

Chancellor's support package 'borders on insulting', say hospitality and leisure sectors

New economic support for the hospitality sector "borders on insulting" and amounts to "far too little", the Treasury has been told.

Chancellor Rishi Sunak has [announced an additional £1bn](#) in financial support for the hospitality and leisure sectors, with every business able to claim a cash grant of £6,000 to help them survive the winter.

The Treasury is also providing a £30m top-up to the Cultural Recovery Fund – which supports institutions such as museums and theatres – and reintroducing the statutory sick pay rebate scheme which allows small and medium-sized companies to claim compensation from the government for the cost of their employees' sick pay.

But entertainment businesses have condemned the pledge as "inadequate" to deal with the impact that rising coronavirus cases is having on the sector.

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Night-time economy

Michael Kill, chief executive of the Night Time Industries Association, expressed his disappointment at the newly announced support for the culture sector.

"Businesses are failing, people are losing their livelihoods

and the industry is crippled. Mixed messaging, coupled with additional restrictions, have had a catastrophic impact on our sector over the last two weeks,” he said.

“At this critical point, we need strong leadership and a clear pathway from government with a long-term strategy for new COVID variants. The open/close strategy is crucifying businesses.

“Every pound of help is much needed. But this package is far too little and borders on insulting.”

Music events industry

Mark Davyd, founder and chief executive of Music Venue Trust, added: “Our initial response is that this funding seems detached from the reality.

“If correct, it would be inadequate to deal with the scale of the problem – we note that grassroots music venues are not even mentioned in the statement despite DCMS having all the evidence they need that losses in this sector alone will run to £22 million by end of January.”

Others welcomed the support, but warned more could be needed if restrictions persist or are tightened.

British Chambers of Commerce

Shevaun Haviland, director general of the BCC, said: “Whilst these measures are a positive starting point, if restrictions persist or are tightened further, then we would need to see a wider support package, equal to the scale of any new measures, put in place.”

Institute for Public Policy Research

The Institute for Public Policy Research said Mr Sunak “should go further” and that “measures to support people’s incomes are needed”.

“Sunak should urgently increase the level of sick pay and expand eligibility so more people can claim it. Additionally, we support putting in place a new furlough scheme and supporting the worst-off with a Universal Credit boost,” Dr George Dibb, head of IPPR’s Centre for Economic Justice said.

Travel sector

Meanwhile, the travel sector accused the Treasury of leaving them “in the cold”.

Clive Wratten, chief executive of the Business Travel Association, said: “It is devastating to see that once again business travel and its supply chain have been left out of government financial support.

“It’s imperative that the arts, hospitality and leisure are given help through the latest wave of the pandemic. However, a vital part of the UK economy and the driver behind global Britain is being left in the cold.

“We urgently need the Treasury to correct this oversight and support our industry into 2022. This is the only way for there to be a safe return to international travel when conditions allow.”

UK Hospitality

UK Hospitality lauded the government for the “generous package”.

Posting on Twitter, they said: “We’re pleased Rishi Sunak has listened to our pleas. This is a generous package building on existing support measures to provide an immediate emergency cash injection for those businesses who, through no fault of their own, have seen their most valuable trading period annihilated.”

Pubs

The British Beer & Pub Association agreed that the short-term package of support is “a vital lifeline” for the sector.

Its chief executive Emma McClarkin added: “It will be absolutely essential that the government continues to monitor and support our sector for the long-term as we ride out the pandemic and into recovery.

“Ensuring our pubs and brewers continue to have the support they need, including further financial support if further restrictions are introduced, along with a clear timeline for the lifting any such measures. Our overwhelming hope is to remain trading and serving our customers and communities.”

Many [pubs and restaurants have been hit hard by mass cancellations](#) amid fears over the spread of the new [Omicron](#) variant.

The possibility of more restrictions being introduced also looms.

Hospitality UK has reported that many businesses have lost 40-60% of their December trade, often their most profitable month.

Small business

The Federation of Small Businesses (FSB) said the support will help those “struggling most with depleted cashflow”.

FSB national chairman Mike Cherry said: “We’ve always said that support needs to move in lockstep with restrictions, and this intervention will help give small businesses confidence that this is the approach the government will be taking.”

Mr Sunak came under fire last week for failing to act swiftly to offer support to businesses hit hardest by this new COVID slowdown.

The chancellor [cut short his trip to the US](#) to hold more talks

with a range of hospitality and business organisations including peri-peri chicken restaurant Nando's and brewery giant Greene King in response to the fresh COVID crisis on Friday.