

Back to work and beating the virus

The government doesn't have a choice of either controlling the virus or promoting jobs and growth. It has to do both. So far anti virus policies have dominated, with ruinous effects on the travel, leisure and hospitality industries. The PM is now looking at options to avoid a new national lockdown to control the virus.

Policy has to centre on

1 More intense medical discussion and analysis drawing on worldwide experience of which drugs and treatments can cut the death rate of serious hospital cases.

2 Help with continued shielding of those most vulnerable to serious forms of the disease.

3. Good trace and test systems so more carriers can isolate.

To generate economic recovery we need further relaxation of general restrictions on economic activity. I pointed to the way green policy is damaging large industrial and energy sectors yesterday. Today I highlight the travel, leisure and hospitality sectors.

Some leisure and hospitality businesses think there is no point in opening at all under current regulations, and some are still banned from opening. Some have re opened but face turnover well down owing to the need for social distancing and new methods of working which raise costs. A minority have adapted their business model to new conditions and are trading well. Given current levels of demand and the nature of the government interruptions the majority are unlikely to be able to do this.

On the plus side for the U.K. industry are some of the quarantine restrictions and bans on foreign travel. The decision on Spain in particular gives the U.K. holiday industry a real boost as you would expect many more people to holiday in the U.K. These same regulations undermine foreign tourist serving businesses like Bicester Village and central London.

Talking to some of the affected businesses I encountered one which saw a market opening for top end take away prepared dinners delivered to time share accommodation and is doing well. I found a travel business that has a back up contract for the NHS who as a result has abandoned the traditional visitor travel they offered. I have seen several shuttered businesses, often with older owner managers who wish to avoid social contact with the public. I have seen varied interpretations of the rules by hotels and restaurants prepared to run with lower occupancy and fewer covers.