



HOUSE OF COMMONS

LONDON SW1A 0AA

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

Ref: AL/MG
12th October 2020

Dear Chancellor,

Re: Support for Local Radio

I am writing to you to ask you to consider further support for UK media such as radio and newspapers.

It will not surprise you to hear that radio stations are expected to face significant challenges in the coming months. The negative impact of Covid has been much more severe among UK media like radio and newspapers where ad revenues are forecast to fall by between 20% and 27% this year. Ad revenues funds some of the UK's most valued media content and the loss of revenue risks cuts to this important output and the closure of national and local media services across the UK, as well as significant supply chain impacts on media production.

To support the sector, there is a strong economic argument for introducing a time-limited tax relief on advertising spend for UK media. This would act as an immediate stimulus measure for ad-funded media and a boost for companies – especially SMEs – wishing to support their return to growth through increased marketing activity. This initiative would help protect professional jobs in UK media, support investment in the media content supply chain, and play a key role in boosting consumer confidence.

In order to maximise benefit and reduce deadweight losses, it should be targeted at those media sectors which have seen the biggest reductions in revenue - such as television, radio and newspapers. Excluding largely foreign-owned online services such as search and social media advertising from the proposal would bring down the initial potential cost exposure to Government very significantly, by around 60%.

Please would you consider taking these proposals in order to help preserve a strong independent media in this country? Any further action you can take to support these businesses would be greatly appreciated.

I thank you for your attention to this matter and look forward to your response.

Kind regards

Alyn Smith MP

