



Department for
Business, Energy
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The Rt Hon Sir George Howarth MP
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Dear Sir George,

Thank you for your email of 3 July to the Chancellor of the Exchequer enclosing correspondence from your constituent,

about Government support for the restart, recovery and revival of the hospitality industry in the UK following the COVID-19 pandemic. Your email has been forwarded to my Department and I am replying on behalf of the Department. I apologise for the delay in doing so.

The Government fully recognises concerns and the impact that the COVID-19 pandemic is having on the sectors across the economy, especially the hospitality and retail industries and small and medium size businesses. I would like to reassure you that the Government is continuing to work with the various sectors to ensure they are supported through the COVID pandemic and its longer-term recovery following the pandemic.

We are committed to supporting these sectors and have abolished business rates for 12 months for all eligible businesses in the retail, hospitality and leisure sectors – worth almost £10 billion. In addition to wider economic support measures, Local Authority Grants totalling £11 billion have been paid out to small businesses in the retail, hospitality, and leisure sectors. Hospitality and retail sectors have been able to benefit from the Coronavirus Business Interruption Loan Scheme (CBILS), the Coronavirus Job Retention Scheme (CJRS), the Bounce Back Loan Scheme (BBLs), and an extension on the moratorium on commercial landlords' right to forfeiture for the non-payment of rent to 31 December 2020. Additionally, the Job Retention Bonus will encourage businesses to keep on furloughed workers, helping to protect jobs.

I would also like to mention the Chancellor's announcement on 24 September 2020 about the Winter Economy Plan for additional Government support to provide certainty to businesses and workers impacted by COVID across the UK. The package includes a new Jobs Support Scheme to protect millions of returning workers, extending the Self Employment Income Support Scheme and extension of the temporary 15 per cent VAT cut for the hospitality and tourism sectors to the end of March next year.

There is also help for businesses in repaying government-backed loans. Further, up to half a million business who deferred their VAT bills will be given more breathing space through the New Payment Scheme, which gives them the option to pay back in instalments. In addition, around 11 million self-assessment taxpayers will be able to benefit from a separate additional 12-month extension from HMRC on the "Time to Pay" self-service facility, meaning payments deferred from July 2020, and those due

in January 2021, will now not need to be paid until January 2022. Further details of these measures can be found here: www.gov.uk/government/topical-events/winter-economic-plan.

With regard to extending the business rates holiday after March 2021, I would like to assure that the Government continues to explore potential solutions to look to resolve these complex and unprecedented challenges facing the economy. I would like to mention that HM Treasury has published their call for evidence for the fundamental review of business rates: www.gov.uk/government/consultations/hm-treasury-fundamental-review-of-business-rates-call-for-evidence. This call for evidence seeks views on how the business rates system currently works, issues to be addressed, ideas for change and a number of alternative taxes.

On the issue of commercial rents, the Government is encouraging all commercial tenants and landlords to engage with one another as early as possible on the repayment of rent and to come to arrangements where possible to resolve these issues. We have heard many positive examples of landlords and tenants working closely together to the benefit of both parties and encourage them to continue to do so during this period. Since March, the Government has implemented a range of measures including:

- a moratorium on the landlord's right of forfeiture for non-payment of rent.
- restrictions on statutory demands and winding-up petitions.
- an extension of the period of arrears required before Commercial Rent Arrears Recovery (CRAR).
- publishing a voluntary Code of Practice to encourage constructive dialogue between tenants and landlords.
- working with the financial regulators to issue a joint statement encouraging investors and lenders to consider the issues arising directly from the COVID-19 pandemic in responding to potential breaches of covenants.

The legislative measures described above were introduced for an initial period of three months but, as the lockdown continued, they were subsequently extended for a further three-month period and were due to expire on 30 September 2020. These measures have all been extended again and will remain in place until 31 December 2020.

Thank you again for taking the time to write. I hope this is helpful in responding to your constituent,



PAUL SCULLY MP

Minister for Small Business, Consumers & Labour Markets
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