

The Right Honourable Rishi Sunak  
Chancellor of the Exchequer  
11 Downing Street  
London  
SW1A 2AB



15<sup>th</sup> January 2021

Dear Chancellor,

We write to you today on behalf of a collective of Trade Associations (please see attached list) to highlight the critical plight many of our members find themselves in. Our collective membership, many of them SMEs, quite often long-established successful family run businesses, providing sustainable employment for individuals in every part of the UK are on a cliff edge financially.

They make up the supply chain for the hospitality and foodservice market, and for many it is their only market. These ingredient suppliers (food and packaging), manufacturers and wholesalers support the vibrant Out of Home market in this country. Many also supply the public sector such as Care Homes, Hospitals and Schools, which they currently do at a loss, which exacerbates the financial position many find themselves in.

To date most of the support monies provided by UK Government has gone to the consumer facing part of the industry, such as Restaurants. Little of this money has reached our collective members; the furlough monies whilst welcomed, has only covered staff costs. The ongoing overhead costs, which can be significant remain unsupported, other than some small funding from the devolved Governments of Scotland and Wales.

Some companies have been lucky enough to receive monies through the Additional Restriction Grant scheme, however this is too discretionary and arbitrary to provide an adequate lifeline for many of our members. Unless we find a way to get urgent support to this business category, that has been so badly impacted at extremely short notice, there will be no supply chain to support the Out of Home market as the economy emerges from the pandemic.

We would ask for the following to be put in place with immediate effect.

- Extend the 12-month Local Authority Business Rates exemption to businesses supplying into the hospitality and food service market, using the existing legislative exemption for hardship.
- Put in place ongoing capital and tax break allowances to maintain the workforce. These could be prorated depending on how many staff a company is able to keep employed.
- Formalise the deferment of PAYE and NI payments until the end of 2021 for those this sector, basing the final removal of that deferment on those businesses returning to a commercially viable level of operation.
- Increase the level of funding for the Additional Restrictions Grant and make the application process clear and the funding accessible.
- Provide grants for those companies that have had to dispose of fresh short life stock either through waste or charitable donations. These disposals have come about due to unplanned short notice restrictions related to lockdowns, that impact suppliers of perishable goods disproportionately.

Many of these ideas were first outlined in our paper in May 2020 (copy attached) when we first raised this issue. The situation some 7 months further on is now critical and needs to be addressed quickly to avoid irreparable damage to this group of companies.

Your sincerely,

A handwritten signature in black ink, appearing to read "R Harrow".

**Richard Harrow**  
**Chief Executive - British Frozen Food Federation**

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**British Frozen Food Federation**

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