

North West retail leaders demand VAT cut, rate relief and grant support to stop firms collapsing in 'stealth lockdown' as Omicron variant spreads

Retail leaders from Manchester, Liverpool and the North West have joined a call for emergency business support for the retail and leisure sectors that have been hit hard by the spread of the Omicron variant.

Business Improvement District (BID) leaders from across the UK have written to the Prime Minister and the Chancellor demanding urgent backing and what they are calling a #BusinessBooster.

North West organisations to have signed up so far include City Co Manchester & Manchester BID, Liverpool BID, Chester BID and Preston BID.

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Their call is the latest in a sustained [push by the region's business leaders](#) to get support for businesses who are seeing vital festive custom disappear as customers heed Government advice to limit socialising in what today's letter calls a "stealth lockdown".

The #BusinessBooster letter has three main demands:

- A 100% cap on business rates relief until 31 March 2022
- Reduced rate of VAT to 12.5%

- Grants of 15k to support businesses

It says: "It is imperative that the Government acts quickly by offering financial assistance and other necessary interventions to those experiencing disruption following rising cases of the Omicron variant and the impact of 'Plan B' measures. With consumer confidence expected to drop below its current level of -15 amid growing speculation of an impending lockdown, the time for action is now.

"There is clearly growing concern of a lockdown following the announcement of Plan B restrictions on 8th December 2021 which must be reviewed on 29th December 2021, two days prior to New Year's Eve. Businesses need certainty with many holding on to the glimmer of hope that New Year may bring.

"The critical Christmas trading period is in tatters leaving businesses, particularly those within the hospitality, retail and leisure sector teetering on the brink of financial ruin and set to lose £4bn in sales. While we appreciate risks to health due to the Omicron variant, we cannot and should not forget the businesses who have all but been shut down and want to continue trading safely.

"Hospitality is the UK's third largest sector, employing 3.2million people [10% of the UK workforce] and produces £130 billion of economic activity. These sectors are vital to our economic recovery and the current measures in place aren't working."

Explaining their call for a VAT cut, the business leaders say: "Businesses need to achieve cost savings wherever possible, and many operators need VAT to remain low to ensure the increased cost isn't passed onto the consumer as the economy begins to recover again in Spring 2022. "

They also propose a discretionary grant fund of up to £7,500 per claim for freelance and self-employed workers in the hospitality, retail and leisure sectors.

Other signatories include London's Night Czar Amy Lamé and Night Time Industries Association CEO Michael Kill. as well as BID leaders from across England and the Booksellers Association of UK and Ireland

They end their letter saying: "We appreciate the pressures facing Government economically but failing to act (could) not only see thousands of businesses go to the wall but the real prospect that billions of previously allocated Government funds going to waste simply because we did not act to save our economy. "

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