



# Institute for Family Business

The Rt Hon Boris Johnson MP  
10 Downing Street  
London  
SW1A 2AA

3 July 2020

Dear Prime Minister,

Over the coming months, family businesses across the country will be seeking to recover from the economic damage caused by the COVID-19 pandemic.

As the restrictions begin to lift, discussions about “building back better” provide an opportunity for business and policymakers alike to forge the future of our economy, working together to maintain and implement long-term policies focused on regional growth, investment, good jobs, and responsible business practices. Ensuring continued and sustainable growth of family businesses not only brings benefits to the whole economy, but to consumers, employees and the Exchequer too.

The Institute for Family Business is the UK’s family business organization. Our members include some of the most successful, world leading, businesses in the country. Together they employ over half a million people and have a combined turnover of £100 billion annually, and work across the whole UK in every region, and every sector. We work with family businesses to help them build better and stronger business for future generations of their families, employees and communities.

We are proud of the way in which the family business sector has responded to this ongoing crisis and the resilience that our members have demonstrated. We are also grateful for the support that your government has provided in supporting business throughout this difficult period. We believe that an ongoing collaboration between Government and the family business community is essential to ensure we repair the economic damage the crisis has caused, and look to build a robust and growing economy that delivers benefits across the whole of the UK. The road to economic recovery will be long, but the family business sector is well placed to play a central role, and it stands ready to do so. We want to work with your Government to achieve this.

We believe that this can be delivered most effectively in two stages:

- 1. Stabilisation** - No conversations can be had about growth without addressing the stability that businesses need in order to survive. These are extremely uncertain times for business, with many having to make difficult financial and operational decisions regarding their future. As part of the road to economic recovery, businesses need the confidence that they can start doing business again, accepting that it will require new and innovative ways of working. That includes confidence in how they are expected to operate, but also a tax system which enables them to rebuild and invest.

- 2. Growth** - The Government should then look to stimulate investment as a means of achieving future economic growth. In particular, the Government must use all the levers at its disposal to help stimulate capital investment, investment in new jobs and investment in skills. As you look to level up the country and target regional growth we also need to take a strategic approach to supporting mid-sized businesses which play a hugely important role in our country but often seem to be overlooked in policy development.

In the UK family businesses employed over 13.4 million people prior to this crisis, and generate a quarter of UK GDP. Family firms are the backbone of our economy and the bedrock of communities across the whole country. As well as the economic benefits they bring, they also play an important role in their communities spearheading and supporting initiatives designed to improve the overall wellbeing of the area. Growth in this sector brings benefits to the whole UK economy, to consumers, to the exchequer and to the millions who work in family firms.

As the Government looks to support growth and develop opportunities across every part of the UK, family businesses have an essential role in delivering on this ambition. Family firms are the driving force across all regions, communities and sectors of the UK. Well over 80% of businesses in Yorkshire, the North West and the East and West Midlands are family owned. In those four regions alone family firms employ nearly four and a half million people.

Family businesses have a generational outlook, looking to build a stronger business for future generations. They are keenly aware of the need to support and build opportunities for the generations following them. Family business owners are particularly concerned about the impact this crisis has had on young people, who are more likely to lose jobs and career opportunities. Creating new opportunities for these young people and supporting them in getting back to work must be an immediate priority for the Government. That should include reforming the current apprenticeship system to make it work better for young people and employers, and the Government should incentivize employers to hire young people by reducing or removing employer National Insurance Contributions for people under 25.

While many businesses, and whole sectors, are still fighting for survival some businesses are in a position to look to the future and consider where they need to invest to adapt to life after this crisis, and how they will support the national economic renewal. The Government must look at how it can support and encourage those businesses to invest in themselves and their future. These measures should aim to help to lower the cost of entry for investment, in both people and capital expenditure. That includes extending the timeframe for the increased level of Annual Investment Allowance beyond the end of 2020, and providing incentives to companies to train and upskill their employees. This approach will help the UK increase productivity, while also supporting good quality job creation.

Family firms survive and thrive over generations by taking a long-term approach to innovation, growth and investment. They have shown their ability and drive to transform their businesses to adapt to changing circumstances over and over. Not only do family businesses have a direct role to play in our economic recovery, but the lessons of these multi-generational firms can help to inspire others too.

Given the scale of the family business sector, its voice is essential in ensuring the successful development and deployment of policies to help the UK recover and rebuild. We look forward to working with you and your Government to achieve this common aim. We would welcome the opportunity to sit down with you and your team to discuss how we can mobilise family businesses as we work together to rebuild across every part of the country.

Yours sincerely,

**Hugh Clark**  
**Chairman**  
**Institute for Family Business**

**Elizabeth Bagger**  
**Director General**  
**Institute for Family Business**