



Department for  
Business, Energy  
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29 January 2021

Dear Mary,

Thank for your email of 11 January, to the Treasury on behalf of your constituents in North Tyneside about support for the hospitality sector during the COVID-19 restrictions. Your correspondence has been passed to this Department.

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 and related industries. On 23 November 2020, the Prime Minister set out our COVID-19 Winter Plan in Parliament. This puts forward the UK Government's programme for suppressing the virus, protecting the NHS and the vulnerable, keeping education and the economy going, and is designed to carry us safely to Spring. The plan stated that national restrictions in England would end on 2 December with a return to a regional tiered approach, applying the toughest measures where COVID-19 is most prevalent. A regional tiered approach in England did take place.

However, on 4 January 2021, the Prime Minister announced a national lockdown and instructed people to stay at home to control the virus, protect the NHS and save lives. The decision follows a rapid rise in infections, hospital admissions and case rates across the country. Our hospitals are now under more pressure than they have been at any other point throughout the pandemic. This drastic jump in cases has been attributed to the new variant of COVID-19, which our scientists have now confirmed is between 50 and 70 per cent more transmissible.

The restrictions came into effect on 5 January 2021 and are expected to last until the middle of February if the situation in hospitals improves. This means that all non-essential retail, hospitality, and personal care services must close, or remain closed.

Hospitality venues such as cafes, bars, pubs, restaurants and social clubs can provide food and non-alcoholic drinks for takeaway (until 11pm), click-and-collect and drive-through. All food and drink (including alcohol) can continue to be provided by delivery. Following the Prime Minister's announcement, the Chancellor announced on 5 January 2021, one-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property to help businesses through to the Spring of 2021. The cash is provided on a per-property basis to support businesses through the latest restrictions, and is expected to benefit over 600,000 business properties, worth £4 billion in total across all nations of the UK.

A £500 million discretionary fund is also available to support other impacted businesses. This support comes in addition to £1.1 billion further discretionary grant funding for Local Authorities, Local Restriction Support Grants worth up to £3,000 a month and extension of the furlough scheme and, together with the wide range of existing support, provides them with certainty through the Spring period.

To support hospitality businesses during this difficult time and throughout the crisis, the Government continues to offer an unprecedented package of support, including a one-year business rates holiday, job support measures, access to business support grants, access to government-backed loans and a temporary cut in VAT on eat-in or hot takeaway food and drink (excluding alcohol) from 20% to 5%.

Further details of the new measures, and existing measures to support businesses, can be found at: [www.gov.uk/government/publications/summary-of-existing-economic-support/summary-of-existing-economic-support](http://www.gov.uk/government/publications/summary-of-existing-economic-support/summary-of-existing-economic-support).

I am also aware of the desire for an extension of the business rates relief beyond April 2021. As set out in the Call for Evidence for the fundamental review of business rates, the Government anticipates setting out preliminary conclusions from the review on the most pressing areas, including reliefs, ahead of final conclusions in Spring 2021.

Your constituents may be interested to know that in the Global Travel Taskforce Review, the Government committed to producing a Tourism Recovery Plan and this will be led by my colleagues in the Department for Digital, Culture, Media and Sport.

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

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