

The Right Honourable Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HA

1st October 2020

Dear Chancellor

Hospitality and Covid-19 Restrictions in the North East

On 18th September, at the prompting of the 7 North East local authorities, the Government imposed extra restrictions on the communities and businesses in our region.

Whilst fully acknowledging the need to control the virus this letter, from the three BID companies operating in Newcastle, Sunderland and Durham, is to highlight the very significant damage being done to the Hospitality Sector in our cities. The negative impact has been further worsened by the additional measures imposed earlier this week.

Between us we represent some 380 businesses in the sector, employing over 10,000 people and contributing nearly £680m pa to the regional economy. Operators point to the very low infection rates coming from the sector compared to others (see chart below). Many consider the restrictions, bringing their businesses to an effective standstill, are disproportionate.

We are beginning to see despairing operators simply shutting their doors with the very realistic prospect of staff redundancies following at the end of October, when furlough stops.

These are cash businesses typically operating on low margins. Today, for many, cashflow has all but dried up. Please urgently consider a tailored package of support for this sector; we would like to see this include:

- Further grant support to help with overhead costs, for example towards rent and insurance.
- A relaxation of the 10pm curfew. Chiefly this would allow food-led operators to provide an unhurried second dinner service to customers, potentially doubling the takings they can currently achieve.
- A sector specific extension to furlough, until after Christmas. Currently we expect the Job Support Scheme will see only limited take-up because many operators will be unable to reach or exceed the 1/3rd hours point to make this a worthwhile option.
- An extension to the 'eat in' 5% food VAT relief scheme beyond March 2021.

These businesses in our region are, almost without exception, well-run and professional operations. It is essential they remain in business and, for those running them, it matters they see a future beyond the carnage they are currently experiencing.

Hospitality sector fallout widely impacts our already damaged, interrelated town and city ecosystems. The importance of this cannot be overstated. The sector provides the ‘buzz’ that makes our cities fun and attractive places, including for students (we are all university towns), workers and other visitors.

Once restrictions are lifted, we will be relying heavily on this sector to bring life back to the high street. In the meantime, the hospitality sector needs its own life support.

Thank you for your consideration.

Yours sincerely



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Wider Context from Public Health England – Week 39

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921561/Weekly_COVID19_Surveillance_Report_week_39_FINAL.pdf#page=18

Community surveillance

Year: 2020 Week: 39

Acute respiratory infection incidents, England

Table 4: Total number of situations/incidents by institution and PHE Centres over the past four weeks with the total number in the last week in brackets

PHE Centres	Cumulative total number of incidents by institution over the past 4 weeks with total number in the last week in brackets							
	Care home	Hospital	Educational settings	Prisons	Workplace settings	Food outlet/restaurant settings	Other settings	Total
East of England	51(16)	3(2)	30(17)	0(0)	17(9)	1(0)	10(1)	112(45)
East Midlands	85(35)	3(2)	48(27)	0(0)	29(11)	10(2)	12(3)	187(80)
London	33(10)	17(10)	69(45)	1(0)	41(16)	2(0)	21(6)	191(90)
North East	36(17)	3(1)	18(10)	1(1)	20(4)	12(1)	19(5)	109(39)
North West	77(13)	8(3)	121(82)	3(1)	83(36)	14(2)	43(16)	375(156)
South East	80(16)	9(5)	37(21)	1(1)	18(4)	14(2)	17(3)	176(52)
South West	86(28)	1(1)	77(37)	1(1)	28(7)	5(2)	16(4)	214(80)
West Midlands	90(31)	20(10)	107(66)	1(0)	48(17)	16(5)	26(2)	308(131)
Yorkshire and Humber	97(29)	3(2)	59(36)	4(2)	60(20)	8(2)	31(8)	262(99)
Total	635(195)	67(36)	566(341)	12(6)	344(124)	115(22)	195(48)	1934(772)