

MAYOR OF LONDON

Leonie Cooper AM

Chair of the Economy Committee
C/o lauren.harvey@london.gov.uk

Our ref: MGLA141220-1915**Date:** 28 January 2021

Dear Leonie,

Thank you for sharing the Economy Committee's report on 'London's Christmas economy and COVID-19'.

This was London's toughest Christmas since the war and the whole city will need to pull together to see us through this terrible pandemic. I have been working alongside London's business and local government leaders through the London Transition Board and elsewhere to set out a [Roadmap for the Safe and Full Reopening of London's Economy](#). With the Tier 4 and national lockdown changes, we have been calling for the Government to provide greater financial support to businesses and the self-employed, which continues to be woefully insufficient.

While the recent support offered by the Chancellor is much needed and will help some businesses to survive until spring, it will not be enough to replace income lost over the crucial Christmas trading period. Clearly more help is needed – including an extension to the business rates holiday and the VAT relief scheme, targeted support for night-time economy businesses and more support for those who are self-isolating and the self-employed. Whatever "Tier" London is in as we come out of lockdown, I am urging Ministers to ensure that support for business will continue and will be adequate for the task of supporting those industries who will not be able to get back to pre-COVID levels of turnover for many months to come.

The following sets out some further details of the work we are undertaking and also responds to the recommendations of the Committee:

Recommendation 1

My London Business Hub is currently providing two grant schemes, which small businesses can apply for to invest in online trading and other adaptations for social distanced trading. So far over 400 businesses have applied to the Back to Business Fund, which offers up to £5,000 in match funding towards expanding their operation online or adapting to safe, socially distant trading. In excess of £500,000 has been allocated with a further £1.5m leveraged through crowdfunding.

MAYOR OF LONDON

Eligible small businesses can also apply for a COVID-19 Recovery Grant (funded by the European Regional Development Fund), which provides grants of between £1,000-£5,000 to access professional, legal, financial or other advice and/or new technology and equipment to address their immediate needs in response to the impact of coronavirus. Over £1.1m of these grants have been awarded to over 370 businesses so far.

My team is also building a free-to-use, searchable online platform and marketplace of technology providers to signpost businesses to the best fit technology solutions for their needs. It will be hosted on the London Business Hub and is aimed at supporting small businesses in sectors, such as retail, hospitality, tourism, health and social care and construction to adopt technology and shift parts of their business online.

Recommendations 2 and 4

In November 2020, alongside London business and government leaders, I wrote to the Prime Minister urging him to extend the VAT reduction for hospitality and tourism businesses currently ending in March this year and to reverse the decision to end the VAT Retail Export scheme at the end of the year. Disappointingly, the Government has been clear it will not be changing the policies in the way that I and businesses have been calling for; despite evidence that suggests these changes will be hugely damaging for London's struggling hospitality and tourism businesses. As part of the Roadmap mentioned above, I will continue to work alongside business leaders and raise their concerns with Ministers.

Recommendation 3

My Deputy Mayor for Culture and Creative Industries, Justine Simons OBE, is my lead for the performing arts sector in London and has been advocating the needs of this sector alongside the wider cultural and creative industries. She has been meeting regularly with representatives from venues across London including the West End and along with my Night Czar, Amy Lamé, has been in dialogue with government officials to make the case for enhanced support for the cultural sector including theatre and performing arts. My Culture team has been supporting the Arts and Culture Strategy Group of the London Transition Board which has performing arts representatives from Society of London Theatres, Music Venues Trust and Outdoor Arts UK amongst others.

I wrote to the Secretary of State for Digital, Culture, Media and Sport in October 2020 outlining my concerns for the sector and the actions that the government must take. I also wrote to the Prime Minister in November and again in December, calling for additional support for culture and business in London. Alongside continued lobbying, my £2.3m Culture at Risk Business Support Fund has provided direct grants to some of London's most vulnerable grassroots music and LGBTQ+ venues, and I have launched a £750m Community Spaces at Risk Fund to support cultural centres and spaces that are valued by local communities. The Roadmap for the Safe and Full Reopening of London's Economy has an action to 'Put in place a plan to support London's freelancers who have been severely impacted by the pandemic' this will include freelancers working in the performing arts.

Recommendation 5

The Domestic Tourism Consortium was a tourism industry-led initiative co-ordinated by London & Partners on behalf of the GLA and designed to address the decline in domestic visitors to London which had been a trend since 2017. The Consortium was to run over two financial years from May

MAYOR OF LONDON

2019 to March 2021 but was halted in March 2020 due to the COVID-19 pandemic. Its 'Let's Do London' campaign achieved a total audience reach of 134 million (across multiple channels) and total audience engagement of 7.2 million. Since then in response to the pandemic and a decline in consumer confidence and spending, London & Partners launched the city-wide 'Because I'm a Londoner' campaign with an alliance of over 600 London businesses. Evaluation of the campaign shows it successfully achieved a 5% absolute increase in consumer confidence.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sadiq Khan
Mayor of London