

Anthony Mangnall M.P.



House of Commons

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The Rt. Hon. Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
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16 September 2020

Dear Chancellor,

The tourism and hospitality sectors play an important role in our country's economy and I wanted to write to you to express our gratitude for the measures put forward in your Plan for Jobs to support these industries.

As you stated in your speech at the time, your temporary cut in VAT for these sectors has provided a £4 billion catalyst, benefiting over 150,000 businesses, and helping to protect 2.4 million jobs. Similarly, Eat Out to Help Out, with over 100 million meals claimed under the scheme, has helped get customers back into our restaurants, cafes and pubs, safeguarding 1.8 million jobs. These unprecedented measures have thrown a vital lifeline to the tourism and hospitality sectors.

That said, I remained concerned about the health of these sectors. Many businesses in our constituencies have informed us that they are struggling to stay afloat, despite the generous support packages you have made available. With that in mind, I would urge you to consider extending the temporary cut in VAT for the tourism and hospitality sectors beyond the planned end date of January 12th, either to the 31st of March or, preferably, for a full further year.

At 20%, the UK charges a higher rate of VAT on accommodation than almost every country in Europe. Similarly, our VAT rates for restaurant and catering services are among the highest in Europe, double the rate charged for these services in France. While tourism and hospitality businesses have long struggled with these high rates, in light of the Covid pandemic the burden of such rates could prove too much for businesses still in the process of recovering.

In order to avoid being seen as ungrateful for the unprecedented support you have already given to the tourism and hospitality sectors in recent months, I decided against including co-signatories to this letter. That said, as you will have seen in the recent backbench business debate, there is a great deal of support for such an extension across the Conservative benches.

I hope you will consider extending the VAT holiday beyond the 12th of January in your forthcoming Budget.

Kind regards,

Anthony Mangnall MP
Member of Parliament for Totnes and South Devon