

From: The Leader of Lambeth Council

Our Ref: **Leader 2020-05 025**

Via Email – enquiries@beis.gov.uk

Rt. Hon. Alok Sharma MP
Secretary of State for Business, Energy and
Industrial Strategy
1 Victoria Street
Westminster
London SW1H 0ET



Monday, 4th May 2020

Dear Mr Sharma,

RETAIL, HOSPITALITY AND LEISURE SECTORS NEED YOUR SUPPORT - #RAISETHEBAR

These are unprecedented times for our economy at a local, regional and national level. It is only right that while the UK deals with the Coronavirus pandemic, businesses play their part in closing their doors to ensure people stay safe. We, of course, welcome the Government's £350 billion+ response to the crisis with a series of financial interventions that include the series of business grants and the job retention scheme.

We appreciate, understand and respect that central government cannot provide the solution to every challenge. However, the retail, hospitality and leisure sectors are pivotal to our economy and need greater support.

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. The 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.

At a time when businesses are doing all they can to support the greater cause, we ask central government to reconsider and amend the Retail, Hospitality and Leisure Grant (RHLG):

- To expand the rateable value threshold for all retail, hospitality and leisure businesses from £51,000 to any business with a rateable value up to and including £150,000, allowing further businesses the opportunity to access the £25,000 grant

In support of those in the retail, hospitality and leisure sectors with multiple locations, we also ask that the Government also waives the State Aid threshold to support businesses across the next two years as the UK overcomes the COVID-19 crisis and begins to rebuild its economy.

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The justification for waiving State Aid threshold at this point would provide much needed assistance and flexibility, ensuring their future survival. It will not only offer businesses a lifeline but protect people's jobs and our economy for the future.

In Lambeth alone, hundreds of businesses will currently receive no assistance as their rateable value is over £51,000, affecting pubs, restaurants, shops, theatres and other.

Whether these businesses are independent or operating from more than one location, we forget businesses of all sizes with a rateable value of £51,000 or more at our peril. Feedback from them suggests that they are carrying significant stock losses and are still facing immediate cashflow challenges that wage subsidies will not address. Many are not in a position to take on further debt or have serious misgivings about being able to survive the recovery and service loans. To date, 80% of our businesses have been excluded from government loan support schemes due to their size or European Union State Aid rules.

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 by increasing the RHLG threshold up to and including £150,000 will increase 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.

It is obvious that even with an expansion of the cap, that not all businesses will benefit. What we believe to be important is that the grant scheme is reasonably extended as critically this will help thousands of businesses to adapt to the challenges ahead. We also ask the government to look urgently at how irreplaceable night time venues, with a rateable value above £150,000, can be protected. For example, London's LGBTQ+ venues play a vital cultural role in our city. However 20% are over £150,000 rateable value and are facing permanent closure without further government support.

We are representing businesses and residents in Lambeth and our request is supported by many industry leaders and businesses will, for most, offer the single biggest difference in their personal commercial fight against this crisis.

We gratefully request that you reconsider the RHLG threshold, raising it to £150,000 and allowing a greater proportion of businesses the opportunity to apply for a £25,000 grant through their local authority. Coupled with waiving State Aid threshold, this will provide a vital level of protection for

many businesses across the UK and in Lambeth. With it our economy will be far better prepared once we begin to navigate our way through this national crisis.

Yours sincerely,



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