

TOM PURSGLOVE MP
CORBY & EAST NORTHAMPTONSHIRE



HOUSE OF COMMONS

LONDON SW1A 0AA

27th July 2018

Dear Constance,
RE: ALCOHOL DUTIES.

Thank you for contacting me recently about alcohol duties, in particular beer duties; your comments upon which I read with great interest.

As announced at the 2017 Autumn Budget, tax on beer, cider, wine, and spirits have again been frozen. This follows the removal of the beer duty escalator in 2013 and the unprecedented cuts and freezes in beer duty since then, as well as the removal of the duty escalator for spirits, wine, and cider in 2014.

When the beer duty escalator was removed in 2013, duty was simultaneously cut by 1 pence. This was followed by further 1 pence cuts in both 2014 and 2015, and a freeze in 2016. I am pleased that the Government was able to deliver this, in order to support the brewing industry and local pubs.

When the duty escalator was removed in 2014, spirit and cider duty was also frozen. The spirits and cider industries were then given a further boost when spirit and cider duty was cut by 2 percent in 2015, and then frozen again in 2016. This was done to support the continued success of our great British spirits producers and in recognition of the important contribution cider producers make to many local economies, especially in rural areas.

The removal of the wine duty escalator meant that in 2014 wine duty rose only by RPI inflation, 2 percent lower than the previously planned rise. Wine duty was then frozen in 2015, to support the UK's growing wine industry.

A £1,000 discount on business rate bills was applied in 2017-18 and is also being applied in 2018-19 for all pubs with a rateable value lower than £100,000. This applies to 90 percent of pubs and is in recognition of the valuable role they play in our communities.

All taxes are kept under review as part of the budget process. I support the fact that the Government is continuing to look at ways to improve the system of alcohol taxation, to ensure it helps to tackle binge drinking, without unfairly penalising responsible drinkers, pubs, and important local industries.

Finally, I recognise that pubs are an integral part of our local community and have previously asked Ministers in the House of Commons about the steps being taken to promote our pub trade, highlighting the good work of this industry in Corby & East Northamptonshire.

Once again, thank you for having taken the time to contact me and if I can ever be of any further assistance to you then please do not hesitate to contact me again.

With best wishes

Tom

TOM PURSGLOVE MP
MEMBER OF PARLIAMENT
CORBY & EAST NORTHAMPTONSHIRE