



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
The Correspondence & Enquiry unit
1 Horse Guards Road
London
SW1A 2HQ

Our Ref: SO13718

5th January 2021

Dear Rishi,

We are deeply concerned about the impact of the new lockdown measures on businesses. We appreciate the seriousness of the pandemic and understand the need to tighten restrictions. However, further strategic support for businesses is critical given that these measures are stricter than we have seen since the start of the pandemic.

We welcome today's announcement of a new £4.6bn support package for UK businesses. It is a step towards supporting businesses that are at breaking point thanks to a 10 month-long struggle with the implications of Covid-19.

Sadly, the new support package will not go far enough to save some firms. Thousands of businesses will be forced to make redundancies or go under without the financial support they need. The rollout of the vaccine means that the end is in sight, but the economy must be supported in the meantime. When lockdown measures are lifted, businesses that had to close need to be able to open immediately to protect jobs and livelihoods.

People are losing their jobs at astonishing rates, particularly in the hardest hit sectors such as hospitality and retail. The Centre for Retail Research has revealed that 3400 retail jobs vanished each week in 2020, totalling 176,718 jobs. With 250,000 people currently on Furlough that number could increase dramatically this year.

As such, we call on you to create a comprehensive plan to keep businesses afloat so that they are ready and able to reopen as soon as it is possible to do so.

We ask that the Furlough Scheme is extended until June 2021 and broadened to support all those who have thus far been excluded from financial support schemes. For over 10 months now, 3 million workers have been expected to survive on little to no income and have fallen through the cracks of government support. Those excluded from financial support need help now.

It is also important to extend access to business loan schemes beyond the end of March 2021 and to extend businesses rates and VAT relief to avoid a potential cliff-edge.

Similarly, additional help is necessary to cushion the economic blow of further lockdown restrictions on the self-employed. We must champion entrepreneurship, not least to help counter the oncoming rise in unemployment.

Increased financial assistance is also required to save our retail and hospitality industries. Recovery in these vital industries will be delayed if staff members have been let go and cash flow isn't available to restock. These industries must be able to open as soon as it is safe.

Finally, we urge you to address the lack of support for the cultural sector. This sector is a cornerstone of UK society and industry. The sector continues to be unable to operate and so sector-specific investment is paramount.

A comprehensive plan is essential to successful economic recovery. We sincerely hope you will give these asks serious consideration and outline a long-term support strategy for the UK businesses.

Yours sincerely,

A handwritten signature in cursive script, reading "Sarah Olney".

Sarah Olney
Liberal Democrat Spokesperson for Business, Energy and Industrial Strategy

Alistair Carmichael MP
Wendy Chamberlain MP
Daisy Cooper MP
Ed Davey MP
Tim Farron MP
Wera Hobhouse MP
Christine Jardine MP
Layla Moran MP
Jamie Stone MP
Munira Wilson MP