

Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
London
SW1A 2HQ

19th October 2021

Dear Chancellor Sunak,

There are some 324 Business Improvement Districts across the UK – and between us we represent thousands of retail, hospitality, leisure, office and industrial businesses in our towns and cities. We raise tens of millions of pounds every year which we reinvest back into our communities. British BIDs is the largest and oldest organisation in the industry.

We are grateful for the vast support provided by government over the pandemic, and we recognise much of this has to come to an end. Now, as we move on from Covid and begin to rebuild, we would like you to seriously consider the following practical measures that will help us greatly:

1. Keep the 66% business rates discount in place until the tax is reformed, or at least until March 2023. We know the current model is outdated and needs to be replaced. Now that the government review has concluded, we hope you seize this opportunity as soon as possible as part of your efforts to 'Build Back Better'. Keeping the current semi-business rates relief in place until that point will help thousands of retail, hospitality and leisure businesses stay afloat.
2. Keep VAT at the current 12.5% rate for an extra year. The saving of 7.5% is going some way in helping the thousands of hospitality businesses who are currently facing rising costs due to wage inflation and a shortage of supplies. We would like the current rate to remain in place until March 2023.
3. Waive Bounce Back Loans for the smallest independent businesses – we suggest those that qualify for small business rates relief (those in a property with a rateable value of £12,000 or less). BIDs like Sunderland are telling us that just 70% of footfall has returned and spending has nowhere near recovered to pre-pandemic levels. Despite this, small businesses who often have no reserves, are having to begin repayments - putting them under huge pressure. Our independent and small businesses are the saviour of our high streets – they provide excellent personal service, they bring vibrancy and innovation to our towns and cities, and we need to help them survive.
4. Make it simpler and quicker to access government funding. Much work is taking place to attract small independent businesses into the centre of our cities through providing grants and setting up affordable shared spaces. To enable this, BIDs and local authorities are putting significant time and effort into applying for various funds such as Community Renewal Fund and the Levelling Up Fund, but we need a simpler process and quicker access to the money. The grant process also needs longer and more realistic deadlines in general (i.e. when the funding allocations need to be spent by), so that the money is spent appropriately and on the right things.
5. Invest in vocational subjects and end the over-reliance on university degrees. We need more people working in sectors such as hospitality. In Cambridge alone, we know of about 200

businesses trying to hire people and many are struggling. To fix this for the long term, we need to be training and educating young people with the skills that society needs. We would like to see a mass apprenticeship drive for school-leavers. Schemes like 'Kickstart' are a good start, but they are temporary, and the process and administration involved can often put off smaller businesses who do not have the time or resource to dedicate to them. In the short term, we would like to see the Kickstart Scheme extended until 2023 in order to bring about the cultural change and attitudes needed.

We hope you can take the above measures into account as you finalise your Budget this week. And we hope your announcements will help us 'Build Back Better' from the pandemic.



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