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## **WORSE THAN THE PANDEMIC**

### **BUSINESSES COUNT DOWN THE DAYS AS IMMINENT COLLAPSE OF THE HIGH STREET MAY BECOME A REALITY**

*Following rumours of an energy price freeze, over 150,000 businesses from across the UK are urging Government to act on spiralling energy costs which are proving more detrimental than the pandemic.*

*The **#BusinessSOS** campaign warns of mass closure and redundancies if immediate and effective action isn't taken – the true situation that Britain faces today.*

The newly formed **#BusinessSOS** campaign, founded by organisations representing over 150,000 retail, leisure, hospitality and tourism businesses warns harm caused by the spiralling energy crisis is superseding the pandemic with the potential to cause irreversible damage to UK high streets and the economy.

The **#BusinessSOS** campaign believes mass closures and redundancies are inevitable if Government does not swiftly implement measures that alleviate the critical pressures that businesses, like households, have been facing since April 2022.

#### **#BusinessSOS three-point-plan to support ailing businesses:**

##### **Reduce VAT**

- Headline rate reduced from 20% to 12.5%
- Business energy bills reduced from 20% to 5% to match domestic billing

##### **Business Rates Relief**

- 100% rate relief until 31st March 2023

##### **Energy Rate Relief**

- A discounted kwh price on all business energy bills

**Matthew Sims, Founder of #BusinessSOS campaign and CEO of Croydon BID said,**

“The new Prime Minister has days to save the high street as we know it. The impending announcement on how the Government will tackle the energy crisis facing businesses will

either ensure businesses can remain trading or set in motion mass closures and redundancies. To say the energy crisis is worse than the pandemic is not an understatement, it is the reality facing businesses today and why the clock is ticking for the new Government to provide clarity and introduce measures providing tangible and immediate relief."

**Andrew Mear, Chairman of Skipton BID said:**

"There is increasing concern amongst the businesses of Skipton regarding the financial pressures of the coming months. These are unprecedented times; the whole energy market is in real chaos. The effects will shortly be devastating for many with high street businesses facing the real brunt of the problem once again. The UK has several outdated and not fit for purpose processes holding businesses back. The energy markets and the business rates system being two of them. A support package is urgently needed, to include such things as VAT reductions and business rate relief, and without this immediate action business owners (and particularly the many independent business owners of the town) will find themselves having difficult decisions to make regarding their future, and therefore the economic and social future of this currently thriving market town."

**Andrew Taylor, Founder of #BusinessSOS campaign and Managing Director of Bart & Taylor said,**

"Without immediate intervention local communities will change forever as they lose their social spaces. For the first time in living memory, energy costs are now greater than rent and increasing on a daily basis in the absence of any intervention or price cap since April. After surviving the pandemic it seems ludicrous that the needs of businesses are currently not being heard and could see the billions of funding provided during the pandemic go to waste."

**Kate Nicholls, CEO of UKHospitality, said,**

"The hospitality sector is crucial to delivering the business-led growth the new Government is striving for, but we are facing an existential crisis due to soaring energy bills. We're encouraged by the new Prime Minister's commitment to tackling energy prices, but we need to see urgent, comprehensive action. As well as a price freeze, we need to see a cut to VAT and a business rates holiday if businesses in the sector are to have any hope of making it through the winter."

**Bill Addy CEO of Liverpool BID and Chair of The BID Foundation said,**

"Businesses recognise that they benefited from the immediate support given them during the pandemic but we are in danger of all that support being thrown away as those same businesses that have worked valiantly to recover will be decimated by the cost of living crisis. Business is now at a watershed moment that needs an urgent response from our new Prime Minister, they need hope and certainty if they are to survive. It is business that will ensure that UK can grow the economy out of the coming recession but do that business needs to survive and that requires urgent action."

**Ojay McDonald, CEO of Association of Town and City Management said,**

"Right now, businesses are already deciding to scale back or shut up shop for good. The knock-on impact on employment is unimaginably bad. We need decisive action from the government now to save the high street."

Let's not shy away from how comprehensive this support needs to be. Energy prices have been unsustainable for months. We are at the stage where a price freeze is inadequate. Discounts on the cost of energy are vital. We also need to halt the decline of consumer confidence to keep businesses trading. That's why this three-point plan on energy, VAT and businesses rates as a combination is the right route to take."

**Michael Kill, CEO of Night Time Industries Association said,**

"Over the last week we have seen a huge escalation in closure notices from pubs, bars, restaurants, venues and clubs across the country, with over 70% of businesses stating they will be financially compromised within weeks, all of which have stated untenable operating costs as reasons too close."

"The industry's future is finely balanced between the delivery of an imminent survival package by the new Chancellor and continued consumer spend and confidence!"

**Emma McClarkin, Chief Executive of the British Beer and Pub Association, said:**

"The pub and brewing sector makes a huge contribution to our economy in high streets and local communities throughout the country, yet it still remains in a precarious position after the pandemic. Immediate action on energy is critical, but investment in our sector for the long-term is also essential. As the PM works towards a fiscal statement and full budget we hope she will seriously consider a cut to business rates and VAT so Britain's pubs and brewers can get back on their feet fully and thrive in the communities they proudly serve."

**Joss Croft, CEO, UKinbound said,**

"For the UK's inbound visitor economy, a £28.4 billion export industry, to continue its recovery and exceed pre-pandemic levels, a fully functioning domestic leisure, retail and hospitality industry is absolutely paramount, however the current inflation and energy crisis is set to derail this. We need swift and decisive action from Government to safeguard businesses and jobs across the country."

**ENDS**

**Media enquiries and interviews**

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**Notes to editors**

The campaign is funded by Croydon Business Improvement District and Bart & Taylor with the support of the below organisations who collectively represent over 150,000 retail, leisure, hospitality and tourism businesses:

- Association of Town and City Management
- British BIDs
- British Beer and Pub Association
- The BID Foundation
- Night Time Industries Association
- UKHospitality
- UKinbound

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