



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon George Howarth MP  
House of Commons  
London  
SW1A 0AA

4 AUG 2017

*Dear George,*

Thank you for your email of 9 August to Philip Hammond enclosing correspondence from your constituents, about beer duty and business rates. I am replying as the Minister responsible for this policy area.

I can assure you the important contribution the beer and pub industry makes to promoting responsible drinking, providing employment and especially to community life is fully recognised. The Government will continue to support these industries.

The public finances assume that alcohol duties rise by Retail Prices Index inflation each year, meaning that there is a cost to the Exchequer from freezing or cutting alcohol duty rates.

Having said that, the actions taken by this Government are estimated to have reduced duty by around £2 billion since 2013. The 1p a pint tax cuts in Budgets 2013, 2014 and 2015, followed by a duty freeze last year, mean the tax on a typical pint of beer will continue to be 11p lower than it would otherwise have been since ending the beer duty escalator in 2013. These steps show just how much the Government recognises the role pubs and clubs play in our communities.

At the Spring Budget 2017 the Government announced a £1,000 business rates discount for pubs with a rate-able value of less than £100,000 for 1 year from April 2017. Industry data suggest that over 80% of pubs are independently owned or managed and therefore could benefit from this measure. The pubs that do not qualify for the discount are more likely to be managed by larger chains for whom the cost of business rates is considered more manageable.

The Government keeps all taxes under review at fiscal events, and we will consider this issue carefully as part of the Autumn Budget process. Please pass on my thanks to your constituents for taking the trouble to make us aware of these concerns, and please be assured of my support for the sector.

*Yours,*

*Andrew*

ANDREW JONES