Dear Prime Minister,

cc: Chancellor of the Exchequer; Secretaries of State for BEIS, DCMS and DEFRA

GOVERNMENT SUPPORT FOR THE RESTART, RECOVERY AND REVIVAL OF HOSPITALITY IN THE UK

Last week’s announcements about the reopening of much of the hospitality sector and the changes to social distancing measures are warmly welcomed and we have been working hard to put in place all the important safeguarding measures when many of us look to re-open our doors from 4 July. We will continue to work with you on the steps needed to reopen the parts of the sector which remain subject to restrictions and the support that they will need throughout prolonged closure.

The Covid-19 pandemic has created widespread devastation for the hospitality and tourism sector:

- We were first to be hit, with -21% revenues directly as a result of the virus before lockdown
- We were hardest hit, accounting for a third of the slump in GDP in April and March and ONS data showing a fall in employment and economic activity of 90% during lockdown
- We will be hit for the longest with demand suppressed from foreign travel, restrictions on business events and a delayed return to office working as well social distancing
- Sales across the sector are expected to be 56% lower than last year, reducing revenues by £73.4bn and half of businesses do not expect to reach breakeven until the end of next year

Hospitality businesses operate with very high fixed costs and labour costs are the only flexible point to absorb this suppressed demand. Many parts of the late night and leisure economy, as well as activities such as events and conferencing in our hotels, have no provisional date for reopening and this is impacting confidence and undermining job security.

With an ambitious programme of Government support, alongside industry innovation and dynamism, we are confident we can return to full strength and still operate safely and responsibly. In doing so we can play our full and active part in levelling up skills, supporting the young people who make up over half of our workforce and sustaining inward investment to our towns, high streets and coastal communities. It will allow us to restart and begin to recover in 2020, with the sector not back to strength before 2021 when it can embark upon a journey of revival.

The sector’s record of job creation following crises is phenomenal. In the decade following the financial crisis, hospitality consistently created around one in six new jobs thanks in part to the VAT cuts and investment in youth employment and training introduced in the immediate aftermath. We can do so again. Physical hospitality cannot be replicated digitally online, in the same way that some form of retail can be. We therefore urge you and your colleagues across Government to work with us to stimulate demand and support the sector’s recovery.

UKHospitality has developed a targeted set of recommendations to help the industry build back over the coming months and smooth out cost increases which could undermine the road back to work:
Restart

- Secure a successful restart by **automatically extending the deferral of all tax liabilities** that will now fall due in July – such as PAYE – covering the closure and reopening period in full, and remove the obligation to pay interest on late payment
- Unlock the impasse in the commercial property market, which is threatening high street viability by incentivising the use of the recently published Code of Practice with a targeted **Hospitality, Leisure and Retail Property Bounceback Grant** to cover a proportion of rent debt during closure, reopening and recovery
- Extend the threshold for **hospitality grants** beyond £51k to support more businesses with the costs they have incurred during closure and to support investment in reopening

Recover

- Boost confidence, demand and incentivise spend by temporarily **reducing VAT to 5% for hospitality businesses** – across eating and drinking out, holiday accommodation and tourist attractions to bring more people back into work and boost investment in training and income, as has been introduced in Germany and other countries across the globe
- Protect jobs, particularly for young people, by providing a route to fund a return to work as demand ramps up by **allowing access to full furlough for longer** for hospitality businesses subjected to extended closure; and **double the employer NIC threshold** to protect a return to work, particularly for young people resuming apprenticeships and training.

Revive

- Secure Hospitality’s Recovery by **extending the hospitality business rates holiday to March 2022** pending root and branch reform and, during that breathing space, reset the regulatory framework governing commercial property, planning and business tax.

This suite of measures will help give our sector the best chance of a sustainable recovery and enable us, once again, to support the economic growth and national wellbeing of this country. We thank you in anticipation and look forward to your response.

Yours faithfully,

Thomas Dubaere

Accor Northern Europe

Steve Holmes

Azzuri

Rob Paterson

Best Western GB

Paul Flau

Bourne Leisure

Alasdair Murdoch

Burger King

Gerry Ford

Caffe Nero

James Spragg

Casual Dining Group

Bill Toner and Tim Jones

CH & Co

Robin Mills

Compass Group

Des Gunewardena & David Loewi

D & D London

Simon Emeny

Fuller’s

Alex Salussolia

Glendola

Nick Mackenzie

Greene King

Steve Cassidy

Hilton

Arnaud de saint-exupery

Hyatt

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IHG
John Hutson  J D Wetherspoon
Ronny A. Maier  Marriott International Ltd
Ralph Findlay  Marstons
Nick Varney  Merlin
Phil Urban  Mitchells & Butlers
Ken McMeikan  Moto Hospitality
Ranjit Mathrani  MW Eats
Peter Borg-Neal  Oakman Inns & Restaurants Ltd
Steve Richards  Parkdean Resorts
Zoe Bowley  Pizza Express
Jens Hofma  Pizza Hut
Greg Hegarty  PPHE Hotel Group
Clive Chesser  Punch Pubs
Rob Pitcher  Revolution Bars
Sean Haley  Sodexo UK & Ireland
Steve Worrall  St Austell
Simon Longbottom  Stonegate Pub Company
Peter Marks  The Deltic Group
Alison Brittain  Whitbread
Patrick Dardis  Young’s
Simon Numphud  AA Media
Lawrence Hartley  AHR Hospitality
Chris Yates  Angela Hartnett Ltd
Andrew Botting  Artizian Catering
Chris Varley  Aynsome Manor Hotel
Piers Baker  Baker Hospitality
Paul Kelly  BALPPA
Michele Mella  Barnsley House and Village Pub
Wendy Bartlett  Bartlett Mitchell
Murray Roberts  Beds & Bars Ltd
Andrew Selley  Bidfood UK
Mark Derry  Brasserie Bar Co
Ricci Obertelli  Brend Hotels
Stuart Johnson  Browns Hotel a Rocco Forte Hotel
Daniel Sangiuseppe  Castlewood Hotels
Paul Jackson  Claridge’s
Vincent Labeyrie  Club Gascon
Andrew Thomson  Doubletree by Hilton London Ealing
Edward Bence  Edward Bence Hotels Ltd
Catherine Roe  Elior UK
Graeme Bateman  Elite Hotels
Marwan Hemchaoui  Ellenborough Park
Danny Pecorelli  Exclusive Collection
Shaun Bowles  Eynsham Hall
John Pette  Fairlawns Hotel and Spa
Ingo Wiangke
Feversham Arms Hotel & Verbena Spa

Chris Galvin
Galvin restaurants

Serena von der Heyde
Georgian House Hotel

John Orr
Glenapp Castle

Andrew Thomason
Gravetye Manor

Sir Francis Mackay and Tim O'Neill
Graysons Hospitality

Claire Aylward and Gareth Harrison
Harrison Catering

Echo Lu
Haulfryn

Thomas G J Robinson
Headlam Hall

Pontus and Miranda Carminger
Historic Sussex Hotels Ltd

Howard Young
Hotel Bristol (Newquay) Ltd.

Guillaume Marly
Hotel Café Royal

Craig Bennett
Hotel Indigo London Kensington and Theo's Simple Italian

Dave Hawkes and Simon Houston
Houston & Hawkes Ltd

Peter Ducker
Institute of Hospitality

Cliff Nicholls
Jump Xtreme - JXL Ltd

Clive Wilson
Lake District Hotels Association

Brian Hladnik
Lancaster Landmark Hotel Company Limited

Neil Kirby
Langham Hotel

Harry Murray
Lucknam Park

Bernard Bloodworth
Matfen Hall Ltd

Paul Milsom
Milsom Hotels

Mark Mosimann
Mosimann’s LTD

Angela Hartnett
Murano Café Murano

Richard Lee
Pandox

Stefano Ispani
Ponti's

Peter Hancock
Pride of Britain Hotels

Alistair Handyside MBE
Professional Association of Self-Caterers UK

Michael Bonsor
Rosewood London

Peter Banks
Rudding Park

Maria Sundrica
Sanzio

Steven Hesketh
Savvy Hotels

Ross Grieve
Seaham Hall and Serenity Spa

Liz Waugh
South West Tourism Alliance

Andrew Evans
St Brides Spa Hotel

Andrew Nicholson
Storrs Hall

Shaun McKivigan
The Airds Hotel and Restaurant

Jannes Sorensen
The Beaumont

Knut Wylde
The Berkeley

Sandeep Bhalla
The Connaught

Nick Davies
The Cottage In The Wood Hotel

Shirley Mowat
The Dunstane Houses

David Morgan-Hewitt
The Goring

Jonathan Greatorex
The Hand at Llanarmon Ltd

JWA & CJ Armstrong
The Headland Hotel and Spa
Bob van den Oord  The Langham
Toby Ashworth  The Nare Hotel
Laurence Beere  The Queensberry Hotel & Olive Tree Restaurant
Daniel Pereira  The Royal Automobile Club
Ben Danielsen  The Royal Crescent Hotel & Spa
Sally Beck  The Royal Lancaster
Philip M Barnes  The Savoy
Neil Kedward  The Seren Collection
Andrew McKenzie  The Vineyard Group
Colin Sweeney  The Weston Park Foundation
Tim Hassell  Thurlestone Hotel
Kate Nicholls  UKHospitality
Phil Roker  Vacherin
Malcom Bell  Visit Cornwall
Sue Williams  Whatley Manor Hotel & Spa