

TOM PURSGLOVE MP
CORBY & EAST NORTHAMPTONSHIRE



HOUSE OF COMMONS

LONDON SW1A 0AA

16th December 2020

New Comment,

RE: ALCOHOL & BEER DUTY

Thank you for your recent correspondence about duty on alcohol and beer; your comments upon which I have read with great interest.

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 percent to 5 percent for all food and non-alcoholic drinks, which initially applied from the 15th July 2020 to the 12th January 2021, but which has been extended to the 31st March 2021. This will continue to support restaurants, pubs, bars, cafés and similar premises across the UK. The 'Eat Out to Help Out' scheme also supported thousands of businesses and helped protect the jobs of over a million employees. Pubs, restaurants and others that participated are being fully reimbursed for the discount by the Government.

In 2013, the Government took the decision to end the Beer Duty Escalator, and duty on beer 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. Indeed, 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 was a timely and sensible intervention too.

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

Like you, I want to see the Government continue to support pubs and keep costs down for consumers. Any decision to modify alcohol duty in the future is a matter for the Treasury. I have ensured my ministerial colleagues are aware of the points you raise and reminded them of the importance of local pubs in our communities. 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 the year.

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