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Dear Tim,

Thank you for your email of 16 February on behalf of your constituent Adrian Faulkner, Secretary of the Windermere and Bowness Chamber of Trade, regarding the reopening of the hospitality sectors.

The impact on the economy and individuals' livelihoods has been severe, despite the Government's actions. The impact will have been felt hardest by those who work in the hospitality sector.

As you know on 22 February, the Prime Minister published the Government's 'COVID-19 Response - Spring 2021'. The roadmap is a step-by-step plan to ease restrictions in England. About the reopening of the hospitality sector, Step 2 will take place no earlier than 12 April. This means that many outdoor settings will reopen including outdoor hospitality. Pubs, restaurants, and cafés can reopen outdoors for drinking and dining. Social contact restrictions will remain the same as those in place from 29 March. Licensed venues will also be permitted to sell alcohol to take away from Step 2. Step 3 will take place no earlier than 17 May, at least five weeks after Step 2. Indoor hospitality (i.e., pubs, restaurants, and cafés) would then be able to reopen indoors for drinking and dining with two households or groups of 6 being allowed to mix indoors.

Mr Faulkner will be pleased to learn that on 3 March, the Chancellor set out in the Budget a £65 billion three-point plan to provide support for jobs and businesses as we emerge from the pandemic and forge a path to recovery. As the Chancellor said the Government's immediate priority continues to be supporting those hardest hits, with extensions to furlough, self-employed support, business grants, loans and VAT cuts – bringing total fiscal support to over £407 billion.

A number of these new measures will help businesses, particularly the hospitality industry in their reopening and recovery, such as the extension of the Coronavirus Job Support Scheme to the end of September 2021 across the UK. Millions will have 80% of wages paid. £5 billion for new Restart Grants – a one-off cash grant of up to £18,000 for hospitality, accommodation, leisure, personal care and gym businesses in England. This gives these businesses the cash certainty they need to plan ahead and safely relaunch trading over the coming months.

The Government is also providing all Local Authorities in England with an additional £425 million of discretionary business grant funding, on top of the £1.6 billion already

allocated. This brings the total cost of cash grants provided by the Government to £25 billion.

Regarding alcohol, the planned increases in duties for spirits, wine, cider and beer will be cancelled and all alcohol duties will be frozen across the board for the second year running saving drinkers £1.7 billion. This is only the third time in two decades. Other measures include the extension to the VAT cut to 5% for hospitality, accommodation, and attractions across the UK until the end of September, followed by a 12.5% rate for a further six months until 31 March 2022. The business rate holiday for eligible businesses in the retail, hospitality and leisure sectors in England will continue until the end of June. For the remaining nine months of the year, business rates will still be discounted by two thirds, up to a value of £2 million for closed businesses, with a lower cap for those who have been able to stay open.

There will also be a new UK-wide Recovery Loan Scheme to make available loans between £25,000 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 new scheme will replace the existing Government guaranteed schemes which have supported £73 billion of lending to date and close at the end of March. The scheme will give confidence in continuing to provide finance to UK businesses. It will be open to all businesses, including those who have already received support under the existing COVID-19 guaranteed loan schemes.

The UK-wide Self Employment Income Support scheme will be extended to September 2021, with 600,000 more people who filed a tax return in 2019-20 now able to claim for the first time.

There will also be more support for small businesses such as the “Help to Grow” Scheme and measures will include managing their businesses better and developing digital skills.

Mr Faulkner can find further details of the new measures at: [www.gov.uk/government/news/budget-2021-what-you-need-to-know](http://www.gov.uk/government/news/budget-2021-what-you-need-to-know) and [www.gov.uk/government/news/budget-2021-sets-path-for-recovery](http://www.gov.uk/government/news/budget-2021-sets-path-for-recovery).

Thank you again for taking the time to write. I hope you find this information helpful when responding to Mr Faulkner.

Yours ever,

A handwritten signature in black ink, appearing to read 'Amanda Solloway', with a large, sweeping flourish underneath.

**AMANDA SOLLOWAY MP**

Parliamentary Under Secretary of State – Minister for Science, Research and Innovation