



The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

24 September 2020

Dear Chancellor

The [Flexible Space Association](#) represents the flexible workspace industry across the UK. Our members comprise the operators of serviced and managed offices, coworking spaces, business centres, workshop units and virtual office providers.

There are over 6,000 flexible workspaces across the UK¹. 88% of UK operators of flexible space run only one or two locations, so have limited financial backing. They are in turn part of the backbone of the UK economy, providing a home to tens of thousands of SMEs.

The sector received no direct financial support in the early stages of the Covid-crisis. Whilst some businesses were able to use the furlough scheme, others run on too few staff to make this viable. Every flexible workspace operator has spent thousands of pounds to ensure the communal areas of their centres are 'Covid Secure', from screens at reception desks to enhanced cleaning regimes.

According to research conducted by *Instant Group* in May 2020, at the height of the Covid-crisis only 18% of flexible workspace clients accessed their offices, and 58% asked for or expected unique payment terms or discounts during this period.

Gradually workers began to return to their offices, and customers became more confident in renewing licence agreements, or even taking new space.

The Prime Minister's statement on Tuesday 22nd September was a devastating blow to the flexible workspace industry. Its effect was to urge our customers to stay away for the next 6 months.

The nature of flexible workspace is that customers can enter and exit agreements relatively easily, with as little as a month's notice. Our industry is seeing customers leave in unprecedented numbers, and the recent early signs of new clients as some sought a different type of business space has of course immediately ceased. Additional income from activities such as meeting room hire and catering is also lost. When customers leave and stop paying rent, workspace operators are still liable for their building's fixed costs.

2nd Floor, Titan Court, 3 Bishop Square, Hatfield, AL10 9NA Tel: 01707 927424
e-mail: info@flexsa.co.uk Web Site: www.flexsa.co.uk

The Flexible Space Association Limited Registered No: 3636769 (England and Wales)
Registered Office: Camerons Accountants, 9 Worton Park, Cassington, Oxfordshire OX29 4SX

If the flexible workspace industry is to survive and be there as part of the support mechanism for a future recovery of the UK economy, urgent Government support is now needed.

We are calling for the following:

- A 12-month Business Rates holiday, equivalent to that granted to retail, hospitality and leisure businesses in March 2020. Following the new measures announced by the Government, our industry is now affected in a highly similar way to those sectors, and this same support is needed to help survive this period.
- For a commitment to be made that there will be a regular review of the guidance to work from home, rather than the clear suggestion it is in place for the next 6 months, and for there to be a clear aim of encouraging people to return to offices at the earliest opportunity.

If further evidence is required to support this case, our members are ready and willing to provide detailed information in confidence on the financial impact the pandemic is having on their business, and the prospects for the future of their business and staffing.

If there is any further information required to consider our request, please do not hesitate to contact me.

Yours sincerely



Jane Sartin
Executive Director
Flexible Space Association

ⁱ Instant Group UK Market Summary 2019 <https://www.theinstantgroup.com/media/2079/uk-market-summary-2019.pdf>