

**From the Leader of the Council**

Our Ref: **Leader 2021 11 025**

Your Ref:

**Rt.Hon. Rishi Sunak MP**  
**Chancellor of the Exchequer**  
**HM Treasury**  
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**Sent Via Email**



Thursday, 16 December 2021

## **OMICRON COVID-19 VARIANT AND SUPPORT FOR THE HOSPITALITY SECTOR**

Dear Chancellor

This winter the hospitality sector is again facing unprecedented challenges brought by the resurgence of the latest Covid-19 variant: Omicron. The uncertainty and doubt are affecting thousands of businesses in Lambeth and across London.

We are calling on the government to ensure there is the comprehensive support available to businesses during periods of increased restrictions to enable them to survive this difficult time.

As infection rates rise across both London and the rest of the country, people are aware and supportive of the measures and restrictions that need to be taken by Government to ensure the safety of those most vulnerable in society. But we also understand that to best follow these measures, businesses that rely on footfall will need support in place to survive this period.

Lambeth is home to some of London's most important destinations for leisure, hospitality and tourism. In recent weeks, we have seen the rise in cases negatively affect footfall and local businesses. Comparing data from 01 September 2021 to 11 December 2021, in Lambeth we have seen:

- 23% decrease of retail and recreation movement in the borough (suggesting rising cases in December are impacting people's behaviours)

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- 10% decrease movement at our stations showing the impact of working from home and rising cases. In addition, Transport for London estimate that tube usage this week across the capital is at just 44% of pre-pandemic levels.

This is compounded by labour shortages, particularly within the hospitality sectors. Many of the borough's large hotels are reporting having to operate at occupancy levels below demand levels because of staff shortages.

UK Hospitality has produced a report that suggests takings over the month of December will be down as much as 40% for many businesses across London, with many businesses, large and small in Lambeth affected by the fears regarding the virus. I have heard from many businesses facing a wave of cancellations at a time of year they hoped would finally see hospitality bounce back from almost two years of difficulties due to the pandemic.

Earlier this year supportive measures such as the Furlough Scheme and rate reliefs were ended, taking away help that many businesses had relied on to survive through previous lockdowns. Without having a framework of support readily available to affected businesses, the measures that are currently being implemented are simply going to be unsustainable.

We know that there are direct links between having proper financial support available and better adherence to restrictions that effectively combat Covid. The knowledge of a job including a comprehensive Furlough Scheme kept many people in their homes earlier this year and in 2020. This, in turn, prevented additional strain being put on the NHS at a time when the front-line service was facing unprecedented demand and pressures.

Since March 2020, working closely with seven Business Improvement Districts across the borough, Lambeth council has provided unprecedented support for local businesses, supplementing government grants and reliefs to support hundreds of local businesses to survive this unprecedented disruption to high street trading and to adapt to social distancing guidelines and restrictions. We have used discretionary funding schemes through the Additional Restrictions Grant and our own resources to provide tailored support for independent hospitality and leisure businesses, and our world-class cultural sector. But with local authority funding continuing to face huge pressures due to government cuts and the impact of the pandemic, councils need more central government economic support to match the scale of the public health crisis that we face.

We urge government to urgently introduce more discretionary business rates funding and Additional Restrictions Grant resources now to support businesses.

At a time when the public’s patience is being tested with the possibility of a second Christmas impacted by restrictions, and businesses face real uncertainty over their very survival, it is vitally important that the support needed for businesses is made available.

Yours sincerely

**Cllr Claire Holland**  
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