



Rh Hon Rishi Sunak MP
Chancellor of the Exchequer
1 Horse Guards Rd
Westminster
London SW1A 2HQ

18 February 2021

Dear Chancellor,

Budget Submission

Thank you and your colleagues for the substantial financial support that you have provided for businesses throughout the pandemic. It has allowed many to survive so that they can contribute to the recovery of the economy and secure/create more jobs for the future.

The pandemic has lasted longer than initially thought and we appreciate the way in which you have extended various support measures in response. But despite the excellent progress of the vaccination programme, we are still some months away from returning to normal, with our retail and hospitality sectors particularly suffering.

Those types of businesses in Fitzrovia, which the Fitzrovia Partnership represents, are reliant on office workers and tourists returning in significant numbers. Even after the lockdown is lifted there will be a time lag before we see visitor numbers returning to pre-COVID levels, particularly with our international visitors.

It is because of the need to go that extra mile, to ensure that businesses that have survived this far do not fail just as the end is in sight, that I am writing to ask you to extend for a short while longer a number of the business support measures, in particular the business rates holiday.

In central London business rates are a major cost for our shops and restaurants. A return to full payment at the start of April would simply be unaffordable to these businesses. I realise that the initial scheme was put in place quickly and was perhaps too broad in its scope, but I would hope that a more targeted scheme could be introduced as the current business rate holiday comes to an end.

In the longer term, we look forward to the outcome of the Treasury's fundamental review of business rates. The COVID-19 pandemic has exposed more than ever that the current system is broken and not fit for purpose. Payments bear little relationship to business performance and expose high street businesses to far greater tax levels than their digital competitors. We hope that the new system will be more inclusive, more fair and more related to a business' ability to pay.

In addition, the slow return of visitors means that our hospitality businesses will still need temporary support. I would ask that you also extend, for a limited period, the VAT reduction that has helped hospitality businesses to survive this far.

Thank you again for your support through this difficult time. We look forward to working together to rebuild our economy in the future.

Best wishes,

Lee Lyons
Chief Operating Officer