

Rachel Hopkins MP
House of Commons
London
SW1A 0AA

Dear Rachel,

Bounce Back Better – Supporting the Retail, Leisure and Hospitality Sectors

On behalf of a national collective of industry bodies, we wish to present this letter to you and your office and colleagues within Central Government for consideration.

The retail, hospitality and leisure sector is vital to the UK economy and must be protected at all costs. The retail industry alone generated £394 billion worth of sales in 2019 with 306,655 units across the UK. The UK leisure sector has reached over £111 billion in sales. UK hospitality employs over 3.2 million people, that is 11% of UK jobs, making it the third largest sector in the UK, accounting for £130 billion in revenue, 6% of all UK businesses and 5% GDP.

In total, the retail, hospitality and leisure sectors deliver a combined £635 billion to the national economy.

We are deeply concerned following the new Government guidance introducing an amended Tiered system together with Luton being put in 'High' COVID Alert Level 2, that this places irrevocable pressure on hospitality businesses and also those in retail and leisure who have already suffered two national lockdowns. UK Hospitality has warned that the new Tier 3 system will result in 94% of hospitality businesses becoming unviable by March 2021. In Tier 2 it is 75% and even at Tier 1 25%.

We believe that sector specific measures require sector specific support. At a time when businesses are doing all they can to support the greater cause, we ask central government to consider four essential packages to provide a vital lifeline for those businesses:

1. To provide a one-off 'Bounce Back' grant of up to £15,000 for retail, hospitality and leisure businesses in Tier 2 and Tier 3 across England and Wales with a rateable value of up to and including £150,000. This would support 137,000 businesses vital funds delivered in a manner Local Authorities are equipped to distribute at a total maximum cost of £2.05bn.
2. To remove the burden of National Insurance from employers whose staff are on furlough, saving the average business £2,000 per month until 31st March 2021.
3. We ask Government to extend the 100% business rates holiday into 2021/2022 for businesses in the retail, hospitality and leisure sector. Every pound saved is a pound to help businesses stay trading and retain staff.
4. We ask Government to extend the VAT reduction from 1 April 2021 up to and including 31 March 2022.

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These are some of our most adaptable businesses and the economy will need them to stave off the threat of cessation, so that they can play their role in rejuvenating the economy and contributing to community wellbeing.

We acknowledge that meeting all the above-mentioned asks increases the burden on central and local government. This is a price we believe is worth paying to ensure these businesses are supported to become part of the greater push to mobilise our economy, rather than leaving premises empty, growing unemployment and depleted high street and town centre communities.

Collectively with the support of UK Hospitality, Night Time Industries Association, British Beer and Pub Association, BID Foundation, British BIDs and ATCM we implore you and the Government to provide additional financial support to the Retail, Hospitality and Leisure sector, by providing an additional one-off 'Bounce Back' grant, pause employer national insurance contributions for furloughed employees along with extending the 100% business rates holiday and extending the VAT reduction.

Thank you in anticipation of your help.

Yours sincerely