

## **KINGSTON FIRST BACKS CALL FOR ‘SPECIAL SUPPORT’ MEASURES FOR RETAIL, HOSPITALITY AND LEISURE BUSINESSES**

Business groups representing hospitality, retail and leisure businesses – including Kingston First – have united to launch the ‘Bounce Back Better’ campaign urging the government to provide sector specific support.

Hospitality, leisure and retail represents 56% of businesses in Kingston Town Centre. UKHospitality has warned that the new Tier 3 system will result in 94% of hospitality businesses becoming unviable by March 2021. In Tier 2 it is 75% and even at Tier 1 25%.

The Bounce Back manifesto follows intense and thorough talks with businesses, Business Improvement Districts [BIDs], Local Authorities, destinations and industry bodies to provide options of support to help the UK economy ‘Bounce Back Better’. The manifesto includes the following for hospitality, retail and leisure businesses alike:

- Extension of 100% business rates holiday for 2021/22
- Pause National Insurance employer contributions for furloughed employees
- Extension of VAT reduction scheme

**Kirsten Henly, Chief Executive of Kingston First said:** “Our local businesses are crying out for financial support that gives them a lifeline now and for the future. That’s why extending the business rates holiday is vital to help give financial security and build back confidence amongst businesses. We need the government to act now otherwise we risk losing many of our much loved local shops, pubs and restaurants that play a critical role in our local economy and that make Kingston the community it is.”

**Arjun Varma, CEO Chakra Group said:** “We need immediate support by way of a grant, extension of the rates moratorium and the VAT cut to 5% for our business to survive for the next 12 months and see through the damage caused by Covid 19. Our catering and events business has been decimated since March 2020 and we don’t expect any significant change until the summer of 21. No revenue, no support to date and we need urgent help please.”

**Dom Clarke, Director, Woody's said:** “We’ve worked incredibly hard to make our business COVID compliant and responded to last minute government changes and restrictions to protect our livelihoods. Now, more than ever we need our government to listen and provide us with the financial support to help us plan for the future, save our hospitality industry and to salvage our local economy.”

### **Notes**

‘Bounce Back Better’ Manifesto:

## **EXTENSION OF 100% BUSINESS RATES HOLIDAY FOR 2021/22**

The 'payment holiday' for retail, hospitality and leisure businesses for 2020/21 was an extraordinary measure and a total tax cut worth over £1bn.

**We ask Government** to extend the 100% business rates holiday into 2021/2022 for businesses in the retail, hospitality and leisure sector. Every pound saved is a pound to help businesses stay trading and retain staff.

## **PAUSE NATIONAL INSURANCE EMPLOYER CONTRIBUTIONS FOR FURLOUGHED EMPLOYEES**

For the furlough scheme investment to date of £47m to be fully effective, business support must reflect short and long term challenges.

While employees receive 80% of their salary through the extension of the furlough scheme, businesses are still paying out for National Insurance, placing greater strain on survival. At an average wage of £9.50 per hour, working 7.5 hours per day, 5 days a week, the National Insurance cost to a business in hospitality with 10 staff is £491.60 per week. Every month, on top of all the other costs, businesses will be paying out £1,966.50 – nearly two thirds of the upper limit of funding provided by the Government currently.

**We ask Government** to remove the burden of National Insurance from employers whose staff are on furlough, saving the average business £2,000 per month until 31<sup>st</sup> March 2021.

## **EXTENSION OF VAT REDUCTION SCHEME**

The cut in VAT from 20% to 5% is a major boost for the hospitality sector enabling businesses to pass on a £4.1 billion saving onto consumers. With a vaccine becoming a reality in the coming months, our Bed and Breakfasts, hotels and restaurants could be a vital catalyst to local economic recovery.

Research by CGA for UKHospitality, the British Beer and Pub Association and the British Institute of Inn keeping found support on VAT and business rates are top of hospitality's essential business support needs. Four in 10 affected businesses have stated that the government needs to extend its VAT cut to remain viable.

**We ask Government to** extend the VAT reduction from 1 April 2021 up to and including 31 March 2022.

**ENDS**