

# Rt Hon John Healey MP



HOUSE OF COMMONS

LONDON SW1A 0AA

Rt Hon Robert Jenrick MP  
Secretary of State  
Ministry of Housing, Communities and Local Government  
2 Marsham Street  
London SW1P 4DF

9 September 2020

Dear Robert

## **Fightback Fund for Hospitality and High Streets**

You will know and appreciate the great work being done by local authorities to help our communities and businesses through this terrible pandemic, and you will recognise that our councils were very effective in setting up and delivering some of the Government's business support schemes as the country went into lockdown.

But we are far from through this pandemic and more help is needed to support business and safeguard jobs. This is why our councils should be allowed to keep the underspend from the business support schemes – the Small Business Grant Fund (SBGF), the Retail Hospitality and Leisure Grant (RHLG) and Local Authority Discretionary Grants Fund.

Rotherham was allocated £52m and Barnsley £47m for these schemes. They have each paid out grants to around 4,000 businesses – but around 1,000 more have missed out because they didn't meet Ministers' eligibility criteria.

For example, 160 firms in Barnsley and 240 in Rotherham were not able to get a grant from the Government's retail, hospitality and leisure scheme because the rules stipulated that businesses had to have a rateable value of below £51,000.

Rotherham has £5.2m left over from their business support allocation, and Barnsley £1.6m. Both currently expect to have to send the money back to central Government when it could be put to good use to help support local firms.

Labour is proposing instead that this money should go into a Fightback Fund for Hospitality and High Streets, which would see councils keep and use the money to help businesses that didn't fit the schemes' rigid rules.

Both Barnsley and Rotherham councils, and the Barnsley and Rotherham Chamber of Commerce, have told me they strongly back the idea.

They have said they would welcome the opportunity to be able to make decisions locally, based on their knowledge of where support is most needed and the sectors that are struggling. The councils have told me they would like the government's red tape removed to give them greater discretion in decision-making and to allow them to step in to help in exceptional circumstances.

The Chamber of Commerce would also be keen to be involved in decision-making. They work very closely with businesses but rarely get the chance to support them using some of the funds that Government has already made available.

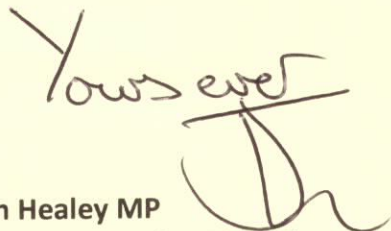
The councils recognise there is a need to support businesses in the certain categories, where they have not been able to help so far, including:

- Businesses in a premise with a rateable value above the threshold
- Small businesses with multiple premises, so unable to qualify for small business rates relief and the small business grant
- Small businesses with no front-facing customer access, so not eligible for the retail grant, such as coach companies
- Businesses that fall outside the qualifying definition for discretionary grants

As I'm sure you will appreciate, our local businesses, shops, cafes and restaurants remain under huge pressure and many desperately need help to save livelihoods and jobs. Our high streets are still struggling with footfall for retail and recreation businesses down 40 per cent in South Yorkshire, compared to pre-pandemic levels. Many businesses are trading well below capacity while still facing high fixed costs, including now having to contribute to the furlough scheme.

Both Barnsley and Rotherham continue to show great resilience in very challenging circumstances but they are unlikely to be able to fully overcome the impact of Covid-19 without further support from Government and this Fightback Fund is one way that you and your cabinet colleagues could help.

I hope you will give this serious consideration and look forward to hearing from you.

A handwritten signature in black ink that reads "Yours ever" followed by a stylized signature.

**John Healey MP**  
**(WENTWORTH & DEARNE)**