



Prime Minister's Office  
10 Downing Street  
London  
SW1A 2AA

2<sup>nd</sup> July 2020

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 Flaum	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 Salussollia	Glendola
Nick Mackenzie	Greene King
Steve Cassidy	Hilton
Arnaud de saint-exupery	Hyatt
Karan Khanna	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	AIR 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	Padox
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 McKivrigan	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  
Toby Ashworth  
Laurence Beere  
Daniel Pereira  
Ben Danielsen  
Sally Beck  
Philip M Barnes  
Neil Kedward  
Andrew McKenzie  
Colin Sweeney  
Tim Hassell  
Kate Nicholls  
Phil Roker  
Malcom Bell  
Sue Williams

The Langham  
The Nare Hotel  
The Queensberry Hotel & Olive Tree Restaurant  
The Royal Automobile Club  
The Royal Crescent Hotel & Spa  
The Royal Lancaster  
The Savoy  
The Seren Collection  
The Vineyard Group  
The Weston Park Foundation  
Thurlestone Hotel  
UKHospitality  
Vacherin  
Visit Cornwall  
Whatley Manor Hotel & Spa