

Textile Services Association's open letter to the Government on Covid-19 outbreak and the response to the textile care hospitality industry



12 May 2020

For the attention of

The Rt Hon Rishi Sunak MP, Chancellor of the Exchequer

The Rt Hon Alok Sharma MP, Secretary of State for Business, Energy & Industrial Strategy

Dear Sirs,

I am again writing another open letter to you as Chief Executive of the Textile Services Association (TSA), the trade association for the industrial and commercial laundry industry.

We have been lobbying and writing to various government departments since our first open letter on the 25th March. Unfortunately, the direct responses we have received do not address the points raised and simply direct us to the government websites. If you are unable to agree with our concerns, please may we at least ask that we receive the reasoning behind your decision as we feel our points are tremendously crucial for our industry to survive.

Our message is simple, our hospitality laundries are part of the hospitality industry.

- We shut when the hotels shut, we open when they open – within a couple of days of hotels closing, we had to close – there was no work.
- Many small hotels already process laundry on site, so you are already recognising laundry as part of this support package.
- We have been informed by our members that 10 English councils have already accepted this status for hospitality laundries but others are requesting clearer guidance.
- Laundries are on the list in Scotland and receiving the benefit.
- If we are not provided with this support, many of our members businesses will not be re-opening, as hotels cannot operate without laundry.
- Hotels and pubs typically have a 60% wage cost, and these are being covered, laundries are lower - around 40% due to high plant investment hence we are in even more desperate need of support as many of our costs, finance, HP, utilities standing charges, insurance, rent are continuing through shutdown.
- Loans have to be paid back and we expect the ramp back up to be very slow so will make cash flow very challenging if we rely solely on them.
- Linen costs – over 90% of hotels rent the linen from our members, so we own all the linen that is at hotels – this is an enormous capital investment for which we are currently receiving no return.
- Hospitality laundries employ 24,000 staff – if we cannot survive, thousands of jobs will be at risk.

The current situation is extremely unfair, we respectfully ask you to issue clear guidelines that includes laundries as one of the benefactors of the Hospitality Grant (Small Business Grant Fund) and the Business Rate Relief scheme. I repeat we are a fully integrated part of the hospitality sector.

Our claim is supported by UK Hospitality who recognise that their industry cannot re-open without the laundry industry ready and able to support them.

Yours faithfully

David Stevens

CEO

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