

The Rt. Honourable Boris Johnson, MP
Prime Minister
10 Downing Street
London
SW1A 2AA

3rd November 2020

Dear Prime Minister

RE: CORONAVIRUS PANDEMIC SECOND LOCKDOWN – EXTENSION OF THE BUSINESS RATES HOLIDAY FOR 2021/22 AND 2022/23 BUSINESS RATES YEARS

We are writing following your momentous announcement on the 31st October 2020 that from the 5th November 2020 all of England will be placed into a further lockdown until at least the 2nd December 2020.

We fully understand why it is important to have this further lockdown, in order to save lives and protect the NHS. However, it goes without saying that this additional lockdown will have a significant detrimental financial impact for the UK retail sector. This lockdown will take place during what is known as the “Golden Quarter” in retail, where our members generally see their largest levels of sales throughout the calendar year during the run up to Christmas. In short, this lockdown could not come at a worse time for our sector.

Many of our members have already lost over 3 months of trade this year with the initial lockdown and have reopened into a considerably diminished market. It was the hope of our members that strong trading through the Golden Quarter would go some way to remedying the damage to our businesses, caused by the initial lockdown and subsequent restrictions. Sadly, this will clearly not be the case.

Whilst many of our members (who were not deemed as essential traders) have been able to open since 15th June 2020, trade has been significantly impacted, with footfall in towns and city centres being considerably reduced. This has been worsened further in the key regional centres by the introduction of the Tier system of restrictions. Combined with the recent “fire / circuit” breaker lockdowns in Wales, Northern Ireland and parts of Scotland, this has meant the last 2 months have been particularly challenging for our sector.

There is no doubt that your Government’s decisive decision to grant a 12-month business rates holiday from 1st April 2020 has been vital to helping retailers survive the impact of the pandemic to date. However, business rates for the retail sector prior to the pandemic were already at unsustainably high levels, due to the inaccuracies for the current business rates system, combined with the unfair downward transitional scheme.

To this end, and since it was announced that the 2021 rates revaluation is to be postponed to 2023, we have been calling for confirmation from The Treasury as to what will happen regarding businesses rates for the 2021/22 and 2022/23 rates years.

To date, The Treasury has not been able to provide any clarity on this matter. Our members are essentially stuck in a business rates limbo, with no idea what level of business rates they will be expected to pay from 1st April 2020. We are therefore unable to plan sufficiently for our recovery in 2021 and 2022, especially with the unviable prospect of rates returning to anywhere close to their pre pandemic levels. Indeed, it is already having a significant impact on our members’ financial planning for 2021 and 2022 and many are having to make very difficult decisions about their estates now, because of the lack of certainty on this matter.

With the announcement of the further lockdown, we are now facing additional harsh and lasting consequences. Just as your Government have decisively and clearly confirmed that the 80% Furlough for employees will continue during this lockdown, we need the same level of clarity regarding business rates after 1st April 2021.

We therefore implore the Government to confirm now that the 100% business rates holiday will be extended for the entirety of the 2021/22 business rates year and further guarantee that the 2022/23 business rates year will be substantially reduced, to at least 40% of pre-pandemic levels.

We look forward to you or your honourable colleague, The Chancellor of Exchequer, confirming the extension of the rates holiday for the retail sector as a matter of utmost urgency.

Yours sincerely

David Broadbent

President of the Property Managers Association

Signatories to this letter include the following businesses:

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| Accessorize | Foot Asylum | River Island |
| Arcadia Group | Footlocker | Russell & Bromley |
| Benson for Beds | Frasers Group | Schuh |
| Caffé Nero | Gap | Scribbler |
| Calzedonia UK | H&M | Seasalt |
| Card Factory | Holland & Barrett | Smyths Toys |
| Cardzone | Hotel Chocolat | Smiggle |
| Claires | Iceland | Swarovski UK |
| Clarks | Intimissimi | Superdry |
| Co-op Central England | JD Sports | Tezenis |
| Costa Coffee | Krispy Kreme | The Body Shop |
| Day Lewis Pharmacy | Lush | The Entertainer |
| Debenhams | M&CO | The Fragrance Shop |
| Decathlon | Monsoon | Tim Hortons |
| Deichmann | Moss Bros | The Works |
| Dixons Carphone | Mountain Warehouse | TRPG (Ryman, Robert Dyas, Boux Avenue) |
| EWM Group | New Look | Vision Express |
| EE | Poundland | UK Cinema Association |
| Flying Tiger | PVH (Calvin Klein & Tommy Hilfiger) | |

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