



HOUSE OF COMMONS

LONDON SW1A 0AA

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

1st May 2020

Dear Chancellor,

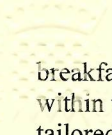
The tourism and hospitality sectors play a significant role in the UK economy, providing 3.7m and 3.2m direct jobs respectively as well as contributing billions of pounds to our local and national economies. These were the first sectors to be significantly adversely impacted by the COVID-19 lockdown and they are likely to be the last sectors to reopen.

The hospitality and tourism industries include businesses of all shapes and sizes, from hotels, pubs and restaurants to small bed & breakfasts and SMEs delivering holiday experiences. So diverse are these sectors that many businesses can be easily overlooked, for example, cruise operators, as can be the vast network of businesses supplying the food, drink, and other goods which make our tourism and hospitality sectors such a success.

We welcome the measures already in place to support these industries such as the furloughing scheme, the Coronavirus Business Interruption Loan Scheme (CBILs) and the relaxation of planning rules to allow pubs and restaurants to provide takeaways during the outbreak.

That said, further support will be needed to ensure that these sectors are able to survive. Following conversations with MPs, local businesses, and experts in these sectors, we hope you will consider taking the below temporary measures to safeguard our hospitality and tourism sectors.

- **Extend the business rate relief threshold up to £150,000.** This would ensure a significant proportion of businesses in these sectors can benefit from business rate relief and in some cases become eligible for grant support.
- **Extend the furlough scheme beyond the end of the lockdown.** The furlough scheme has provided a lifeline to thousands of businesses in these sectors, protecting jobs and pay-packets. As hospitality and tourism are expected to be among the slowest areas to resume to usual levels of activity and income, a significant extension to this scheme would provide protection for those businesses in these sectors.
- **Flexibility of the furlough scheme.** Many of those businesses within the hospitality and tourism sector have significant overheads and their sites require continual maintenance. Adapting the furlough scheme to allow those businesses to 'flexi-furlough' will ensure that facilities can be maintained and reopened when the time comes.
- **VAT rebates.** Given the welcome steps of the HMRC to defer VAT payments, we ask you to go further and explore the viability of offering either a year or a quarterly VAT rebate from either 2019 or 2018.
- **Reduce the rate of VAT on tourism to 5%.** This would bring the rate in-line with other European nations and allow businesses to offer more competitive prices, protect jobs, and support local economies when these sectors are reopened.
- **Tailor support.** A number of businesses in tourism and hospitality have fallen through the cracks and are unable to benefit from Government's support measures. For example, the marine leisure sector, bed &



breakfasts are struggling to find assistance within the current measures announcements. In specific industries within the tourism sector such as this, the Government should adopt a case-by-case approach to see if additional tailored support is necessary,

Aside from the above ideas on further financial support, it is crucial that there is flexibility in operational arrangements for businesses in these sectors re-opening after the crisis, as has been the case in other countries. We urge the government to engage with these sectors to explore methods of operation that safeguard the health and safety of employees and patrons alike.

It is vital that businesses in these sectors have time to prepare for re-opening and adjust to the new post-lockdown normal. For example, some businesses will need to train their staff on social distancing procedures, while others which have reduced their services for the duration of the lockdown will need time to re-align their services to meet renewed demand.

We hope you will take our recommendations and concerns into consideration.

Yours sincerely,

Anthony Mangnall MP
Member of Parliament for Totnes

Copied to The Rt Hon Oliver Dowden MP, Secretary of State for DCMS