

Rt Hon Rishi Sunak MP  
Chancellor of the Exchequer  
HM Treasury  
[By Email]

3<sup>rd</sup> July 2020

Dear Chancellor,

**Re: Temporary VAT Reduction for Restaurant Industry**

We are writing to ask for a temporary reduction in VAT on restaurants, or at the very least the takeaway part of these businesses, to help them in these difficult economic times.

As you will be aware, lockdown has had a detrimental impact on restaurants and takeaways up and down the country. There are around 16,000 restaurants in London employing roughly 325,000 staff, which just demonstrates the importance of this sector to our economy in the capital.

To provide just one example of the concern there is in the restaurant sector; when speaking with the British Bangladeshi Caterers Association, it is clear they are concerned, like many in the sector, especially considering many of their members have small to medium-sized restaurants that only seat between 40-60 covers, but with social distancing the amount of covers will be less than half. Britain has a £5 billion curry industry, with thousands of restaurants in London. Along with the wider restaurant industry, it is essential we support them.

Today, to survive the COVID-19 crisis, many restaurants have converted to takeaway establishments, which will cost them more money, as very little VAT can be recovered, despite still having to pay 20%. Furthermore, many are also incurring huge costs for adaptations to their premises and will also need additional staff to ensure rigorous COVID-compliant hygiene regimes are followed.

Reducing VAT to 10%, for example, would ultimately mean the survival of some restaurants that were successful before the pandemic. We know it would make good business sense for a short-term reduction of VAT, which would make such a huge difference in sustaining businesses at risk and would boost the economy.

The Liberal Democrats have recognised the Government's attempt to support businesses but will continue to work constructively to highlight areas of weakness such as this.

We do hope you will consider such a VAT reduction in order to assist our restaurant sector; restaurants are often at the heart of our communities, especially here in London where we have such a diverse and wonderful mix of restaurants.

We look forward to a reply at your earliest convenience.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Caroline Pidgeon', with a long, sweeping horizontal line extending to the right.

Caroline Pidgeon AM - Liberal Democrat London Assembly Member

Cllr Rabina Khan – Liberal Democrat Councillor, London Borough of Tower Hamlets

Siobhan Benita, Liberal Democrat Candidate for Mayor of London

Cllr Ruth Dombey, Leader of Sutton Council

Cllr Gareth Roberts, Leader of Richmond Council

Cllr Caroline Kerr, Leader of Kingston Council

Cllr Gary Malcolm – Leader of the Liberal Democrat Group, London Borough of Ealing

Cllr Nick Johnson – Leader of the Liberal Democrat Group, London Borough of Southwark

Cllr Anthony Fairclough – Leader of the Liberal Democrat Group, the London Borough of Merton

Cllr Liz Morris – Leader of the Liberal Democrat Group, London Borough of Haringey

Cllr Gabriel Rozenberg – Leader of the Liberal Democrat Group, London Borough of Barnet

Cllr Flick Rea – Leader of the Liberal Democrat Group, London Borough of Camden

Cllr Anton Georgiou – Liberal Democrat Councillor, London Borough of Brent

Cllr Linda Wade – Liberal Democrat Councillor, London Borough of Kensington and Chelsea