



Chris Heaton-Harris
Member of Parliament for Daventry
House of Commons, London SW1A
0AA
Tel: 020 7219 7048

February 2021

Dear Constituent,

Thank you for contacting me about support for pubs during the pandemic.

I share your concern about the future of pubs and the hardship caused by the coronavirus outbreak. It is clear the economic effects of fighting the virus last longer for businesses than the duration of any given restrictions and we need to go further with our support.

I understand that the Coronavirus situation is rapidly evolving at present and that the new variant of the virus has shifted the goalposts. Given these developments, the Government had to act decisively on ordering a new England-wide lockdown, as part of which, all pubs were forced to close. The Prime Minister expressed regret in announcing these new measures, but robust action is needed to bring the virus back under control.

While I appreciate that closures are unwelcome news for publicans and their punters alike, the Chancellor of the Exchequer has unveiled further economic support for retail, hospitality and leisure businesses, including pubs. New one-off top-up grants have been announced, worth up to £9,000 per property, to help businesses through to the spring. For those businesses not eligible for the grants, a £594 million discretionary fund is being made available by the Government as a matter of urgency.

The new one-off grants come in addition to billions of pounds of existing business support, including grants worth up to £3,000 for closed businesses, and up to £2,100 per month for impacted businesses once they reopen.

In addition, to protect jobs, the Coronavirus Job Retention Scheme has been extended until April in response to coronavirus restrictions, and to give people and businesses across the whole United Kingdom the certainty they need. Under the extension, the Government will pay 80% of wages up to a cap of £2,500, with employers paying employer National Insurance Contributions and pension contributions only for the hours the employee does not work. Flexible furloughing will be allowed in addition to full-time furloughing.

A robust package of support has been introduced since the start of the pandemic. No pub or other business in the hospitality sector will be required to pay business rates in 2020-21. HMRC has made it easier to claim back the duty on any beer thrown away as a result of pub closures. The temporary reduction of VAT to 5% has been extended by a further three months to the end of March 2021. Additionally, the Chancellor will defer VAT repayments through a new scheme until March 2022.



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While it remains the case that hospitality venues must close, it is my understanding that they may still provide a takeaway service for food and non-alcoholic drinks until 11pm. If pubs choose to offer a delivery service, they may provide alcohol.

I appreciate that there have been calls for a specific additional support package for pubs. The Government is hopeful that the existing support provided will be enough, but evidence continues to be collected on the impact of the pandemic on the hospitality sector generally, and on pubs specifically.

The upcoming Budget in March will make further announcements on financial support and I know that all taxes, including business rates, are kept under review. I have been reassured by my colleagues in the Treasury that they are aware of the calls for a VAT reduction on alcohol. I shall be following the developments on this issue closely, and I will ensure my colleagues at the Treasury are aware of the strength of feeling on this issue.

Thank you again for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris'.

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY