



Department for
Business, Energy
& Industrial Strategy

Rt Hon Sir George Howarth MP
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Dear Sir George,

Thank you for your email of 2 November to the Treasury on behalf of your constituents regarding support for pubs and breweries during the coronavirus crisis. Your correspondence has been passed to the Department for Business, Energy and Industrial Strategy and I apologise for the delay in responding.

I would like to thank your constituents for their suggestions and for their support for the Government's business grant schemes.

I recognise that both pubs and breweries have been badly hit by the coronavirus outbreak. We are continuing to work with the hospitality sector to ensure it is supported through this period and the longer term recovery following the covid-19 outbreak. I also fully recognise that trading conditions may be challenging for many businesses for some time.

As you will be aware, since you wrote, the Prime Minister has announced new national restrictions in England beginning on 5 November and planned to last until 2 December. As part of these restrictions, the public is being asked to stay at home and avoid meeting with people outside of their households and support bubbles except in specific, exempted circumstances.

As part of this, the Government has also asked non-essential businesses to stop providing onsite services. This includes pubs, bars, restaurants and other similar businesses. Pubs can serve takeaways but must not continue to run takeaway services after 10pm, although deliveries may continue. Also licenced premises and cask beer producers are now permitted to sell alcohol through delivery or via click and collect during the November national lockdown in England. We recognise this will be challenging for businesses which have already had a difficult year, but we know that the virus spreads readily in any indoor environment where members of different households and/or support bubbles spend time together. These restrictions do not single out hospitality but apply to a wide range of settings where the risk of transmission is high.

The Government has offered an unprecedented package of support to the hospitality sector during this crisis, including a one-year business rates holiday, job support measures, access to business support grants, access to Government-backed loans and a temporary cut in VAT due on eat-in or hot takeaway food and drink (excluding alcohol) from 20% to 5%.

The support on offer has been increased in recent weeks and new or extended measures include:

- an extension of the Coronavirus Job Retention Scheme until 31 March 2021.
- the Local Restrictions Support Grant (closed) through which businesses which pay business rates and have been required to close due to local or national restrictions will be able to claim up to £3000 per month
- the Additional Restrictions Grant which provides Local Authorities with additional funding to enable them to support other businesses that have had their trade affected by the restrictions.
- introducing 'Pay as You Grow' options for businesses which have taken out loans through the Bounce Back Loan Scheme (BBLs) or the Coronavirus Business Interruption Loan Scheme CBILS giving a longer repayment period and allowing further flexibility on repayments. (The application periods for both schemes has also been extended to 31 January 2021.)
- introducing a VAT deferral 'New Payment Scheme' whereby businesses which deferred their VAT due between March and June until March 2021 will be able to choose to make 11 payments spread throughout the year rather than one lump sum.

Further information on business support can be found at :

www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19

I am aware of businesses' call for an extension of the business rates relief beyond April 2021. As set out in the Call for Evidence for the fundamental review of business rates, the Government anticipates setting out preliminary conclusions from the review on the most pressing areas, including reliefs, in the Autumn, ahead of final conclusions in Spring 2021.

With regards to commercial rent liabilities, we recognise this is an ongoing issue and we are working with tenants and landlords to help find a suitable solution. To give landlords and tenants time to agree a reasonable adjustment to rent and lease terms, including terms for the payment of accumulated rent arrears, we have put in a place a number of measures. These include a moratorium on the landlord's right of forfeiture for non-payment of rent, implemented through the Coronavirus Act 2020 as well as publishing a voluntary Code of Practice to encourage constructive dialogue between tenants and landlords.

I hope that your constituents' local pub has been able to benefit from some of the Government's other business and employment support measures.

Yours ever,



AMANDA SOLLOWAY MP

Parliamentary Under Secretary of State - Minister for Science, Research and Innovation