

Dear All

First off, I wish to apologise for the delay in making a formal statement. I assure you, however, that this doesn't signal inactivity; I have been working tirelessly along with our Executive Officers, Richard Bird and Peter Huxtable, lobbying very strongly at all relevant government departments, including direct contact with The Chancellor of the Exchequer, The Right Honourable Rishi Sunak, to ensure our interests are fully represented during this unprecedented emergency. We are also in regular contact with the devolved governments in Wales, Scotland and Northern Ireland.

This is a time of National Crisis and the impact on our industry and member companies is unprecedented.

It is also a major social disaster and we must never lose sight of this dimension, nor our responsibilities.

The health and well-being of all our staff, employees, contractors, and indeed everyone we interact with in our businesses, must be and remain our priority.

The range of measures initially announced by the Chancellor on Friday 20th March 2020 are, of course, very welcome. Arguably, the scale and nature of the public funding being offered is staggering, however, as always, the devil's in the detail and we are alive to the shortcomings which effect our members.

More is urgently required in terms of further financial support, detail, and clarity in order to help address the severe shock to our businesses this unprecedented shutdown is causing.

Specifically, I have been demanding - Deferral of VAT, Aggregates Levy (AGL), NIC, PAYE, Corporation and Business Rates, and the acceleration of the means to access the various funding schemes made available.

I note with disappointment that others have not publicly called for a deferral to Aggregates Levy, especially following the positive relations which have developed between the industry and Treasury during the ongoing AGL Review process. Deferral of AGL, on the same basis as say that now agreed for VAT, would make a huge difference in terms of our cashflows and, ultimately, job protection.

I have written again to The Chancellor reiterating the need for an urgent response to our request for the assistance to be extended to deferral policies not already agreed, especially Aggregates Levy.

I am also asking that Government provides urgent, much needed clarity to banks in order that they can provide the support to businesses immediately, and in the "spirit" government intended. I understand the situation is improving, and that details may now have been finalised, however, additional issues urgently need addressed.

Banks report that some companies with strong(ish) balance sheets will be deemed ineligible for access to government-backed schemes (which of course attract favourable interest rates/terms/conditions), and such companies will automatically be referred instead to their commercial loans departments.

It is ironic that historically well-run companies who have built up strong balance sheets, especially against a background of recessions and extremely challenging trading conditions, caused in part, of course, by government policies and grossly irresponsible banking behaviour, are essentially left with little option other than to burn through precious cash reserves and endure exposure to onerous commercial lending terms, perhaps on exploitative interest rates, whilst others are treated much more favourably.

In addition, further clarity and transparency is required in respect of reports that Personal Guarantees will be required. I note that banks are continuing to adopt differing policies on this at the moment.

There is also a significant lag in the development, integration and deployment of required systems within Government departments, especially HMRC, which are necessary in order to facilitate access to the various strands of additional funding so desperately needed by many.

The protocols for dealing with the Furlough of staff have been updated late last week and details can be found at <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>. Employment lawyers apparently question aspects of this measure therefore I recommend you take advice and ensure the correct procedures are followed at all times.

Building and construction has been suspended in Scotland, however, I appreciate that the picture elsewhere, especially in England, is different. Conflicting, confused messaging and signalling from Government on this issue is extremely unhelpful.

I believe agencies such as Highways England, are taking the stance that it will remain “business as usual”. I suspect this might change soon, and that any market disparities created meantime will be temporary.

From my own perspective as CEO and owner of Cloburn Quarry Co Ltd., despite having key-supplier status throughout the country, I took the decision to close the business at 5pm last Tuesday. Many other independent quarry companies throughout the UK have done likewise.

As I have stated earlier, I take very seriously the social dimension to this crisis and I feel a great sense of moral duty to protect my employees and society at large by imposing a lockdown and staying at home.

Financially, of course, this has a massive impact and like everyone else in my position, I’m putting in place a range of emergency measures and cash-preservation policies in order to ensure survival. However, importantly, I am committed to maintaining payments to all our suppliers, many of whom rely on us for their survival. I have authorised accelerated payments for all and I hope to maintain this policy throughout the crisis.

To conclude, please be assured that I will continue to work as hard as possible to protect our members' interests and that I am available at all times to give updates, advice where possible, and support.

I wish you all continued good health and assure you of my very best attention at all times.

Yours sincerely

Paul McManus
30th March 2020