



FOR Cardiff

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**Rt. Hon Boris Johnson MP**  
Prime Minister

**Rt. Hon Rishi Sunak MP**  
Chancellor of the Exchequer

21st December 2021

Dear Prime Minister,

### **Fixed VAT and furlough to save our high street, town and city centre businesses from closure**

We are writing to you on behalf of over 700 retail, hospitality and leisure businesses in Cardiff city centre to urge the UK Government to provide urgent assurances that support will be provided to these sectors in the form of furlough for a period commencing as soon as possible and for the hospitality sector VAT to be fixed at 12.5% until 31 March 2023.

It is imperative that the Government commits to offering financial assistance and other necessary interventions to those experiencing ongoing disruption following rising cases of the Omicron variant and the impact of further restriction measures and guidance. With consumer confidence having plummeted amid growing speculation of an impending lockdown, our businesses are currently undergoing a bleak Christmas during what is their most profitable time of year and this situation is set to continue well into 2022.

These sectors operate in fast moving environments where forward planning is crucial and they need a pathway of support to ensure that they can make informed business decisions. Businesses, particularly those within the hospitality, retail and leisure sector, are teetering on the brink of financial uncertainty and are already losing sales and bookings going well into 2022. In Cardiff, businesses have ensured that they have done everything asked of them and more to ensure that they have complied with the rules and guidance to ensure a safe environment. Economically, support now from UK and Welsh governments will mean a greater ability for businesses to recover and allow the UK to avoid a swathe of empty premises that will become ever more difficult to fill.

Hospitality is the UK's third largest sector, employing 3.2million people in the UK and it produces £130 billion of economic activity – it is a huge part of this city's DNA. Retail, leisure and hospitality are vital to our economic recovery. We have lost some fantastic businesses in Cardiff in the last 21 months and we need to do all that we can to minimise any further losses. Freezing the VAT rate at 12.5% until 31 March 2023 would go some way to easing one pressure point for these businesses and implementing furlough would provide some with much needed stability.

We hope you will give this matter your urgent attention.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrian Field', with a stylized flourish at the end.

**Adrian Field**  
Executive Director  
FOR Cardiff