



Prime Minister and First Lord of HM Treasury
Prime Minister's Office
10 Downing Street
London
SW1A 2AA

Dear Prime Minister,

We commend Government on its level-headed approach to the threat of the coronavirus and its work to protect Britons, while not undermining the UK economy. However, recent developments with coronavirus are having an increasingly significant economic, especially acute in hospitality and tourism, which rely on communal gatherings and international travel, and are being hit hardest by pragmatic measures to contain and minimise the spread of the disease.

As a sector we employ one in ten people – 3.2 million jobs – and have a responsibility for their health and livelihoods. We have supported our sector with targeted guidance, based on that of Government: we remain steadfastly committed to playing our part in tackling the virus.

The sector has already seen noticeable declines in trade: Q1 hotel occupancy was down 15%, eating and drinking out declined by 7%. With 60% of advance bookings made a fortnight in advance, we can foresee booking declining 40-50% across hotels, banqueting and food/beverage in the near future, largely as a result of social distancing and working from home, and travel and meeting bans unilaterally implemented. Accompanying this letter is a press release from data and research company, CGA, regarding its survey results into operator confidence in our sector, for context.

This will impact the viability of many businesses, particularly as Easter and Summer seasons approach. Core trading periods are at risk and Government must recognise the future impact as well as those that are already evident.

We believe that urgent Government action is needed to support the sector – as one of the hardest industries - and the wider economy. We believe the following measures are urgently needed to ensure that we can continue to employ, pay and serve our communities:

- A business rates moratorium for a minimum of 3 months, extendable dependent on the extent of virus spread; any quarantined area to have business rates abolished for the period of non-trading
- Business payment delay to ease cashflow (i.e. on VAT, PAYE and duty)
- Incentivise consumers to book trips and holidays, e.g. via a VAT cut, so that trade can resume as quickly as possible when the virus threat subsides
- Adapt Universal Credit to support businesses suffering severe trade and cashflow disruption, by contributing to wage payments for those whose services are not needed in the short-term and/or implementing SSP support businesses with staff unable to work or under-employed
- Slash the rate of NICs for one-year to help retention of employees
- Make available low- or interest-free loans to cover trade disruption for hospitality and tourism businesses
- Ensure that insurers are suitably supported to assist businesses experiencing cancellations
- Pause immigration proposals which are consuming business bandwidth and causing uncertainty
- Continue close liaison with business to ensure that the best available advice is reaching them.



We applaud your Government's actions and approach but urge that business support be stepped up to minimise impacts to the economy, including employment and investment.

At this time of national concern, we are committed to playing a supportive role to tackle the threat posed by coronavirus, and its threat to our way of life. If you need anything from us, please do not hesitate to get in touch.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K Nicholls', written in a cursive style.

Kate Nicholls, CEO, UKHospitality