



HM Treasury

1 Horse Guards Road
London
SW1A 2HQ

The Rt Hon Sir George Howarth MP
House of Commons
London
SW1A 0AA

11 March 2021

Dear Sir George Howarth,

Thank you for your correspondence dated 12 February to the Chancellor of the Exchequer, on behalf of your constituent, [REDACTED] making a representation for the support for pubs, clubs, brewers and cider makers ahead of the Budget. The Treasury has received unprecedented amounts of correspondence since the start of the coronavirus outbreak in the UK and The Chancellor has asked me to write to you directly.

The Government is grateful to you for drawing their attention to the issues set out in [REDACTED] regarding beer duty, VAT, business rates and the Coronavirus Job Retention Scheme (CJRS).

The Government understands that the hospitality sector has been acutely impacted by the pandemic. As restrictions ease and the economy is gradually and safely reopened, the Government will carefully tailor the level of support to businesses such as those cited by [REDACTED]

The Budget on 3 March outlined the next stage of support for hospitality. This includes an Extension to the VAT cut to 5% for hospitality, accommodation and tourism until the end of September across the UK. To help businesses manage the transition back to the standard 20% rate, a 12.5% rate will apply for the subsequent six months until 31 March 2022.

With regards to business rates, eligible businesses in the hospitality, leisure and retail sectors in England will continue to benefit from business rates relief worth over £6 billion in 21-22.

Finally, the CJRS, which has supported over 1.6 million jobs in the hospitality sector, and 1.8 million in the wholesale and retail sectors, has been extended until the end of September 2021.

Businesses highlighted by [REDACTED] may also benefit from other measures announced by the Chancellor in the wider package of support. New Restart Grants, for example, will make available a one-off cash grant of up to £6,000 for non-essential retail businesses and up to £18,000 for hospitality and leisure businesses in England.

Local Authorities (in England) have been given an additional £425 million of discretionary funding to support local businesses. This builds on the £1.6 billion discretionary funding which Local Authorities in England have already received.

Finally, a new UK-wide Recovery Loan Scheme will make available loans between £25,001 and £10 million, and asset and invoice finance between £1,000 and £10 million, to help businesses of all sizes through the next stage of recovery.

The Government is continuing to collect evidence on the impact of the pandemic on the hospitality sector and is committed to working with businesses and representative groups to inform efforts to support it. Please pass on my thanks to [REDACTED] for taking the time to contribute to his views towards the Budget process.

I hope this is helpful. If you have any questions about this reply, please email public.enquiries@hmtreasury.gov.uk quoting reference MC2021/05738.

Yours sincerely,

C. Saxby

Correspondence and Enquiry Unit
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