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Dear Sir Mark,

Thank you for your email dated 26 February on behalf of your constituents, regarding CAMRA's Save Our Pubs campaign.

I can assure you that the Government recognises the important contribution the pubs sector makes to the economy and community life, providing a place for people to socialise.

The Government announced a freeze on beer duty at Budget 2018. This means that the price of a typical pint of beer in 2019 is 2p lower than it would have been, had duty increased with inflation. Cuts and freezes to alcohol duty since 2013 have provided over £4 billion in support for the alcoholic drinks sector – revenues that would have otherwise gone to the Exchequer. This means that the price of a typical pint of beer is estimated to be 14p lower than it otherwise would have been since ending the beer duty escalator in 2013. The Chancellor recognises the importance of the beer and pub sector and will keep duty rates under review to ensure they support the industry.

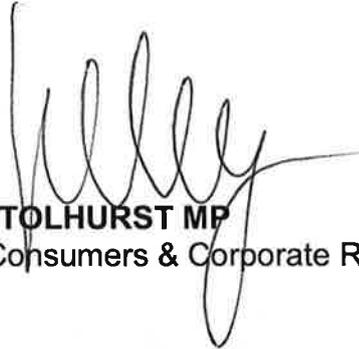
Many small pubs will benefit from the business rates retail discount announced at Budget 2018, which cuts bills by one third from April 2019 for two years. It is available to pubs with a rateable value below £51,000 and is worth almost £900 million to businesses over two years. The Government estimates up to 75% of pubs in England could be eligible for the discount, subject to State Aid limits and eligibility for other reliefs.

In addition, pubs are benefitting from recent wider reforms and reductions to business rates, which are reducing the burden of rates by over £12 billion over the next five years. This includes switching from RPI to CPI indexation from April 2018, raising the threshold for Small Business Rate Relief from April 2017, meaning 655,000 of the smallest businesses now pay no rates at all, and increasing the threshold for the standard multiplier to £51,000 from April 2017.

The Government is fully committed to ensuring tied pub tenants can operate in a fair environment, by delivering the principles of the Pubs Code. Tied tenants are benefiting from the Pubs Code: they are in a better position to negotiate with their pub companies and some have reported getting better deals as a result or following the PCA decisions. While I am satisfied progress is being made, I appreciate there are differing views on how well the Code is working and am aware of concerns that have been raised by some tenants around securing Market Rent Only outcomes.

The Small Business Enterprise and Employment Act 2015 requires that the Secretary of State to review the Pubs Code and the PCA's performance every three years, with the first review covering the period until 31 March 2019. We are currently deciding on the format of the review, but we will ensure that all those with an interest in the Code, including tenants and pub companies, have an opportunity to tell us about their experience of the Code and of the PCA.

I hope this is of assistance in replying to your constituents.

A handwritten signature in black ink, appearing to read 'Kelly', with a long horizontal flourish extending to the right.

**KELLY TOLHURST MP**  
Minister for Small Business, Consumers & Corporate Responsibility