

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

11th March 2022

Dear Chancellor

Rates Relief in 2022/2023 for businesses affected by COVID-19

It is almost one year since the Government announced the £1.5 billion of grants under the Covid Additional Relief Fund (CARF). However the businesses we represent across the travel, conference and events, English language schools and brewing industries have not yet received payments from local authorities under the scheme.

Ahead of your Spring Statement we ask you to consider two steps; to roll out this funding as soon as possible and also extend it further for another year.

Even though the legislation was passed and the guidance published in December last year, we understand that local authorities still are unable to identify and distribute the grants to eligible businesses. We now face the likely situation that this will not be paid this financial year, adding further pressure to businesses trying to recover from the Covid-19 pandemic. Please provide as quickly as possible the resources that local authorities need to pay this to eligible businesses as soon as possible.

The £1.5 billion provided under CARF has been allocated to councils for relief in the 2021/22 final year. Given that relief offered under the Expanded Retail Discount has been extended to 2022/23 for retail, leisure and hospitality businesses in your Autumn Statement, it would be logical to make additional relief funding available under CARF.

The decline in revenue over the past two years has particularly impacted the businesses that we represent. These businesses have received little in support grants during the pandemic as these businesses were never required to close. They have not been eligible for the Retail, Hospitality and Leisure Business Rates Relief scheme, meaning that being prioritised for the CARF is particularly important for their viability. While some have been able to apply for the Additional Restrictions Grants, this has left businesses at the hands of a postcode lottery of support with many slipping through the net of support. Furthermore, business rates can represent up to 70% of a business's non-controllable costs.

When the CARF was announced, the Chancellor and the Housing Secretary stated that this funding would be distributed according to which sectors have suffered the most economically.

“The £1.5 billion pot will be distributed according to official data on the impacts of the pandemic on different sectors, ensuring an even and more proportionate allocation of support across England based on the economic impacts of COVID-19”

We welcome the award of CARF for 2021/2022 but require additional assistance on business rates during the current recovery phase so that already heavily impacted businesses do not take on more debt. To take the example of the tourism sector, it has suffered a decline in revenue of over 70%

over the last two years and modelling undertaken by DCMS indicates that tourism revenue will take at least until the end of 2023 to recover. Tour operators have seen their revenue drop by an average of 91% in 2020 and 93% in 2021, compared to 2019, with 2022 expected to be 46% of 2019 revenue. Small brewers lost 80% of their sales with the closure of pubs and they lost ten years of growth in 2020.

As the businesses that we represent have been, and continue to be, among the most impacted by COVID-19, we are therefore asking for your reassurance that this funding will be allocated to local authorities to enable eligible businesses to claim relief for any period up to March 2023.



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