

CENTRAL LONDON ALLIANCE

Trading Office: 55 Broadway, Westminster, London, SW1H 0BD

23 November 2020

The Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
London SW1A 2AA

Dear Prime Minister,

Safeguarding London's economy

We write on behalf of the Central London Alliance – a coalition of businesses, associations and stakeholders working together for a faster and more sustainable recovery of the capital city – to emphasise the needs of London's businesses post-lockdown.

As you will be aware, many local businesses and their employees are crippling under the weight of the pandemic and associated restrictions; every week matters to these businesses. London had the second highest unemployment rate in the country in Q3 2020 (6%) and saw the largest decrease in workforce jobs among all UK regions, at 104,000. The most recent furlough scheme statistics show that London had the highest take-up rate in the UK (13%).

It is imperative that restrictions in the capital are eased as soon as the evidence allows, ensuring that any applied tiering is fully in line with clear, transparent London-wide data. It makes little sense for businesses and workers to be kept from resuming activity if the data indicates they can do so with safety measures in place.

London businesses will be looking for clarity and timeliness in any announcements on restrictions, this week and in the coming months. Businesses are concerned that confusing communications, frequency of changes and unclear rules have been much more problematic than the strength of tiering restrictions. Firstly, this makes planning and preparing for new requirements extremely difficult, especially for the smallest businesses. Secondly, they are concerned that this lack of clarity, compounded by a lack of enforcement, is affecting adherence to rules.

Post-lockdown, London's Central Activities Zone will remain of particular concern, with many of its businesses either unable open at all, unable to make a profit due to the drop in footfall or only able operate with reduced numbers.

We urge the Government to set out substantial sector-specific support in this week's Spending Review to help businesses most affected across hospitality, retail, leisure, travel and tourism, including:

- maintaining the business rates holiday for a further 12 months;
- extending the deferral of all tax liabilities due in July 2020;
- removing the obligation to pay interest on late payment on such liabilities;
- extension of the VAT cut to beyond March 2021 for hospitality businesses;
- extending the threshold for hospitality grants beyond £51,000;
- in the absence of evidence underpinning its effectiveness and considering its detrimental impact, the curfew for the Hospitality and Leisure sectors should also be lifted entirely;
- reversing the decision to abolish VAT refunds for overseas visitors and extending this to European visitors;
- targeted support for arts and culture by increasing theatre tax relief and providing tax relief to supply chain businesses that supply the arts and culture sector;
- and investing in retrofitting Central London venues to improve their environmental performance and reduce their running costs.

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The levels of uncertainty businesses have faced since March cannot continue. To boost confidence, the Government must urgently set out with absolute clarity the support that businesses will be receiving up until Q2 2021.

We urge you to move quickly to ease restrictions in line with transparent London-wide evidence, providing substantial business support and boosting confidence by establishing greater clarity and certainty.

This would enable London to continue as a world-leading global city and play its essential role in the UK's overall economic recovery.

Yours sincerely,



Richard Burge
Chief Executive, London Chamber of Commerce and Industry
Director, Central London Alliance



Ros Morgan
Chief Executive Officer, Heart of London Business Alliance
Director, Central London Alliance



Tony Matharu
Founder & Chairman, Integrity International Group
Director, Central London Alliance