO BE THE ONE COACHING; Catherine McWilliam, IOD; Lucy Sumison, Scottish Government ; Jennifer MacKenzie, TEFL; Anna Bell, Anna Bell Coaching

MSPs:

Collette Stevenson MSP, Gillian Martin MSP

Invited guests:

Non-MSP group members:

Apologies:

Michelle Thomson MSP, Susan Murray, Gail Bryden, Julie Grieve, Julie Ashworth, Clare Reid, Ann Johnson, Alison Munro, Christine Esson

Proceedings:

Welcome and introductions by Carolyn Currie as Gillian Martin delayed.

Carolyn passes to Jackie Brierton and Gillian joins the call.

Jackie Brierton presents:

- Jackie refers to Growbiz Rural Survey taken in Autumn 2022
- 35% said in autumn 2022 the cost of living crisis had already affected their business by a lot
- Some of the biggest issues businesses reported at that time were
 - Rising petrol or diesel costs
 - Increase in utility bills or heating oil
 - Increased costs from suppliers
 - Lack of orders
- Other issues reported were rising staff costs and staff availability, rising food costs, difficulties with regulations
- Issues believed by businesses to cause the most problems in the future were
 - Rising petrol or diesel costs
 - Increase in utility bills or heating oil
 - Increased costs from suppliers
 - Lack of orders
- 44% of respondents also listed general wellbeing issues (e.g exhaustion, strain, mental health issues) as an anticipated problem in the near future
- Help businesses called for to help develop and sustain their businesses included
 - Funding applications
 - Social media
 - Idea development and diversification
 - Communication potential price increases
- Many businesses reported they genuinely did not know at the current stage whether their business would survive the economic effects of the current crisis
- Jackie points out it is important to encourage more micro-businesses to look at procurement as an income stream
- The growbiz survey is planned to repeat in 2023 to compare results
- For calls to action Jackie suggests:
 - Providing more flexible business support and advice – lots of business support in Scotland however when there is a crisis we need to adapt
 - Rural proofing govt legislation
 - Improved access to funding
 - Helping SMEs to access procurement
- Positively, Growbiz have had more enquiries the past 2 months to start new businesses than in the past 3 years

Gillian thanks Jackie and passes to Julia Latif

Julia presents:

- Introduces her business Our House of Spice which she launched with her sister in 2012. Since then, she has seen the business landscape dramatically change
- In 2019 Julia's business had record sales for her business at the beginning of 2020 she visited family in Cambridge. Lockdown was announced and Julia made the choice to move and adapt her business from Fort Augustus down to Cambridge to stay with her parents who were classed as vulnerable.
- 3 years on the revenue from Our House of Spice hasn't recovered, mostly down to a change in Julia's priorities – the pandemic made Julia re-evaluate her life and decided to scale down her business to look into what she was passionate about.
- Julia decided to spend more of her time championing British Asian women
- People Like Us – non profit which addresses inequalities amongst black, Asian and ethnic minorities
 - Ethnic minority professionals more likely to borrow money, move in with family and skip meals due to the cost of living crisis
 - 41% of ethnic minority pros worried about being made redundant due to rising costs compared to 27% of their white colleagues
- The _ Trust – a race equality think tank
 - August 2022 Katherine Zakret wrote: the impact of the cost of living crisis for ethnic minorities is disproportionate as they are the same people who have already been unequally affected by the pandemic – higher death rates, unemployment and poverty
- May 2022 The New Economics foundation reported that black, Asian and other ethnic minorities will experience the average increase in the cost of living 1.6x higher than white people
- Whilst we are fighting for gender equality, ethnic minorities are fighting to survive

Gillian thanks Julia and passes to Erica Moore

Erica Presents:

- Erica introduces her business Eteaket which was started in 2008
- Erica has a tearoom in Edinburgh and supplies tea products to other hospitality businesses across the UK and is expanding into offering wellbeing tea courses
- Erica states that the hospitality sector is in crisis at the moment
- Pre-pandemic, the sector employed some 285,000 people and added £6bn per year to the Scottish economy – Erica suggests the growth of this would be very stagnated at the moment
- Almost a third (32%) of hospitality businesses are at risk of failure in the next year.
- Even when businesses have managed to increase their turnover the costs of everything are going up by large sums of 20% etc not just 5%

- More than 10% (13,037) of the UK's hospitality businesses have permanently closed since the start of the pandemic in March 2020
- The struggles that hospitality businesses are facing include
 - Cost of resources, supplies going up significantly
 - Increase in energy prices
 - Staff costs and staff absences with the rising cost of wages is crippling
 - For businesses in city centres a lot has changed – majority of people work from home more often than pre-pandemic meaning less traffic and footfall so causes a big drop in trade
- Calls to action from Erica
 - Intervention in energy market
 - VAT rate cut
 - Improve recruitment in hospitality
 - Combat health and wellbeing issues caused by the past few years
- We are going to lose lots of small independent businesses if nothing is done – it is shortsighted if we don't help these businesses

Gillian thanks Erica and comments that another aspect that is affecting businesses is that customers are potentially having to cut back on a lot of things for the same reasons. A lot of businesses she hears from are those that can sometimes be classed as a luxury and not a necessity and when you're struggling to pay your own bills at home, luxuries are the sort of things you cut back on.

Gillian Martin opens up to questions and comments

- Jackie asks Julia if she restarted her business in Fort Augustus after Covid – Julia says she decided to step away from her business due to major burnout she experienced last August and now her priorities have changed she isn't sure about the future of her business as of yet.
- Jennifer Roberston comments we don't know how FM will be next month. Jennifer's biggest challenge since Covid and cost of living has been the cost of childcare and there is no childcare in the parliament. Working mums tend to have childcare responsibilities fall on them. Equal paternity leave is also something Jennifer calls for as it holds back a lot of them women she employs.
- Gillian feels the parliament creche was more for visitors and didn't work for staff.
- Jennifer Macdonald-Nethercott comments plea to get her children in school for 5 days a week. Strikes causing issues of disruption for kids and those who childcare responsibilities fall on and therefore their businesses. Jennifer didn't get furlough through Covid and feels female business owners need a break.
- Gillian agrees crippling childcare costs can be difficult and wonders how long these strikes can hold out for.

- Colette Stevenson comments she sits on the Standards committee and said it was brought up that one of the reasons why childcare facility was removed from parliament was lack of use – misunderstanding that the creche was only for MSPs. The facility should be for everyone including staff. Colette reflects on how she gave up her pension contributions to put her daughter into nursery.
- Carloyn Currie asks q of Jackie, Julia and Erica – if you were going to make a call to action now what would you want to see being done?
 - Jackie calls for more recognition of additional costs and challenges rural businesses have. There should be more rural proofing of policies, strategies and resources so there is a more level play field
 - Julia calls for a group of those who can implement change meeting with those who are struggling. Gillian Martin recommends a parliament report on BAME communities during covid and would recommend Julia to write to the committee to pick up on this report and update the situation.
 - Erica calls for help to support people's mental wellbeing as she sees this as a massive issue and one that affects people right across the board, mental health doesn't discriminate. Mental health first aid courses could be publicly funded for businesses.
- Gillian Martin comments frustrations on cost of living for politicians in Scottish parliament are things like regulations of energy companies reserved to Westminster. Gillian feels as though in Scotland the MPs need to be lobbied much more than currently by people like those on the CPG – she feels there is sometimes a disconnect with MPs.
- Carolyn Jones feels access to finance would massively help her. A big problem for her is her cashflow is under pressure. Having access to loans like those during covid could be a lifeline. Gillian speaks of 'bridging loans' to help people get through this period of a dip.

Gillian closes meeting and thanks speakers