

Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
SW1A 2HQ

**Sent via email**

3<sup>rd</sup> August 2020

Dear Chancellor

**RE: Confirmation for Business Rates from 1<sup>st</sup> April 2021**

I am contacting you in my capacity as President of the Property Managers Association which represents approximately 110 of the of the country's leading retailers.

There is growing anxiety amongst our members with regards to the uncertainty as to what level of business rates will be levied as from the 1<sup>st</sup> April 2021.

Last week, it was announced that the 2021 revaluation would be postponed to 2023, so that a full review can be undertaken into the business rates system. This is of course welcomed, as there is no doubt that the system is certainly failing to provide a fair tax for the retail and leisure sectors as was highlighted in last year's Treasury Select Committee Inquiry.

What this does not address however, is the here and now and what our members and other retailers should be forecasting to pay in business rates for 2021/22. The prospect that we will have to return to paying 100% rates liabilities that are based on 2015 AVD values is simply untenable for our members.

At the beginning of the pandemic we wholeheartedly welcomed your bold decision to provide all retail and leisure occupiers with a 12 months rates holiday. Given how substantial a burden business rates had become for our members over recent years, it no exaggeration to say that along with the Coronavirus Job Retention scheme, this was critical to the survival of many retail businesses both large and small.

However, as you will be aware since the lockdown has been eased throughout the UK and our members have been able to reopen their stores, footfall and as consequence turnover is considerably below the levels we would normally see. It is of course this turnover that our members rely on to pay our occupancy costs, of which business rates has become an ever-increasing proportion. Furthermore, it is widely considered that trade will continue to be unpredictable for the foreseeable future, as we see further local lockdowns and wider economic uncertainty.

Our members are all in the process of undertaking extensive financial planning for 2021 and one of the largest areas of concern, is the lack of detail and certainty regarding what level of business rates which will be levied from the 1<sup>st</sup> April 2021.

What is clear, if it is your proposal to reinstate a 100% business rates levy from April 2021, this will result in many more retail units becoming financial unviable, resulting in many more job losses across the retail and leisure sectors.

We welcome the review into reforming the Business Rates system and will be participating fully in your call for evidence. However, this is clearly some time away and given the severely diminished position that the retail sector finds itself in now, we need urgent confirmation that it is the Government's intention to extend the business rates holiday for the retail and leisure sector to the 1<sup>st</sup> April 2022.

We hope that you will take swift and decisive action now, so our members and the rest of the UK retail and leisure sector can plan with confidence and play our part in rebuilding the economy.

Yours sincerely



David Broadbent

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