



Department for
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Dear Sam,

Thank you for your email dated 6 January to Secretary of State enclosing correspondence on behalf of some of your constituents, regarding the support available to businesses during the period of national restrictions from 5 January. I am responding as this matter falls within my ministerial portfolio. I apologise for the delay in responding.

I know that it is an incredibly difficult period and that is why this Government has introduced an unprecedented package of support for businesses that are required to close, or which are severely affected by the restrictions put in place to tackle Covid-19 and save lives.

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:

- 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.
- The planned increases in duties for spirits, wine, cider and beer will be cancelled.
- All alcohol duties will be frozen across the board for the second year running saving drinkers £1.7 billion. Only the third time in two decades.
- 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.

- 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.
- An extension of the UK-wide Self Employment Income Support scheme to September 2021, with 600,000 more people who filed a tax return in 2019-20 now able to claim for the first time.
- More support for small businesses – the “Help to Grow” Scheme. Measures include managing their businesses better and developing digital skills.

Further details of the new measures can be found on the following links:

www.gov.uk/government/news/budget-2021-what-you-need-to-know

www.gov.uk/government/news/budget-2021-sets-path-for-recovery

Thank you again for taking the time to write. I hope this information assures you and businesses across your constituency that the Government is listening and is doing all it can to help businesses at this difficult time.



PAUL SCULLY MP

Minister for Small Business, Consumers & Labour Markets
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