LETTER TEMPLATE

**Re: Cost of Living and the High Street**

Dear….

I am contacting you on the urgent matter of high street businesses and their vulnerability during the cost-of-living crisis.

Quite rightly, much of the media focus has initially been on low-income households who are already being hit hard by inflationary pressures across food, drink, energy and other basic and necessary goods and services. However, failure to acknowledge the challenge businesses face could conclude in a winter where many thousands of people become unemployed as businesses downsize or permanently close.

The increase in operating costs our businesses in name of town centre or high street are being presented with is simply not sustainable. Our businesses have been exposed to energy prices for months without the protection of a price cap. These costs are entering a new phase where they are spiralling out of control. Parts of the hospitality sector for example are anticipating a 300% increase in the energy bills with reports that 70% of pubs may close. Give local example of prices rises here if you have them.

This bombshell for our high street could not come at a worse time. Too many of our businesses are working hard to rebuild their balance sheets following the disruption of the pandemic. Omicron helped to derail this mission by decimating consumer confidence last Christmas, affecting many of our leisure and hospitality operators specifically. Our businesses are dealing with on-going labour shortages, salary inflation and supply chain problems. Overall, business resilience is incredibly weak. They are reliant on a response from government as soon as a new Prime Minister is in place.

This cannot come soon enough. The reality is, many business owners are doing their budgeting now, coming to the conclusion that they no longer have a viable business model and are downsizing or shutting up shop before they accumulate more debt. And its not just our consumer facing businesses like shops, restaurants, cafes, pubs, cinemas, theatres, nightclubs and gyms that are facing pressure. Any organisation or entity with property is in trouble. Nurseries, community centres, pharmacies, public services, museums and galleries. They all form an important part of an eco-system that makes up our local economy. They hold our community together. Amend to suit your business make up.

The response from government must be comprehensive. We ask you to consider the full fallout of the cost-of-living crisis, not just the rise in energy costs. Businesses now face multiple threats, all of which must be addressed urgently.

There is the uncertainty around energy supply during the winter which needs to be addressed and our level of exposure to energy rationing. We are fearful of civil unrest and need to ensure collaborative work to mitigate the worst effects of potential protests on our high streets. We have to acknowledge that for many businesses, dealing with increasing operating costs is no longer enough as some sectors might see a collapse in consumer spend, especially during the Christmas period. There is also the on-going disruptive nature of strikes and labour shortages, no least across the transport sector, that are crippling the economy.

We need solutions that resolve as many of these problems as possible. And if these challenges are, as some commentators suggest, going to last years, then we equally need the reform and investment that is far-sighted so we do not need to rely on a hand-to-mouth existence.

Our high street is facing significant pressures that require immediate redress. We urge you to use your influence to make clear to a new government the local challenges we face, providing them with the intelligence they need to develop a comprehensive response.

Your sincerely,