



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

25 September 2020

Our Ref: EC7220

Dear Rishi,

RE: Financial Support for Food and Drink Wholesalers

First, may I thank you for your announcement earlier this week of the Winter Economy Plan to support jobs and our economy as part of our planned response as we move into the next phase of tackling coronavirus in the UK. This is a welcome package of measures to support residents and businesses in Carshalton and Wallington.

I write because I have been contacted by the Federation of Wholesale Distributors regarding urgent financial assistance for Bestway in my constituency which supplies food and drink to schools, hospitals, care homes and the hospitality industry.

The Federation of Wholesale Distributors has highlighted their recent survey of members to me, which found that:

- Their members are experiencing up to a 70 per cent reduction in sales volume despite the re-opening of the hospitality industry and the Eat Out to Help Out scheme. The 10pm curfew on the hospitality industry will cause an even bigger reduction in sales volume.
- 90 per cent of their surveyed members will be making large-scale redundancies by the end of the year, which will fundamentally impact the food supply chain. As you will know, there are nearly 600 businesses in the food and drink wholesale sector employing 68,000 people. As well as the financial threat of COVID-19, they are concerned that their members will be facing even bigger operational and consequently financial challenges preparing for the end of the Brexit transition period, potential tax increases and any additional lockdowns such as the 10pm curfew.
- Almost 60 per cent of wholesalers, which supply to critical public sector infrastructure such as schools, care homes and hospitals are at risk of collapse by the end of the year. Nearly all of these businesses have a turnover of £45 million or lower.
- Millions of pounds worth of stock not sold due to a loss in customers is close-to or has passed its best before date and will be wasted leading to further financial problems for their members.

I have been asked, on behalf of Bestway and other wholesale retailers, to write to you to ask you to consider extending Business Rate Relief to the wholesale sector. Wholesalers are currently not eligible for any coronavirus Business Rates funding because they do not fall within the “retail” category.

It is the view of James Bielby, the Chief Executive of the Federation of Wholesale Distributors, that the exclusion of the wholesale sector “*is a clear anomaly*”, and he highlights the impact on the supply of food and drink to critical parts of our public sector infrastructure and lead to unemployment core in regions of the UK.

I should be very grateful if you could consider these points, and provide me with a response that will allow me to report back to Bestway and to the Federation of Wholesale Distributors.

With best wishes,

A handwritten signature in black ink, appearing to read 'Elliot Colburn', with a long horizontal flourish extending to the right.

Elliot Colburn

Conservative Member of Parliament for Carshalton and Wallington