



September 2020

Dear Constituent,

Thank you for contacting me about alcohol and beer duty.

I welcome the new measures put in place to help businesses across the country, particularly pubs. It is reassuring that no pub or other business in the hospitality sector will be required to pay business rates this year. Local authorities will apply the rates relief automatically and no action is required by pub rate payers.

I also welcome the temporary cut to VAT from 20 per cent to 5 per cent for all food and non-alcoholic drinks, which applies from 15 July 2020 to 31st March 2021 to restaurants, pubs, bars, cafés and similar premises across the UK. The Eat Out to Help Out scheme has supported thousands of businesses and help protect the jobs of over a million employees. Pubs, restaurants and others that participated will be fully reimbursed for the discount by the Government.

In 2013, the Government took the decision to end the beer duty escalator, and beer duty has been frozen or cut several times since then. Duty on spirits has been frozen over the past two years. As a result of these changes, a typical pint is cheaper than it would have been had these measures not been introduced. I share your concern about the future of pubs and the hardship caused by the coronavirus outbreak. The steps taken by HMRC to make it easier to claim back the duty on any beer thrown away as a result of pub closures were a timely and sensible intervention.

Also, for only the second time in 20 years, every alcohol duty has been frozen, meaning that this freeze covers duty on spirits, beer, wine, and cider.

The Government continues to support pubs and keep costs down for consumers. As you know, any decision to modify alcohol duty in the future is a matter for the Treasury. I have ensured Treasury Ministers are aware of the points you raise and reminded them of the importance of local pubs in our communities.

Finally I should say there is a broad recognition of the need to reform the current duty system to support the alcoholic drinks and pubs sector in the longer term, and a call for evidence is due to be published before the end of 2020.



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

Thank you again for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink, reading "Chris".

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY